COURTESY CALL OF US SENATOR CORY GARDNER

Profile

US SENATOR CORY SCOTT GARDNER

Chair, Senate Foreign Relations Subcommittee on East Asia and the Pacific¹

BACKGROUND

- Born: 22 August 1974
- Married, with three children

EDUCATION

- Juris Doctor, University of Colorado, 2001
- Political Science, Colorado State University, 1997

POLITICAL EXPERIENCE

- US Senator (2015-present), Republican Colorado
- US Representative, 4th District of Colorado (2011-2015)

¹ Senator Gardner co-sponsored the following: Asia Pacific Maritime Security Initiative Act; Resolution calling for all parties to respect the Arbitral Tribunal ruling on the South China Sea and to express US policy on freedom of navigation and overflight in the East and South China Seas; and Filipino Veterans of World War II Congressional Gold Medal Act of 2015.

PH-US Bilateral Relation s²

Trade

- PH's 3rd top trading partner in 2016 (out of 226) at US\$15.83 billion, a 4% decline from US\$16.49 billion in 2015 due to decrease in both exports (e.g., static converters) and imports (e.g., materials for semiconductor devices)
 - PH's 2nd largest export market (out of 213), and 3rd biggest import supplier (out of 206)
 - > PH Top Export: digital monolithic integrated circuits
 - > PH Top Import: materials for the manufacture of dice
- Balance of trade (BOT): US\$1.50 billion (exports exceeded imports), positive BOT since 2006
- Areas for trade promotion: processed foods (e.g., seafood, fruits), designdriven products (e.g., furniture), and services (e.g. IT, manufacturing).

Investment Promotion Agencies (IPA)-Approved Investments

- PH's 3rd largest investor at P31.43 billion (US\$661.74 million) in 2016, a 44.56% growth from P21.74 billion (US\$477.79 million) in 2015 due to increase in investments in transportation and storage, and information and communication, among others
 - Other areas include manufacturing; administrative and support services; and electricity, gas, steam and air conditioning supply
- Companies operating in the PH with US equity include GNPower Ltd. Co., Tiger Resort, and Eaton Industries Philippines, LLC.
- Sectors for investment promotion: IT-BPO, processed products manufacturing (e.g., electronics, food/agribusiness), and infrastructure.
- PH companies in the US: Metrobank, Philippine National Bank, LBC Mabuhay USA, Jollibee, and GMA Network.

Official Development Assistance

 PH's 4th largest source of active ODA (US\$1.34 billion) in grants as of December 2016 (1st – JP, 2nd – WB, 3rd – ADB, 5th – AU)

Tourist Arrivals

PH's 2nd largest tourist market from 2010 (600,165) to 2016 (869,463), an increase of 44.87%.

Overseas Filipinos

- 3,566,001 as of June 2016
- 26,242 Filipinos in the State of Colorado in 2010 (18.9% of Asian population)

² Sources: DTI, NEDA, and DOT, Inputs for the Courtesy call of US Senator Cory Gardner.

TALKING POINTS FOR THE COURTESY CALL OF US SENATOR CORY GARDNER, COLORADO (REPUBLICAN), CHAIR, SENATE FOREIGN RELATIONS SUBCOMMITTEE ON EAST ASIA AND THE PACIFIC

Background: The subcommittee deals with US' relations with the countries of East Asia and the Pacific, as well as regional intergovernmental organizations including ASEAN and APEC. This subcommittee's regional responsibilities include: terrorism and non-proliferation of nuclear weapons; crime and illicit narcotics; US foreign assistance programs; and the promotion of US trade and exports. The subcommittee also has global responsibility for international cybersecurity and space policy.

Senator Gardner intends to have a quiet visit to engage our leadership, as he is very interested in the security and intelligence angle of Philippines-US relations. He is very eager to develop relations with the Philippines and comes from a "pro-engagement" strategy.

During then Acting Foreign Affairs Secretary Enrique Manalo's meeting with Senator Gardner on 05 May 2017, the Senator stated, among others, that economic investments were important to maintain positive growth and the US was looking at opportunities to enhance long-term economic partnership with the Philippines. He also noted that US engagement with ASEAN was critical, given the security challenges the region faces, particularly North Korea. He also showed interest in the country's South China Sea policy, and noted with interest the Philippines' initiative, as ASEAN Chair, on the Framework on the Code of Conduct. He also expressed interest in partnering with the Philippines on counterterrorism efforts.

PLEASANTRIES

- Welcome to the Philippines, Senator. I am pleased to meet you here in Manila.
- Your visit shall provide you with a more personal and intimate awareness of developments in my country. I am hopeful your visit will serve to underscore the importance of further strengthening Philippines-US relations in view of our shared values and common strategic interests.
- With nearly four million Americans of Filipino descent in the US - and thousands of them in Colorado - there is

reason to continue working closely to ensure ties between our nations remain positive and vibrant.

- ➤ As of June 2016, there are 3,566,001 Filipinos in the US, according to the January-June 2016 Report to Congress. In 2010, the US Census accounted 26,242 Filipinos in the State of Colorado.
- I believe the Senator will play a key role in the formulation of the United States Senate's foreign affairs policies in the Asia-Pacific. Certainly, regional security and stability considerations will need to be taken into account. I trust that the Senator's visit here will help provide a clearer view. I am instructing my Foreign Affairs Secretary to work closer with you on this matter. Our Embassy will be ready to provide assistance, should you need it in DC.
- This year is ASEAN's 50th anniversary and the 40th anniversary of ASEAN-US relations. We look forward to President Donald Trump's active participation in the East Asia Summit and the ASEAN-US Leaders' Summit in November to highlight the importance of these ties.

DEFENSE AND SECURITY COOPERATION

- The Philippines and the US have an enduring alliance. You are the only treaty ally of the Philippines. We should work together to give more meaning and relevance to this alliance.
- The recently-concluded Balikatan exercises focused on humanitarian assistance and disaster relief joint operations. This is a window for important capacity building exercises that must be opened wider, with a focus on building self-reliance.
 - The Enhanced Defense Cooperation Agreement (EDCA), signed on 28 April 2014, was envisioned to advance the implementation of the Philippines-US Mutual Defense Treaty. To improve existing joint training exercises such as the Balikatan and humanitarian and disaster relief (HADR) cooperation activities, the EDCA provided for the construction of facilities and infrastructure upgrades; and the storage and prepositioning of defense and HADR equipment, supplies, and material.

COUNTER-TERRORISM COOPERATION

- Terrorism and violent extremism are scourges both our countries continue to face. Only through cooperation can we hope to finally break the backbone of terrorism and violent extremism.
- Terrorism and violent extremism are major threats to the security of our region, the progress we are trying to sustain and the safety and lives of Filipino and American citizens around the globe. ISIS has been attempting to gain a foothold in the Southeast Asian region, including the Philippines. We must not let them advance any further.
 - ➤ In light of recent reports of a possible declaration by ISIS of a province in Mindanao as a satellite office of ISIS in Southeast Asia, cooperation with the USto defeat ISIS may be considered as a key priority area of cooperation. Defeating ISIS is a key component of President Trump's "America First Foreign Policy" pillar.
- We thank the US government for its statement of solidarity for the counterterrorism efforts against the Maute Group. As we speak, our Armed Forces has ongoing military offensives to flush out the Maute members and other possible local and foreign terrorists linked to the group.
 - ➤ On 25 May 2017, the White House issued the following statement of solidarity with the Philippines: "The US condemns the recent violence perpetrated by an ISIS-linked terrorist group in the southern Philippines. These cowardly terrorists killed Philippine law enforcement officials and endangered the lives of innocent citizens. The US will continue to provide support and assistance to Philippine counterterrorism efforts. The US is a proud ally of the Philippines, and we will continue to work with the Philippines to address shared threats to the peace and security of our countries."

ECONOMIC COOPERATION

- We take due note of the Senator's proposals to promote a US-led trade and market access in Asia.
 - ➤ Senator Gardner will reportedly file the Asia Reassurance Initiative Act to promote a US-led trade and market access in Asia by (1) strengthening security commitments to US allies in Asia and building their capabilities to deter aggression and

combat terrorism; (2) promoting US' economic engagement and market access in Asia; (3) and enshrining human rights and democracy promotion as US' objectives in the region.

<u>UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT</u> (USAID) PROJECTS IN MINDANAO

- We note US' assistance on various governance-related projects in Mindanao. This contributes to the development of the region. We hope that both our countries can continue to cooperate in order to meet our development goals in Mindanao.
 - ➤ The USAID has ongoing projects in Marawi, Cotabato, Zamboaanga, Basilan, and Sulu, such as the Enhancing Governance, Accountability and Engagement (ENGAGE) Project (2013-2018), Mindanao Health (2013-2018), Padayon Mindanao that supports literacy and peace-building in Mindanao, and Mindanao Youth for Development (2013-2018).
 - ➤ As of December 2016, the US is the Philippines' 4th largest source of active Official Development Assistance at US\$1.34 billion.

CAMPAIGN AGAINST ILLEGAL DRUGS

- The fight against illegal drugs is a priority of my administration. I am determined to put an end to the illicit drug trade. Illegal drug trade money is helping fund instability in my country. It will be dealt with accordingly, with the full force of the law employed to destroy the illegal drug trade apparatus.
- We appreciate the US' support for the Philippines' comprehensive war against the illegal drugs trade. I hope we can continue to find ways to work together to completely dismantle and destroy the apparatus of the illegal drug trade.
 - Stopping drugs from pouring into US communities is a key pillar of President Trump's mantra of "Standing Up For Our Law Enforcement Community".
 - Existing areas of cooperation between the Philippines and the US include intelligence sharing, and funding assistance for capability building of law enforcement authorities.
 - ➤ In November 2016, Department of State Assistant Secretary William Brownfield of Bureau of International Narcotics and Law Enforcement Affairs stated that the US was in the process

of adjusting the nature of anti-illegal drug cooperation between the Philippines and the US to focus on three areas: drug demand reduction, treatment, and rehabilitation; maritime law enforcement to interdict drug shipments by sea; and rule of law issues such as support for human rights training of law enforcement officials and strengthening of the courts.

SOUTH CHINA SEA/WEST PHILIPPINE SEA ISSUE

- Thank you for your statement of support on the award rendered by the Arbitral Tribunal on the South China Sea Arbitration Case. We affirm and respect the award as an important contribution to the effort to pursue peaceful resolution and management of our disputes.
- Let me reiterate the Philippines' principled position that we must faithfully adhere to the supremacy of the law and rely on the primacy of rules as responsible members of the international community.
 - ➤ On 12 July 2016, the Arbitral Tribunal, constituted under the United Nations Convention on the Law of the Sea (UNCLOS) rendered its award in favor of the Philippines.
 - ➤ Following the issuance of the award, the US Department of State issued a statement on the same day, stating that the arbitration is an important contribution to the peaceful resolution of disputes in the South China Sea. The statement also urged all claimants to avoid provocative statements or actions, noting that the said decisions should serve as a new opportunity to renew efforts to address maritime disputes peacefully.
 - ➤ Senator Gardner also issued a statement, upholding the importance of the ruling, as it confirmed that China's actions and claims in the South China Sea were contrary to international law. He said that "China must abide by the decisions of the tribunal and cease all reclamation and militarization activities in the South China Sea that violate the sovereignty of its neighbors and undermine peace and stability in the region."
- My engagement with China has lowered the tensions in the South China Sea. Both sides remain in constant and open dialogue, where we are able to have frank and open discussions, as well as address sensitive issues such as reports of Chinese activities in the South China Sea.

- ➤ During the 20th Philippine-China FMC, both sides came to an ad referendum agreement on the establishment of the bilateral consultation mechanism (BCM) on the South China Sea (SCS). The BCM will discuss issues of concern to eitherside and cooperation in the SCS, and will serve as a platform for confidence-building and promoting maritime cooperation and security. The Inaugural Meeting of the BCM on the South China Sea (SCS) was held on 19 May 2017 in Guiyang, China.
- We have agreed to fully reactivate regular consultative mechanisms. This month, we convened the recentlyestablished Bilateral Consultation Mechanism on issues pertaining to the South China Sea. These are positive steps taken in the interest of maintaining peace, security, and stability in the region.
- While the Philippines engages China on bilateral talks, it is committed to the rule of law, to the respect of legal and diplomatic processes, and to abide by international law, particularly the UNCLOS.
- The Philippines welcomes the finalization by ASEAN and China senior officials of the draft framework of the Code of Conduct. The Philippines is committed to working closely with all relevant stakeholders towards an effective Code of Conduct for the South China Sea.
 - ➤ On 17 May 2017, the senior officials from ASEAN and China completed the negotiation of the draft COC framework, ahead of the mid-2017 timeline set by the leaders of ASEAN member states and China. The draft framework will be presented to the Foreign Ministers of ASEAN and China at their Post-Ministerial Conference in Manila in August 2017 for their consideration. It includes elements that parties have agreed upon and will provide guidance as basis for consultations on the COC.

SITUATION IN THE KOREAN PENINSULA

- Mr. Senator, I have spoken with President Trump on the situation in the Korean Peninsula, and both of us expressed grave concern on North Korea's ballistic missile launches. I also informed him that our region is most vulnerable if the situation takes a turn for the worse.
 - > Recent ballistic tests of the North Korea are the following:

- **o** On 11 February 2017, North Korea claimed to have successfully launched a medium-to-long range ballistic missiles, which fell in Korean and Japanese territories.
- o On 06 March 2017, it released four ballistic missiles towards the Sea of Japan.
- o On 05 April 2017, it launched a medium-range ballistic missile into the Sea of Japan two days prior to the US-China Summit Meeting between US President Trump and China President Xi Jinping.
- **o** On 15 April 2017, it launched a ballistic missile from the Sanpo region, but was reported to have failed during the launch.
- **o** On 29 April 2017, it test-fired a ballistic missile from an area north of Pyongyang. Reports indicate that the said test appeared to have failed.
- o On 14 May 2017, it launched a newly-developed mediumrange ballistic missile into the Sea of Japan (East Sea). The missile travelled approximately 700 kilometers before crashing into the Sea of Japan.
- o On 21 May 2017, it fired a ballistic missile into waters off its east coast. The missile was launched from a location near Pukchang, 60 km north-east of the capital Pyongyang. The missile flew about 500kmand landed outside Japan's exclusive economic zone. No damage to ships or airplanes was reported.
- o On 29 May 2017, it fired a short-range ballistic missile that landed in the sea off its east coast, the latest in a series of missile tests. South Korean officials said the missile was believed to be a Scud-class ballistic missile and flew about 450 km (280 miles). North Korea has a large stockpile of the short-range missiles, originally developed by the Soviet Union.
- ▶ During the call with the US President, the President expressed his and the ASEAN leaders' concern on the ballistic missile launches by North Korea. He told the US President that he would call the Chinese President for possible peaceful settlement on the issue. To this, the US President asked the President to inform Chinese President Xi Jinping that everyone was counting on China to address the issue.
- I also spoke with President Xi Jinping, and conveyed to him the concern of the Philippines, the ASEAN, and the US over the tensions in the Korean Peninsula.
- During our talk, President Xi emphasized that the solution should be holistic and balanced, taking into consideration

the needs of all parties concerned. He noted the need for all parties concerned to engage in dialogue and negotiation.

- ➢ On 03 May 2017, the President and Chinese President Xi Jinping had a telephone conversation to discuss the situation in the Korean Peninsula. The President said US President Donald Trump requested him to talk to the Chinese President regarding China's role in helping defuse the tension in the Korean Peninsula, as China could "lessen tension and bring peace" in the region. The President expressed that the ASEAN leaders were very worried, and North Korea's "atomic weapons and warships will not help."
- President Xi said that while China was not a major player in the Korean Peninsula problem and did not hold the key to the solution, it was committed to the denuclearization of the Korean Peninsula, the upholding of peace in the region, and to having a negotiated settlement. Per the Chinese President, the problem must be approached from a holistic perspective taking into account its root problems and causes. Any solution must address the needs of all concerned parties in a balanced way, and they must meet halfway. President Xi responded that there was a need for dialogue and that peace was everyone's interest. The President said he would convey said message to President Trump and the concerned ASEAN Members States.
- ➤ Following the conversation, the President immediately wrote US President Trump informing the latter that he had already conveyed with Chinese President Xi the US President's message. He also conveyed to President Trump the response and message of President Xi.
- As President of the Philippines and Chair of the ASEAN, let me reiterate the Philippines and ASEAN's call for all parties to work together to defuse tensions in the Korean Peninsula and create conditions conducive to peace and stability in the region. We also call on all parties to find a negotiated settlement that will address the concerns in the region.
 - ➤ In his intervention during the ASEAN Summit on 29 April 2017, the President urged all parties concerned to come to a dialogue to avert conflict, which could detrimentally affect the entire ASEAN region.
 - ➤ The Statements of the ASEAN Foreign Ministers on 28 April 2017 and the ASEAN Leaders on 29 April 2017 expressed grave concern over the escalation of tension in the Korean

Peninsula. The ASEAN urged North Korea to fully comply with its obligations arising from the UN Security Council's Resolutions and international laws in the interest of maintaining international peace and security, as well as urged all parties to exercise restraint from actions that may aggravate the situation.

 The Philippines will do what it can and what it must in order to achieve lasting security and stability in the Korean Peninsula.