

COMPARATIVE

CONNECTIONS

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-PACIFIC

US-CHINA RELATIONS

US-CHINA EFFORT TO SET “GUARDRAILS” BACK ON TRACK FOR NOW

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The placement of the proposed “guardrails” that Joe Biden and Xi Jinping sought to erect last fall in Bali finally commenced in earnest with the visits to Beijing by three cabinet secretaries and one National Security Council principals-level appointee. Important steps were taken to put the balloon incident behind them, with lines of communication re-opened, assurances exchanged, and incremental forward progress recorded even in areas such as export controls, where US and China had previously clashed. Defense exchanges remain an area where progress lags. Whether the “guardrails” can survive their first contact with US election year polemics remains to be seen. As ties stabilized, both sides also engaged in sanctions and countermeasures as well as domestic rulemaking to secure their national economic and security interests. All along, the administration continued building “situations of strength” with its allies and partners to shape the strategic environment around China, which Beijing viewed as an act of encirclement.

This article is extracted from *Comparative Connections: A Triannual E-Journal of Bilateral Relations in the Indo-Pacific*, Vol. 25, No. 2, September 2023. Preferred citation: Sourabh Gupta, “US-China Relations: US-China Effort To Set “Guardrails” Back On Track For Now,” *Comparative Connections*, Vol. 25, No. 2, pp 33-46.

Speaking on the sidelines of the G7 summit meeting in Hiroshima in late May, President Biden said that he expected ties with China to “thaw very shortly.” Three weeks later, US Assistant Secretary of State Daniel Kritenbrink arrived in Beijing to set the table for a visit by Secretary of State Antony Blinken. Kritenbrink had been on table-setting duties for Blinken in early Dec. 2022 too, following the Biden -Xi meeting at the G20 Leaders Summit in Bali—only to see the visit derailed on the day of Blinken’s departure by a wayward Chinese high-altitude surveillance balloon that overflew the continental US and violated its sovereignty.

The suspension of the Blinken visit led to a standstill in ties as both parties sought not just to exchange recriminations but also to preserve the political momentum stemming from the hard-won consensus in Bali. Several human rights-related sanctions, export control measures and other sensitive actions were stayed, at least at Washington’s end, to limit the damage to ties. With no unwelcome surprise in store the second time around after Kritenbrink’s trip, Blinken paid a successful visit to Beijing—at least, by the modest standards of US-China relations. He was followed in quick succession by Treasury Secretary Yellen, Special Climate Envoy Kerry, and in late-August by Commerce Secretary Raimondo. Just as intuitively, many of the punitive measures that had been stayed since the balloon incident were reintroduced.

Four Meetings and a Snub

Over June 18 and 19, 2023, Secretary of State Antony Blinken held 12 hours of meetings in Beijing, following a preparatory build-up in May that featured exchanges between US Ambassador to China Nicholas Burns and now-dismissed Foreign Minister Qin Gang on May 8, between National Security Advisor Jake Sullivan and CPC Central Foreign Affairs Commission Director Wang Yi in Vienna on May 10-11, and an undisclosed trip to Beijing during the same month by CIA Director William Burns. At the time, Burns was the highest-ranking official to visit Beijing since Deputy Secretary of State Sherman’s trip to Tianjin in July 2021.

In Beijing, Secretary Blinken held “candid, substantive, and constructive” meetings with Foreign Minister Qin and with Director Wang, and thereafter had a brief sit-down with President Xi Jinping. The seven-and-a-half

hours of meetings with Qin was the most productive of the three with both sides moving consultations forward on the guiding principles for US-China relations and setting up working groups to address specific issues in ties. These working groups are up-and-running, as of August 2023. The State Department’s goals going into the meeting were four-fold: to establish better lines of communication to address misperceptions and ensure that competition did not veer into conflict; to disabuse China that the US was seeking to economically contain or decouple from it; to reiterate that the longstanding US “one-China” policy remained intact and to call out Beijing’s provocative actions in the Taiwan Strait; and to outline areas of cooperation in areas of mutual interest, including climate, macroeconomic stability, public health, counternarcotics, food security, and people-to-people matters including cases of wrongfully detained US nationals.



Figure 1 Secretary of State Antony Blinken meets with China’s Director of the Office of the Central Foreign Affairs Commission Wang Yi at the Diaoyutai State Guesthouse in Beijing on June 19, 2023. [Source: State Department photo by Chuck Kennedy, Public Domain via Flickr]

Wang’s tone in his meeting with Blinken was more berating, with the Chinese demanding that the US stop playing up the “China threat,” lift the “illegal” economic sanctions, stop suppressing China’s scientific and technological advances, and stop interfering in China’s internal affairs, including on the Taiwan Question. Blinken’s conversation with Xi Jinping, on the other hand, was more at the level of “60,000 feet,” to quote the secretary of state, and pertained to overall relationship management and the handling of differences. In that meeting, Blinken reiterated the commitments made by President Biden in Bali, namely that the US does not seek a new Cold

War, it does not seek to change China's system, its alliances are not directed at China, it does not support Taiwan's independence, and it does not seek conflict with China. The fact, though, that Xi sat at the head of a U-shaped table with Blinken seated below to his right, rather than side-by-side in chairs as has been the case in previous meetings between Chinese leaders and secretaries of state, did not go down well with US observers.

Blinken's meetings in Beijing were not intended to facilitate major breakthroughs; in the event, smaller deliverables were harvested. Aside from setting up working groups on regional and maritime issues, the two sides are to set up a working group on the fentanyl issue, within which Beijing will set out plans to crack down on online vendors of fentanyl precursors while Washington is to consider delisting the Chinese Ministry of Public Security's Institute of Forensic Science from its Entity List. It has been the refrain of the Chinese that Washington's demand for action amounts to a case of "forcing others to take medicine for one's own illness," given that China was the first country in the world to class schedule fentanyl in May 2019 while the United States has yet to do so despite being the largest consumer of the opioid. On passenger air travel, the number of round-trip flights between the two countries will double to 24 per week on Oct. 29—a far cry though from the pre-pandemic 150 roundtrips allowed—with the proviso that Chinese carriers avoid overflying Russian airspace. And in late-August, it was reported that the State Department had sought a six-month extension to the bilateral science and technology agreement to study, amend and strengthen its terms. The first bilateral agreement to be signed after the normalization of ties in 1979, and modified thereafter to strengthen its intellectual property protections, the umbrella S&T agreement was due to expire on Aug. 27, 2023.

Treasury Secretary Janet Yellen was the next cabinet level official to visit China, holding meetings with Premier Li Qiang, Vice Premier He Lifeng, Finance Minister Liu Kun and People's Bank of China Governor Pan Gongsheng from July 6-9, 2023. In her meetings, Yellen solicited Beijing's cooperation in global matters of mutual interest, namely working together to mobilize financing for climate action, and improving the international development finance debt restructuring process to alleviate distress in developing countries. On

the bilateral front, she emphasized that the administration sought to diversify—not decouple—critical supply chains from China, and that Washington's narrowly scoped and targeted national security measures were not designed to gain a competitive economic advantage. She said China, on the other hand, deployed unfair economic practices that needed to be remedied.

Yellen's outreach in Beijing tracked the themes articulated in her April 2023 speech on US-China economic relations. A week later though, NSA Sullivan had laid out the administration's wider international economic priorities. Of the five pillars enunciated by Sullivan—pursue an expansive industrial policy at home; work with like-minded partners to build a leading-edge techno-industrial base; pivot from traditional trade deals to new international partnerships like IPEF; mobilize sums for global anti-poverty and climate change efforts; and protect foundational technologies with a "small yard, high fence" approach—only one lent itself to fruitful cooperation with Beijing. Four of five priorities had no role for or aimed to de-risk from China. Still, the tone of Yellen's outreach was welcomed by the Chinese who conveyed their own grievances regarding Washington's Section 301 tariffs, bans on products originating from Xinjiang, the treatment of Chinese investments in the US, and the export controls imposed on China. Beijing also declined to join the Green Climate Fund and the Climate Investment Funds alongside the US and other donor governments, citing its status as a developing country.

One week after Yellen's departure, Presidential Special Climate Envoy John Kerry arrived for meetings with Premier Li Qiang, Central Foreign Affairs Commission Director Wang Yi, Vice President Han Zheng, and his climate change counterpart, Special Envoy Xie Zhenhua. While no breakthroughs were recorded, the aim of the visit was to "unstick" bilateral talks on climate change—the last exchange having taken place at the UN Climate Change Conference, COP27, in November 2022. Discussions are thought to have focused generally on the upcoming COP28 in Dubai, and on the state of China's follow-through on its methane emissions reduction pledge, in particular. That China expressed its interest in pragmatic institutionalized cooperation to jointly promote multilateral climate change governance and hinted at ratcheted-up commitments on its

nationally determined contributions (NDCs), suggests that both sides came away from the meetings satisfied. That said, Li pressed Kerry to share scientific and technological support to achieve climate change goals, drawing attention indirectly to the US-China Science and Technology Agreement beneath whose umbrella the exchanges on climate change are housed. And a commentary in Xinhua was forthright in pointing out that the administration's strategy of compartmentalizing cooperation on climate change was "unrealistic in practice and unacceptable for Beijing."

On Aug. 27, 2023, Commerce Secretary Gina Raimondo became the latest cabinet appointee to visit China—the first in five years by a US commerce secretary. In Beijing, she met with Premier Li Qiang, Vice Premier He Lifeng, Commerce Minister Wang Wentao (her counterpart with whom she had a brief sit-down at the APEC trade ministerial in Detroit in late May) and Culture and Tourism Minister Hu Heping, before concluding her visit in Shanghai with a meeting with local Party Secretary Chen Jining. Raimondo's agenda in China was a tricky one, given her dual-hatted role as chief salesperson of US business internationally and chief enforcer of the US' export control regime. To create a conducive setting prior to her departure, the Commerce Department's Bureau of Industry and Security (BIS) announced a rare easing of controls removing 27 Chinese entities—many in the optics and optoelectronics sector—from its Unverified List (UVL). The UVL is one of many lists administered by BIS and catalogs entities where the bureau has been unable to conduct end-use checks and verify that an exported American technology or goods is being put to its legitimate use.

In Beijing, useful progress was made. A commercial issues working group composed of senior officials and private sector representatives is to be established, meeting twice annually at the vice-ministerial level to find solutions to specific business problems. An export control information exchange was launched, to enable both sides to exchange information on export controls in accordance with their respective laws. The latter mechanism is not intended as a platform for negotiation. And a framework to conduct consultations to strengthen the protection of trade secrets and confidential business information during administrative licensing proceedings was agreed

upon. The most newsworthy soundbite to emerge from Raimondo's trip however was her characterization of China's business environment as potentially "uninvestable," given the lack of reform, problems with market access, and capricious enforcement of rules. Coming to China's defense on this point, somewhat surprisingly, was the head of the European Union chamber of commerce in Beijing.



Figure 2 US Defense Secretary Gen. Lloyd Austin (far left) and Chinese Defense Minister Gen. Li Shangfu (front, far right) attend a luncheon at the 20th Shangri-La Dialogue in Singapore on June 3, 2023. The two generals shook hands at the 2023 Shangri-La Dialogue but did not hold an official meeting. [Photo by Kyodo News via Getty Images, Rights Obtained by Institute for China-America Studies]

For all the earnestness and positivity on display starting with Blinken's mid-June visit, the effort to erect the envisaged Biden-Xi guardrails had started out poorly earlier that month with a snub. At the 20th Shangri-La Dialogue in Singapore on June 2-4, the Chinese refused to entertain a meeting between their defense chiefs, despite Defense Secretary Lloyd Austin and Defense Minister Li Shangfu crossing paths at the venue. The refusal was restated during Blinken's meetings in Beijing, coupled with the demand that Defense Minister Li be removed first from the Treasury Department's CAATSA sanctions-related specially designated national (SDN) list. Given that Li is only six months into his ministerial tenure, the obstacle to renewing ministerial-level talks appears to be insuperable. As a provisional workaround, meetings featuring the Pentagon's top Asia official and senior Chinese foreign ministry officials have been arranged on more than one occasion. Similarly, while China continues to balk at restarting the institutionalized dialog

channels—the Defense Policy Coordination Talks; Military Maritime Consultative Agreement Mechanism meetings—in continuing protest of then-Speaker Pelosi’s visit to Taipei, a delegation led by the PLA’s deputy chief of staff in the Joint Staff Command participated alongside 27 other delegations at the 25th Indo-Pacific Chiefs of Defense conference co-hosted by the US in Fiji from Aug. 14-16. US-China mil-mil dialogue, while no longer dormant, is confined to lower-level officials and routed through multilateral forums.

In their dueling speeches at the Shangri-La Dialogue, Secretary Austin and Defense Minister Li laid out contrasting visions of order for the Indo-Pacific region. Austin focused on the steps taken to modernize the US’ system of alliances and partnerships “to deter aggression and to deepen the [regional] rules and norms.” He called out China’s “alarming number of risky intercepts” of US and allied aircraft and warships in lawful international airspace or waters, including one in the Taiwan Strait while the conference was underway. Li flipped the script in his remarks, painting a rosy picture of China’s benign plans for the world and likened the incidents stemming from the US’ freedom of navigation operations as a provocation that could be prevented if “[US] naval vessels and fighter jets [did] not maneuver close to other countries’ territories.” The two sides sniped at each other and traded accusations on other occasions too. NATO’s assertion that China “strives to subvert the rules-based international order” was met with a rejoinder inferring “NATO’s hypocrisy and its ambition of seeking expansion and hegemony.” And the anti-China language in the G7 Hiroshima Leaders Communique was met not just by a rebuttal but also a 5,000 word-plus report denouncing the US’ coercive diplomacy and its harms.

Restarting “Competitive Actions”

The standout feature of US-China relations during the summer of 2023 was the resumption of high-level dialogue. As ties stabilized, the Biden administration also proceeded to lift the state of suspended animation on its “competitive actions” (a rolling list of punitive measures) that it had instituted in the wake of the balloon incident. On June 23, four days removed from Blinken’s return, the Justice Department filed indictments against four Chinese companies and eight nationals for

trafficking chemical precursors used to produce fentanyl in the US. The action was met with a stern Chinese response. Also, on June 23, the Director of National Intelligence declassified a report on the potential links between the Wuhan Institute of Virology and the origin of the COVID-19 pandemic, which only laid bare the lack of a definitive finding and the divisions within the US intelligence community. The timing of the declassification was driven though by statutory factors. In June and again later in August, four Chinese companies including laser printer maker Ninestar, which majority owns US-based Lexmark International, were added to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List by the Department of Homeland Security (DHS) for business practices that targeted Uyghur minorities. The DHS’ actions too met with a stern rebuttal. Two days later, on Aug. 3, the Justice Department announced the arrest of two US Navy service members for transmitting sensitive military information to Chinese intelligence officers. And in late-August, the State Department imposed visa restrictions on Chinese officials for their involvement in the alleged forcible assimilation of more than one million Tibetan children in government-run boarding schools.

The administration also took two major actions with regard to economic rulemaking. On June 16, the Commerce Department issued its Final Rule on Securing the Information and Communications Technology and Services (ICTS) Supply Chain. The rule incorporates “connected software applications,” such as TikTok, as a category of ICTS and clarifies the definitions and risk criteria relevant to evaluating an ICTS transaction that could present a national security threat. The final rule is part-and-parcel of the government’s push to secure ICTS infrastructure and safeguard against the exploitation of Americans’ personal data by foreign adversaries. Banning TikTok though will still require fresh legislation from Congress due to First Amendment-related complexities. Of greater import, on Aug. 9, President Biden issued an Executive Order launching an outbound investment screening regime to scrutinize and ban certain US investments into China. The order marks a rare instance of outbound capital flows being regulated and controlled for national security reasons. The “covered national security technologies and products” are semiconductors and microelectronics, quantum information technologies, and certain artificial intelligence

(AI) systems. Consistent with the administration's "small yard, high fence" approach, the scope of application of a "covered transaction" is narrow and leaves all but a small subset of US investments in non-Chinese firms untouched. Separately, administration action is awaited on restricting Chinese AI companies' access to US cloud computing services as well as expansion of export control restrictions on AI chip sales to Chinese end-users. That Huawei's newest smartphone—released pointedly during Raimondo's visit—features performance analogous to top-of-the-line 5G phones suggests nevertheless that the onerous US export controls might not be as binding as previously thought.

China did not reciprocate the Biden administration's pause on its "competitive actions" following the balloon incident, having come late to the business of imposing sanctions and countermeasures. It continued where it had left off. On May 21, the Chinese cyberspace regulator forbade domestic users of computer equipment deemed sensitive from purchasing products from US memory chipmaker Micron Technology, Inc., citing Micron's failure to pass a cybersecurity review. On July 3, China's Ministry of Commerce announced restrictions on the export of gallium and germanium for national security reasons. The minerals are critical inputs for a host of high-tech products, including semiconductors, solar cells, and LED displays, and China dominates the production of both (86% and 68% of gallium and germanium production worldwide, respectively, in 2022). The action is aimed squarely at key importers Japan and the Netherlands, two significant chip players that recently harmonized their chip export control regimes with Washington's, at the latter's behest. On July 5, the Beijing Municipal Bureau of Statistics fined the Beijing arm of the Mintz Group, a US due diligence firm, for unapproved "foreign-related statistical investigations" across 37 projects conducted from March 2019 to July 2022. And in mid-August, in a reprise of its silent treatment that had killed the Qualcomm-NXP semiconductors merger in July 2018, China's State Administration for Market Regulation, the anti-trust regulator, let the deal clock run out on Intel's bid to acquire the Israeli chip manufacturer, Tower Semiconductor.

Relatedly, the Standing Committee of China's National People's Congress passed a revised Counter-Espionage Law that significantly

expands the definition of espionage with a catch-all provision to capture not just the illegal obtainment or sharing of state secrets and intelligence but also any other data, materials or items related to national security or national interests (Article 4(3)). The law, which came into effect on July 1, primarily targets private information service providers of publicly available but business sensitive information which the government believes has been the basis of many of the US' sanctions measures. And on June 28, a Foreign Relations Law was adopted which reserves the right to impose countermeasures "against acts that endanger [China's] sovereignty, national security and development interests in violation of international law or fundamental norms governing international relations" (Article 33).

Shaping the Environment Around China with a Number of "Firsts"

The Biden administration's strategy on China has been to invest in domestic competitiveness, align efforts with a network of allies and partners and, harnessing these assets, compete with China. The administration has also sought to shape the strategic environment around China by building "situations of strength" with a "lattice-work of alliances and partnerships" to dictate the effective terms of competition to China. That shaping of the environment continued apace through the summer of 2023.

On May 3, 2023, US Defense Secretary Austin and Philippine Defense Secretary Galvez signed off on Bilateral Defense Guidelines to modernize their alliance cooperation. In addition to reaffirming that an armed attack in the South China Sea on a Philippine Coast Guard vessel would invoke defense commitments under Articles IV and V of the 1951 Mutual Defense Treaty, the guidelines expand cooperation on maritime domain awareness and security through exercises, training, and combined activities, including joint patrols. A week earlier, as part of exercise Balikatan, the two sides practiced the transport and unloading of HIMARS mobile rocket systems on strategically located islands off northern Luzon, and conducted combined joint littoral live-fire exercises that included the sinking of a target ship for the first time. In late August, a first-ever "Quad" joint exercise featuring the US, Philippines, Australia, and Japan was conducted in waters off Manila. Earlier, in June, two US Air Force nuclear-capable B-52 bombers

landed in Indonesia too for the first time as part of the Cope West exercise.



Figure 3 Philippines President Ferdinand Marcos Jr (center left) attends a live fire drill on April 26, 2023 at the Naval Education Training and Doctrine Command (NETDC) in San Antonio, Zambales, Philippines. The live fire drill is part of the annual US-Philippines drills called Balikatan, meaning "shoulder to shoulder" in Tagalog, which involved more than 17,000 military personnel in its 2023 iteration. [Source: Photo by Jes Aznar via Getty Images, Rights Obtained by Institute for China-America Studies]

On May 22, 2023, the US and Papua New Guinea signed a Defense Cooperation Agreement that will allow the US military to station troops and vessels at six key ports and airfields, including Lombrum Naval Base on Manus Island. Access to Lombrum could be used to reinforce US facilities on Guam to the north in the event of a Taiwan contingency, allaying fears that a Chinese military foothold in the South Pacific could outflank these facilities. In mid-June, President Biden hosted Indian Prime Minister Modi for just the third state visit of his presidency. With Australian Prime Minister Albanese due on a state visit in October, three of four state visits will have been reserved for Indo-Pacific allies and partners. Prior to Modi's state visit, the two sides finalized a Defense Industrial Cooperation Roadmap, and advanced an initiative to enable greater transfer of US jet engine technology, including co-producing GE F-414 engines on Indian soil during the visit. Three Indian liaison officers are to be placed at US combatant commands for the first time and New Delhi will join the US' Artemis Accords alongside 26 other space exploring countries.

On Aug. 18, 2023, the US, Japan, and South Korea held a first-ever stand-alone trilateral summit of leaders at the Camp David presidential retreat. At the summit, the parties issued a set of

shared principles, a Commitment to Consult pledge to respond to Indo-Pacific challenges, and a timeline (by end-2023) to activate a trilateral data-sharing mechanism to exchange North Korean real-time missile launch data. Earlier, in July, an 18,000-ton Ohio-class nuclear submarine, the USS Kentucky, made a port call in Busan--the first docking of a nuclear submarine in South Korea in 42 years. The docking coincided with the convening of the inaugural meeting of the US-ROK Nuclear Consultative Group (NCG), a mechanism envisaged in the Biden-Yoon Washington Declaration of late-April to enable Seoul to have enhanced access to information, and a voice on deployment, of US nuclear assets and operational plans sub-regionally. The operational plans of the US-ROK Combined Forces Command (CFC) are presently limited to the use of conventional weapons.

Finally, the administration maintained its tempo of arms sales to Taiwan, which also featured several "firsts." On July 28, the White House announced plans to provide weapons from US stockpiles to the tune of \$345 million utilizing Presidential Drawdown Authority (PDA) which Congress had authorized last year--the first time that arms will be provided to the self-governing island utilizing PDA. Drawdown authority enables the US government to bypass the lengthy process of contracting and producing weapons, which has resulted in a backlog of transfers to Taipei. On Aug. 30, the State Department notified Congress of its decision to provide Taiwan with air and coastal defense systems, armored vehicles, infantry fighting vehicles, drones, ballistic missile and cyber defenses, and advanced communications equipment to the tune of \$80 million under its Foreign Military Financing (FMF) program. Although the amounts involved are small, the transfer would be the first instance of military aid provided to Taipei under the FMF route, and only the second such instance to a non-nation state actor after the African Union. China deplored the proposed transfer as a severe violation of its "one-China principle and...the [US-China] Communiqué of 1982." Earlier, in late-June and in August, the US approved Foreign Military Sale packages to Taiwan. The August sale of US\$500 million worth of F-16 Infrared Search and Tracker (IRST) systems--the 11th arms sale approved by this administration--will enable Taiwanese fighter jets to detect and track Chinese J-20 stealth jets at longer distances, without activating radar.

China is displeased with the administration's strategy of building "situations of strength" around its periphery. It believes it is intended to isolate China diplomatically, encircle it militarily, build it out economically, and suppress its development technologically. The networking of alliances, partnerships and minilateral groupings are also, in Beijing's view, an accelerant of major power conflict than a building block for stability. That it is not sitting still in shaping the environment around the US can be gauged from revelations in the press that China and Cuba are negotiating to establish a new joint training facility on the island that could lead to a skeletal but continuous Chinese troop presence 100 miles off Florida. China already operates listening posts in Cuba.

A Fragile "Window of Opportunity"

The past three months in US-China relations have been as purposeful as the three months following the balloon incident were unproductive. The two sides took important first steps to put the incident behind and stabilize their rocky relationship. Lines of communication were re-opened, assurances exchanged, and incremental forward progress recorded even in areas such as export controls where the two sides had previously clashed. Even the (low-key) US transit in mid-August of Taiwan Vice President William Lai, the independence-leaning presidential candidate, failed to deflect ties from their path. The lack of defense exchanges as well as engagement on their reciprocal tariff hikes remain the key areas where progress continues to lag. The next three months in the run-up to the proposed Biden-Xi meeting at the San Francisco APEC Summit provides a "window of opportunity" to lock down progress on a number of fronts—be it the fentanyl precursors issue, updating their umbrella S&T agreement, and deepening people-to-people contacts. It remains to be seen if the guardrails can survive their first contact with US election year polemics though. There are calls to revoke China's most favored nation status, discard the Taiwan Strait policy of 'strategic ambiguity,' ban TikTok, and investigate the Biden family's financial dealings with China. Republicans have even claimed that "Bidenomics" translated into Chinese means surrender! A holding pattern in ties is probably the best that can be expected through 2024.

CHRONOLOGY OF US-CHINA RELATIONS

MAY—AUGUST 2023

May 1, 2023: Adm. Samuel Paparo, commander of the US Pacific Fleet, [says](#) that the US is prepared to assist the Philippines in its efforts to resupply its forces in the Second Thomas Shoal that China has “frequently interfered with.”

May 3, 2023: US Defense Secretary Lloyd Austin III and Philippine Secretary of the Department of National Defense Carlito Galvez [establish](#) the Bilateral Defense Guidelines to modernize their alliance cooperation.

May 4, 2023: China’s Ministry of Foreign Affairs [says](#) that the South China Sea should not become a “hunting ground for external forces” after the US and the Philippines affirm new guidelines to govern their mutual defense commitments.

May 5, 2023: US [moves](#) a \$500 million proposed arms sale package bound for Taiwan to a fast track through the “Presidential Drawdown Authority” created for streamlining aid to Ukraine.

May 8, 2023: US Ambassador to China Nicholas Burns [meets](#) with China’s Foreign Minister Qin Gang in Beijing where the two sides agree on the need to stabilize the relationship between the two countries.

May 10, 2023: House Rules Committee [holds](#) a hearing on “Examining China’s Coercive Economic Tactics.”

May 10–11, 2023: National Security Advisor Jake Sullivan [meets](#) with Chinese Communist Party Politburo Member and Director of the Office of the Foreign Affairs Commission Wang Yi over the course of two days in Vienna.

May 12, 2023: US federal court in Boston [charges](#) a Chinese-American man with conspiracy over allegedly working with Chinese officials to spy on and suppress pro-democracy activism by Chinese nationals in the US.

May 12, 2023: Deputy Secretary of State Wendy Sherman is [ushered out](#) of her role at the State Department and replaced by Victoria Nuland as her acting successor.

May 15, 2023: China [sentences](#) 78-year-old US citizen and Hong Kong national John Shing-Wan Leung to life in prison on espionage charges.

May 16, 2023: Included among the inaugural cases of an interagency “technology strike force” are [charges](#) against a former Apple engineer for allegedly trying to sell source code for advanced machinery with military implications to China, and against China-based agents attempting to send blacklisted weapons components to Iran.

May 16, 2023: Senate Appropriations Committee [holds](#) a hearing on “A Review of the President’s Fiscal Year 24 Budget Request: Investing in US Security, Competitiveness, and the Path Ahead for the US–China Relationship” with Secretaries Austin, Blinken, and Raimondo testifying.

May 16, 2023: House Natural Resources Committee [holds](#) a hearing on “Preserving US Interests in the Indo-Pacific: Examining How US Engagement Counters Chinese Influence in the Region.”

May 17, 2023: Montana becomes the first state to [ban](#) TikTok from operating inside its borders.

May 17, 2023: House Armed Services Committee [holds](#) a hearing “To receive special testimony on the role of Special Operations Forces in supporting the National Defense Strategy, including activities that contribute to long-term strategic competition with China and Russia.”

May 17, 2023: House Select Committee on China [holds](#) a hearing titled “Leveling the Playing Field: How to Counter the CCP’s Economic Aggression.”

May 18, 2023: China’s Ministry of Foreign Affairs [publishes](#) a 5,000-word report criticizing “America’s Coercive Diplomacy and Its Harm.”

May 18, 2023: US Trade Representative [reaches](#) an initial agreement with Taiwan on the “21st-Century” Trade Initiative.

May 18, 2023: House Foreign Affairs Committee [holds](#) a hearing titled “Standing United Against the People’s Republic of China’s Economic Aggression and Predatory Practices.”

May 20, 2023: China’s Ministry of Foreign Affairs spokesperson [describes](#) the G7 leaders’ communiqué as “hindering international peace, undermining regional stability and curbing other countries’ development.”

May 20, 2023: Leaders of the G7 countries [issue](#) a joint communiqué at the bloc’s annual summit’s climax saying that they aim to “de-risk and diversify” their economic relationship with China, rather than decoupling, and to confront its actions which “distort the global economy.”

May 21, 2023: President Biden [says](#) that US-China relations will “thaw very shortly” during a press conference prior to departing the G7 Summit in Hiroshima.

May 21, 2023: China [bans](#) domestic companies that handle critical information from buying products made by US chipmaker Micron over “serious network security risks.”

May 22, 2023: The US and Papua New Guinea conclude a Defense Cooperation Agreement (DCA) and an Agreement Concerning Illicit Transnational Maritime Activity Operations. It later emerges that the DCA will enable the US military to station troops and vessels at six key ports and airports and allow “unimpeded access” to the sites to pre-position equipment and supplies and “exclusive use” of some zones for development and construction activities.

May 23, 2023: China’s new Ambassador to the US Xie Feng [arrives](#) in Washington.

May 23, 2023: House Homeland Security Committee [holds](#) a hearing titled “A Security Sprint: Assessing the US Homeland’s Vulnerabilities to Chinese Communist Party Aggression”

May 24, 2023: Microsoft and US intelligence [accuse](#) China of sponsoring hacker network Volt Typhoon upon discovering efforts to target military communications infrastructure in Guam.

May 25, 2023: Commerce Secretary Gina Raimondo [meets](#) with her Chinese counterpart Wang Wentao in Washington where the two had “candid and substantive discussions on issues relating to the US-China commercial relationship.”

May 26, 2023: US Trade Representative Katherine Tai [meets](#) with China’s Commerce Minister Wang Wentao on the sidelines of an Asia-Pacific Economic Cooperation (APEC) conference in Detroit in a continuing thaw.

May 30, 2023: US Indo-Pacific Command [denounces](#) a Chinese jet for performing an “unnecessarily aggressive” maneuver against one of its reconnaissance planes during a routine overflight in international airspace over South China Sea on May 26.

May 31, 2023: Senate Banking, Housing, and Urban Affairs Committee [holds](#) a hearing “To examine countering China, focusing on advancing US national security, economic security, and foreign policy, including S.1271, to impose sanctions with respect to trafficking of illicit fentanyl and its precursors by transnational criminal organizations, including cartels.”

June 2, 2023: Secretary of Defense Lloyd Austin [shakes hands](#) with his Chinese counterpart Li Shangfu at the 20th Shangri-La Dialogue in Singapore, but they hold no “substantive dialogue”; Beijing rejected Washington’s request for a meeting on the conference’s sidelines.

June 2, 2023: Secretary of Defense Lloyd Austin [calls out](#) China’s “alarming number of risky intercepts of US and allied aircraft flying lawfully in international airspace” in his remarks delivered at the 20th Shangri-La Dialogue.

June 2, 2023: CIA [announces](#) that Director William Burns made a secret trip to China in May in an attempt to keep lines of communication open despite security and economic tensions.

June 3, 2023: American destroyer USS *Chung-Hoon* and Canadian frigate *HMCS Montreal* [transit](#) the Taiwan Strait during which a Chinese guided-missile destroyer veered across the former’s bow in an “unsafe” maneuver.

June 4, 2023: Chinese Defense Minister Li Shangfu [hails](#) China's regional ties and criticizes "countries outside the region" for asserting "hegemony of navigation in the name of freedom of navigation" in his remarks delivered at the 20th Shangri-La Dialogue.

June 5, 2023: US and India [release](#) a Roadmap for US-India Defense Industrial Cooperation prior to Prime Minister Narendra Modi's four-day state visit to the US.

June 5, 2023: Daniel Kritenbrink, Assistant Secretary of State for East Asian and Pacific Affairs, [meets](#) with China's Vice Foreign Minister Ma Zhaoxu in Beijing with the two holding "candid and productive" talks.

June 6, 2023: House Judiciary Committee [holds](#) a hearing titled "IP and Strategic Competition with China: Part II—Prioritizing US Innovation Over Assisting Foreign Adversaries."

June 7, 2023: Senate Foreign Relations Committee [holds](#) a hearing on "Aligning transatlantic approaches on China."

June 8, 2023: Senate Foreign Relations Committee [approves](#) the "Ending China's Developing Nation Status Act" calling on the Secretary of State to work towards stripping China of its 'developing' country status in international organizations.

June 8, 2023: Xie Feng [tells](#) the US-China Business Council that Beijing considers the Taiwan issue "the biggest risk" to US-China relations, but that China "has always been open to dialogue."

June 9, 2023: White House [denies](#) reporting by the *Wall Street Journal* and *Politico* that suggests that China is in talks with Cuba to establish an eavesdropping facility with range over the US.

June 9, 2023: Department of Homeland Security [bans](#) imports from two additional Chinese companies through the Uyghur Forced Labor Prevention Act (UFLPA) Entity List.

June 12, 2023: Commerce Department says that it will [extend](#) existing exemptions to US export controls against the Chinese advanced semiconductor sector to apply to manufacturers in South Korea and Taiwan and allow them to continue to do business in China.

June 13, 2023: House Financial Services Committee [holds](#) a hearing on "The Annual Testimony of the Secretary of the Treasury on the State of the International Financial System," where Treasury Secretary Yellen says "it would be disastrous for us to attempt to decouple from China."

June 13, 2023: China [conducts](#) naval exercises off the coast of Zhejiang in the East China Sea, coming at the same time as joint naval exercises between the US, Japan, Canada, and France are underway in the Philippine Sea, beginning on June 9.

June 14, 2023: House Foreign Affairs Committee [holds](#) a hearing on "Assessing US Efforts to Counter China's Coercive Belt and Road Diplomacy."

June 14, 2023: Senate Foreign Relations Committee [holds](#) a hearing "To receive a closed briefing on the current dynamics in US-China relations."

June 18-19, 2023: Secretary of State Antony Blinken [visits](#) Beijing for two days where he holds twelve hours of meetings with top Chinese officials including President Xi—the first visit of its kind since 2018. Blinken [also holds](#) meetings with then-Foreign Minister Qing Gang and Central Foreign Affairs Commission director Wang Yi.

June 19, 2023: President Biden [says](#) that he believes US-China relations are "on the right trail" and hails "progress" after Secretary Blinken's meeting with Chinese President Xi Jinping.

June 20, 2023: President Biden [labels](#) China's President Xi to a "dictator," in remarks during a campaign fundraiser, prompting denunciations from China.

June 22, 2023: US and India [announce](#) an agreement during Prime Minister Narendra Modi's state visit to jointly produce General Electric F414 engines in India for New Delhi's future combat aircraft.

June 23, 2023: Justice Department [indicts](#) four Chinese companies and eight nationals over trafficking chemical precursors used in fentanyl production to the US.

June 23, 2023: Director of National Intelligence [declassifies](#) a report investigating the potential links between Wuhan Institute of Virology and the COVID-19 pandemic, revealing a lack of consensus between different intelligence agencies.

June 23, 2023: China [issues](#) an official reprimand to the US ambassador in Beijing over President Biden's "dictator" comment.

June 28, 2023: China's embassy in the US [says](#) that Washington must remove Chinese officials from the sanctioned specially designated nationals list if they want to restart military-to-military dialogue.

June 28, 2023: A Chinese law is [adopted](#) that allows China to take restrictive measures "against acts that endanger [China's] sovereignty, national security and development interests in violation of international law or fundamental norms governing international relations."

June 29, 2023: State Department [approves](#) a sale of \$332.2 million worth of 30mm ammunition to Taiwan.

June 30, 2023: President Biden [receives](#) China's ambassador to the US, Xie Feng, at the White House.

June 30, 2023: Chairman of the Joint Chiefs of Staff, General Mark Milley, [says](#) that there is still time to dissuade and deter China from mounting an invasion of Taiwan.

July 1, 2023: CIA Director William Burns [says](#) that decoupling from China would be "foolish," but that the US must work to diversify its supply chains.

July 2, 2023: Drug Enforcement Administration head Anne Milgram [says](#) that China is not cooperating enough on combatting the flow of fentanyl into the US via Mexico.

July 3, 2023: China's Ministry of Commerce [announces](#) that a licensing system on gallium and germanium exports, key components in chip production, will come into effect on August 1 in order to "safeguard national security and interests."

July 5, 2023: Beijing Municipal Bureau of Statistics fines the Beijing arm of the Mintz

Group for unapproved "foreign-related statistical investigations" across 37 projects conducted during the March 2019 to July 2022 period.

July 6–9, 2023: Treasury Secretary Janet Yellen [visits](#) China for four days where she has several "frank, pragmatic, in-depth and constructive" meetings with top Chinese officials in charge of economic affairs.

July 10–14: China [conducts](#) a week of naval and air exercises in the Taiwan Strait.

July 11, 2023: Microsoft [reveals](#) that a Chinese hacking group gained access to US government email accounts, including those of the ambassador to China Nicholas Burns and Assistant Secretary of State for East Asian and Pacific Affairs Daniel Kritenbrink, but the National Security Council reassures that no classified information was affected.

July 12, 2023: China's Embassy in the Philippines [calls](#) Washington the "mastermind" of the seven-year-old arbitration over the South China Sea and accuses the US of coercing its allies "to gang up against China...and force China into accepting the award."

July 13, 2023: Secretary of State Antony Blinken [meets](#) with China's top diplomat Wang Yi on the sidelines of the ASEAN foreign ministers meeting in Jakarta for "candid and productive" talks.

July 13, 2023: A US Navy P-8A Poseidon patrol and reconnaissance aircraft [transits](#) the Taiwan Strait.

July 16–19, 2023: Special Presidential Envoy for Climate John Kerry [visits](#) China where he holds meetings with top Chinese climate officials to discuss opportunities for cooperation.

July 17, 2023: House Select Committee on China [holds](#) a hearing titled "Risky Business: Growing Peril for American Companies in China."

July 18–20, 2023: Henry Kissinger [meets](#) President Xi Jinping and other senior officials in Beijing at a time when almost all incumbent US government officials are frozen out of contact with Mr. Xi. Xi tells Kissinger that US-China ties are at a crossroads.

July 18, 2023: National security authorities of the US and South Korea convene for the inaugural meeting of their Nuclear Consultative Group (NCG) in Seoul. On the same day, a US nuclear-powered submarine, the *USS Kennedy*, docked in South Korea for the first time in four decades.

July 18, 2023: House Intelligence Committee [holds](#) a closed hearing on the “People’s Republic of China Threats to the Homeland.”

July 20, 2023: House Select Committee on China [holds](#) a hearing on “The Biden Administration’s PRC Strategy.”

July 21, 2023: During a fireside chat at the Aspen Security Forum, Secretary of State Antony Blinken [calls](#) on Beijing to use its “unique influence” to bring about North Korea’s denuclearization, and not to take US efforts to develop South Korea and Japan’s defense capabilities as directed at China.

July 25, 2023: Qin Gang is [replaced](#) in his role as China’s foreign minister by his predecessor Wang Yi.

July 26, 2023: Secretary of State Antony Blinken [criticizes](#) China’s “problematic behavior...in the region” in remarks during a visit to Tonga.

July 26, 2023: Senate Foreign Relations Committee [holds](#) a hearing on “US Economic Security to Address Economic Coercion and Increasing Competitiveness” where Treasury Undersecretary Jay Shambaugh testifies that the Department “will use a suite of tools” to protect US national security *vis-à-vis* China.

July 26, 2023: House Select Committee on China [holds](#) a hearing titled “Commanding Heights: Ensuring US Leadership in the Critical and Emerging Technologies of the 21st Century.”

July 26, 2023: House Committee on Energy and Commerce [holds](#) a hearing titled “Self-Driving Vehicle Legislative Framework: Enhancing Safety, Improving Lives and Mobility, and Beating China.”

July 28, 2023: White House [announces](#) a \$345 million military aid package for Taiwan—including anti-air and anti-armored munitions—through the fast-track ‘Presidential Drawdown Authority,’ prompting China to accuse the US of turning the island into

a “powder keg and ammunition depot” a day later.

Aug. 1, 2023: Department of Homeland Security [bans](#) imports from two additional Chinese companies through the Uyghur Forced Labor Prevention Act (UFLPA) Entity List

Aug. 3, 2023: Two US Navy sailors are [charged](#) over providing sensitive military information to China.

Aug. 7, 2023: President Biden signs legislation to implement the “21st-Century” Trade Initiative with Taiwan.

Aug. 9, 2023: President Biden [signs](#) an executive order requiring US persons to notify the Treasury Department of certain transactions and investments in China, particularly targeting those in high-tech sectors such as semiconductors, quantum computing, artificial intelligence, and other technologies with potential military applications.

Aug. 10, 2023: President Biden [calls](#) China’s slowing economy “a ticking time bomb” at a campaign fundraiser event.

Aug. 10, 2023: China [expresses](#) “serious concerns” with the White House’s recent Executive Order and accuses the US of pursuing “technology hegemony.”

Aug. 11, 2023: China’s Ministry of State Security [arrests](#) a 52-year-old worker for a military-industrial company on suspicion of selling military secrets to the CIA.

Aug. 11, 2023: China’s Ministry of Commerce [publishes](#) a report attacking Washington’s failed compliance with World Trade Organization (WTO) obligations.

Aug. 13, 2023: Taiwanese vice president and presidential candidate in next year’s elections William Lai Ching-te [stops over](#) in New York en route to Paraguay, prompting his condemnation by China as a “troublemaker through and through.”

Aug. 16, 2023: Intel scraps its attempted acquisition of Tower Semiconductor after China’s anti-trust regulator stalls on the deal, in effect, signaling its refusal to approve the deal.

Aug. 18, 2023: Commerce Department [issues](#) a final determination in a year-long investigation into solar tariff contravention which finds five Chinese solar panel companies guilty of skirting said tariffs by shipping their products through Southeast Asia.

Aug. 19, 2023: In response to Lai's visit to the US, China conducts military drills in the Taiwan Strait as a "stern warning to the collusion of 'Taiwan independence' separatists with foreign elements and their provocations."

Aug. 19, 2023: US, Japan, and South Korea issue a set of shared Camp David Principles and a Commitment to Consult pledge on regional challenges during a trilateral leaders summit at the Camp David presidential retreat in rural Maryland.

Aug. 21, 2023: Commerce Department's Bureau of Industry and Security [removes](#) 27 Chinese companies from its "Unverified List."

Aug. 22, 2023: State Department [imposes](#) visa restrictions on Chinese officials in Tibet for their involvement in forced assimilation in government-run boarding schools in the province.

Aug. 22, 2023: Commerce Secretary Gina Raimondo [meets](#) with the Chinese ambassador to the US, Xie Feng, ahead of her planned trip to China.

Aug. 23, 2023: State Department [approves](#) an arms sale to Taiwan of \$500 million worth of F-16 Infrared Search and Track (IRST) systems and related equipment.

Aug. 24, 2023: House Committee on Natural Resources [holds](#) a hearing titled "Peace Through Strength: The Strategic Importance of the Pacific Islands to US-led Global Security."

Aug. 27-30, 2023: Commerce Secretary Gina Raimondo [visits](#) China for four days to meet with her counterparts, and the two sides agree to new consultations on trade and export control systems.

Aug. 29, 2023: White House temporarily [extends](#) a science and technology agreement with China by six months to provide time for its renegotiation with stakeholder input.

Aug. 30, 2023: State Department [notifies](#) Congress of an \$80 million arms deal to Taiwan through the Foreign Military Financing (FMF) program, a scheme usually reserved for sales to sovereign states.