

RELEASE IN  
PART B5, B6

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**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Saturday, July 11, 2009 8:49 AM  
**To:** H  
**Subject:** Fw: From Adam Minter's Shanghai Scrap blog

See b/l

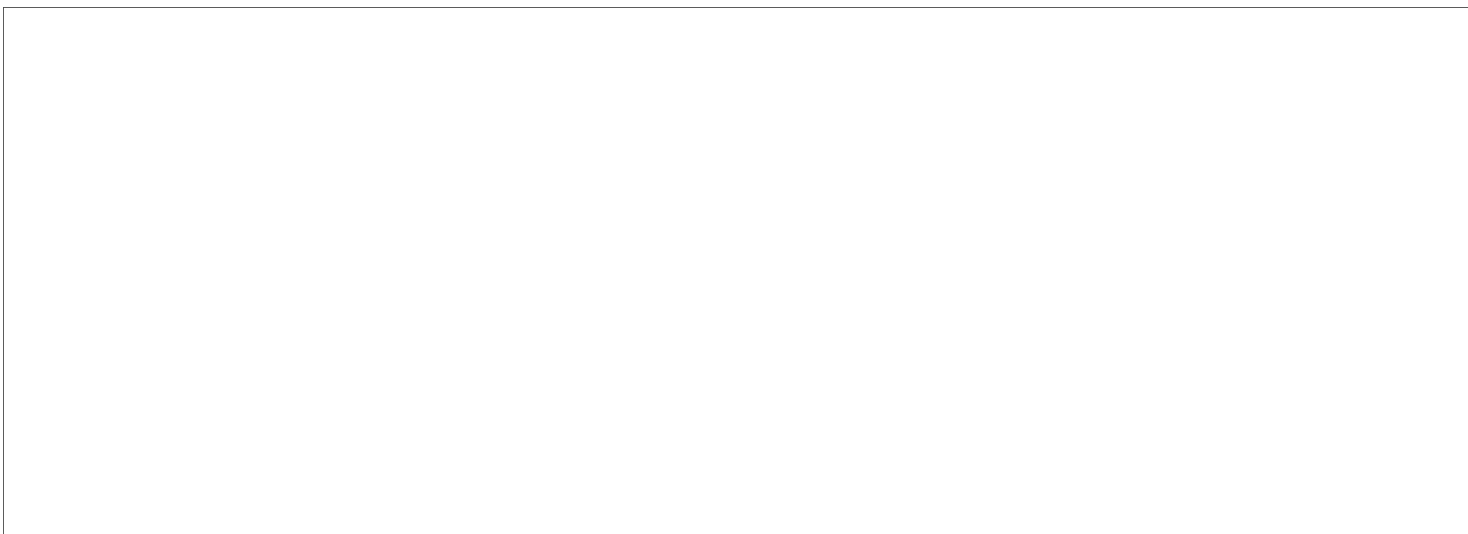
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**From:** Balderston, Kris M  
**To:** Mills, Cheryl D; Reines, Philippe I; 'AmbEFGbagley' [redacted]  
**Sent:** Sat Jul 11 08:42:06 2009  
**Subject:** Re: From Adam Minter's Shanghai Scrap blog

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We spoke to PIR yesterday and we are going to talk to the WP on monday. PIR has the details.

B5



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**From:** Mills, Cheryl D  
**To:** Reines, Philippe I; 'AmbEFGbagley' [redacted]; Balderston, Kris M  
**Sent:** Sat Jul 11 07:11:01 2009  
**Subject:** Fw: From Adam Minter's Shanghai Scrap blog

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See b/l - article next week need philipe (see the ps)

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**From:** Villarreal, Jose [redacted]  
**To:** Mills, Cheryl D  
**Sent:** Sat Jul 11 05:40:58 2009  
**Subject:** Fw: From Adam Minter's Shanghai Scrap blog

Fyi - Lots of catch up to do, but Secretary's team is being viewed as bringing order to process...xo jose

Ps this guy is widely read among Chinese and expats...

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**From:** Cooney, Thomas E (Shanghai)  
**To:** Shanghai Expo Working Group ; Villarreal, Jose

**Sent:** Fri Jul 10 23:36:03 2009  
**Subject:** Fw: From Adam Minter's Shanghai Scrap blog  
 Just fyi

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**From:** taipelom [redacted]  
**To:** Cooney, Thomas E (Shanghai)  
**Sent:** Sat Jul 11 11:32:05 2009  
**Subject:** From Adam Minter's Shanghai Scrap blog

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### **A US Expo 2010 pavilion, after all.**

<http://shanghaiscrap.com/?p=3350>

Filed under: Expo 2010, Expo 2010 - US Pavilion, US Politics — posted by Adam on July 11, 2009 @ 7:00 am

Coming at the end of a tumultuous week in China marked by earthquakes, riots, and continued economic uncertainty, the news that the US had finally confirmed that its participation in Expo 2010 (a/k/a, next year's world fair) didn't seem particularly significant. And, with much of Shanghai's foreign correspondent corps preoccupied with more pressing news elsewhere in China, it didn't receive much coverage. Fair enough, I think. However, insofar as the US pavilion – or lack thereof – had become an increasingly thorny diplomatic issue between China and the United States, the signing ceremony was an important signal that some kind of resolution was at hand.

I've been following the mostly sad saga of the US pavilion for several months now, both on Shanghai Scrap, and elsewhere. And, until two weeks ago, there was absolutely no reason to believe that a participation agreement would ever be signed. Shanghai Expo, Inc., a non-profit authorized by the US State Department to fund-raise, design, build, and operate a US pavilion, had failed to raise sufficient funds to break ground. At yesterday's signing ceremony, Beatrice Camp, the US Consul General in Shanghai blamed the underwhelming fundraising on the global economic crisis – a point that was picked up by the Chinese media. No doubt, the economic crisis played a role, but as Camp and others close to the US effort surely know, the other important factor was the inexperienced and increasingly erratic trio running the non-profit Shanghai Expo, Inc. As recently as last month, one of its members – Frank Lavin, a former US ambassador to Singapore and Undersecretary of Commerce – issued a press release falsely claiming that the US Congress had “adopted” a resolution in support of the US pavilion. This incident, and others like it, succeeded in alienating potential donors (including major US corporations with operations in China), vast swaths of the US expatriate business community in Shanghai, and – most crucially – members of the Shanghai government. For those of us following the events, the question was no longer “How badly will the US damage its relationship with China if it doesn't participate?” but instead became “What's worse for US-China relations? Turning down Shanghai's Expo invite or continuing the current, incompetent effort?”

The July 1 appointment of Jose Villarreal as Commissioner General to the US pavilion effort seems to have changed the equation. A lawyer with ties to the Clintons, Secretary of State Clinton empowered him to oversee the US effort. He didn't waste any time, either, arriving in Shanghai on Monday, and managing to pull off the signing on Friday. One person familiar with Villarreal's role described it as the arrival of an “adult” to a chaotic situation that badly needed one. Indeed, if there's one telling detail to the handful of official and press accounts of yesterday's signing, it's the total absence of the Shanghai Expo, Inc. members from the official comments and photos (US Consulate coverage here; Shanghai government account here), none of whom live or work in Shanghai, anyway. If that was a conscious decision, it was a wise one.

A final point. As Villarreal conceded, the US effort must still raise roughly half of its \$61 million budget. I suspect that – with Villarreal in charge of the effort – reluctant wallets will become less so. Regardless, though,

this raises a still unresolved question: namely, what are the actual fundraising rules for the US pavilion effort? Back in 2007, the State Department indicated that it would not sign a participation agreement with Expo 2010, Inc until all funds were raised for a pavilion. Apparently, that ill-conceived policy has changed. I say *apparently* because, up until now, the State Department has refused to release the "action plan" that governs fundraising and other rules related to the US pavilion in Shanghai. As a result of this official intransigence, a Freedom of Information Act request has been filed to obtain this document(s?). Why the secrecy? It's anybody's guess, and according to the State Department's FOIA office, we can keep guessing until Thanksgiving – it's around then that they'll get around to releasing the documents.

**[UPDATE: Just received notice that groundbreaking for the US pavilion will be on July 17 at 10:30 AM. Secretary of Commerce Gary Locke will be present.]**

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