

The Walter H. Shorenstein Asia-Pacific Research Center
Freeman Spogli Institute for International Studies
Stanford University

presents

**“U.S. Trade Representative Michael Froman
on the Trans-Pacific Partnership”**

Ambassador Michael Froman,
U.S. Trade Representative
Speaker

Ambassador Michael McFaul,
Director, Freeman Spogli Institute for International Studies
Introduction

Ambassador Karl Eikenberry,
Director, U.S.-Asia Security Initiative, Shorenstein APARC
Moderation

Transcript
(please check against delivery)

Stanford, California
Bechtel Conference Center
Encina Hall

February 16, 2016
3:45 p.m. (PST)

Michael McFaul: Good afternoon. My name is Michael McFaul. I'm the director here of the Freeman Spogli Institute, and on behalf of the U.S.-Asia Security Initiative at the Shorenstein Asia-Pacific Research Center and Stanford's Institute of Economic Policy Research, we're really pleased to have you all here today. Frankly, I'm shocked that so many people are here, Ambassador, on a beautiful day, at five to four, but that shows that even out here, there's a lot of interest in TPP and what it means for the future for our country, the region, and maybe even for California. It is my fantastic privilege that we have here today my old friend and my former colleague, Ambassador -- do I need to call you? Okay. Ambassador Michael Froman. Mike, as you know, is the ambassador and runs USTR. He's been with the Obama Administration from day one. We started there together at the NSC. He has lots of titles that I'm not going to go through for you. He was the Deputy National Security Advisor, assistant to the President for international economics. But what you really need to know is from day one to now, he has been involved at the highest levels with the President on every major international economic issue that the United States deals with from the trade agreements we did, or you did, in the last term to TPP today, and in between, the most important thing you thing you did, Michael, was you helped Russia get into the World Trade Organization. I don't know where that ranks, what you think, but for me, that was a seminal moment of your career. And literally, every single thing, G20s, G8s, ASEAN meetings, Mike is the President's right hand person for all of those things in Washington, but he's also the chief negotiator for all these agreements abroad. Going out with a bang with our, well, we'll hear what he has to say, but I think one of the most historic trade agreements that we've had, maybe one of the most important ever in TPP, which you're going to hear about from right now from Mike in a moment. I remember the first day I heard about TPP. We were in Singapore together at the first ever U.S.-ASEAN Summit at the heads of state level. I was there to deal with the START Treaty, but we were flying over and everybody kept referring to "Froman's TPP thing." And they were saying it rather pejoratively, just so you know. Mike is like, what the hell is this? It looked really complex. It looked like there was no way we could ever get this thing done, and the aspirations seemed crazy to all of us. So, we all referred to it as "Froman's TPP thing." Well, now TPP is a thing, a really big thing, and we're really honored that Mike took some time out of his busy schedule to come talk to us today at Stanford. So, thanks for being here, Ambassador Froman.

[Applause]

>> Thank you.

>> Thank you.

[Applause]

Michael Froman: Well, thanks very much. Thanks very much, Mike, and it's a privilege to be here with you and Karl, and you two really represent a rare breed of having one foot in academia, one foot in the policy world, and just, thank you for your service and thank you for being such a role model for students here and elsewhere around the world. Speaking of role models, the first Minister the U.S. had to Russia had also been a professor before he went over there, and that was John Quincy Adams; and he too came back too illustrious in public service. He came back around 1814 at a time when there was a great competition going on around the Araja [phonetic]

region. The Russians called it the "Tournament of Shadows." The British called it "The Great Game." And this is something of course Karl knows a lot about as well having been both a general and ambassador in Afghanistan. When it comes to trade, we may not be involved in anything quite as dramatic as The Great Game, but we are engaged in an important effort to promote our ideas about how the global trading system should evolve, how it should take into account changes in the global economy, and how best to promote growth, development, innovation, and jobs in a way that's consistent with both our interests and our values. It's easy to take the current global trading system for granted, but in historical terms, today's openness is a relatively recent achievement and a fairly significant one at that. Since World War II, trade liberalization has added \$13,000 on average to each American household's annual income, and it's helped lift more than a billion people out of extreme poverty and not many public policies can claim that kind of impact. But the system that's delivered so much up to now is bending under the strain of seismic shifts and competing approaches. In recent years, a series of forces -- globalization, technological change, the rise of emerging economies -- have reshaped and continue to reshape the global economy, and as President Obama has said, "Just as the world has changed, our architecture must change as well." The Trans-Pacific Partnership, or TPP, signed early this month, is a critical part of that architectural effort. It involves bringing 12 countries, comprising about 40 percent of the global economy, countries large and small, developed and developing together to define high standard rules of the road for the next chapter in the global economy. It updates our trade policies to reflect today's economic realities. For example, it's the first trade agreement that sets out comprehensive rules to ensure a free and open Internet. It's the first trade agreement to take on the issue of state-owned enterprises, and make sure that when they compete against our private firms, they do so on a level playing field. It promotes innovation by having strong intellectual property rights protections, but at the same time, takes steps to insure access to the product of that innovation. It embodies the highest labor environmental standards of any trade agreement, and those standards are fully enforceable just like any other provision of the trade agreement. Secretary Kerry likes to say, "This isn't your grandfather's trade deal." And Americans will benefit from all these advances. By tearing down barriers and raising standards in other markets, we'll see an estimated \$350 billion a year increase in our exports; manufactured goods, agricultural products, services. The kind of products that California excels in, and we know that businesses that export tend to grow more, pay more, hire more, and are more resilient during times of economic challenge. So, by removing foreign barriers to American exports abroad, TPP will support good, well-paying jobs here in the U.S. Export related jobs pay 18 percent more on average than non-export related jobs in the same sector. So, at a time when we've been concerned about wage stagnation and income inequality, increasing exports also helps increase wages. And by raising these standards abroad, we can level the playing field for our businesses and our workers and give them a fair chance at competing in all areas, but in particular, the digital economy. TPP will not only raise the income and exports for TPP members, but for the rest of the world as well. And during a time of great economic uncertainty, TPP can provide a boost to global growth. As Christine Lagarde, the manager and director of the IMF, said, "TPP is part of the solution for avoiding a new mediocre in the global economy." But it's not just about promoting higher growth. TPP is focused on the quality of growth. It's focused on new and emerging issues in the global economy and setting high standard rules that will bring the greatest benefits to the largest number of people. Ensuring growth, it's both inclusive and sustainable. So, to understand how far ranging the consequences of this could be, one need only consider the alternatives, because in today's fast changing world,

the choice isn't between TPP and the status quo. It's between TPP and alternative approaches being put forward. Models that don't necessarily reflect the high standards embodied in TPP, models based more on mercantilist visions of trade and investment than the open rules based trading system that's been so enormously beneficial. In those alternative models, the state is often absent where it should be present and present where it should be absent. Rather than promoting fair competition and combatting corruption, they're rooted in excessive and unfair subsidies. Instead of recognizing the importance of labor and environmental protections, they tend to sacrifice long term interests for short term gains. Instead of building bridges to unlock innovation, they raise national walls to block the free flow of ideas. Consider the Internet. I don't have to tell people around here how revolutionary the Internet's been in terms of promoting growth, promoting innovation, promoting development. But it's also had a transformative effect on global trade by creating a modern ecosystem in which goods are traded, services are provided, and supply chains are integrated across borders. Dramatically expanding and democratizing international trade. But the ecosystem that's allowed the Internet to prosper thus far shouldn't be taken for granted. In the absence of rules ensuring that the Internet remains open and free, there's a significant risk of states erecting multiple barriers to its operation, barriers to cross border data flows and data localization requirements, tariffs on digital products such as apps, requirements that companies transfer proprietary technology hand over their source code to state-owned competitors, adopt a particular technological standard or form of encryption in order to serve a market, rules favoring one type of content over another where websites are widely blocked and government controls content. These aren't hypothetical risks. They're real policies being implemented in countries around the world, and if left unchecked, these trends could effectively balkanize the Internet, threatening not only the promising future of the digital economy, but the very architecture of the Internet. This would have a significant effect not only on economic interest, but also on our democratic values of free speech and expression. TPP takes a stand against these policies. It's the first trade agreement to comprehensively take on the issues of the digital economy. It promotes the free flow of data across borders and prohibits forced localization of digital infrastructure. No national clouds or regional Internets. It prohibits tariffs on digital products. Eliminates tariffs on information technology products. Prevents forced technology transfer and includes a provision for combatting trade secret thefts, including by cyber theft. It insures access to networks and to the services needed to conduct ecommerce. And it requires countries to create greater transparency in the regulatory process and allow import for stake holders, from foreign and domestic stake holders, to adopt consumer protections including for privacy. So, there's two different visions of how the Internet and the digital economy might evolve, and TPP presents a clear choice about the future and it's this set of rules which we call the "Digital Two Dozen," which we'll be releasing today here, summarizing what TPP can do for the digital economy. The impact of this choice will be felt as acutely by start-up entrepreneurs here in Silicon Valley as the entrepreneurs in Singapore. The benefits of the Internet stem from its openness and the ability to connect people and move information freely. In a time when those principles are at risk, TPP will help strengthen the coalition that defends them, and in turn, integrity of the Internet itself. This is a dynamic time for the international trading system. Through TPP, we brought together this diverse group of economies of various stages of development to set, to define a set of high standard rules. That wasn't an accident, it was by design to demonstrate that the TPP model can work for a broad range of countries, and it can serve as a template for future agreements. We've united TPP countries around high standards, and that leadership is already having a magnetic effect with more and more countries coming

forward saying they'd like to join the TPP including Korea, the Philippines, Indonesia, Taiwan, and others. Now, there are a number of other regional initiatives under way. Russia has the Eurasian Economic Union; China has its "One Belt, One Road" initiative and the Regional Comprehensive Economic Partnership, a 16 country trade negotiations spanning India to Japan; the US negotiating a free trade agreement with Mercosur; Africa is working on a continental free trade area; and there are countless bilateral negotiations going under way. And unlike The Great Game, this is not a zero-sum competition. All of these arrangements can coexist, but it's very much in the interest of the United States and countries with whom we share interest and values that we continue to engage, take the field, and lead a race to the top. Otherwise we're likely to find ourselves in a race to the bottom that we cannot win and should not run. So, that's why TPP is so important. Not just for the growth it promotes, the rules it sets, and the values it embodies, but for how it reinforces U.S. leadership around the world. Our leadership in TPP has catalyzed progress in our negotiations with the European Union over the Transatlantic Trade and Investment Partnership, and as we've demonstrated progress in TPP and TTIP, we've caught the attention of major emerging economies, developing countries, and least developed countries who don't want to be left behind; and that in turn, has mobilized an effort together to revitalize the broader global trading system. After 15 years of deadlock in negotiations, we've managed to achieve multilateral agreements on trade facilitation and agricultural export subsidies. We've reached agreements at the WTO to eliminate tariffs on over a trillion dollars of information technology products, and we're now working toward the same with environmental goods. We're making progress in liberalizing trade and services and working with countries large and small, developed and developing, for the first time. They are now having a serious discussion about new ways to resolve historic issues and about how to introduce new issues into the multilateral trading system. I don't mean to suggest we've reached any kind of consensus about global trade policy, but in a world of competing approaches, we've articulated a clear and compelling vision. A vision embodied by agreements like TPP and TTIP. A vision that embraces all countries developed and developing alike and embeds them in a framework of rules that will promote economic growth and opportunity for our citizens, spur development around the world, and advance a set of common values that can endure long after the ink on this agreement the dry. And as we demonstrate this division can succeed, we can build towards a new global consensus. Now, this may not be as riveting as The Great Game, but it's a pretty darn good one; and the long term stakes, economic and strategic, are even higher. Thank you, and I look forward to the conversation.

[Applause]

Karl Eikenberry: Well, thank you, Ambassador Froman, Mike. As we got, as we prepared for his visit, we learned very quickly that he would give very brief remarks because he wanted to engage with the audience, so, we really appreciate that. So, let's get started right away. If it's okay with you, Mike, I'd like to ask a few questions and then get with the audience. So, first, Mike, the history of TPP is a very interesting one. It goes back to 2005, and we have the likes of, well, we have Chile, Brunei, New Zealand, and Singapore come together in 2005 and start talking about a trade agreement. Here we are in 2016 and you're talking about an agreement with 12 countries, and as you had said, it's going to encompass 40 percent of the world's GDP, one-third of world's trade. How did we get here? And then some of the decisions about who's participating right now, Republic of Korea, we have our former ambassador to the Republic of

Korea, Kathy Stephens here. Republic of Korea not here in the agreement, Vietnam is, and maybe just talking about the path that we've walked since 2005 and is there anything in that as we've walked that path that should help inform how we proceed with trade agreements in the future?

Froman: Well, Karl, as you said, it started with, well, it was called the P4, who together decided they wanted to do something and invited the U.S. to participate. And to be frank, there was initially a fair degree of skepticism about whether this was something that we should invest a lot of time and energy in, but given what was going on the multilateral trading system and a lack of progress there, we decided that if we could engage with the P4 and shape this to be a high standard platform, that it was worth engaging in, and we had a very frank set of consultations with the P4 about whether they were willing to work with us on this. They decided that they were. Soon after that, countries like Malaysia, Vietnam, Australia also joined, and ultimately, Canada, Mexico, and Japan joined. And of course when they joined, as an economic matter, it dramatically increased its significance. I think what was driving this in part is that people wanted to be at the table helping to shape the rules of the road that were going forward. Issues like the digital economy or state-owned enterprises or labor and environment. We were going to work on setting new standards in these areas, and you were either inside the tent at the table working on this, or you were on the outside. And, so, these 12 countries decided they wanted to do that. They were a number of other countries who came later and said they also wanted to join, and we collectively agreed that it was complicated enough to finish this with 12 countries but that it would be an open platform that other countries could join if they could meet the standards, and if the 12 of us agreed and consist with each of our democratic processes, in our case, you know, going to Congress for congressional approval; and that's where we are now. And what's happened is, both before the negotiations were completed and certainly afterwards, is that we've had a lot of interest by countries who want to be part of this. They see this as a dynamic platform to be part of, they don't want to be left out, and we expect that over time it will likely grow.

Eikenberry: Thanks. Mike, I was driving down 101, Highway 101 here about the month ago, and turned on NPR and there was an interview with Steve Inskeep; and I thought that you said something very interesting. You said, "Globalization exists, but we shouldn't conflate globalization with trade agreements. Trade agreements are how we can shape globalization." What did you mean by that?

Froman: Well, I think there is a vibrant and open debate about globalization and its impact, and there's no doubt that it's had an impact on all of our economy, whether it's on the composition of production, wages, jobs, ex cetera. But globalization is a force. It's the product of the containerization of shipping, the spread of broadband, the integration of economies like China and Eastern Europe, that used to be closed to the rest of the world into the rest of the world. That's just, that's a reality. If we do nothing, we are effected by globalization. If we do nothing in the United States, for example, we will compete with low wage labor all around the world. The question is whether through trade agreements, we can shape that environment. So, both by disproportionately reducing barriers to other countries, US is already an open economy. Our average tariff is 1.4 percent. We don't use regulations as a disguised barrier to trade, but when we look across the Asia-Pacific region, even the TPP countries, 70 percent tariffs on autos into Vietnam, 50 percent tariffs on engines, 35 percent tariffs on chemicals, 40 percent is tariffs on

poultry. It goes on and on and on, and, so, we're relatively open. Other countries have more barriers. If we can lower their barriers and at the same time raise standards, so, make sure that they have labor and environment standards, because our workers and our firms do operate under labor and environmental standards. If we can raise standards abroad, then it's a more levelled playing field, and we are very confident that the American worker can compete and succeed in a global economy where the rules are fair and are fully enforced. So, through trade agreements, it's how we shape that, and whether it's, again, by reducing these barriers or levelling the playing field by raising the standards, we will be better off with the trade agreement than without it.

Eikenberry: Well, going from the, around the world to right here in California where we sit, California has got the largest economy of any of our 50 states, the largest population in, I think most people know here that if you take California's GDP and rank that globally that, not counting the United States, California would have the sixth largest GDP in the world behind China, Japan, Germany, the UK, and France. So, as you look at California's role in our national economy where about 11 percent of American exports come from the state of California, 17 percent of imports in the United States come into this state of California, so goes California thinking about TPP. Perhaps it has a huge influence on our national thinking about TPP. So, this is a very complex diverse economy. You started talking, you talked in a very interesting way about what this agreement will do in terms of the Internet. California has got a lot going on in the world; its services; education's important, increasingly important to the economy of California; financial services; insurance; you've got the creative industries with Hollywood at over \$500 billion. That's one set, and then, Mike, another important set is where you were down in Monterey this morning down around Salinas, and agriculture's important. In those two sectors, could you talk a little bit about how people living here in California should be looking at TPP? Are they winners or losers?

Froman: Well, as you suggest, no state stands to benefit more than California from TPP. You already export over \$170 billion a year, exports already support 700,000 jobs in the state, and as you suggested, it's very diversified. It's manufacturing, it's agriculture, and it's services. So, so you benefit from really the entire agreement. I focused on the digital economy today because that's one new and innovative area of the agreement, and given where we are, I think this is a major focus for businesses in this area. But whether it's agriculture, as you say, eliminating tariffs, strengthening what's called sanitary and phytosanitary standards, so, this is to make sure that even as you bring down tariffs, you have a country that imposes a standard that's not based on science. It's really based on protectionism. It effectively keeps out our product. So, we have requirements there that food safety standards be based on science. Ours are. And dispute resolution mechanisms for making sure that the farmers got a case load of perishables in a port some place that can't clear customs because of safety concern. We have a way of quickly resolving those issues. Also something called geographical indication, which is the ability to sell our dairy products around the world at a time when other markets are close to us. So, it's very good for agriculture. We now are a major agricultural exporter in the United States. We export over \$150 billion a year, and for California, whether it's fruits and vegetables, nuts, wine, really, soybeans. The whole array of products that we make here and grow here in California will find markets abroad because we know that as middle classes emerge, the first thing they want is more nutritious products, more protein, more safe food, and grown in America, made in America product is a very good brand in that regard. On services, it's really across the board, as you

suggest. It's everything from the creative arts, which California excels in, to architectural and engineering services and other professional services, being able to be an architect from here and work in other markets to the financial services sector. Services employ four out of five people in this country. It's our largest part of our economy. We have a major services trade surplus with the rest world. We're very good, very competitive globally at trading and services, and this will open some of the fastest growing services markets in the world. Again, as these countries climb the ladders of development, the services market in their countries tends to grow disproportionately as their middle class develops, as it becomes more urbanized. And, so, this is well placed for California to benefit in that regard as well.

Eikenberry: Mike, last question for opening up to the audience here. So, you talk about the games that will be made for the macroeconomy, but there's a great concern in our country right now about wage stagnation and income inequality. It's a big political issue right now. The President, I think throughout his eight years, has talked about this and he's tried to enact policies that can address this. How does TPP hurt or help wage stagnation and income inequality?

Froman: I think that is the number one question, and I think, as I said, right now, we compete with low wage labor around the world because we're on open economy. We know that increasing exports increases wages, that our export related jobs pay better than all non-export related jobs. So, for every billion dollars we export and support someone between 5 and 7,000 jobs in the U.S., and those jobs pay up to 18 percent more on average than non-export related jobs. So, this is a way of increasing jobs here and increasing good paying jobs. The Peterson Institute in Washington, which has probably done the most in-depth study of TPP, recently came out with a report that showed that the benefits of TPP actually disproportionately go to labor, not capital, and that's both high wage and low wage a labor in terms of wage gains. And, so, we see this as part of the way of dealing with the wage stagnation and the income inequality that you rightfully flag.

Eikenberry: Thanks, Mike. Let's turn over to the audience. What I ask is that if you'd raise your hand and wait for a microphone and if you can identify yourself and hopefully every statement ends with a question mark. Let's -- Mark.

Question: This was very interesting. So, I'm Mark Duggan from the Stanford Institute for Economic Policy Research. And I'm interested in getting a sense of how the reduction in trade barriers differed across sectors, where were the biggest reductions, and where were there somewhat smaller reductions, either because the trade barriers were already relatively low or because for whatever reason they made replacements. Similarly across the 11 countries, we already have this well-known agreement with Canada and Mexico, for example, where the aggregate reductions for those two countries relatively small compared with the other nine, just as an example.

Froman: So, first of all, in this agreement, all manufacturing tariffs will go to zero. Every country, every line. There'll be different staging, but they will all go to zero. In the agriculture area, the vast majority will go to zero. Where they don't go to zero and we have export interests, we've achieved either significant reductions or quotas that will grow and give us more commercially meaningful market access to the countries. From our perspective, 80 percent of what we import from TPP countries already comes in duty free precisely because we have free

trade agreements with half the countries already, and where we already have free trade agreements, there's no more tariffs to give away. There are other barriers that we were able to address. For example, dairy in Canada, which was excluded from CFTA and from NAFTA, is covered under TPP.

>> John.

Question: John Taylor, economist here at Stanford. I was interested in an issue you didn't address too much I believe, and that is opportunities to open our markets to poorest countries. Ago, I'm thinking of Karl over here over in Afghanistan, sort of why can't we ship some of our text tiles. So, a little bit about that. It's a tougher issue, but it seems very important.

Froman: Oh, that's a great issue. Thank you for raising that. In the last year, I think we've made real progress on that. So, June of last year, the Congress renewed our GSP program, Generalized System of Preferences program, which had expired for two years at that point, and that's the program under which most of the imports from developing countries and particularly LVC's come into the country. AGOA was also renewed in June for ten years. AGOA's the African Growth and Opportunity Act. It was, ten years is the longest extension it's ever had, and we're already engaged with a number of the African countries in thinking about what the next phase of our trade relationship is because a lot of them would now like to move towards a more permanent reciprocal trade relationship and we're having that kind of conversation with them. One thing we do, before we renewed AGOA, we did a, we studied it for about a year, and looked at what had worked well, what had worked less well over the last 15 years. One thing was interesting is that it became clear that tariff preferences alone are not sufficient. We reduced or eliminated tariffs on I think 6,000 lines of products coming out of Africa, but the growth in those products and their exports was still relatively modest. And it had to do with other, as you might imagine, other elements of the environment that led to their competitiveness where there was physical infrastructure, the difficulty of getting product from farm to market or from factory to market or trade capacity building that needed to be done so they can take full advantage of it. So, one thing that we did with the renewal of AGOA is also put in place a comprehensive program to look at the whole ecosystem. So, we have trade capacity programs, trade facilitation programs, we're focusing on parts of the infrastructure particularly in the power sector so that it's not just tariffs, but it's the rest of the factors that will help contribute to whether Africa can take advantage of it.

Question: And, Mike, I ask, trade facilitation, trade capacity building program, what would be examples of how that would be implemented?

Froman: Well, in the East African community, as an example, it used to take 26 days to ship a container from the port to Kigali to an inland city in Rwanda because that truck got stopped every few miles on the road for inspections. It got to the border. It had to wait four or five days to cross the border. It got to the other side of the border, had to wait four or five days to get into the other country. That 26 days is now down to 6 days by just working with the governments on both sides, going to a single customs clearance post at the border, so it didn't have to go through twice, computerizing the five customs organizations of the East African Community so they can talk to each other and exchange information enough to fill out the forms five times. Just nuts and

bolts like that allow now that product to make it to market much more quickly and much more cost competitively. What we're finding is that the same product coming out of the East Africa, coffee or textiles, could not compete with the same product coming out of Central America or Latin America because it was so much more expensive, so much more inefficient to get their product to market. So, those are the kinds of things that have nothing to do with tariffs per se, but you can eliminate tariffs and if it takes you 26 days to get your product to the port, you're still not going to be able to sell anything --

>> That's a great example. Thanks. Mike.

Question: Mike McFaul again, FSI and Hoover and Stanford Political Science. So, I'm interested in two negotiations coming up. One in Congress and one with the Chinese. So, first question about America as you travel around, right? Leading candidates in both parties don't support TPP right now, at least that's what they've said. And I'm interested because you've been involved in this trade debate for a long time going way back to the Clinton Administration as well. Is this normal or does this seem to you as a kind of different debate on trade, much more skepticism about TPP because there's more skepticism about trade in the United States. And if it's different, help us understand why from your perspective, right? What's different about it? Everybody I talk to politically says the only time, if you're lucky, you'll get this done in the lame duck, and now listening to you and it's like [inaudible]. This is a no brainer that what Froman's saying here. A lot of people disagree with you, and I don't know why, but I want your understanding of the nature of the debate here in the U.S.. Second question is about China. Tell us the evolution, if you will, of their attitude towards TPP, where it is today, and where do you think it might be, could they join. And if so, like where, how far in the future might that be?

Froman: So, I think we've had pretty robust trade politics in this country since NAFTA. We've had a big debate here, and it's a lot of legitimate issues raised in that debate. I think that in the aftermath of the global financial crisis of 2008, 2009, even though we've recovered in many respects and we've seen 14 million new jobs, we've seen unemployment cut in half, we've seen growth at every corner, that people are still very much concerned about the fact there's been stagnant wages for a long time, that there is increased income inequality, and people feel very uncertain about the international economic environment and their domestic economic environment. And those are legitimate concerns. I think, again, I think the question is what do you do about it, and our answer is you need to be proactive in shaping the environment in which we compete or others will shape it for us and it won't necessarily be to our benefit. So, I won't comment on presidential politics per se. I will simply say that our approach that is we're working with members of Congress to make sure that they understand what's in the agreement, how it benefits their constituents, and our senses that those members of Congress take that role very seriously looking at the benefits, whether it's exporters or the benefits they see. I just came from Monterey. We were focusing on the economic, the environment benefits, the ground breaking disciplines around the oceans, dealing with illegal fishing, fish subsidies, protection of the marine environment, protection of marine mammals, all of which are enforceable provisions in the trade agreement. And that working with Congress, we will get this approved. I think on the second question about China. The first, the TPP isn't directed against any country. It is directed towards setting high standards for the global economy, and that's why these 12 countries came together and they are very diverse countries that have all agreed that these are the standards that

should apply. China's got its own regional arrangements, its own bilateral arrangements. It's working on, it's very proactive in the region and in terms of trying to launch efforts to integrate the region. And as I said, those can all coexist. We just think that it's appropriate to set high standards to start this race to the top rather than be subject to a race to the bottom. When it comes to TPP specifically, we've kept the Chinese very much informed and updated about the negotiations. We have a very good dialogue with them about it, and when they've raised questions about whether, you know, they could ever join, the, we've channeled that question into the negotiation of a bilateral investment treaty with them. Because that's effectively equivalent to the investment chapter of TPP. It will require very significant reforms on China's part, in terms of the role the government in managing their economy. We've been making actually quite good progress over the last two years on it, but we still have a ways to go before it reaches the standard that would be acceptable; and we've got a very good dialogue with them about that.

Question: Yeah. Mike, the President had said that if we don't have TPP, then China writes the rules. If you were talking to the Chinese leadership and said, well, you can, we'd welcome you to come into TPP, would you also be saying if they come in, they get to help shape the rules?

Froman: Well, the idea about TPP is that it is a platform that others can join, but the rules are now set. We're not going to reopen and renegotiate the rules. We're certainly not going to weaken the rules to include other countries. We'll have to negotiate market access commitments with each country as they join, but there is now an extent set of rules that they all, that they or anybody else would have to get comfortable with, that they can meet, and we would have to get comfortable. We, the 12, would have to get comfortable that we were confident that they were able and willing to meet those high standards. And in our case, of course if each country's different, in our case, we would want to consult with and ultimately get approval by Congress for doing that.

>> Thanks.

Question: Hi. I'm Emmanuel, former U.S. State Department now here at Stanford and with RiceHadleyGates. Thank you for your presentation. That was great. I have one quick follow up from Mike's question about China and then one about California politics. So, on China, I completely understand you've kept the Chinese informed and you're negotiating a bit with them. I was struck especially by the Internet freedom provisions of the TPP which I think are great. They really help our tech companies. But don't those in particular make it extra difficult to China for China to ever join, and are you talking to them about those specifically? That's question one. And question two is this is a big benefit for California if it's ever implemented. Are you getting help from Governor Brown or any of the other democratic governors in getting it passed?

Froman: Well, I think on China and the Internet, it's completely separate from TPP. We have an ongoing conversation with them about free flow of information, about the Internet, about the cyber environment. So, there are certainly issues that we need to engage with them on, completely separate from TPP. But there, you know, again, that's a good issue to bring up because our goal is not to have as many countries as possible in TPP. It's to have a high standard agreement and see how many countries can meet that standard. And, so, we're not, we don't want to grow TPP for the sake of growing it. Certainly not by lowering standards. We are working

with our fellow partners to identify what we think the appropriate standards are for the new global economy, and then we'll see which countries are able to meet them. In terms of California, I think we have a lot of work to do with the Congressional delegation here to help underscore what the benefits of the agreement are. We are talking to governors and mayors all over the country. We have a bipartisan group of mayors and governors who are supportive, and I think that's helpful because, you know, mayors and governors tend to be close to the ground, they sort of see what it takes to create jobs or attract economic activity to their area, and that can help create the environment in which this gets support as well.

>> Kathy.

Question: Hi. Kathy Stephens from FSI's Asia-Pacific Research Center. It probably won't surprise you to hear that some of the discussion of TPP is sort of deja vu all over again when I think about your work during the first term of the Obama Administration in finalizing and ratifying and implementing the Korea-U.S. Free Trade Agreement at that time and I guess still the largest free trade agreement for the U.S. since NAFTA. Many of the arguments that we heard at that time both benefit from the agreement and the concerns about it are ones that I hear echoed in the discussion about TPP, and I wonder what your assessment is of how KORUS, how the U.S.-Korea Free Trade Agreement has gone? Was it oversold? Is it something that can be pointed to as an example, as a template if you'd like, for what TPP will do.

Froman: That's a good question. I think it is still work in progress. It's still being implemented. As you know, the number of the provisions had many years to implement. I think we were affected by the fact that Korea went into an economic downturn just as KORUS was implemented. So, some of the initial statistics isn't looking that great, but we've seen increasing sales, for example, of cars made in the U.S. by 300 percent, albeit it from a small base, but 300 percent over four years is not a bad start; and we're continuing to see that kind of growth. I think in terms of implementation, it was, certain issues took longer than they should have to get resolved, but they ultimately all did get resolved and we're working close with the government of Korea to make sure that as issues pop up around implementation, concerns about it, that they address them as quickly as possible.

>> Joon Nak Choi.

>> I do want to wait for the microphone, please.

>> Sorry.

>> Thanks.

Question: Joon Nak Choi. FSI and APARC. So, I think a lot of us have been [inaudible] of the assumption that we will figure out how to get this passed in the domestic politics of the presidential election. I wanted to kind of, like, your thoughts about the ramifications of a potential failure to get the agreement passed. For instance, I would think there's a lot of concern amongst Asian allies that if the U.S. fails to get this ratified, then the U.S. will no longer be taken seriously, and I was wondering if you could say a few words about this possibility.

Froman: Yeah. I think that's a good way of, first of all, I don't really consider failure to be an option for the record. We're going to get it done, but I think your point is a very good. And it really goes back to some of the China discussion. Every country in the region, including ourselves, needs to have a positive constructive relationship with China. China has been the dominant party in that region for centuries. It will be the natural dominant party going forward. So, this isn't an issue of one or the other, but the question is whether this region is to find going forward purely as China centric or as trans-Pacific in nature. In that regard, I think a lot of our Asian partners are looking to make sure that the rebalancing strategy towards Asia that the President launched is real and that the U.S., which has always been a Pacific power has an enduring commitment to these countries to doing what's necessary to engage, and TPP is perhaps the most concrete manifestation of the rebalance. And, so, I think your point is a good one that failure by Congress to pass TPP would raise questions in the minds of our allies of whether we had the wherewithal to play the role in Asia that we seek to play and that they seek for us to play. They very much want us to be involved in their lives, involved with them, and they see TPP both as an economic mechanism for promoting growth and trade and integration, but also as a strategic issue and as a way of binding the U.S. to this region going forward; and they will be looking very carefully to see whether or not we deliver on our promise of committing to this region.

Question: Mike, you said the Congress can act upon it before the election, unlikely. Could do it during the lame-duck session, maybe. What if they do neither and we punt, hence the next Congress, that has to take this up? How difficult in your mind will this, will it make it then

>> Well,

>> The President [inaudible].

Froman: Lots of ifs. There are lots of ifs in that question. Lots of embedded assumptions but our focus right now is getting it done and getting it done as early as possible, and that's why we're just going to keep on working, member by member, group by group, in Congress, making sure they understand what's in it, address their issues, address their concerns if they have them, and lay the foundation for that when there is a window, that they'll take it up. I think we're consulting very closely with Congressional leadership, and I think it's too early to predict exactly when it might be brought up. And, so, all we can do is keep on working step by step to have it ready so that whenever the window does open up, that it's ready to go.

>> Thanks. Larry.

Question: Hello. I'm Larry Diamond at FSI and Hoover. I have a question very narrowly about whether Taiwan would have to wait, as a practical matter in your view, for implicit or explicit Chinese approval or co-entree or whether it really will be judged in its bid for membership which you know is going to come on economic merits. But I also have a suggestion, if I can offer it. You're not going to like it and I don't think you'll do it, but I'm actually serious in suggesting it. I think you should offer to debate Donald Trump and Bernie Sanders because the well of potential public support for this is being poisoned by populism of the left and right, and there really is not

eloquent, forceful, reasoned, and fact-based push back. And I think you may be underestimating how much damage it's doing to, you know, as these juggernauts roll down the line to the prospects for approval. And, you know, we have a presidential candidate, I'm not going to name her, who we presume believes in this that is now backing away from it because of this political momentum that's gathering and who's pushing back against it.

Froman: I'll answer your first question.

[Laughter]

Look. With regard to Taiwan, they are a member of APEC. They have expressed interest potentially in joining TPP, and at this point, our focus is really on the 12 of us getting it ratified in our respective domestic processes. We've not yet turned to the issue of who and how and under what conditions future members might accede to the agreement, but they have expressed interest in it and we'll have to address that at some point.

>> And, Larry, with regard to the second question, failure is not an option. Please.

Question: Hi. My name is Paul. I own a small business here in Silicon Valley. My question has to do with these tribunals that will be deciding or arbitrating any issues between, say, corporations and some of the host nations, and my concern is that these tribunals are really outside of the jurisdiction of the U.S. courts and they're, if I'm correct, they're made up of member nations that belong to the TPP. And my question is, is that a good idea for something, where the U.S. taxpayers could be on the hook, and it's being decided by some tribunal that's outside of the U.S. courts. And to me, I'm questioning the wisdom of that. Is that a good idea?

Froman: Well, thank you. Thank you for asking that question. What he's referring to is that the Investor-State Dispute Settlement procedures which, as you said, is a mechanism by which investors, businesses who've invested in another country, if they feel as though their property has been expropriated, for example, can bring a claim in a neutral and international arbitration against the government. And it really goes back to the issue of whether a company suing a foreign government is likely to get a fair shake in a foreign court. We have for a long time, and I'll give you the statistics here in a second, we have for a long time felt that it was important that Americans doing business abroad have some semblance of protection similar to the protection we give every American and every foreigner in the United States under the constitution under the Takings Clause of the 5th Amendment so that the government can't expropriate your property, but if they do so, they have to pay prompt, adequate, fair compensation; and that's really what this is about. And there's a long history of these neutral tribunals arbitrating claims between companies, actually it goes back to the Jay's Treaty after the Revolutionary War in terms of companies settling claims against governments. It was thought not to put that in courts but to have claims tribunals to address issues like that. There are 3,200 agreements around the world that include ISDS. This is not something new. It's not something the TPP invented. It's been around for 50 years. Thirty-two hundred agreements, the U.S. party to 51 of them. We've had 51 agreements over the course of 30 years. Over the course of 30 years, 51 agreements, we've had a total of 17 cases brought against us. Thirteen cases to conclusion and the government has never lost a case, and that's because our government regulates consistent with the constitution. Because

if you want to challenge something that the government does, you are likely to go to a U.S. court where you can get not just compensation, you can get a rule overturned, you can get a law invalidated as unconstitutional, you can get it stayed by a court. You can't do any of that in the ISDS. ISDS only applies to the very limited obligations in the investment chapter of an agreement and you can only get compensation. You can't overrule a regulation. You can't overrule a law through ISDS. So, we have worked over the course of our several agreements, and TPP takes it further than anywhere any time before to tighten the standards, raise the standards, close loopholes, add safeguards, to make it very difficult to prevail on an ISDS claim except when what it's designed for which is in a case of, for example, expropriation. And as a result over the years, we've never lost a case. That's not necessarily the case around the world. Other countries have different standards in their agreements. One of the benefits of TPP, let's say TPP doesn't go forward, then the 3,200 agreements exist with varying degrees of standards. If TPP goes forward, we set a new high standard for ISDS which makes it even more clear that governments can regulate in the public interest, that you can't sue because of loss profits, you can't sue because of an expectation that regulations will remain the same. These are all the kinds of reforms we have in TPP that haven't existed in these other agreements. So, we see TPP, we agree with some of the concerns that have been raised historically around ISDS, we see TPP as addressing them.

Question: How are other traders selected, and who are they accountable to?

Froman: So, the, as sort of the tradition of the case in arbitration, one party picks one, one party picks another, and the arbitrators pick a third or if they can't choose, if they can't decide, it goes to, for example, an entity of the World Bank called Ixa [phonetic] that picks the third; and that's the way it tends to be. They tend to be people who have expertise in international law. One of the concerns that have been raised are, you know, if you're an arbitrator one day and an advocate the next day, the conflict of interest concerns, we dealt with that in TPP too. TPP, for the first time, has a code of ethics around the arbitrators to address that issue as well. So, we've tried to listen to the concerns and we actually share a number of them, but once you actually look at the agreement, it's on the web by the way. The whole TPP. It's on the web. We've tried to make it easier to navigate by having a chapter summary for every chapter. We have fact sheets on every major issue, including ISDS, that go through all the reforms that are included in there. I think we've tried to address those concerns quite aggressively.

>> Thank you. Don.

Question: Don Emmerson. Sorry. Sorry. Sorry. Thank you. Don Emmerson, APARC. I have two questions. A narrow one and a broader one. The narrow question is this. From the beginning of the TPP was identified as a gold standard, you know, high quality. Okay? But if one looks at the annexes, some of them are really stick, and some participants are, you know, they're reservations, they're caveats, they're opting out. I wonder to what extent that reduces the gold maybe to copper. I mean, I'm just asking how much you can get away with in an annex while still preserving the high quality standard.

Froman: Yeah. I think that's a good question. What we've tried to do is in the agreement itself, the body of the agreement itself, set very strong obligations because those are the obligations that

any future country would have to sign on to, and then they'd have to negotiate their annexes, their exceptions. But also try to be sensitive to each country's particular political sensitivities, and some countries have more than others. We all have them, by the way, but some have more than others. Wherever possible, we try to make the exceptions be more around transition periods so countries would agree to the high standards, but we could give them two years or five years to get there. Where they couldn't live with that and we had to narrow the obligation somewhat, we tried to narrow it down as much as possible, and I can only tell you that over the course of the negotiations, what you see at the end is a much narrower version than where countries started from. But I give you an example. I mean, you know, an issue that is of particular political sensitivity in Malaysia is their Bumiputera policies. These are the policies that provide effective preferences for the majority Malay population. There is no way that Malaysia could agree to a trade agreement that got rid of their Bumiputera policies, and we committed early on to try to get to the highest standard agreement without forcing them to get rid of something that is so central to their history, their culture, their social unity, and that was part of the sensitivity that we showed each other.

>> Don, I wonder in the interest of just trying to get the microphone around to as many people, we could move on then. Please.

Question: Claude Esjuan [phonetic] from Palo Alto. You explained the benefits of TPP for United States very well. One of the arguments you use is what was a lopsided situation with very high tariffs in some countries and very low in the U.S., but what turns, what begs the question, why would the other countries, I'll take Vietnam as an example, that have very high tariff, and you are selling very comfortably in U.S. all out of goods, why did they accept to join the TPP? What's in it for them that we should know?

Froman: I think Vietnam's a great example because there's no country in TPP that will have to undergo more steps to bring themselves into compliance than Vietnam. And every step, before Vietnam joined TPP, we went through an extensive consultation with them where we said, here are the kinds of things we're going to be asking you to do. Are you sure that this makes sense for you? We're going to be asking you to reform your labor market, we're asking you to reform your state-owned enterprise sector, we're going to be asking you to raise your intellectual property rights standards, we're going to be asking to have an environmental policy. And they would go back and have their internal political process and come back and say, yes, this is the direction we want to take our country. TPP will help get us there. And, so, for some countries, they're looking at TPP as a way of helping to support domestic reforms that they want to undergo anyway, and this would give them the discipline and the structure to do that. And one only need look at the, in the labor chapter, we have something called The Consistency Plan for Vietnam, and where Vietnam has agreed, here's a communist country, one-party state, one labor union labor market, that's agreed to allow independent unions that can elect their own leaders; control their own finances; conduct strikes; get assistance from other organizations, whether it's the AFLCIL or the ILL; affiliate as they wish. That's really quite a substantial step forward, and, but they see that this is a way of helping stabilize their labor market where they have currently wildcat strikes, and they want to make sure their environment is one where they're able to attract investment, where business activity is done on a stable basis.

>> Please.

Question: I'm Yong Lee at FSI, economist at FSI. I wanted to ask you about inequality a bit more further. So, you mentioned that there's going to be gain because there's exports, they have higher wages in general, but it's the nature of trade that there will be losers in certain sectors, certain firms will have to import, certain industries will be importing more. And great policy tries to help those by providing training to moving to different sectors. Do you think that's still the best policies given the overall agreement of TPP, how large the scale is, or do you have other recommendations in mind to deal with specific trade policies to deal with inequality issues?

Froman: Well, we are pleased that last year's part of the trade package and trade promotion authority, commerce also passed a six year renewal of trade adjustment assistance which helps workers who were displaced by international trade, but obviously we think there's a lot more that can be done with us through education or investments and infrastructure or entrepreneurship and other things to make it more clear for everybody, not just for people effected by trade, to see themselves towards better jobs, higher wages, and the like, including minimum wage laws and things of that sort. So, we think there's much more to be done domestically and more broadly separate from TPP. I think what's interesting in terms of the winners and losers argument is we really have very little protection left in the United States, and as I mentioned, 80 percent of the products coming in from TPP are already duty free. And, so, if you look at the areas where we have peak tariffs -- textiles, shoes, or other forms of protection, sugar, dairy, trucks -- that's kind of it. Textiles, we were able to come up with a position that our domestic textile producers support and our apparel importers. Shoes, we were able to come up with a position that our shoe importers support and that our domestic producers are okay with. Sugar, we managed to do very modest market access. Dairy we struck a balance between our export interests and our import interests so that they feel as though overall the package was of less concern than they expected it to be. And trucks, the tariffs on imported trucks from Japan won't be eliminated until 30 years after the agreement goes into enforce. So, we try to take those areas. If you can use existing protections programs or tariff peaks as a proxy for sensitivity, we looked at the areas of sensitivity and tried to find solutions that would work for those domestic industries as well.

Question: We've got about ten more minutes. One topic that's not come up is currency manipulation, and TPP refers to it and yet you've got as one of the big winners listed in TPP as the automotive industry, but you've got a Ford motor vice president for international relations which has said that TPP does not do enough for currency manipulation. So, the agreement can be a wonderful agreement on paper, but still states manipulating currency are going to be able to erode anything that we get out of this.

Froman: So, this is the first agreement where we have an arrangement among the TPP parties negotiated by our treasury departments and their finance ministries and central banks on currency, and it does three things. It lays out criteria of what appropriate currency policy should be drawing from the IMF, the G7, the G20. It requires enhanced transparency, which is quite significant because a number of central banks will now have to disclose when they intervene, how they intervene, how much they intervene. And then it's got an accountability mechanism where financial authorities will get together on a regular basis and assess each other's performance against those criteria. Does it end in trade sanctions as some had hoped, where we

would impose trade sanctions based on another country's monetary policy or currency policy? No. And that's something we ourselves decided we couldn't live with. We were not going to subject our monetary policy to review by a trade tribunal and have sanctions imposed because we engaged in quantitative easing or anything of that sort, but we think this does, takes a meaningful step forward in creating some currency discipline among the TPP countries. And just last week, the Senate passed the customs bill which also has some additional provisions on, to give treasury additional tools on currency so that they can continue to use their mechanisms to encourage or discourage countries from engaging in currency manipulation. So, it's a serious issue. We take it seriously. We did something that's never been done before in terms of a trade agreement, having an agreement among those traded partners on currency, but we didn't go as far as some would have liked in terms of having trade sanctions imposed on each other's monetary policies.

>> Right. Thank you.

>> Only if there no other questions.

>> There's one in the back.

>> Let me have the last question.

>> Okay. Fine. No, Debbie. Right here.

>> Oh, no. He's --

>> Oh. That way.

Question: Hi. J.B. Christy. Nobody in particular. Thank you so much for coming to Stanford. Speaking so eloquently about the many benefits of TPP. Surely anything this broad, this far reaching that has so many benefits must also have some costs and some risks. I wonder if you wouldn't mind spending a minute or two speaking equally eloquently about what you perceive to be the known cost and some of the risks. What should we keep our eyes on when this passes?

Froman: I think it's a very good question. A nice way to put it. I think, you know, the variety of avenues of criticism of this agreement. I won't go through all of them. I'd say the one that I, let me try to answer your question this way. An agreement ultimately, the value of an agreement ultimately depends on, in my view, not just how strong the obligations are or whether they're fully enforceable or not, but how they're implemented and whether they're enforced. And, so, we need to be as vigilant going forward, and people have raised questions about this. How are we going to make sure, you know, this administration, the Obama Administration is taking trade enforcement very seriously. We've brought 20 actions in favor of the WTO. We've won all the cases that have been brought to conclusion. We brought half the cases against China and other cases against India and Argentina and the EU and Indonesia and others across a wide range of significant policy problems. We want to make sure going forward that future administrations are as committed to making sure TPP is fully implemented and fully enforced because a number of these issues are going to be quite challenging and it's going to require building capacity in some

of these countries, like Vietnam and others, that they can fully implement the obligations that they've taken on, and then making sure we're holding them to account if they fail to do so. And, so, if you're saying what the one thing to watch out for, I'd say watch out for how it's implemented and how it's enforced going forward.

>> Mike.

>> I really don't want to take the microphone if there's somebody else out there, but I can't see them. So, I'm going to assume I can ask my question.

>> You know, Mike, we're reaching --

>> We're out of time. Okay.

>> We're reaching the end, so --

>> Okay.

>> You paid for that microphone.

Question: No. I paid for the room, not the microphone. So, Mike, one last question. First of all, just thank you for being here. Thank you for your service. You know, when I traveled around, I represented the United States in Russia for a while and people always say, you know, only the idiots go into the U.S. government. It's really inspiring to hear somebody speak so eloquently like you, so, thank you for your service. It sounds like it's going to be right to the end, all eight years. I left, in the interest of time, I left out a lot of things in your very rich biography. One thing I left out that you really need to know is that we went to school together at Oxford. That's very important. But another thing that's really important to know about your biography is you went to school with somebody else when you went to law school. That's the President. So, you've known him for a long time, and you've worked him now for seven plus years. And it's a bit of a pair, I worked for him for a while too, and it's a bit of a paradox, I think, for most Americans to think about that President Obama could go down in history as one of the most, you know, supporters of free trade in general, right? You got the free trade agreements done before, you're doing TPP now, and you're still not done. I heard you at Munich talking about TTIP. I mean, that's a pretty big run of some really big trade agreements. And there's, help us understand the paradox. Is it that actually President Obama has always been for free trade, and he's just not talked about it as loudly when he was running, especially maybe seven years ago? Or has his view changed? Maybe you changed his views? I don't know. But since you knew him as a graduate student back at Harvard at the law school, has his view changed, or has this always been this long game of getting all these things done? Has this also been part of the administration's agenda and that there was just a misperception about President Obama from the beginning?

Froman: Yeah. You've worked with him close, so you've seen him work through issues and understand how his thought process works. I think he's got two equally important lines of thought working through his history in his administration. One is his personal appreciation of

internationalism, spending time being in Hawaii, spending time in Indonesia. I think he's got an intuitive sense for the international system, the importance of engagement, he gets it. And the other piece, I think, comes from his experience in Chicago as a community organizer, working in communities where steel mills were closed down, you know. He went down to Galesburg, Illinois and gave a speech at Knox College about the Maytag plant being closed down and moving to Mexico. And those two lines of thought come together in the priority he has put on doing trade right, not free trade for free trade's sake. It's doing trade but making sure the benefits are broadly shared, that we're raising standards like labor and environmental standards and treating them just as seriously as any other provisions in the trade agreement, that we're getting a fair shake in terms of our access to other markets, that we're fully enforcing and using all of our tools at our disposal to fully enforce the trade rights that we have because on one hand, he understands the importance. U.S. can't be isolation. The U.S. didn't withdraw from the world. In fact, U.S. needs to lead. And as you know, he's been very aggressive about showing leadership, the rebalancing strategy towards Asia, making sure that we were the ones setting the rules of the road in the region, not acceding the ground to others, but making sure that we're doing so in a way that is consistent with our values; and that is taking into account the effect on the broad range of the American public, on American workers. You know, and that's why we focus on wages and on income inequality and what we can do by levelling the playing field, by opening these markets for exports to try and address those issues. So, I see it all as quite consistent, and I think he's got equal understanding of both of these dynamics.

Eikenberry: We could keep this session going until late in the evening, but I think you have engagements up in San Francisco, Ambassador. I would like to recognize a couple of people very quickly who worked over a long President's Day weekend to make this happen. We got Asia-Pacific Research Center events coordinator, Debbie Warren, and the assistant director for the U.S.-Asia Security Initiative, Belinda Yeomans, who is ill today and couldn't be in. We've got Roger Winkleman who makes all this magnificent technology in this room usually work, and we've got Lisa Griswold who's been working well with your team. So, with that, I did want to say that, Ambassador, it's really been inspirational to following up with Mike had said to consider how tireless your team has been working over the years now to get this agreement put through. What's really neat here today is now the agreement is ready to be presented to the United States Congress, and you being here today is really a representation of why our democracy is such a democracy to be proud of, that you here as a senior public official, you're making your case, and then it's up to those that hear your case to take your information and all information with their own choices and call up their Congressmen and tell them what they think. Thank you so much for your service and your team's service.

>> Thank you.

[Applause]