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US-CHINA RELATIONS

BIDEN-XI WOODSIDE SUMMIT AND THE SLOW REHABILITATION OF US-PRC TIES

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The "guardrails" that President Biden and President Xi envisaged in Bali in November 2022 began to be emplaced at their November 2023 summit in Woodside, California. In-person, leader-led communication was deepened, reassurances exchanged, and practical—albeit modest—"deliverables" locked down on several fronts, including restarting mil-mil communications, cracking down on fentanyl precursors, addressing the national security harms of artificial intelligence (AI), and increased people-to-people exchanges. The establishment of numerous bilateral working groups will ensure an almost full plate of across-the-board consultations in 2024 as well as the means to troubleshoot irritants on short notice. As stabilizing as the Woodside summit was, it failed to deflect the US-PRC relationship from its larger overall trajectory of "selective decoupling" across a range of advanced technologies and frontier industries (microelectronics; quantum; AI; biomanufacturing; clean energy). Strategic trade controls and other competitive actions were doubled down upon. With a pivotal US presidential election looming in 2024, questions abound on the longer-term durability of a rehabilitating US-PRC relationship.

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Starting in early September 2023, the signs were unmistakable—the and US Chinese governments were angling to set up an in-person meeting of their presidents on the of the Asia-Pacific Economic sidelines Cooperation (APEC) leaders' meeting slated for mid-November in San Francisco. Though the two presidents had last met in-person on the sidelines of the G20 Leaders' Summit in November 2022 in Bali, President Xi Jinping chose to forego the G20 Summit in New Delhi on Sept. 9-10. On Sept. 12, Xi replied to a letter from veterans of the World War II-vintage American Volunteers Group of the Chinese Air Force, better known as the Flying Tigers, extolling the virtues of people-to-people exchanges. It was his third instance of "letter diplomacy" within a month with friendly US citizens, the earlier letters being addressed to the grandson of Joseph Stilwell, the World War II-era US general, and to the Washington state-based US-China Youth and Student Exchange Association. The president and CEO of the Philadelphia Orchestra, the first American orchestra to perform on the mainland after the founding of the People's Republic, was also the lucky recipient of a Xi-signed letter in November.

On Sept. 16-17, US National Security Advisor Jake Sullivan met his counterpart CPC Central Foreign Affairs Commission director Wang Yi in Malta. The Sullivan-Wang channel, seen as a trusted one in Beijing, is credited with having restarted ties after the February balloon incident, following a meeting between the two in Vienna in May. A day later, on Sept. 18, Secretary of State Antony Blinken met PRC Vice President Han Zheng on the margins of the 78th UN General Assembly in New York City. Earlier this summer, Blinken traveled to Beijing as had the Treasury and Commerce secretaries as well as special climate envoy, John Kerry. On Oct. 9, a delegation of six US senators led by Majority Leader Charles Schumer held a detailed and "gratifying" 80-minute meeting with President Xi. The first congressional delegation in four years to pay a visit, its bipartisan composition had the added virtue of softening the political ground for Biden's anticipated engagement of Xi in San Francisco. On Oct. 27, Foreign Minster Wang paid a return visit to Washington, meeting Secretary Blinken and NSA Sullivan as well as dropping by the White House to greet Biden. In the days prior to and after the Wang visit, a slew of working group meetings and consultations

were conducted, either virtually or in Washington.



Figure 1 US President Joe Biden receives Chinese Foreign Minister Wang Yi at the White House on October 27. Photo: Xinhua

On Oct. 23 and 25, the first meetings of the US Treasury Department and China's Ministry of Finance-led <u>Economic Working Group (EWG)</u> and Financial Working Group (FWG) took place. On Oct. 30, the US Special Representative for North Korea Sung Kim and the Chinese Special Representatives on Korean Peninsula Affairs Liu Xiaoming exchanged views on the situation on the peninsula. On Nov. 3, Director-General of the foreign ministry's Department of Boundary and Ocean Affairs Hong Liang and US State Department China Coordinator Mark Lambert met to discuss maritime issues. On Nov. 7, US Assistant Secretary of State Mallory Stewart met Ministry of Foreign Affairs Director-General of Arms Control Sun Xiaobo to discuss nuclear arms control. A proposal to exchange missile launch notifications was broached during the meeting. The proposal comes against the backdrop of the US' forthcoming regional deployment of new ground-based launch system capable of firing intermediate range missiles as well as the People's Republic's faster-than-anticipated build-up of its nuclear arsenal. The Pentagon has sought a moratorium on fissile material production or, at a minimum, transparency in this regard from China.

On Nov. 10, Vice Premier He Lifeng met US Treasury Secretary Janet Yellen to discuss bilateral as well as global financial and development challenges (the two sides co-chair the G20 Sustainable Finance Working Group). On Nov. 14, Chinese and US climate envoys Xie Zhenhua and John Kerry released a (rare) joint statement committing both countries to deeper cooperation on methane reductions, in time for

the upcoming COP28 Summit in Dubai. It bears remembering that an earlier Obama-Xi joint announcement on climate change cooperation in November 2014 was a key lubricant to the adoption of the landmark Paris Agreement in December 2015. Earlier, on Oct. 25, the PRC's National Development and Reform Commission and the State of California signed an MoU on strengthening cooperation on low-carbon development during Gov. Gavin Newsom's trip to Beijing. Finally, on Nov. 16, a day after the Biden-Xi meeting, China's Minister Commerce Wang Wentao and US Commerce Secretary Gina Raimondo reviewed the progress made under their commercial issues working group established in August.

For a relationship lacking basic communication—much less trust—at the senior officials' level for much of the first two-and-a-half years of the Biden presidency, the past six months have been a veritable gabfest by comparison.

Advancing Cooperation, Emplacing "Guardrails," Managing Competition

On Nov. 15, 2023, at the Filoli Estate, a grand country house and garden set on rolling green grounds in Woodside, California just north of the Stanford University campus, President Biden and President Xi held their second in-person and seventh meeting of the past three years. Per Biden, it was the most constructive of his seven meetings. The Chinese side was just as pleased, with Foreign Minister Wang characterizing the meeting as "very good, comprehensive and in-depth." The meeting was notable on four counts.



Figure 2 President Joe Biden hosts a lunch for President of the People's Republic of China Xi Jinping on Nov. 15, 2023, at the Filoli Estate in Woodside, California. Photo: Adam Schultz

First, the Woodside meeting consolidated the "guardrails"-building process that was initiated by the two leaders in Bali in November 2022. In Bali, the two sides re-established a baseline of in-person, leader-led communication and provided a measure of strategic reassurance that lowered their respective levels of mistrust. In Woodside, both sides reaffirmed their Bali assurances. President Biden reemphasized that the US does not seek a new Cold War; does not change China's system; revitalization of its alliances is not directed at China; does not support Taiwan independence; and does not seek conflict with China. For his part, Xi reiterated that China does not seek hegemony with its growing strength or seek to change the existing international order; does not interfere in America's internal affairs or export its ideology; and has no plans to surpass or unseat the US. However incredulous some of these assurances might appear, they offer a steadying framework for future-oriented ties.

Second, President Biden won a commitment from Xi that if "either one of us...pick[s] up the phone, [and] call[s] directly...we'd be heard immediately." In the immediate aftermath of the balloon incident in February, Xi had refused to entertain a call from the US president. More to the point, the US and China lack high-level, civilian-led crisis management channels and there is little mutual familiarity among senior leadership on talking down and defusing a crisis. A direct presidential line of communication could be a precursor to a broader civilian-led US-PRC crisis management framework.

Third, in Woodside, neither side pulled their punches on matters of fundamental discord. From the get-go, Biden emphasized that the two nations were engaged in competition and that it was a bilateral responsibility to "prevent [competition] from veering into conflict, confrontation, or a new Cold War." Xi was equally adamant in rejecting the negative overarching framing of the relationship, pointing out that the US side needed to develop the "right perception" and "carefully think about the fundamental question of whether [the two sides] are partners or rivals, and make the right historical choice." Xi was just as pointed in his criticism of US export controls, investment screening and unilateral sanctions which he likened to "nothing but a move to contain China...and deprive the Chinese people of their right to development." The US tariffs and discriminatory environment for Chinese businesses, rather than "de-risking" supply chains, had "ensu[ed] uncertainty ... [and had itselfl become the biggest risk." Biden flatly rejected this characterization, noting that while the US does not seek to decouple from China or suppress its development, Beijing's unfair economic practices, from non-market tools to barriers to access for foreign firms to coercive actions against US companies, "disadvantage[ed] American businesses and workers." Preventing advanced technologies from being used to undermine US national security was non-negotiable, too. On the Taiwan question, Biden stressed the world's interest in the importance of peace and stability in the Taiwan Strait and respect for the self-governing island's electoral processes while Xi retorted that while keeping the peace was "all well and good...at some point we need to move towards resolution [by supporting peaceful reunification more generally."

Finally, the two sides seized the "window of opportunity" that had opened late-summer following the visits to Beijing by a number of Cabinet secretaries to lock down a couple of practical, albeit modest, outcomes on a number of fronts.

Restarting Mil-Mil Communications

In Woodside, China agreed to drop its suspension of high-level mil-mil contacts at the defense ministers' level and across some of the institutionalized dialogue mechanisms. These include the Defense Policy Coordination Talks (DPCT), an annual deputy assistant secretary level policy dialogue and the Military Maritime Consultative Agreement (MMCA) talks, an operational safety dialogue between US INDOPACOM and PLA naval and air forces. Until the MMCA's suspension by Beijing in August 2022 to protest Speaker Pelosi's visit to Taipei, the two sides had met regularly since 1998. The fate of the Asia-Pacific Security Dialogue (APSD), an assistant secretary-level policy dialogue suspended since 2020, and the Crisis Communications Working Group (CCWG) meeting, a working-level policy dialogue established in 2020 to advance crisis prevention and management mechanisms, remain unclear.

Trendlines on engagement are positive. In late-October, the China country director in the DoD undersecretary's office attended the Xiangshan Forum in Beijing, followed by a meeting between Deputy Assistant Secretary of

Defense for China Michael Chase and the Chinese defense attaché in Washington Liu Zhan. On Dec. 21, in the wake of the Biden-Xi summit, the Chairman of the Joint Chiefs of Staff Charles Q. Brown Jr. spoke over video call with his counterpart Gen. Liu Zhenli. It is only a matter of time before the two defense ministers speak now that Beijing has newly appointed a non-US sanctioned veteran, ex-Navy chief Adm. Dong Jun, as its new defense minister. The expectation is that the PLA's risky and unsafe operational behavior against US and allied aircraft will also now be progressively reined in. These include lasing (i.e., the use of military-grade lasers against a target), reckless maneuvers (i.e., maritime bow crossings and barrel rolls and acrobatics close to aircraft), close approaches in the air or at sea, high rates of closure (i.e., rapid approaches), and discharging objects (i.e., chaff or flares) in front of or close to aircraft, etc. As per US Indo-Pacific Command head Adm. John Aquilino, the early signs on the unsafe encounters front are already promising.



Figure 3 President Biden hosts a bilateral meeting with President of PRC Xi Jinping, Nov. 15, 2023, at the Filoli Estate in Woodside, California. Photo: White House

Counternarcotics Cooperation

In Woodside, the US agreed to delist the Chinese Ministry of Public Security's Institute of Forensic Science (IFS) from its Entity List, as part of an arrangement to establish a counternarcotics working group and effectuate concrete actions to stem the flow of fentanyl precursor chemicals into the US. In June, Secretary Blinken had been given an earful in Beijing on his demand for action against Chinese suppliers of fentanyl precursors. This, his hosts claimed, amounted to "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 US has yet to do so despite being the largest consumer of the opioid. For now, both sides appear to be keeping to their obligations. On Nov. 16, in the rarest-of-rare case of an adversary state entity being delisted without any change in the underlying reasons for its blacklisting, the US Commerce Department removed the IFS from the Entity List (IFS was blacklisted in 2020 for DNA dataset-based mass <u>surveillance</u> and social control campaigns against Uyghur and other ethnic minorities). For its part, China has taken concrete action against synthetic drug and chemical precursor suppliers, as per the Commerce Department's Assistant Secretary for Export Enforcement Matthew Axelrod. For the first time in nearly three years, Beijing is also reporting incidents to the International Narcotics Control Board database, used by law enforcement authorities to track down and intercept shipments. Separately, in early October, the US Justice Department and the US Treasury Department's Office of Foreign Asset Control (OFAC) had announced measures against China-based <u>networks</u> of illicit drug producers.

Cooperative Rulemaking on AI

Biden and Xi agreed to convene a US-China working group to address the risks of advanced AI systems to national security. The working is establish certain group's aim to rules-of-the-road to ensure that unsupervised allowed not to dictate command-and-control of critical weapon systems, particularly those related to the use of a nuclear weapon. Regulating the use of AI in fully autonomous weaponry is another proposed focus area. The cooperative effort coincides with the activist effort by both governments to potential national control the security, economic security, and public health dangers of AI. On Oct. 30, the administration issued an extensive executive order which, both tasks the Defense Department to flesh out the role of-and harms from-AI for US national security as well as compels businesses developing AI models that pose security risks to notify the government when training these systems and to share their safety test results. The PRC government too has proposed stringent rules to control the technology, starting with a December 2021 Position Paper on Regulating Military Applications of AI. Both countries were among a handful of countries attending the AI Safety Summit convened by the UK government Nov. 1-2 in Bletchley Park (the top-secret home of allied World War II codebreakers) to confront the technology's existential risks.



Figure 4 Attendees at the Al Safety Summit in Bletchley Park, Milton Keynes, England, Wednesday, November 1, 2023. Photo: Alastair Grant

Expanded People-to-People Exchanges

Both countries committed to work toward a doubling of scheduled passenger flights in early 2024. In April 2023, the number of direct flights per week between the US and China stood at a mere 12; on Oct. 29, it doubled to 24, and currently is 70-a far cry from the 345 direct flights per week pre-COVID, three-and-a-half years ago. No US carrier flies from the East Coast directly to Beijing yet. The key stumbling block to doubling the number of direct flights is the US Department of Transportation's proviso that any increase in Chinese passenger flights must abide by reciprocity and level playing field considerations—meaning that Chinese carriers' flight paths, like their US counterparts, must avoid overflying Russian airspace. On a separate note, President Xi pledged to invite 50,000 voung Americans to China on exchange and study programs over the next five years during a dinner speech in San Francisco. The promise of gifting a panda, that furry envoy of friendship, was also <u>implicitly dangled</u> to the San Diego Zoo.

Measures and Countermeasures Strew the Pathway to "Selective Decoupling"

The Biden-Xi meeting in Woodside, two dozen-or-so miles southeast of San Francisco, was the dominating headline of US-PRC relations in 2023. It failed to deflect the relationship from its dominant underlying strain—the steady selective decoupling of the two economies across a range of advanced

technologies and frontier industries (microelectronics; quantum; AI; biomanufacturing; clean energy). Both sides enforced strategic trade controls during the final trimester of 2023, with Beijing—having digested tidal wave upon tidal wave of US technology denial measures—imposing countermeasures at a rapid clip, too.

On Sept. 6, the US Commerce Department's Bureau of Industry and Security (BIS) added 42 Chinese companies to its Entity List for supplying US-origin integrated circuits. including those used in precision guidance systems for missiles and drones to Russian intermediaries for use in Ukraine. Placement of an "adversary" country party on the Entity List subjects that party, more-or-less, to a (license) presumption of denial for purchases of US origin or US-content items or equipment. On Oct. 17, key Chinese AI companies, including fabless chip design company Biren Technology and GPU-maker Biren Threads were added to the Entity List for aiding the AI capabilities of China's military and high-tech surveillance sector. Also on Oct. 17, BIS updated and strengthened its already-expansive Oct. 2022 Advanced Computina and Semiconductor Manufacturing Items Rule to include additional types of semiconductor manufacturing equipment within the controls, introduce new technical parameters to prevent workarounds performance-related from prior chip thresholds, and widen the scope of destination controls. The Oct. 2022 rule had targeted semiconductor fabrication technologies beyond the cutting edge as well as radically expanded controls over US content embedded in foreign-produced equipment destined for China, such as in lithography equipment. The updated and strengthened October 2023 Advanced Computing Rule came with a sting in the tail: it was to take effect immediately. Typically, BIS export control orders come with a 30-day grace period, enabling rush deliveries of certain prized items from previously placed orders.

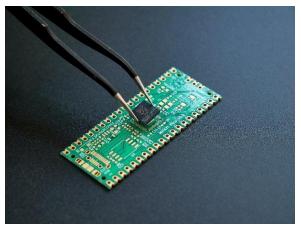


Figure 5 An RP2040 microcontroller held with a tweezer above a printed circuit board. Credit:: UnSplash, CC4.0

On Dec. 8, three Chinese companies were added to the Uvghur Forced Labor Prevention Act (UFLPA) Entity List for recruitment and labor transfers of persecuted minorities from Xinjiang (an updated Xinjiang supply chain business advisory and scathing Uyghur human rights report were issued too). And on Dec. 19, a dozen Chinese companies were added to the Unverified <u>List (UVL)</u>, which catalogues entities where BIS has been unable to conduct end-use checks and verify that an exported US technology or good is being put to its legitimate use. Looking ahead, it is anticipated that tariffs will be imposed on legacy chips imported from China in 2024, now that the Commerce Department has announced the launch of an industrial base survey of the US semiconductor supply chain. The aim is to preempt China's overproduction and supply dominance of the lower reaches of the US semiconductor market. The industrial base survey follows an initial survey of the capabilities and challenges faced by domestic industry.

China did not sit still during this period either. On Oct.10, China's Ministry of Commerce announced restrictions on the export of several categories of high-purity natural and synthetic graphite materials vital to the clean tech and electric vehicle (EV) industries, starting Dec. 1. In late-December, a ban was issued on the export of technologies used in rare earth extraction and separation too. The restrictions on graphite have past form. In 2020, Beijing stopped approving export licenses for synthetic graphite to Swedish companies, making it difficult for them to build up graphite anode production needed for the local battery supply

chain. To fill the ensuing vacuum, a Chinese battery-materials supplier, Putailai New Energy Technology, announced plans in May 2023 to build Europe's largest anode factory in Sweden. Beijing's strategy in this era of supply chain resilience and selective decoupling appears to be two-fold: leverage its market power to incentive/coerce (via the export controls route) local production of high value-added elements on Chinese soil; or failing which, greenlight the production overseas of goods embodying these technologies on condition that production is carried out by Chinese subsidiaries that retain effective control over these technologies. The omission of several manufacturing technologies for solar cells from the latest Catalogue of Technologies Prohibited and Restricted from Export so as not to preclude the planned capacity expansions overseas by a number of Chinese solar firms, falls within the latter typology.

Turning to the PRC's Anti-Foreign Sanctions Law, Beijing sanctioned a data analytics firm, Kharon, and two researchers in late-December providing "so-called evidence" [Xinjiang-based America's Uyghur minorities-related] sanctions. Under sanctions, all assets in China are to be frozen. entry banned, and organizations and individuals in China forbidden to transact with these banned entities or persons. The Anti-Foreign Sanctions Law of June 2021 has increasingly become the workhorse of the PRC's sanctions policy, utilized to express (mostly hollow) displeasure with US-based entities individuals ranging from the Hudson Institute and the Reagan Presidential Library to Congresspersons Nancy Pelosi and Michael ex-administration appointees McCaul to Michael Pompeo and Steve Bannon to the researchers, now, at Kharon. And earlier this September, the Standing Committee of the National People's Congress, the permanent body of China's national legislature, adopted a new Foreign Sovereign Immunity Law that does away with absolute state immunity from local jurisdiction in favor of a more limited version in certain instances (while engaging in business activities: obtaining labor services; contributing to personal injury, death or property loss on Chinese soil).

That said, it was not all downhill on the export controls and tech denials front. Both, the US and China bowed to the market mechanism during their respective economic rulemaking, even as they tried to nudge its workings via the discretionary hand of the state.

On Dec. 1, the US Energy Department released its proposed "foreign entity of concern" guidance regarding critical minerals and battery components, as part of rulemaking for the Inflation Reduction Act's EV subsidy provisions. The interpretation was curiously lax. As per the proposed rule, a US company will be able to enter into a contractual relationship, including an IP licensing relationship, with a "foreign entity of concern" (read: Chinese entity) so long as the "foreign entity of concern" does not exert "effective control" over the US licensee or principal's production of particular critical minerals, battery components, or battery materials. The provision is a bow to the reality of China's dominant position within EV critical minerals and battery components supply chains. As written, Ford Motors should handily be able to contractually license Chinese battery giant CATL's technology for its EV plant in Michigan (an arrangement that has drawn anger on Capitol Hill) and maintain access to the IRA subsidy money pot.

On Sept. 22, two-and-a-half months earlier by contrast, the Commerce Department issued its final rule to prevent the improper use of CHIPS Act funding that could directly or indirectly benefit adversary countries as well as foreign entities of concern. As per the rule's guardrails, and foreign (Japanese, Korean, Taiwanese) chip companies that receive CHIPS Act subsidies are prohibited from engaging in "significant transactions" involving the "material expansion" of their semiconductor facilities in "foreign countries of concern" (China) for 10 years as well as are prohibited from entering any meaningful joint research or technology licensing arrangements "foreign entities of concern" (Chinese entities). Reflecting the US' overwhelming upstream dominance within semiconductor supply chains, the bar for "significant transactions" (valued at \$100,000) and "material expansion" anything more than 5% for advanced chips and 10% for legacy chips) was deliberately kept low, and meaningful technology licensing barred altogether.

China was just as attentive too, to considerations of leverage and market power, <u>lifting some of the curbs</u> that it had imposed earlier this summer on the export of gallium and germanium, minerals key to the production of

semiconductors, following the lack of significant movement in the prices of these minerals. In the afterglow of the Biden-Xi summit, its anti-trust regulator, the State Administration for Market Regulation (SAMR), greenlighted US tech giant Broadcom's acquisition of cloud software company VMware, subject to standard mitigation requirements. It bears remembering that just this August, when US-PRC relations were unhappier, SAMR had let the clock expire on Intel's bid to acquire the Israeli chip manufacturer, Semiconductor.

Looming Shadow of the US Presidential Contest

The consensus that was forged in Bali and the progress consolidated in Woodside may yet come to be seen as an inflection point in US-China relations. Should Biden secure re-election in 2024, the consolidation of ties could serve as a useful jumping-off point to construct a durable architecture of candid but constructive coexistence in the mid-2020s in this "new normal" era of US-PRC strategic competition. At minimum, the establishment of the numerous working groups, including the Economic Working Group, the Financial Working Group, the Commerce Working Group, the Counternarcotics Working Group, the Working Group on AI as well as the restart of the institutionalized defense dialogue mechanisms, should ensure an almost full plate of across-the-board consultations in 2024 (the lack of engagement on the tit-for-tat tariff hikes is the glaring exception). These lines of communication could come in handy to troubleshoot irritants that will likely crop up in what is expected to be a raucous US election year. Both sides are also due to commence negotiations on their bilateral Science and Technology Cooperation Agreement (STA) in early-2024. Last renewed in 2018 and temporarily extended for six months in August 2023, there are no illusions that the STA can be modernized and renewed prior to its end-February 2024 deadline. There are reasons to believe though that the agreement will be temporarily extended for six-month intervals through 2024 while negotiations continue. Even in this age of decoupling, Beijing and Washington are each other's top scientific partners, and collaborative research between Chinese and US nationals remains a standout feature among the most-cited academic papers.

Looming over the rehabilitation of US-PRC ties is the US presidential election. China policy remains that rare issue area which commands bipartisan consensus within the Beltway and beyond (although there are differences in nuance between the parties). The test of the "guardrails" that Biden and Xi have assiduously emplaced over the past six months is whether they will survive bruising contact with US election-year polemics in 2024.

CHRONOLOGY OF US-CHINA RELATIONS

SEPTEMBER-DECEMBER 2023

Sept. 3, 2023: US President Joe Biden <u>says</u> he is "disappointed" that Chinese President Xi Jinping will not attend the 18th G2o Summit, but said that he is "going to get to see" the Chinese president, presumably, later in the year.

Sept. 4, 2023: US Navy destroyer *USS Ralph Johnson* (DDG 114) <u>conducts</u> a "bilateral sail" with Philippine Navy guided-missile frigate *BRP Jose Rizal* (FF-150) in the South China Sea "to enhance the interoperability between the two navies."

Sept. 6, 2023: US Department of Commerce's Bureau of Industry and Security (BIS) <u>adds</u> 42 Chinese companies to its Entity List, effective Oct. 6, for supplying US-origin integrated circuits to Russian intermediaries and end-users.

Sept. 7, 2023: US Vice President Kamala Harris attends the East Asia Summit in Jakarta, Indonesia, where she "emphasized that freedom of navigation and overflight must be respected in the East China Sea and South China Sea" and "reaffirmed US support for the 2016 UN arbitral tribunal ruling and noted this ruling is final and legally binding."

Sept. 9, 2023: US Navy destroyer USS *Ralph Johnson* (DDG 114) and Royal Canadian Navy frigate *HMCS Ottawa* (FFH 341) conduct "a routine Taiwan Strait transit...through waters where high-seas freedoms of navigation and overflight apply in accordance with international law."

Sept. 9-10, 2023: President Biden attends the 18th G20 Summit and <u>talks</u> to PRC <u>Premier</u> Li Qiang on the margins of the summit.

Sept. 12, 2023: Department of Defense <u>releases</u> its 2023 Cyber Strategy Summary in which the

PRC is listed as the first among several state and non-state actors in a "contested cyberspace."

Sept. 12, 2023: US Navy destroyer *USS Ralph Johnson* (DDG 114) and Royal Canadian Navy frigate *HMCS Ottawa* (FFH 341) <u>operate</u> in the South China Sea as part of a joint exercise.

Sept. 17, 2023: US National Security Advisor Jake Sullivan <u>meets</u> Chinese Communist Party Politburo Member, Director of the Office of the Foreign Affairs Commission, and Foreign Minister <u>Wang Yi</u> in Malta.

Sept. 18, 2023: US Secretary of State Antony Blinken meets PRC Vice President Han Zheng on the sidelines of the 78th United Nations General Assembly in New York City.

Sept. 19, 2023: President Biden <u>delivers</u> remarks to the 78th session of the UN General Assembly (UNGA), and reiterates that the US seeks to "responsibly manage the competition between our countries so it does not tip into conflict" and seeks "de-risking, not decoupling with China."

Sept. 19, 2023: US Special Presidential Envoy for Climate John Kerry <u>meets</u> PRC Vice President Han Zheng on the margins of the 78th UNGA, where the two sides "discussed the critical importance of bilateral and multilateral efforts to address the climate crisis, including to promote a successful COP 28."

Sept. 21, 2023: US Assistant Secretary of Defense Ely Ratner <u>tells</u> the House Armed Services Committee that the Department of Defense is working with other US agencies and US "allies and friends" to "strengthen deterrence across the Taiwan Strait."

Sept. 22, 2023: US and <u>China launch</u> an Economic Working Group and a Financial Working Group that will report directly to

Secretary of the Treasury Janet Yellen and Vice Premier He Lifeng.

Sept. 22, 2023: Defense officials from the US and the PRC <u>hold</u> a hybrid in-person and virtual meeting to discuss the Department's recently released 2023 DOD Cyber Strategy Unclassified Summary and to engage in "substantive discussion on a range of cyber-related topics."

Sept. 22, 2023: US Department of Commerce releases the final rule implementing the national security guardrails of the CHIPS and Science Act, including the rules that prohibit recipients of CHIPS funds from materially expanding semiconductor manufacturing capacity in China.

Sept. 25, 2023: Department of Commerce's BIS <u>adds</u> 11 entities based in China to the Entity List for national security concerns, including implication in "a conspiracy to violate US export controls."

Sept. 26, 2023: Department of State, together with the departments of the Treasury, Commerce, Homeland Security, and Labor and the Office of the US Trade Representative, issues an Addendum to the 2021 Updated Xinjiang Supply Chain Business Advisory to "call attention to the People's Republic of China's (PRC) ongoing genocide and crimes against humanity in Xinjiang and the evidence of widespread use of forced labor there."

Sept. 27, **2023:** US Cybersecurity Infrastructure Security Agency, National Security Agency, and Federal Bureau of Investigation, joined by Japan National Police Agency and Japan National Center of Incident Readiness and Strategy for Cybersecurity, publish a "Joint Cybersecurity Advisory" about "malicious activity by People's Republic of China (PRC)-linked cyber actors known as BlackTech."

Sept. 28, 2023: Department of State's Global Engagement Center <u>releases</u> a special report on

"How the People's Republic of China Seeks to Reshape the Global Information Environment."

Sept. 29, 2023: Department of State introduces new China Coordinator and Deputy Assistant Secretary of State for China and Taiwan, Mark Lambert, who is to "oversee the Office of China Coordination and the Office of Taiwan Coordination in the Bureau of East Asian and Pacific Affairs."

Oct. 3, 2023: Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctions 28 individuals and entities involved with the manufacture and distribution of fentanyl, methamphetamine, and MDMA precursors. Alongside, the Department of Justice eight indictments announces charging China-based companies and their employees "crimes relating to fentanyl and methamphetamine production, distribution of synthetic opioids, and sales resulting from precursor chemicals."

Oct. 9, 2023: <u>US</u> Senate Majority Leader Chuck Schumer, leading a bipartisan Senate delegation team, meets <u>Chinese</u> President Xi Jinping in Beijing.

Oct. 10, 2023: China's Ministry of Commerce <u>announces</u> restrictions, starting Dec. 1, on the export of several categories of high-purity natural and synthetic graphite materials vital to the clean tech and electric vehicle (EV) industries.

Oct. 12, 2023: US Navy P-8A *Poseidon* aircraft transits the Taiwan Strait_in international airspace to "demonstrate the United States" commitment to a free and open Indo-Pacific."

Oct. 17, 2023: Department of Commerce's BIS adds 13 Chinese companies to the Entity List for aiding the AI capabilities of China's military and high-tech surveillance sector and, thus, "acting contrary to the national security or foreign policy interests of the United States."

Oct. 17, 2023: Department of Commerce's BIS <u>tightens</u> export controls on advanced semiconductor and manufacturing equipment as well as supercomputing items to China.

Oct. 17, 2023: Department of Defense releases "a collection of declassified images and videos depicting 15 recent cases of coercive and risky operational behavior by the PLA against US aircraft operating lawfully in international airspace in the East and South China Sea regions."

Oct. 19, 2023: Department of Defense <u>releases</u> its annual report on "Military and Security Developments Involving the People's Republic of China."

Oct. 22, 2023: Department of State <u>releases</u> a statement on "US Support for our Philippine Allies in the Face of Repeated PRC Harassment in the South China Sea."

Oct. 23, 2023: US and PRC <u>hold</u> first meeting of the Economic Working Group, "which serves as an ongoing channel to discuss and facilitate progress on bilateral economic policy matters."

Oct. 25, 2023: US and PRC <u>hold</u> first meeting of the Financial Working Group, "which serves as an ongoing channel for both countries to discuss financial policy matters and cooperation on common challenges."

Oct. 25, 2023: California Gov. Gavin Newsom meets Chinese President Xi in Beijing. Newsom, joined by US Ambassador to China Nicholas Burns, also meets China's Foreign Minister Wang Yi and Vice President Han Zheng and signs a new climate-focused Memorandum of Understanding with National Development and Reform Commission Chairman Zheng Shanjie.

Oct. 26, 2023: US Indo-Pacific Command releases a statement saying that "a People's Republic of China J-11 pilot executed an unsafe intercept of a US Air Force B-52 aircraft" on Oct. 24, 2023 while the latter was "lawfully

conducting routine operations over the South China Sea in international airspace."

Oct. 26-27, 2023: Secretary of State Blinken meets PRC Foreign Minister Wang in Washington "as part of ongoing efforts to maintain open lines of communication on a full range of issues."

Oct. 27, 2023: President Biden meets China's Foreign Minister Wang Yi in the White House, and conveys his condolences on the passing of former Premier Li Keqiang.

Oct. 29, 2023: Department of Defense's principal director for China, Taiwan, and Mongolia Xanthi Carras <u>attends</u> the 10th Xiangshan Forum in Beijing, with a view to restarting direct military-to-military contact between the US and PRC.

Nov. 1, 2023: Destroyer from the US Navy 7th Fleet and a frigate from the Royal Canadian Navy jointly <u>conduct</u> a "routine Taiwan Strait transit through waters where high-seas freedoms of navigation and overflight apply in accordance with international law."

Nov. 1-2, 2023: Government representatives from the US and China <u>attend</u> the AI Safety Summit convened by the UK in Bletchley Park and are listed as participants who adhere to The Bletchley Declaration.

Nov. 2, 2023: Speaking at an Asia Society event, Secretary of the Treasury Yellen <u>delivers</u> remarks on the "Biden Administration's Economic Approach Toward the Indo-Pacific" in which she reiterated how "the United States does not seek to decouple from China."

Nov. 3, 2023: US Department of State China Coordinator and Deputy Assistant Secretary for China and Taiwan Mark Lambert holds "substantive, constructive, and candid discussions on a range of maritime issues" with China's Ministry of Foreign Affairs Director-General for Boundary and Ocean Affairs Hong Liang.

Nov. 3, 2023: US Navy destroyer *USS Dewey* conducts a freedom of navigation operation in the South China Sea near the Spratly Islands.

Nov. 4-7, 2023: US Special Presidential Envoy for Climate Kerry and China's Special Envoy for Climate Change Xie Zhenhua meet at Sunnylands, California, where they sign the Sunnylands Agreement on "Enhancing Cooperation to Address the Climate Crisis." (The statement was released by the US on Nov. 14, 2023, local time and by China on Nov. 15, 2023, local time.)

Nov. 6, 2023: Special Advisor on International Disability Rights Sara Minkara and Department of Labor Assistant Secretary for Disability Employment Policy Taryn Williams <u>meet</u> the China Disabled Persons" Federation (CDPF) to resume the US-China Coordination Meeting on Disability.

Nov. 6, 2023: Ambassador to the PRC Nicholas Burns <u>leads</u> the first official US representation at the China International Import Expo in Shanghai.

Nov. 7, 2023: Assistant Secretary of State for the Bureau of Arms Control, Verification and Compliance Mallory Stewart meets PRC Ministry of Foreign Affairs Director-General of Arms Control Sun Xiaobo and holds "a candid and in-depth discussion on issues related to arms control and nonproliferation."

Nov. 7, 2023: It is <u>reported</u> that the office of Secretary of Defense Lloyd Austin made a formal request to meet with Austin's Chinese counterpart on the sidelines of the upcoming ASEAN Defense Ministers Meeting-Plus (ADMM+) in Jakarta, Indonesia.

Nov. 9-10, 2023: Secretary of the Treasury Yellen and PR <u>China</u> Vice Premier He <u>meet</u> in San Francisco where they hold "candid, direct, and productive discussions on the US-China bilateral economic relationship and a wide range of issues."

Nov. 12, 2023: In a news interview with CBS' "Face the Nation," White House National Security Adviser Sullivan says that reestablishing US-China military ties "has been a priority for President Biden" so as to reduce "miscalculations" and secure US national security interests.

Nov. 14, 2023: US Presidential Climate Envoy Kerry and Chinese counterpart Xie Zhenhua jointly <u>release</u> the "Sunnylands Statement on Enhancing Cooperation to Address the Climate Crisis," committing both countries to deeper cooperation on methane reductions.

Nov. 15, 2023: President Biden and Chinese President Xi have a "candid," "in-depth," and "constructive" conversation on the bilateral relationship and a range of global issues in Woodside, CA. They agree to promote and strengthen bilateral dialogue and cooperation in areas AI and counternarcotics; resume high-level communication between the two militaries; and work toward a significant further increase in scheduled passenger flights, among others.

Nov. 16, 2023: President Biden provides remarks and holds a press conference following the conclusion of meetings with President Xi in which he details the main accomplishments and outcomes of the "candid," "constructive and productive" bilateral meetings.

Nov. 16, 2023: President Xi <u>delivers</u> a speech at a welcome dinner by friendly organizations in the US, where he champions people-to-people ties as the foundation of China-US relations.

Nov. 16, 2023: China's Foreign Minister Wang Yi gives a readout on the significance and features of the Xi-Biden meeting to the press, in which he describes the meeting as strategic and historic as well as one that provides stewardship.

Nov. 16, 2023: Secretary of Commerce Raimondo and <u>China's</u> Minister of Commerce

Wang Wentao hold first ministerial meeting following the Xi-Biden meeting in California and conduct "pragmatic, constructive and fruitful communication on China-US economic and trade relations and economic and trade issues of common concern."

Nov. 16, 2023: US Vice-President Kamala Harris meets President Marcos of the Philippines during which she "reiterated the United States stands shoulder-to-shoulder in defending the Philippines' sovereign rights and jurisdiction in the South China Sea" and reaffirmed the United States' defense commitment under the 1951 US-Philippines Mutual Defense Treaty.

Nov. 17, 2023: President Biden <u>states</u> in his remarks at the APEC Leaders Retreat Meeting in San Francisco how he and President Xi had a brief discussion during their in-person meeting a few days before about the "impact of artificial intelligence and how we have to work on it."

Nov. 17, 2023: Department of Commerce's BIS <u>announces</u> that it has removed the Ministry of Public Security's Institute of Forensic Science of China from the Entity List.

Nov. 21, 2023: Broadcom and VMware announce that they intend to close the former's acquisition of the latter after receiving all required regulatory approvals, including the final one outstanding from China's anti-trust regulator, the State Administration for Market Regulation.

Nov. 25, 2023: US Navy destroyer *USS Hopper* conducts a freedom of navigation operation in the South China Sea near the Paracel Islands.

Nov. 29, 2023: In a press briefing for the 2023 United Nations Climate Change Conference of the Parties of the UNFCCC (COP28), US Special Presidential Envoy for Climate Kerry <u>highlights</u> the importance of the US-China partnership to fight the climate crisis and deliver progress at COP28.

Dec. 1, 2023: Department of Commerce <u>releases</u>

two <u>proposed</u> guidance on electric vehicle tax credits under the US Inflation Reduction Act to prohibit tax credit recipients from manufacturing battery components or extracting critical minerals in China.

Dec. 5, 2023: China's Foreign Minister Wang Yi goes to the US Embassy in China to mourn the passing of former US Secretary of State Henry Kissinger.

Dec. 6, 2023: US Navy *P-8A Poseidon* transits the Taiwan Strait in international airspace.

Dec. 6, 2023: Leaders of the Group of Seven (G7) meet virtually and release a Leaders' Statement which says the G7 "stand prepared to build constructive and stable relations with China" but remain committed to "push for a level playing field" for workers and companies and remain "seriously concerned" about the situation in the East and South China Seas.

Dec. 6, 2023: <u>US</u> Secretary of State Blinken and <u>China's</u> Foreign Minister Wang Yi have a phone call at the former's request.

Dec. 8, 2023: Department of Homeland Security designates three additional PRC-based companies to the Uyghur Forced Labor Prevention Act Entity List.

Dec. 8, 2023: Department of State's Bureau of Democracy, Human Rights, and Labor <u>releases</u> a report to Congress on the Imposition of Sanctions Pursuant to the Uyghur Human Rights Policy Act, as is required by Section 6(a) of the Uyghur Human Rights Policy Act of 2020.

Dec. 10, 2023: Noting that Chinese ships "employed water cannons and reckless maneuvers" near Second Thomas Shoal, the Department of State <u>releases</u> a press statement to show "support for the Philippines in the South China Sea."

Dec. 13, 2023: *Financial Times* releases an article reporting that Deputy Assistant Secretary of Defense for China Chase "recently" met Maj.

Gen. Liu Zhan, the PRC's defense attaché in Washington, which took place prior to the Biden-Xi summit.

Dec. 14, 2023: Secretary of the Treasury Yellen delivers remarks on the US-China economic relationship at the US-China Business Council's 50th Anniversary Dinner, and discusses the plans for the Biden administration's economic approach to China.

Dec. 15, 2023: Department of Commerce's BIS removes four Chinese companies from the Unverified List "because BIS was able to verify their bona fides."

Dec. 15, 2023: US Ambassador to China Nicholas Burns <u>delivers</u> public remarks on US-China relations at the Brookings Institution in which he mentions, among other topics, a mutual commitment to double scheduled passenger flights between the US and China in early 2024.

Dec. 17, 2023: US <u>condemns</u> the prosecution of "pro-democracy advocate and media owner Jimmy Lai in Hong Kong under the PRC-imposed National Security Law."

Dec. 17, 2023: President Biden <u>delivers</u> a statement on the 80th Anniversary of the Repeal of the Chinese Exclusion Act to remember the harms resulting from the act and honor the people of Chinese heritage and their contributions to the US.

Dec. 18, 2023: Head of US Indo-Pacific Command Adm. John Aquilino <u>tells</u> reporters in Tokyo that, "[s]ince the [Biden-Xi] summit, those [risky and coercive plane maneuvers] seem to have stopped," also noting that "would be an incredibly positive outcome if that were to continue."

Dec. 19, 2023: Department of Commerce's Bureau of Industry and Security (BIS) <u>adds</u> 13 PRC companies to the Unverified List "on the basis that BIS was unable to verify their bona fides."

Dec. 21, 2023: Gen. Charles Q. Brown, chairman of the US Joint Chiefs of Staff, <u>holds</u> a video meeting with <u>Gen. Liu Zhenli</u>, a member of the China's Central Military Commission (CMC) and chief of the CMC Joint Staff Department at the invitation, as part of the efforts to maintain open lines of military-to-military communications.

Dec. 21, 2023: Department of Commerce announces the launch of an industrial base survey of the US semiconductor supply chain to "bolster the semiconductor supply chain, promote a level playing field for legacy chip production, and reduce national security risks posed by the People's Republic of China (PRC)." The announcement follows the release of an initial survey of the capabilities and challenges faced by the US semiconductor industry in which China is readily mentioned.

Dec. 22, 2023: Department of Commerce's Assistant Secretary for Export Enforcement testifies that China has taken concrete steps to stem the flow of fentanyl precursor chemicals into the US during a House Foreign Affairs Oversight and Accountability Sub-committee hearing to review the Bureau of Industry and Security's policies and practices.

Dec. 26, 2023: Office of the US Trade Representative (USTR) <u>extends</u> COVID-related exclusions on the Section 301 tariffs on certain Chinese imports through May 31, 2024 to "enable the[ir] orderly review," and effectively thereby pushing out further the date of conclusion of its ongoing four-year review of the Section 301 tariffs that began in May 2022.

Dec. 26, 2023: China's foreign ministry spokesperson <u>announces</u> Anti-Foreign Sanctions Law-based countermeasures against a US intelligence data company Kharon and two researchers for providing "so-called evidence for America's illegal sanctions related to Xinjiang," during her regular press conference.

Dec. 29, 2023: China opens the door to a conversation among defense chiefs by

appointing a non-US sanctioned former Navy commander, Adm. Dong Jun, as its new defense minister, two months after his predecessor Gen. Li Shangfu was officially sacked.