

Center for Strategic and International Studies

CSIS Press Briefing: President Obama at G20, APEC, and ASEAN Summits

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Location: First Floor Conference Room, CSIS, Washington, D.C.

Time: 8:30 a.m. EST

Date: Monday, November 9, 2015

*Transcript By
Superior Transcriptions LLC
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COLM QUINN: Hey, folks. I think we'll probably kick off if you guys have all got your coffee and your bagels. I think we're good to go.

For you who don't know me, I'm Colm Quinn. I'm our deputy director for strategic communications here at CSIS. I work under Andrew Schwartz. He's unfortunately under the weather today, so you're stuck with me.

Just to give you a running order of how we're going to go about this, we're going to have brief remarks from Heather Conley, our senior vice president for Europe, Russia – Europe, Eurasia, and the Arctic; followed by Matt Goodman, who's going to talk us through a little bit about G-20 and APEC; followed by Ernie Bower, who will talk to us a little bit about Southeast Asia and the U.S.-ASEAN Summit. And then Mike Green will wrap it up with a talk about more of the larger Asia issues at play.

So, without further ado, I'm going to hand over to Heather.

HEATHER CONLEY: Colm, thank you.

Good morning, everyone. I'll be the briefest of the briefers here this morning. I just wanted to give you some context as the president lands in Anatolia for the G-20.

Security at the summit, I think, will be extraordinarily tight. As many of you saw, on November 6, 20 Islamic State terrorists were picked up very close to the resort. I think you're going to see an extraordinary security environment, something that we will watch very closely. Even over the weekend some suspected ISIS were picked up in Adana and, of course, there was a large group that was picked up at the Istanbul airport. So obviously the security context will be quite tense.

And speaking of tense, so is the political atmosphere as you arrive in Turkey. I cannot recall in recent history – and maybe my colleagues can help me – when a week out before a G-20 the bilateral meeting between the host and the president has not been confirmed yet. And I think that, again, speaks volumes to the very tense nature of the U.S.-Turkish relationship. And obviously that's one thing to follow very closely, if the bilateral meeting will be announced, when it will be announced, and what will be discussed during that bilateral meeting.

You will probably – as you were going into the press room, I'd like you to look to your left and to your right and to see if you see any of your Turkish colleagues sitting with you in that press room, because a lot of Turkish journalists are not being accredited to cover the G-20. And clearly this speaks to the extraordinary crackdown on the press. We were hoping that after the November 1st election which saw President Erdogan's party win a majority that perhaps things would lighten up a little bit. In fact, just in the last week the exact opposite has happened: there have been even more draconian measures taken against Turkish media. And I think that is, in part, what you will be watching – what does President Obama say publicly about freedom of the press in Turkey and some of – and that critical pillar of democracy?

And again, I think there will be increased concern about the U.S.-Turkish relationship. If, again, that bilateral meeting takes place, there is a lot on the agenda. Clearly, differences on view on Syria, and the U.S. and Turkey do not align on the dimension of the Syrian campaign and the role of Kurdish fighters. Clearly there's going to be a lot on the conversation about, after the Vienna talks this week, what is the political path forward on Syria – again, another major topic of discussion.

And finally, migration. With 2 million refugees in Turkey alone, the colleagues from the European Union as well as German Chancellor Angela Merkel will obviously be very keen to speak to President Erdogan about the migration crisis that continues to trouble Europe.

So let me turn, then, to – the other subject I think you'll be following closely is Russia. So if you recall, last year, the G-20 in Australia, Mr. Putin left early. He had some extremely tense meetings, and everyone took a very significant opportunity to express their concerns to President Putin about the crisis in Ukraine. What a difference a year makes. Mr. Putin will be far from isolated. He, in fact, will be hosting a meeting with Turkish President Tayyip Erdogan. Of course, that's also going to be a slightly tense meeting. They disagree on Syria and the future of President Assad. There's also concerns about their energy relationship. But I think you will see that Mr. Putin is far from isolated. Ukraine will not be discussed, and you will see where Russia is now part of an increasing – plays an increasing role in how to resolve the political transition in Syria.

So those are two, I think, significant changes, if you look just from the G-20 last year and today.

Other topics. Again, the migration crisis, as I mentioned. And a lot of the issues around the margins of the G-20 will be focused – and I'll transition to Matt to talk about the G-20 – is the COP21 summit. President Hollande and others will be working the hallways very closely to get those last commitments from leaders, and the president will be back to Europe in just a few weeks to attend the Paris meeting.

So with that, thank you so much, and I will turn to Matt. And hopefully the microphone will turn, too.

MATTHEW GOODMAN: Careful. Yeah, don't lose that.

MS. CONLEY: Thank you.

MR. GOODMAN: OK, thanks. Thanks, Heather. And thanks, Colm.

So Ernie and I like to say in our own ways that economics is strategy. And if that's true, then the president is heading out on this whirlwind trip in a very strong position. The U.S. is the only country, really, in the G-20 that is on a positive growth trajectory. And we just completed TPP, so in the Asia context that's going to be a very important part of the story. Lots of economic challenges on this trip, but I think against that backdrop it's a strong starting position for the president going into this.

So as Heather said, the first stop is Anatolia, Turkey, where he will – the president will attend the G-20 summit. This is the 10th summit since the group was elevated to leaders level in 2008. So this group, you know, represents about 80, 85 percent of world GDP.

Growth, growth and growth are going to be the top themes on the economic side of the agenda. And the word “inclusive” is going to be added as an adjective or emphasized as an adjective to the three Pittsburgh G-20 adjectives “strong,” “sustainable” and “balanced” growth. You’re going to hear a lot about inclusive growth. That’s been one of the big themes of the Turks as hosts, and the president will probably endorse that as well. The focus there is on broadening the benefits of growth to include small- and medium-sized enterprises, women and youth. So you’ll hear a lot about those themes.

The other two I’s in addition to inclusiveness that the Turks has stressed are implementation of past G-20 commitments and investment. So you’ll also hear action plans announced about individual investment plans by individual G-20 members to get growth going.

The other deliverables, in addition to the sort of macroeconomic ones, there’s going to be the delivery by the OECD of a so-called base erosion and profit-shifting tax-avoidance plan, or cracking down on tax avoidance by multinational companies.

As Heather said, you’re going to hear a lot about climate, because I think the leaders are going to want to give a push to the – to the Paris talks.

You’re going to hear potentially progress or talk about health security. Last year the Ebola crisis featured very heavily in the G-20, and I think there’s going to be some follow-on there.

And the U.S. is trying to get some kind of statement about cyber norms. Not clear exactly what that’s going to contain or whether they’re going to be successful, but apparently they’re still pushing for that in the G-20.

The dinner on November 15th will be focused on Syria and terrorism. So that’s a bit unusual for the G-20 to actually put formally on the agenda political issues, but – it’s been on the agenda in practice before, but this is the first time I believe that the G-20 has actually put formally political/security issues on the agenda.

And then there will be bilaterals on this stop probably focused on the non-Asians, because those can be covered on the next two stops. So you would expect the Europeans – I don’t know who from Europe is going to get the nod – presumably Canada because you have a new leader there. So that’s probably going to happen there. And then, as Heather said, question mark around Erdogan.

Then next stop is APEC. So the president moves on to Manila and arrives on the 17th, but the meetings are on the 18th and 19th. APEC, the Asia-Pacific Economic Cooperation Forum. This is the 23rd leaders meeting since that group was elevated to leaders in 1993. It brings

together 21 economies. And the word “economies” you need to include in your reporting, not “countries,” because Taiwan and Hong Kong are members of APEC. And this group represents about 55 percent of world GDP, and it is focused on regional economic integration. There’s even an acronym in APEC for this. REI is the traditional theme underlying APEC.

You’ll hear a lot in that context about services liberalization, about digital trade, and about environmental goods. This is the year, 2015, when the APEC leaders at our summit – in 2011, when we hosted, the agreed that by 2015 they would cap their tariffs on environmental goods at no higher than 5 percent. So this is the year that the countries are supposed to implement that, and some countries are still not there, including Indonesia importantly. You’ll hear echoes in the APEC meeting from the G-20 about inclusive growth and climate for sure.

And two side – actually three side meetings that will be held around APEC. One is the traditional CEO summit, when there will be about 700 CEOs from around the region meeting. The president will speak to that group on the morning of November 18th.

And there will be a – there will be a meeting of TPP leaders on the 18th. This is the first meeting, of course, of the 12 leaders of the TPP countries since the agreement was reached – agreement among the 12 negotiating parties – in early October. So they will celebrate the achievement of that agreement. They will not sign the agreement because, as you know, in our domestic procedures the president just notified Congress of his intent to sign. But there will be a celebration.

The one question around this meeting is whether President Aquino of the Philippines is going to attend the TPP meeting. The Philippines is not a member of APEC, but in 2010 when Japan hosted APEC they were not yet part of the group but Prime Minister Kan at the time was invited to be in the photo-op, which was an interesting dynamic. So – and it worked out well, yeah. Actually, importantly, shows not only the prospects for, in this case, the Philippines eventually joining TPP, but sort of gives a sense of inclusiveness of the group, that it’s intended to include others in the region, if it happens.

Finally, there – if anybody’s interested in Latin America, my understanding is Colombia will be invited to attend as an observer the APEC meeting. So there can be a meeting of the so-called Pacific Alliance countries. Three of them – Mexico, Chile and Peru – are members of APEC. Colombia is not. But there will be some kind of side meeting with the president and that group during the APEC meeting.

That’s, I think, as far as I need to go. Thanks.

ERNEST BOWER: Thanks, Matt.

Good morning, everyone. I’m Ernie Bower, the chair of Southeast Asia studies here.

Let me pick up in Manila, where Matt left off. You know, I think the White House is really feeling its oats. If you had asked me what the president needed to do before he traveled to

Asia this November, I would have said get the TPP done, notify Congress, and do the FON ops in the South China Sea. They've done it. He's actually ready for this trip.

The reception by the – for the president around sort of I would say non-China Asia is going to be very warm. As Matt mentioned, growth is happening here. The TPP, FON ops – whatever you hear in the media about how the Southeast Asians felt about the FON ops operation, I can tell you personally that there is very, very strong support for the United States going forward with those operations.

And then let's add to that Myanmar elections last – yesterday. In Myanmar, as you probably have read, it looks like the NLD and Aung San Suu Kyi's party has done very, very well. There is a lot to be sorted now. But this was a major bet by President Obama and the White House, so they'll be feeling positive about that.

Let's look at Manila. It seems, once you get momentum like this on trade and growth, that good things happen. You know, one thing that we have been really watching about the president's trip to the Philippines was whether the Filipinos, and specifically their Supreme Court, would approve the Enhanced Defense Cooperation Agreement. The New York Times accurately picked up this morning that there is news in Manila that they will say that the EDCA agreement is within the existing treaty rights, so that the Senate does not need to vote on it. And if that happens, this is a major victory for both President Aquino and President Obama. That would allow the United States to do a lot more in terms of cooperation – mil-to-mil cooperation with the Philippines in modernizing the Philippines' efforts to build bases around the country and modernize those bases.

The president also has money in his pocket. He's got \$100 million in a Maritime Security Initiative. That amount could be expanded, but they're going to spend a lot of that money in the Philippines. So this – the Manila portion of the visit could look very robust in terms of defense cooperation.

I just want to make a comment. Matt correctly and I thought very well outlined sort of the APEC meetings there in Manila. One thing you want to think about is the issues at APEC will be – will include inclusive growth in small- and medium-sized enterprise. There's a real challenge for the president, I think, at the TPP leaders meeting. Just think of the dynamic there when the TPP leaders meet separately from the APEC leaders. And is the United States going to be able to articulate some vision for economic growth for the non-TPP members in Asia? And that's, I think, very important. I think that's really interesting to watch, what language the White House uses around that – their economic strategy for a broader Asia, broader than TPP.

After Manila, he'll fly to Malaysia. It's not an easy visit because his friend and the prime minister of Malaysia, Najib Razak, is under serious pressure politically over corruption allegations. These aren't small allegations – to the tune – the allegations are that he had over \$700 million in bank accounts with his name on it. The White House, I think will manage this carefully. I think he will do a bilateral with Najib. The Malaysians are very important to the Americans. We're doing a lot with them. They are a TPP member. We're doing a lot with them

on the strategic side in terms of mil-to-mil and security cooperation. So just watch the artwork around that meeting, and I think it'll be interesting.

He'll participate – President Obama will participate in the fifth U.S.-ASEAN Summit. Remember that this is – it's strategic. It's part of the Myanmar bet. The president would not be able to sit down with all 10 ASEAN leaders unless they had normalized relations with Myanmar. And this was always the challenge for previous presidents – they could sit down with some group of the ASEANS, but it wasn't a U.S.-ASEAN official meeting. That has happened now five times. This will be an important meeting. I think they will talk a lot about maritime security. There will be some pressure on the Chinese coming out of this.

The ASEANS will also hold their own ASEAN Summit at KL. Expect to see the most robust language on maritime security and the South China Sea from those two summits.

Then the East Asia Summit will happen. This is an important meeting of the 10 ASEAN leaders plus eight other countries, including the United States, Russia, and all of East Asia. You will see a lot of talk there about maritime security. The other Asians will talk – without the United States – will talk about the economic portion of the East Asia Summit, which is the Regional Comprehensive Economic Partnership, RCEP. We aren't a member of that yet. At some point, there'll probably be some relational language about TPP and RCEP, but I don't expect to see that at this summit.

So, that's it for me.

MICHAEL GREEN: Thanks. I'm Mike Green, senior vice president for Asia and the Japan chair.

The president has done, as Ernie and Matt said, the two things he really had to do to make this a credible visit in the context of his pivot or rebalance to Asia, TPP, and then this freedom of navigation exercise. And so he heads out with a pretty strong hand. And I agree with what my colleagues said.

Let me just mention two longer-term things that would worry me if I were looking at U.S. strategic interests beyond the news cycle. And one is whether this diplomacy around China is working and the second is the state of democracy in the region, which in the long run is critically important for American staying power and engagement. Neither of which the White House is talking about in the public or private briefings they're doing around this trip, neither of which is easily solved on this trip alone but both of which hang over the trip in terms of longer-term U.S. interests.

On China, the administration is clearly trying to send a signal to Beijing and is putting some good themes into that signal. The meeting in KL in addition to what – Kuala Lumpur – in addition to what Ernie said, will probably result in the signing of a strategic partnership with Malaysia, which symbolically is important. Last week the defense ministers and secretaries met at the so-called ADMM-Plus. And although China essentially blocked a lot of the joint statements and joint action, there was in the room a lot of consensus among all the maritime

states, including India and including Korea which has been fairly passive on these South China Sea issues. And that was an important part of the signal.

The problem is, is China listening? Is it actually shaping Chinese behavior? And so far the jury is out, and arguably even negative. Xi Jinping promised when he was here in early September not to militarize these four features where China has built 3,000-meter, military-spec runways. And in the immediate aftermath of the USS Lassen's operations, they landed advanced fighters on one of the Islands, Woody Island. The promise not to militarize the islands was a surprise to the administration and in fact is belied by the actual construction which establishes these runways that can take anything basically in the PLA Air Force inventory and then dock facilities and so forth for sustaining a constant presence of destroyers, frigates and PLA Navy assets that were painted white and called Coast Guard ships.

And the FONOP itself, the freedom of navigation exercise, was done in a way that was welcome in the region, because it was long overdue, but it was spun by parts of the administration, the White House principally, as innocent passage. You may have followed this controversy. Innocent passage is what the PLA did off the coast of Alaska when President Obama was there. You turn off all your radar, you completely demilitarize the ship, and then you go on a parallel course, which connotes sovereignty. And the Pentagon maintains absolutely not. This was a freedom of navigation exercise. But the attempt to sort of minimize the impact on U.S. China relations – despite the fact it was well-received in Southeast Asia – I think has raised questions among military professionals elsewhere in the region about whether the U.S. has the stomach for what is likely to be a long-term standoff and test of wills in the South China Sea.

So the first question overhanging this trip is, is China playing the same game we are? We're doing quite well on the diplomatic side. But is it working? Is China paying attention to the same things we are? Is the Foreign Ministry, which is receiving the brunt of all of this collective complaining, transmitting this to the central nervous system, the central military commission and the leadership? A big question. The second one is democracy. Ernie mentioned Malaysia, the host, where there are real challenges for President Najib. It would be entirely foolish and self-defeating for the administration to do what Al Gore did in '96, was it, when he gave the reformasi speech and spoke out against Mahathir and completely alienated the U.S. not only from Malaysia but from all of ASEAN. These are hard problems. They don't lend themselves to an easy speech. But it's not just Malaysia.

In Thailand, the coup is unlikely to be resolved in any positive way while the state of the king physically and politically in terms of succession is unresolved. So we could be talking years. And in Burma/Myanmar, it is likely the NLD will have an overwhelming victory, but in the context of a constitution that was forced through by the previous government of Than Schwe, that reserves to the military 25 percent of the seats and reserves for a military commission the right to declare martial law at any time.

So in the long run, for the pivot to be sustained, for the rebalance to be sustained, we need democracy and governance to move forward. And the president is going at a time when there's very rough terrain in the state of many of these partners. And as I said, neither of these is

measurable or solvable on this trip, but they hang over it in terms of the longer-term goals I think the president is trying to achieve.

MR. QUINN: OK, folks. So we'll start with questions. George, go ahead.

Q: Thanks. George Condon, National Journal.

Both Ernie and Mike talked about the president's standing. Let me ask two questions on that one specific. Is there concern of the TPP – about the president's ability to get ratification on the TPP? Is that something he's going to have to reassure them on? And more generally, presidents, when the reach lame-duck status, often go to these summits and are frustrated that the other leaders want to know more about the campaign going on to replace them and some of the things that scare them that they're hearing. Is that – has he reached that point where at the G-20 and the others he's going to have to be talking some about who's going to replace him and don't worry?

MR. BOWER: You know, I think – just on the last point. What's remarkable is, if this trip had happened last months ago I think that would have been a big issue. But the president has regained a lot of momentum with the TPP, with the FONOPS, with the – frankly, I mean, I think the bet on Myanmar that the election so far has gone well and the ruling USDP has said that they accept the results of the election. We'll see. I mean, that's going to be – that's going to play out – that's going to be a great drama for the next couple months. You know, a new leader isn't announced until next March. They have to elect three vice presidents and then have a consensus over who will lead. So there's more to come on that.

But on TPP, I would say that Asia is very concerned about the nonpartisan – or the very partisan politics in the United States. And personally, I think if the president – one thing that I have asked the White House to consider is having the president talk to Americans about the importance of Asia to their future before he goes on this trip. I think that would be a message that Asia would really hear and would – I think that would check the concern that Asians will likely have about passage of TPP, although the history would show – and Matt would probably jump in here and say – trade agreements eventually do tend to get passed in our Congress. So I think the prospects for TPP are good.

I would just put on the record I think it's patently unhelpful and cynical, you know, for somebody like Hillary Clinton who was so involved in shaping the TPP, to oppose it like she has. And I was surprised that she did that.

MR. GOODMAN: Just to validate what Ernie said, all of that. I think he will – the president will get those questions about TPP's ratification but he'll say, you know, we're working it. You're going to hear a lot of noise, but in the end we'll get this done. And I think – I also agree with Ernie that if the president could speak to Asia before he goes, that would be very helpful.

MR. GREEN: Remember, of course, all of these governments have to ratify TPP too. So the president can turn it right around and say what's your plan for ratifying TPP? So it's not

exactly as if the narrative is stacked against the U.S. on this one. And as I guess Ernie pointed out, these things tend to pass. Currency is an issue with Japan. I don't think the Japanese expect this to fall over currency in the U.S. Congress. They expect a lot of noise. Pharmaceutical issues with Australia, and then to some extent labor and human rights of Vietnam – these things – no president has lost one of these ratification votes. And I think it's likely it will pass next spring, myself, if the White House is skillful.

Then in terms of the campaign, I worked in the White House for five years and was in a lot of these summits. The foreign leaders are a lot more polite than you might expect, and very rarely ask the president, are you a lame duck? What are you going to do about this? However, I think they're going to be very curious about the oddities in this election cycle, especially – well, without mentioning names, the oddities in this election cycle. (Laughter.) And I find in my own travels, and my colleagues probably too, that senior political leaders in Northeast Asia, where I tend to go, nervously ask for reassurance that everything's going to be OK. But they basically expect it will.

And we've done surveys at CSIS of elites in Asia. And they expect in 10 years that this region will still be, despite relative decline – relative decline in U.S. economic and military power – this in 10 years will still be a region, my Asia not your Asia – (laughter) – it will still be a region that is U.S. led in terms of norms and institutions. And I think most of these governments are betting on this silly season ending as it normally has in the past.

Q: Dave Nakamura with Washington Post, for Heather.

I was interested in what you said about Putin not being as isolated as here. What does that mean for the administration and how do you think they would handle that? I think – I can't remember which summit it was, they – you know, they met on sort of the sidelines once or twice, right? Didn't get a lot of detail. But what do you expect? And what does it – does it make it more challenging for the administration or do they, you know, somehow hope to sort of send those signals they're going to work with him, which he hasn't really responded to?

MS. CONLEY: Thanks. It's a great question. I think there is a lot of disconnects in U.S. policy towards Russia. And it really depends on to whom you speak with. So clearly over the weekend General Breedlove, Secretary Carter, made very clear statements about the threat that Russia poses. General Breedlove saying we need more forces running through there, really sees Russia's military challenges in both Ukraine and Syria as a great problem for the United States.

In the State Department, I think there's recognition of the problem, but the view is you have to – we have to find common solutions with Russia on Syria, on Iran, maybe even in Asia. And so there's a – Secretary Kerry, I think, has continued to see Foreign Minister Lavrov as a counterpart that he can do business with. And I think once you get to the White House, it's a – you know, pressing down Russia as a problem to a point where the Defense Department can't move policy forward because the White House is pushing it down.

So you really don't have, at least to my knowledge and understanding, even a publicly stated what is U.S. policy towards Russia. We know there a Russia strategy that has been briefed

to allies, it just hasn't been publicly discussed. As you were reflecting on sort of the president's conversation about Asia, I'd raise my hand and love a conversation about what is our policy towards Russia as well. But as I said, as I was looking at the press clippings from the G-20 in Brisbane, it was like it was two different worlds. And now we have Russian military activity, obviously, in Syria, which caught the administration by surprise, but there's not a greater context.

Clearly we are going to watch, and it will be interesting, with the downing of the Metrojet over the Sinai Peninsula, the FBI has now agreed to join the investigation at Russia's request. I think, again, that's a sign that we're trying to keep dialogue, cooperation open. I'm going to be very interested in obviously what we are publicly told, what comes out of the dinner, the G-20 dinner, and how central is President Putin to that discussion? And in fact, will the Russians get a victory in getting a political solution that keeps Assad at the center? That, to me, would be sort of the ultimate success of President Putin's military strategy in Syria.

Q: Good morning. Nadia Chao with the Liberty Times Taiwan.

I'm just wondering, the meeting between Chinese leader Xi Jinping and Ma Ying-jeou has concluded. Do you see this as has any impact on the regional dynamic, or you know even the coming APEC meeting? Thank you.

MR. GREEN: So I thought President Ma handled it fairly well. He made it clear he wasn't promising any agreements or new frameworks on the eve of his departure from office. I thought Tsai Ing-wen, the head of the Democratic Progressive Party, handled it pretty well. She focused on the politics and the necessity to have consensus on Taiwan rather than attacking specific things about the 1992 consensus. And the U.S. handled it pretty well, saying they welcomed the meeting. I thought, personally, the State Department put too much spin on their statement when they hailed the historic changes in recent years, which on the eve of an election in Taiwan is awfully forward-leaning for one side. But on the whole, I thought everyone was basically responsible and it really didn't change very much.

So if it comes up – first of all, there probably won't be a Xi Jinping-Obama summit. And so that's the place where it would be most likely to come up. There will be other opportunities for them to meet and talk. And when they do, I would hope that President Obama would stress the importance of consensus on Taiwan, that, as you know well, Nadia, the polling figures on Taiwan are moving quickly away from any support for unification. And support's almost evaporated. And over 80 percent in most polls say they would rather have independence if it would cause a war.

And that's something that, you know, Beijing should reflect on, especially as it demonstrates what unification might mean with its behavior in Hong Kong and other places. And I would hope the administration would sort of pick up that point, the president would, rather than just applauding the summit, which is historic and does have some validation for what Ma Ying-jeou did, but isn't changing the facts on the ground very much.

Q: Thank you.

Q: Sorry. OK, Kathleen Hennessey for AP.

I wanted to ask on Syria, I guess this would be mostly discussed at the G-20, if you actually expect any sort of new announcement or statement or what – if you could just be more specific about what the actual conversations might look like.

MS. CONLEY: We all wish we were flies on the wall at the dinner. I don't expect any breakthroughs, any statements. I mean, obviously we'll have to follow this week what occurs in Vienna, if there's any traction, perhaps there'll be more forward-leaning comments. The G-20 is a – forgive me, Matt – is an awfully awkward format to have this type of discussion. So, I mean, as I said, I think there'll be broader statements. I think there'll be, you know, concern expressed. But I don't – I don't sense that there's going to be many outcomes. You may want to have some (reflections ?).

MR. GOODMAN: No, I think that's right. I think, as I said, this is the first time that a non-economic issue has been formally put on the agenda, although Syria was discussed at the last two summits, including in St. Petersburg in 2013. It bumped the development issues off the agenda. So it's been part of the conversation, but they – very difficult to issue a statement on this with a group that if you think about those 20 – actually 53 countries that are around the table, if you include the European Union's seat as a 28 –

MS. CONLEY: Twofer. (Laughs.)

MR. GOODMAN: Right. So I think it'll be unlikely they issue a joint statement, although some sense that the G-20 might.

MS. CONLEY: Yeah. What was so interesting is that in some ways the G-20 is trying to see if it can play a role as the G-7 does, you know, and some of the economics turning into the politics. And this is where I think the question of the G-7, which is a more value-based institution, versus the G-20, which is not a value-based institution. It is obviously for global economic issues. So it'll be interesting to see if this experiment is successful or it's not going to be as successful as they want. So it's a great experiment in some ways.

Q: Can I just ask one more on the elections in Myanmar? How do you expect the president – what sort of tone? You said that they're basically supportive and feel like this is sort of a win, but also there's a lot of unknowns. There's a lot left to unfold. So do you think he'll be sort of cautious in kind of describing what –

MR. BOWER: I do. I think – you know, Ben Rhodes came over here last week and talked to us about the election. He was very careful and cautious to say it's going to be messy, hard to know what the outcomes are. He was even, you know, a little vague about the U.S. toolkit, you know, how to respond to scenarios, you know, what might happen. You know, I think we – the elements of a difficult scenario are on us, right? I mean, the question is, how big did the NLD win? Some reports say as much as 70 percent or higher. Might the army and the military think, wait, this is too much? So we don't know, and I think the White House – I

personally believe the president will be very careful, not just – no – you know, no declaring victory here – very careful about what’s happening there.

And if you wanted to add to the –

MR. GREEN: How much have you heard from the administration on Myanmar in the last few years? Not a lot. And I’ve even seen some, you know, unattributed statements to senior administration officials that have criticized Aung San Suu Kyi for not being a team player. And so it’s hard to reverse that on one trip and it’s almost counterproductive. The reality is this election’s happening in the context of a constitution that doesn’t allow her to become president; of course, even if she wins, that, you know, reserves all these rights for the military.

You know, we deal with countries that have much worse situations. Frankly, Thailand, a treaty ally, is not exactly a model of democracy right now. So it is messy, as I guess Ben Rhodes told people here. But we also handed away a lot of leverage in the way we did sanctions lifting in the past, and it’s going to be hard for the president, but I – but I think some public signaling is going to be necessary beyond just saying it’s messy. There have to be some expectations set. There has to be some diplomacy with other countries in the region, other democracies. We’ve not done a lot of that.

I think that the opening to Myanmar was sort of put on autopilot and now we’re in a difficult position; difficult, sensitive transition where it’s a little late to catch up on some of that, but I think it’s – I think the president is going to have to say something beyond welcoming the election or saying it’s messy and we’ll have to see. There has to be some – I think some expectation set for the future. Otherwise, frankly, there’s going to start to be some blowback within Congress and within the U.S. as well for what, on the whole, has been a pretty important opening to Myanmar.

Q: Hi, Angela Greiling Keane with Bloomberg.

Mike, you talked a little bit about the challenges of getting TPP ratified in some of the other countries. I wanted to hear a little bit more elaboration on that. Will Obama be pressing any of his counterparts on any particular parts? And what countries in particular will find it challenging to get it through their legislative bodies?

MR. GREEN: So maybe we should do a speed round. (Laughter.)

Japan and Australia are parliamentary systems. Therefore, the prime ministers can have more confidence and certainty than a presidential system because they generally control the caucus.

I think Australia should be fine. Malcolm Turnbull is a supporter. Japan has a big election next summer. If we do ratify in April/May timeframe, that means the Japanese will have to debate ratification going into a big election for the upper house of the Diet, less powerful but still important. But I think most of the people around Prime Minister Abe are confident that if

they have to, they can win that fight because Japan is already doing the agricultural reforms necessary to implement it.

So it's not easy for anyone, but I think for Japan and Australia, two of the – well, Japan in particular, one of the, you know, big economies, I think it's doable, but there have to be signals from our side so that they can get ready.

MR. BOWER: I'll take the four ASEAN countries that are members: Malaysia, Vietnam, Brunei and Singapore. So I'd say in order of difficulty, that's the order of difficulty. Najib has to – has to pass the TPP to be part of his survival story. The country – I think he'll make it. I think he'll make it politically unless he gets really pinned down on, you know, the specifics of this corruption allegation.

But the power of the incumbency is still enormous in Malaysia. So he'll make it as prime minister. I think he'll make it with the TPP vote. What's important there is that Malaysian elites, the big Malaysian companies, do believe that they've got to be part of the TPP to compete with Singapore and to survive and move beyond this middle-income gap that is already settling around the necks of the Malaysian economy.

Vietnam would be the second-hardest because they have a party congress coming up in the first part of next year. But the Vietnamese have made a determination so there will be sort of debates within the Politburo and the Central Committee, but I think this one's already decided. The Vietnamese, probably more clearly than anyone else in Asia, see the vital link between economics and security, and for them this is at least, I would say, over 50 percent of geostrategic agreement, not, you know, beyond an economic agreement, although it will have significant, probably very – the most significant impact on their economy of all TPP countries.

Then for Brunei, it's sort of a – it's the sultan's decision, and he's in so that's done. And the Singaporeans live on trade. You know, the Singaporeans are a unique economy where trade is over 300 percent of GDP. And they're the canary in the coalmine on international trade, so if trade sputters or dies they're the dead canary.

MR. GOODMAN: Just to complete the cycle, Mike left out New Zealand as another parliamentary democracy where it shouldn't be a problem – it shouldn't be a problem. The four East Pacific countries – Canada, Mexico, Peru and Chile – again don't anticipate any problems. Canada would be the only one that one might have had doubt about with a new government that might not have been inclined, but they've indicated that they support it, so I think they'll push it through. And they've got a majority, so –

MS. CONLEY: And because I feel left out in this conversation, let's get TPP done so we can get on to TTIP. (Laughter.)

Q: Mike Mascenik (ph).

To what extent do they have to work around Indonesia? I mean, symbolically, you know, here you're coming up on the Paris summit and their soot is all over the region. The gossip from the summit was that it had a lot of elements of near-fiasco to it.

And they seem to be hesitant on the freedom of navigation and they're certainly not in yet on the trade. I mean, at the moment they sort of look like the mad uncle in the – in the attic. And so how does Obama and the other leaders work around, because, you know, I've heard people say that without Indonesia and Thailand, nothing significant happens in ASEAN. And at the moment it looks like both of those countries are sort of out of the game.

MR. BOWER: Yeah, I think "mad uncle" is a little far, you know? The truth is, if you look beyond the headlines, Indonesia is actually starting to move into a much more strategic position in Asia as the anchor of ASEAN and the fourth-largest country in the world. Jokowi did not have – you know, I don't think the scripts for his visit came together here as he would like it. He had to go back, remember, after Washington and tend to the fires, literally, which are responsible for the soot that you mentioned that's around the region.

But before he did that, I think it's important to remind ourselves that the Indonesians tabled the idea for elevating the U.S. relationship to a strategic partnership and the Americans accepted that – accepted that idea. So that's important. He also, I think, surprised the White House and many in his own country by sort of lurching for the – saying that Indonesia would be members of the TPP. I personally think that was not – you know, I was working very closely with his team on the trip. It was not in the scripts to be that aggressive about it. I don't know if he was nervous or he – but he decided that he needed a link to an economic story that would sort of buoy his trip.

But, you know, Mike, I actually see the Indonesians starting to move into a much more strategic role on these issues. It is going to be really messy because they are a democracy. And when Jokowi went home he got, you know, brutally chastised for the TPP comments. But when you privately speak with Indonesian leaders, ministers, CEOs, there's a lot of support for the Indonesians to move into the trade – into the trade area. And also there's a real, real high level of concern about how the Chinese have played their hand in the South China Sea. So there's something going on in Jakarta that is beyond sort of what you can see if you're reading the headlines.

Q: (Inaudible) – with Xinhua News Agency.

As the TPP has been concluded, I'm wondering how the U.S. government will engage on the issue of free trade area of Asia-Pacific. As you know, you've seen the U.S. government didn't want to advance the negotiations on the FTAAP before the conclusion of the TPP. So I'm wondering how the U.S. government's position may be on this issue in the – at the meeting.

And for the ratification of the TPP in the U.S., I'm wondering, compared with the votes of the Trade Promotion Authority this summer, do you think the TPP has been more difficult or a little easier to pass in Congress? Thank you.

MR. GOODMAN: So the free trade area of the Asia-Pacific remains the ultimate vision for APEC as the vision of a free trade area, including every one of those 21 economies that I mentioned. And I think the U.S. will continue to endorse that as the ultimate vision. I don't think the U.S. is eager to start a negotiation now, an actual negotiation towards an FTAAP. They need to get TPP ratified and implemented. But ultimately that is the path and I'm sure there will be talk about that. There's a study of what the – what the path would be towards an FTAAP, so I think you'll see some of the talk about that, but there won't be a launch of negotiations towards an FTAAP.

And then on ratification, my own view is that TPP will be – despite the noise – and it's really hard to try and filter out the noise because there is a lot of noise right now, but I actually think TPP ends up being not as hard to pass as TPA because – or no harder than TPA because you now have a specific agreement that has costs and benefits that are easily identifiable. And I think the people who support – and I think there are more people who are ultimately going to benefit from TPP than are going to pay the transitional costs of TPP. When they start to come out in support now that the agreement is public, I think that will tilt the balance.

So I think that it will be – it's going to be noisy, it's going to be close, but I think in the end it will pass. I'm a less – a little less – I'm the optimist normally on this, so I do think it will pass. But I think next spring, you know, is going to be challenging. I think it's doable, and I think 51/49. I think it does get done in the spring but I do think there's a pretty substantial risk it gets pushed into later in the year as well.

MR. QUINN: We have time for a few more questions.

Q: Thank you. Bingru Wang with Hong Kong Phoenix TV.

I wanted to ask about South China Sea. The U.S. Navy said it plans to sail every – twice a quarter in the future. So what's the ultimate goal here? Is it just to stop China's recent land reclamation? And what if it doesn't work, as Dr. Goodman mentioned? What other options the U.S. has?

And another one: There was a report came out this weekend from Reuters saying when the U.S. and China ships encountered each other actually they acted very professionally. Could this be a new norm for the two military in the future? Thank you.

MR. GREEN: So the USS Lassen and the two Chinese warships that trailed it, in their bridge-to-bridge communications, as I understand it, basically acted professionally. There was an agreement last year. The acronym is CUES, but it's basically a multilateral agreement in Asia that the U.S. Navy took the lead in negotiating where people would talk to each other instead of crashing into each other.

And both the PLA Navy and the U.S. Navy used it and talked bridge-to-bridge, and the Chinese side said, you're entering Chinese territory, and the U.S. side said something like, we're acting according to international law. And that's why the Pentagon says it was a freedom of navigation exercise, because we do not recognize this 12-nautical-mile area around the formerly

submerged reef as territory for anyone. The administration messed up that signal by talking about innocent passage, which connotes sovereignty. So they kind of bungled it, in a way, even though, as Ernie said, it was well-received in Southeast Asia, and I think viewed by many allies as long overdue.

The point is this is not a one-off. This is now a five- or 10-year problem. And, you know, is it the new normal? In a way. And the ships are behaving, and the ship captains are behaving, responsibly. So are the coast guards in the region, for the most part. The PLA air force is much more aggressive. There are reports that right before Xi Jinping came, a Chinese fighter in the Yellow Sea buzzed a U.S. patrol plane, came very close. And this was after the U.S. and China had agreed on an air-to-air safety agreement, you know, after the two air forces had agreed the Chinese side did this right before Xi Jinping came.

So the air part is worrisome, and with these runways, these four runways that will be operational, all of them soon, you'll have a lot more PLA fighters, probably, in the region. So the tension and the possibility for accidents is there. I think there's a real concern that it is the Chinese side's intention to keep the risk of accidents, or to keep the tension high, to not make the U.S. or the Philippines or Japan or Australia or anyone comfortable, and to assert sovereignty. The South China Sea has already been declared the Nansha region by China, you know, as a – you know, and therefore domestic law, they say, applies. I think a lot of people are waiting for an ADIZ, Air Defense Identification Zone, to be declared.

There's no indication that the – that Beijing plans on reducing its presence or tensions, and so the U.S. needs a longer-term strategy. And it involves many, many pieces. TPP will help. This diplomacy will help. It will require continued freedom of navigation exercises. I was struck that there were no trilateral summits set up for this meeting, which is normally what one does to signal that bilateral alliances are cooperating more in the face of these challenges. I was also surprised and – not surprised, disappointed that President Obama vetoed the defense bill, because ultimately that's how you pay for having the presence we need.

So I'm not sure that the administration – it has pieces of a strategy. I'm not sure it has a long-term strategy, frankly, to deal with what will be a five- or 10-year problem, at least.

MR. BOWER: If I can just add to that, as Mike sort of outlined for you, one thing – a good way to watch the trip is watch the pieces of that strategy sort of falling into place, right? I think we've all given you hints about this: the Philippines accelerating EDCA. And obviously there's been – someone talked to the Supreme Court, and the Supreme Court in the Philippines has a very political sense, we should say, you know. So when someone in the administration probably talked to the Philippines supreme court about EDCA, the U.S.-Malaysia relationship moving to a strategic level, the U.S.-Indonesia moving to a strategic partnership, actually one of the – one of the deliverables, I think, from the U.S.-ASEAN summit is that the U.S.-ASEAN relationship will be elevated to a strategic level.

You know, the Chinese are smart. They're watching this very closely. They have a good sense of where the region is headed. So far they've decided they'd rather play this aggressive game. But I think if they go forward with an ADIZ or if they do start to put their air force on

these islands and on those runways, the result will be an increasing signal from the rest of the neighborhood around China that they reject this sort of aggression from the Chinese in the South China Sea.

MR. QUINN: OK, we've just about reached the end of the briefing. I want to thank you all for coming; 8:30 on a Monday is not easy. We will have a transcript of this up later today, so watch your inboxes for that. To anyone going on the trip, safe travels and – (foreign phrase). And if you do need anything when you're on the trip, please do give us a call. Thank you.

Q: Thank you.

MS. CONLEY: Thank you.

(END)