The U.S.-China Policy Foundation

美中政策基金会

2016 Annual Report

Established 1995, Washington, DC
Front cover image: Monkey by Pu Ru (1989-1963)
From the personal collection of Dr. Chi Wang
Greetings from Chi Wang

With another year over, it is a good time to reflect on the work the U.S.-China Policy Foundation (USCPF) has done, as well as the state of U.S.-China relations.

I have followed U.S.-China relations for decades, and have seen it through the Cold War, rapprochement, and the after effects of the Tiananmen Incident. There have been many hurdles the U.S.-China relationship has had to overcome and, during this period, China has grown and changed in fundamental ways that affect how it is now willing to interact with the rest of the world. The United States, too, has undergone changes, specifically in its foreign policy goals and strategies toward China.

We are at the end of a presidential administration and beginning a new one. Over the last eight years, a key Obama foreign policy strategy was the “Pivot to Asia.” The Pivot set the tone for a United States that is more actively involved in the Asia Pacific, one that is fortifying allies and working to ensure continued influence in the region. This move was faced by a China that is stronger than it had been during previous U.S. administrations, a China that was less willing to accept U.S. actions with which they disagreed. Instead, we have a more assertive China that is fostering its own alliances. We are left with a U.S.-China relationship where mistrust is at an all time high and misunderstanding abounds.

With these types of interactions taking center stage, and a new U.S. president taking office, it is easy to overlook the more subtle soft power diplomacy. When other aspects of bilateral relations deteriorate or are uncertain, however, a strong foundation of Track II diplomacy, personal relationships, and mutual understanding is the surest way to maintain communication and dialogue and work to find a way forward together.

As the Trump administration shapes its new China policy and Xi responds, the U.S.-China Policy Foundation will continue its efforts to promote dialogue and improve mutual understanding. If policies shift and there is confusion and uncertainty in the relationship, the work we do will be even more vital. China and the U.S. are both too big and too important to ignore.

In 2016, USCPF continued to work towards its mission of improving U.S.-China mutual understanding. We held panel discussions, took congressional staff delegations to China, released publications, and hosted meetings and dialogues. We will do everything we can to continue our work and keep communication and people-to-people exchanges open. We hope you will join us in our efforts.

Looking forward, U.S.-China trade concerns will be one of the key issue areas facing the relationship. American companies are raising concerns about fair trade and access to markets, Chinese companies are increasing their investments in the United States, and American CEOs are meeting with Chinese leadership in hopes of expanding their businesses.

Bilateral business ties are a vital factor in ensuring the continued development of U.S.-China relations. It is important to have both American and Chinese companies support improved mutual understanding and overall bilateral relations. And, of course, we would not be able to continue with our programs and events without the support of our corporate sponsors. We would also like to thank our dedicated Board Members, friends, and individual supporters who continue to make valuable contributions to the success of USCPF.

Chi Wang, Ph.D.
President and Co-Chair
United States-China Policy Foundation
Founded in 1995, the United States-China Policy Foundation (USCPF) is a non-partisan, non-profit organization dedicated to promoting greater understanding between American and Chinese policymakers, researchers, and government officials. USCPF seeks to provide opportunities for students, researchers, and practitioners of foreign policy to interact in more diverse and substantial ways. USCPF also conducts research on U.S.-China policies and relations in the Asia-Pacific region. The Foundation does not attempt to influence policy decisions, but instead provides information in order to increase awareness on issues in the field of U.S.-China relations.

The Foundation’s operational funds come exclusively from private donations. The organization is governed by a board of prominent officials, distinguished scholars and leading citizens. The Foundation’s central headquarters are located on Capitol Hill in Washington, DC.

As a research-oriented organization, the Foundation undertakes the following activities to fulfill its educational mission:

**COORDINATING** research efforts on topics and issues related to U.S.-China policy.

**ORGANIZING** exchanges and visits between specialists on U.S.-China relations, policymakers, and officials from both nations.

**FACILITATING** opportunities for discussion between U.S. policymakers and senior Chinese leaders in an unofficial capacity.

**EDUCATING** bright, young college graduates on U.S.-China policy and helping them pursue their professional aspirations.

**ACTING** as a focal point for an informal network of American China specialists and Chinese America specialists.

**PROVIDING** free consultative services to American scholars and policymakers on various U.S.-China policy issues.

**SUGGESTING** or furnishing experts with information on issues related to U.S.-China policy.

**PROMOTING** the development of China studies in U.S. institutions of higher education.

**MAINTAINING** a collection of scholarly work and articles for research purposes.

**HOSTING** seminars and conferences on issues related to U.S.-China relations.

For more information, please visit the U.S.-China Policy Foundation’s website: [www.uscpf.org](http://www.uscpf.org)
For the U.S.-China Policy Foundation (USCPF), the annual gala on November 17 commemorated a history of improving U.S.-China relations. The Foundation has played a critical role in those efforts since 1995, when USCPF was created to enrich mutual understanding between the United States and China. Speakers and guests alike agreed on the importance of continuing these efforts into the future.

Gala guests hailed from government, diplomatic, commercial, and academic spheres. They included envoys from the Burmese, German, Japanese, Mongolian, Nepalese, Singaporean, and Chinese embassies; former and current U.S. Congressmen and congressional staff; American and Chinese business leaders; and scholars of U.S.-China relations.

The attendees arrived at the Mayflower Hotel in the District for a cocktail reception in the Chinese room. The dinner program then began in the Grand Ballroom with a welcome address to the 150 guests from our Gala Co-chair, Ambassador James Sasser, former U.S. Ambassador to China (1996-1999) and Senator from Tennessee (1977-1995).

Ambassador Sasser returned to the podium again after dinner to present the first award for Lifetime Achievement in U.S.-China Education to Dr. David M. Lampton, Director and Professor of China Studies at Johns Hopkins SAIS.

Gala Co-chair Ambassador J. Stapleton Roy, former U.S. Ambassador to China (1991-1995), introduced the night's second award recipient, The Honorable Barbara Hackman Franklin, with an anecdote about her unique and important contribution to U.S.-China relations. As 29th Secretary of Commerce under President George H.W. Bush, Secretary Franklin flew to Beijing on a diplomatic mission to foster trade relations in November 1991, while Ambassador Roy was stationed there. Secretary Franklin also recalled that same trip during her remarks.

Ambassador Roy presented the final award to the 8th UN Secretary-General Ban Ki-Moon, accepted by the Director of the UN Information Centre in Washington, DC, Mr. Robert Lawrence Skinner. Mr. Skinner shared remarks from Secretary-General Ban.

His Excellency Cui Tiankai, the Chinese Ambassador to the U.S., delivered the keynote remarks. While acknowledging our different cultural backgrounds, he emphasized the common ground between the desires of the American and Chinese peoples. Ambassador Cui’s remarks reinforced the idea of “interdependence” and “interconnectedness,” as he reminded the audience that the U.S.-China relationship was either “win-win or… lose-lose.”

The 21st Annual Gala was a celebration of USCPF’s past programs following a year of important elections in Taiwan and the U.S. The U.S.-China Policy Foundation would like to thank our sponsors not only for supporting our organization, but also for their dedication to the continued improvement of U.S.-China relations. See pages 8-9 for more photos. Additional information about the gala, including speaker remarks, photos, and video links, can be found at www.uscpf.org.
Policymakers Educational Trips to China

In 2016, the U.S.-China Policy Foundation led two successful Policymakers Trips to China. These delegations included senior congressional staff from offices of both parties in the House and Senate. For most participants, these trips are their first experiences visiting China. The delegations allow participants to receive an introduction to China, engage in meetings with Chinese officials, and experience the diversity of China. This provides participants with a better understanding of China and U.S.-China relations that can then be used when they return to their offices in Washington.

### Spring Policymakers Trip

From March 26 to April 3, USCPF led a congressional staff delegation to Beijing, Shanghai, and Wuzhen. The trip focused on education, commerce, and development.

In Beijing, the participants spoke with the Chinese Ministry of Foreign Affairs and the U.S. Embassy and were able to discuss both the U.S. and Chinese perspectives on key issues related to trade, foreign policy, and security concerns, such as the South China Sea disputes. While in Beijing, the participants also visited Chuiyangliu Hospital, Southeast Beijing’s only comprehensive public hospital, and a primary school. Touring these facilities and meeting with hospital staff allowed the delegation the opportunity to learn about China’s health care and education policies, reforms, and challenges.

The delegation then traveled to Shanghai, China’s most populated city and an important financial hub. Participants learned about the city’s rapid development and growth, an example of China’s opening up and economic policies. They visited the Shanghai Stock Exchange, the New Pilot Free Trade Zone and the Urban Planning Museum. They also visited an Internet education company and had a discussion with representatives from Fudan University’s Center of American Studies.

The delegation took the high speed train to Zhejiang Province where they stayed in Wuzhen. Wuzhen is a small, historic water town located less than 50 miles from Hangzhou, the capital of Zhejiang Province. While its historic roots give it an old China feel, Wuzhen is also a very high-tech city. Wuzhen is home to the World Internet Conference. It is a “smart city” with wi-fi access in most public spaces, phone payment systems, a town smart phone app, an Internet hospital, and more. The town combines elements of Chinese ancient small town culture with its aspirations for a high-tech future, giving participants a unique perspective of China.

The Shanghai Stock Exchange

With students at the school in Beijing
August Policymakers Trip

USCPF’s August 22-September 1 delegation traveled to Beijing, Shenyang, Dandong, and Harbin and included 11 congressional chiefs of staff, legislative directors, and senior staff. Six of the participants were from the offices of senators and five were from offices of U.S. representatives.

In Beijing, the delegation met with the U.S. Embassy, the Chinese Ministry of Foreign Affairs, the American Chamber of Commerce, and China’s Central Military Commission’s Office of International Military Cooperation. These meetings provided participants with both American and Chinese perspectives on key areas of interest regarding U.S.-China relations, including trade, areas for potential cooperation, areas of tension, and military-to-military relations.

The delegation then traveled to Shenyang, the capital of Liaoning Province and the largest city in Northeast China. It is considered China’s “rust belt” and has been experiencing an economic slowdown similar to the one experienced by the manufacturing states in the United States. Meetings with the Consul-General and U.S. Consulate officials and with the Liaoning Provincial People’s Congress helped the delegation better understand the concerns and challenges faced by this region, as well as the foreign policy and geopolitical issues related to the province’s proximity to North Korea.

The group then took a bus to nearby Dandong. Dandong is a city in Liaoning province on the Yalu River. It is the largest border city with North Korea in China. Dandong does a significant amount of trade with North Korea and, as a result, there are numerous Korean restaurants, businesses, and areas in the city. Reminders of the Korean War are very visible, with the most notable symbol being the Yalu River Broken Bridge bombed by the United States during the war. While in Dandong, the delegation also met with a local business.

In Harbin, the delegation got to experience a different type of city, one shaped by Russian influence and trade. Harbin is the capital of Heilongjiang province in Northeast China. The city was founded as the endpoint for the Chinese Eastern Railway in 1898. This Russian financed railway formed an extension of the Trans-Siberian Railway and brought Russian immigrants and culture to the region, including many Jewish refugees. Today, Harbin has the largest economy in its province and is home to several economic and technological development zones. The delegation visited the GE Innovation Center, met with the Heilongjiang Provincial Development and Reform Commission, had conversations with local families, and met with provincial officials.

Congressional staff delegations to China serve as an important method of exchange between U.S. and Chinese policymakers. We hope the participants will return to their congressional offices with a better understanding of China and U.S.-China relations. The USCPF would like to thank the Chinese People’s Institute of Foreign Affairs (CPIFA) for their help making these trips successful.
Obama’s China Policy

On May 26, the U.S.-China Policy Foundation hosted a panel discussion titled “Obama’s China Policy and Prospects for the Next President.” More than 100 people attended the panel discussion to listen to the experts give their perspectives on the current state of China policy and what it might look like moving forward into the next presidency.

Dr. Robert Sutter, Professor of Practice of International Affairs at the George Washington University Elliott School of International Studies, spoke about Xi’s assertiveness and Obama’s response. Ambassador Richard Solomon, former Assistant Secretary of State for East Asia and Pacific Affairs and Senior Fellow at the RAND Corporation, discussed how to manage the contradictions in the U.S.-China relationship. Dr. David M. Lampton, Director of China Studies at the Johns Hopkins School of Advanced and International Studies, outlined the issues and opportunities the next U.S. administration will confront when dealing with Beijing.

Taiwan President Tsai’s First 100 Days

On September 26, USCPF hosted a panel titled “Tsai Ing-Wen’s Presidency: The First 100 Days for Taiwan’s New Leader.” A full auditorium listened to our diverse panel of experts cover various aspects of cross-strait and U.S.-China-Taiwan relations. They addressed issues regarding how the new Democratic Progressive Party (DPP) leadership under Tsai Ing-Wen has affected the regional dynamics. Panelists discussed the relationship between Taiwan and mainland China from the perspective of both sides, how U.S. policy toward the region is affected, and also took a closer look at Tsai Ing-Wen herself.

Ambassador J. Stapleton Roy, former U.S. Ambassador to China, discussed China’s Taiwan Dilemma. Mr. Alan Romberg, Director of The Stimson Center’s East Asia Program then addressed the reverse—the issues Taiwan faces when trying to move forward with the mainland. The Elliott School’s Dr. Robert Sutter tackled the topic of the U.S. presidential election. Washington Post Senior Associate Editor, Ms. Lally Graham Weymouth, shared her impressions from her summer interview with President Tsai. It was the first foreign interview with Taiwan’s new president.

(cont. on page 7)
Meetings and Dialogues

(continuation from page 6)

Johns Hopkins’ Dr. David M. Lampton, moderated the panel and led the question and answer session. The panelists discussed China’s current Taiwan policy and whether there is an increased likelihood for miscalculation, how China views the U.S. election, whether Beijing has been successful in finding ways to win over the people of Taiwan, whether the United States should change its policies towards China and Taiwan in the future, and more.

A full summary of USCPF panels along with videos of panelist remarks and links to media coverage can be found at www.uscpf.org. USCPF would like to thank Johns Hopkins SAIS for their assistance.

Luncheon with Chinese Defense Attaché

USCPF was honored to host a luncheon to say farewell to the current Defense Attaché for the Chinese Embassy, Major General Xu Nanfeng, as he prepared to leave his post and to welcome the new Defense Attaché, Major General Zhang Yijun. The luncheon was held on February 11 at the Cosmos Club in Washington, DC and was attended by U.S. military officers and former ambassadors.

During the luncheon, Major General Xu shared his personal experiences in the United States, recounting stories of the friendly and welcoming Americans he has met during his time here. He also spoke optimistically about the progress that has been made in U.S.-China military-to-military relations and the prospects for the future. Major General Zhang expressed his hopes for continued progress during his own tenure in DC.

The U.S. military officers and other honored guests discussed their own experiences working toward the improvement of U.S.-China military relations and their thoughts on how the countries should proceed moving forward. The U.S.-China military relationship is a vital component of overall U.S.-China relations. Informal dialogue like this is an important step to help increase mutual trust and understanding between the countries.

CIISS Military Delegation

On September 1, USCPF welcomed the visiting China Institute for International Strategic Studies (CIISS) delegation. Led by CIISS Vice Chairman Gong Xianfu, the delegation traveled to DC as part of the ongoing effort between the United States and China to engage in conversation across all realms, including strategic. USCPF invited experts on American military science to exchange views with their CIISS peers in an informal setting. It was a meeting among “old friends” in the words of one attendee, as such dinners have been organized about once a year.

(L to R) Major General Xu Nanfeng, Major General Zhang Yijun, Admiral Bill Fallon, and Ambassador Piper Campbell
21st Annual Gala Dinner

Lifetime Achievement in U.S.-China Education

**Dr. David M. Lampton**
Professor and Director of China Studies
Johns Hopkins SAIS

Lifetime Achievement in U.S.-China Relations

**The Honorable Barbara Hackman Franklin**
President and CEO, Barbara Franklin Enterprises
29th Secretary of Commerce

Global Peacemaker Award

**His Excellency Ban Ki-moon**
8th Secretary General of the United Nations
Accepted by Mr. Robert Skinner, Director of the UN Information Centre (pictured above, right)

Keynote Speaker

**His Excellency Cui Tiankai**
Chinese Ambassador to the United States (2013-Present)

Gala Co-Chair

**The Honorable J. Stapleton Roy**

Gala Co-Chair

**The Honorable James Sasser**
U.S. Ambassador to China (1996-1999)
U.S. Senator from Tennessee (1977-1995)
HKETO Comm. Clement Leung (L) with The Honorable Barbara H. Franklin and Mr. Wallace Barnes

Gala Co-Chair Amb. J. Stapleton Roy (L) with Amb. Cui Tiankai

Amb. Herbert Horowitz (L) with Amb. Arjun Kumar Karki (Nepal)

View of the ballroom during the 21st Annual Gala Dinner

USCPF President Chi Wang (L) with Dr. David M. Lampton

Amb. J. Stapleton Roy (L) with Mr. Robert Skinner

Amb. J. Stapleton Roy (L) presents Lifetime Achievement Award to The Hon. Barbara H. Franklin and Amb. Cui Tiankai

The Hon. Jon Christensen (L)

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Publications

Obama’s Challenge to China

Book Talk at Columbia

On February 17, USCPF President Dr. Chi Wang joined the Weatherhead East Asian Institute at Columbia University to speak about his book, Obama’s Challenge to China: The Pivot to Asia. He spoke about the findings in his book, President Obama’s China policy, the China policymakers from Obama’s administration, and the current state of U.S.-China relations.

Obama’s Challenge to China discusses the Obama administration’s approach towards China and how these decisions set the stage for a new era in U.S.-China relations. Published by Ashgate in July 2015.

The Washington Journal of Modern China

The U.S.-China Policy Foundation released its most recent edition of The Washington Journal of Modern China (WJMC) in spring 2016. WJMC is a policy-oriented publication founded in 1992 that includes scholarly articles on modern Chinese culture, economics, history, politics, and U.S.-China relations.

Featured articles from the Spring 2016 issue include:

“China’s 100 Most Influential People”

“The Value of Presidential Summits”
~ Ambassador J. Stapleton Roy

“Will The Past Repeat Itself?: Examining the Accuracy of a Cold War Analogy” ~Ariane C. Rosen

“China and the Economic Integration of Europe and Asia” ~Ambassador Chas W. Freeman, Jr.

“China’s Silk Railroad Vision in Central Asia: Issues and Challenges” ~Junxiao P. Liang


“A Harbinger of Neocolonialism?: An Analysis of Xi FOCAC’s Speech” ~Juliet M. Tempest

For subscription rates, visit www.uscpf.org or contact uscpf@uscpf.org. Article submissions are always welcome.
USCPF continues to produce episodes of its television program, *China Forum*. *China Forum* is an educational program that seeks to advance American understanding and awareness of the increasingly nuanced relationship between the U.S. and China. Filming began in 1991. USCPF interviews experts, broadcasts panel footage, and shares additional content via its *China Forum* program and USCPF YouTube channel.


Mr. Robert Skinner, from the UN Information Centre, is interviewed for an episode of *China Forum*.

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