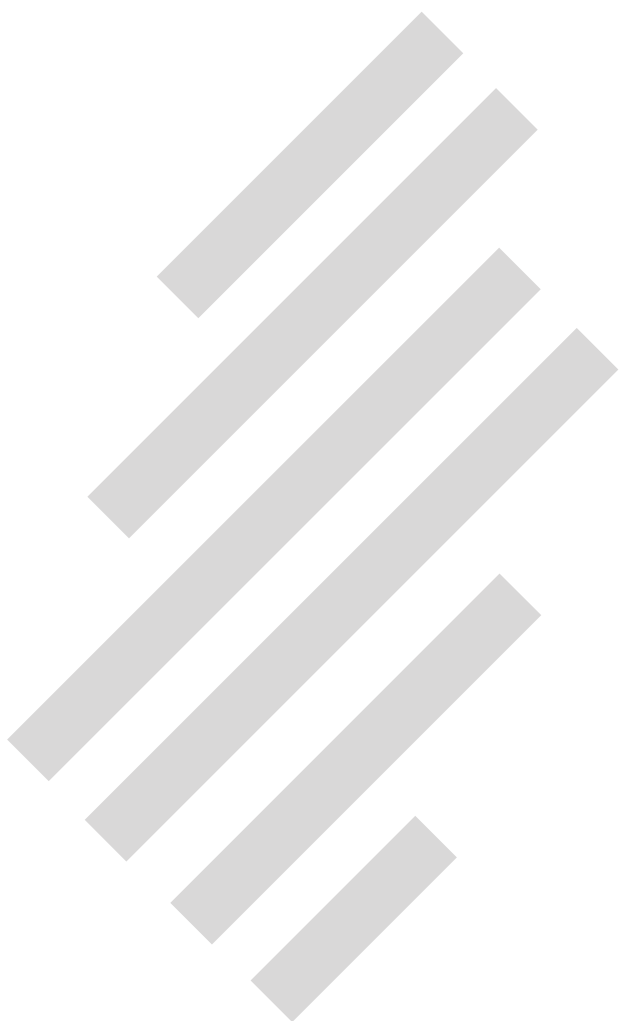




# Advancing the US-Taiwan Partnership in a Changing Global Landscape

Task Force Chair:  
Ambassador Robert C. O'Brien (ret.)

A Report of the Global Taiwan Institute's Task Force on U.S.-Taiwan Relations



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## Global Taiwan Institute

Global Taiwan Institute is a 501(c)(3) non-profit policy incubator dedicated to insightful, cutting-edge, and inclusive research on policy issues regarding Taiwan and the world. Our office is located near Dupont Circle in Washington, D.C.

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# About the Global Taiwan Institute

The Global Taiwan Institute (GTI) is a 501(c)(3) non-profit policy think tank dedicated to insightful, cutting-edge, and inclusive research on policy issues regarding Taiwan and the world. Our mission is to enhance the relationship between Taiwan and other countries, especially the United States, through policy research and programs that promote better public understanding about Taiwan and its people.

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## About the Task Force

The Global Taiwan Institute's Task Force on US-Taiwan Relations is composed of a bipartisan group of academics, political leaders, diplomats, and military officials. Led by Ambassador Robert C. O'Brien (ret.), the 27<sup>th</sup> United States National Security Advisor, the Task Force boasts decades of experience in foreign policy and diplomacy.

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The Wilson Center



**Photo:** *Members of GTI's Task Force on US-Taiwan Relations meet with senior Taiwanese officials.*

**From left to right:** *Allison Hooker; Lo-Marie O'Brien; Ivan Kanapathy; Jennifer Hu; Lanhee Chen; Amb. Robert O'Brien (ret.); President Tsai Ing-wen; Amb. Stephen Young; Lin Chia-lung; Lt. Gen. Wallace "Chip" Gregson; Amb. Kurt Tong; Wellington Koo; Jamieson Greer; Shihoko Goto; Marshall Reid; Kolas Yotaka; Joseph Wu*



## Acknowledgements

Our vision for this important initiative was to bring together leading experts on US-Taiwan relations, with the goal of developing a range of well-informed and pragmatic recommendations for expanding the partnership. The members of the Task Force all recognized that the US-Taiwan relationship is absolutely critical to the international system. This sentiment has only grown stronger over the course of the project, as democracies increasingly face threats from authoritarian powers.

This report is the product of over a year of discussions and dialogue, during which so many remarkable individuals lent their time, experience, and expertise to the effort. Without their hard work and determination, none of this would have been possible.

To begin, I would like to send my deepest gratitude to GTI Co-Founders Dr. Ching-I Hsu and Esther Hsu, whose phenomenally generous support made this Task Force possible. So much of the work that went into this project is because of their commitment to GTI's mission.

I want to thank Task Force Chair Ambassador Robert O'Brien (ret.) for his tireless and thoughtful leadership of this bipartisan Task Force. With his unparalleled experience in both the public and private sectors, he served as a consistent source of wisdom and guidance, as well as a strong advocate for the Task Force's work.

In addition, I want to thank Task Force Vice Chair Allison Hooker, who was absolutely critical to every aspect of this project. From the outset, Allison served as the linchpin of our group, helping to lead meetings, frame discussions, and set priorities. Her work ethic never ceases to amaze me, and I am incredibly grateful for her support in this endeavor.

I would also like to extend my sincere thanks to the amazing members of the Task Force, who dedicated so much of their time and effort to this important task. In particular, I want to thank Ivan Kanapathy, Jamieson Greer, Stephen Young, Shihoko Goto, and Jerrold Green for providing expert briefings at Task Force meetings.

I would also like to thank the Taiwan Economic and Cultural Representative Office (TECRO) in Washington for their support. In particular, I would like to thank Amb. Hsiao Bi-khim for her leadership, as well as Iris Shaw, who was instrumental to our visit to Taiwan.

This report was heavily influenced by the task force's March 2023 visit to Taiwan, which included so many insightful experiences and discussions. My deepest gratitude to President Tsai Ing-wen for generously taking the time to engage with our delegation during our visit. Her steadfast leadership is truly inspiring. Thank you also to Vice President William Lai for sharing his perspectives with us. Our discussion provided invaluable insights into the challenges and opportunities facing Taiwan. I would also like to thank Foreign Minister Joseph Wu, who did so much to welcome our group to Taiwan, as well as his amazing team at the Ministry of Foreign Affairs that went above and beyond to facilitate our trip.

Many thanks also to the ministers, senior officials, and experts that took the time to share their expertise with our group, including the Ministry of Economic Affairs, the National Security Council, the Ministry of National Defense, the Ministry of Digital Affairs, the American Institute in Taiwan, the Institute for National Defense and Security Research, the Taiwan Institute of Economic Research, and the Industrial Technology Research Institute. We are deeply grateful for the perspectives they shared and the warm hospitality we received.

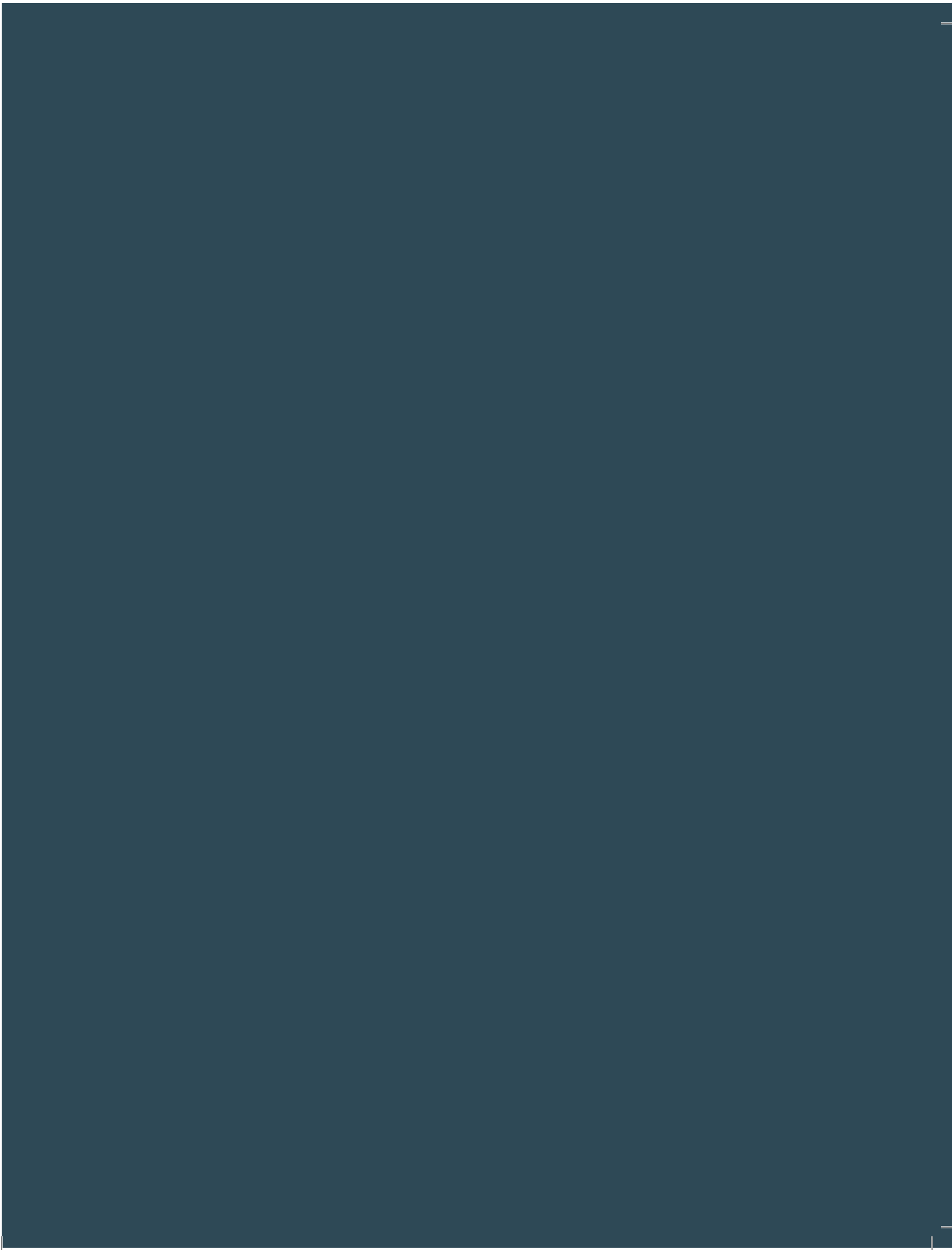
I also want to thank Task Force Rapporteur Marshall Reid, who worked tirelessly to organize our meetings, take notes, provide logistical support, and draft much of the language in this report. Moreover, Marshall assisted with the analysis and research that informed and consolidated the report. Thanks to his dedication and persistence, this project was a resounding success.

Last but certainly not least, I would like to thank GTI's Co-Founders, Board of Directors, Councilors, and Advisors, who provided so much support throughout this project. I also want to thank the amazing team at GTI, without whom none of this would have been possible. My sincere thanks to Russell Hsiao, Adrienne Wu, and Zoë Weaver-Lee, all of whom provided invaluable support throughout the process. Finally, thank you to GTI's interns, including Melynn Oliver, Zaki Atia, Kristen Chang, Eric Jung, Jonah Landsman, Daniela Martinez, and Ben Levine, who each contributed a great deal to this project.

**Jennifer Hu**

*Chair of the Board of Directors, Global Taiwan Institute*





## Foreword

The US-Taiwan relationship is more critical than ever. As we near the end of 2023, with Russia's war on Ukraine approaching its two-year mark, and the Israel-Hamas-Iran war at risk of escalating, we cannot take our eyes off the Indo-Pacific. The free world must ensure that the Republic of China, Taiwan continues as an open democracy in the face of the Chinese Communist Party's (CCP) increasingly belligerent threats.

During the Trump administration, we forged a bipartisan consensus on the threat the CCP posed to our nation's liberty and to the free nations of the Indo-Pacific. In particular, China's behavior was becoming increasingly aggressive towards Taiwan. Thus, we took steps to expand the US-Taiwan relationship and strengthen Taiwan's capacity to deter and defend itself against China. More must be done to assist Taiwan and time is of the essence.

Taiwan's significance to the free world is threefold. First, Taiwan plays an essential role in maintaining a "free and open" Indo-Pacific region through its critical geographic location in the first island chain. The United States' capability to operate freely in the first island chain enhances its ability to defend partners and allies against aggressive PRC military actions.

Second, Taiwan's role in the global economy is of extraordinary importance. Taiwan manufactures 90 percent of the world's smallest, most advanced semiconductors, and more than 60 percent of global trade transits the Taiwan Strait. Controlling these assets would allow the CCP to dominate the global supply chains in almost every industry.

Third, Taiwan's transformation from authoritarianism to a robust democracy is one of recent history's greatest success stories. Taiwan represents a shining example to the world of what a people who value freedom can achieve and gives lie to Beijing's argument that Chinese citizens must be governed by a strong hand.

Beyond these three areas, Taiwan makes important contributions to the world in numerous other fields, such as global health, climate change, and science and technology. Taiwan's value to the international community will only continue to rise as long as it remains free, self-governed, and democratic.

The Global Taiwan Institute (GTI) undertook to establish a bipartisan Task Force to conduct a comprehensive review of the US-Taiwan relationship and to make recommendations to both governments on actions that would strengthen that relationship. It has been my honor and pleasure to serve as Chairman of this Task Force, and I believe the recommendations herein will contribute not only to enhancing the US relationship with Taiwan, but also to making Taiwan more resilient and capable to deter and defend against a future PRC attack on Taiwan.

I am grateful to GTI for the opportunity to serve on this Task Force. In particular, I would like to thank Jennifer Hu, Chair of GTI's Board of Directors, for her assistance and support of the Task Force as well as GTI Program Manager Marshall Reid, for his excellent work as Task Force rapporteur. I also appreciated Task Force Vice Chair Allison Hooker, for her work to coordinate the Task Force's review and recommendations, as well as each of the task force members, who took time from their full professional schedules to engage in this important effort.

Finally, I would like to express my deepest gratitude to President Tsai Ing-wen for the hospitality and generosity she showed me and our Task Force during our March 2023 visit to Taipei.

**Ambassador Robert C. O'Brien (ret.)**  
*Task Force Chair*

# Executive Summary

The objective of this report is to identify and submit specific recommendations for areas in which the United States and Taiwan can cooperate bilaterally, improve cultural and economic ties, and preserve regional security. The report divides these research areas and subsequent recommendations into the following categories: Diplomatic and Political, Military and Security, and Trade and Economics.

Upon comprehensively evaluating these aspects of the US-Taiwan relationship, the task force finds that:

## Diplomatic and Political

- The United States should continue to expand contacts between US and Taiwanese officials.
- The United States should continue to expand its efforts to include Taiwan in international organizations and public-private sector initiatives.
- The United States and Taiwan should work to expand the Global Cooperation and Training Framework, both in membership and in frequency of its workshops.
- The United States should work to facilitate academic-industry partnerships between universities and high-tech companies, and their Taiwanese counterparts.
- The United States and Taiwan should work to pinpoint overlaps between the US Indo-Pacific Strategy and the Taiwanese New Southbound Policy.

## Military and Security

- The United States should continue to streamline and simplify the Foreign Military Sales (FMS) process.
- The United States should work to reinvigorate its military-industrial infrastructure.
- The United States should greatly expand its combined training operations with Taiwan.
- The United States should provide Taiwan with a larger variety of modern weapons and platforms, with a particular focus on more affordable, flexible armaments.
- The United States and Taiwan should collaborate to develop a defense strategy suited to the precision strike era and Taiwan's operational challenges.
- Taiwan should partner with a private-sector driven, US-based institution to accelerate the innovation and commercialization of dual-use technologies.
- The United States should work with allies and partners to ensure that Taiwan has the supplies necessary to maintain a strong and vital democracy.

## Trade and Economics

- The United States and Taiwan should take substantive steps to liberalize their trade ties in a targeted manner.
- The United States should negotiate a double taxation agreement with Taiwan, which is already making headway in Congress.
- The United States and Taiwan should develop stronger, more substantive mechanisms to engage on semiconductors and supply chain security.
- The United States should advocate for Taiwan's inclusion in regional multilateral economic groupings.
- The United States and Taiwan governments should work to foster expanded private sector connections between US and Taiwanese companies.

## US-TAIWAN PARTNERSHIP







## Introduction

While Taiwan (Republic of China, ROC) has historically played a key role in the United States' foreign policy toward the Indo-Pacific region, its economic, diplomatic, and military salience has increased significantly over the past two decades. Amid steadily rising tensions between the United States and the People's Republic of China (PRC), the island democracy has emerged as a potential flashpoint, particularly as Beijing increases efforts to intimidate and eventually subjugate Taiwan and its people. As a result of the PRC's aggressive approach to Taipei, cross-strait relations have become substantially more volatile and antagonistic, with tensions between the two heightening. In turn, this state of affairs has contributed to growing fears of a catastrophic military confrontation between China and Taiwan, which could rapidly metastasize into a far larger regional or global conflict. In light of these concerns, the relationship between the United States and Taiwan is more critical than ever before.

Accordingly, Washington and Taipei have maintained a productive, mutually beneficial relationship for decades. Guided by several key statutes and political agreements—most notably, the *Taiwan Relations Act* (TRA), enacted by Congress in 1979—successive US administrations have worked to maintain US-Taiwan ties, engaging in regular economic, diplomatic, and security dialogues and initiatives with Taiwanese counterparts. As a result, the US-Taiwan relationship has long served as a cornerstone of the US policy approach to the Indo-Pacific, even as geopolitical dynamics in the region have shifted over time.

While the US-Taiwan relationship remains strong, it faces unprecedented challenges. The PRC, under the leadership of Chinese Communist Party (CCP) General Secretary Xi Jinping (习近平), has demonstrated a growing willingness to challenge long-held geopolitical understandings. From the Taiwan Strait—where People's Liberation Army (PLA) Air Force and Navy provocations occur on a near-daily basis—to multilateral institutions like the World Health Organization (WHO)—where Chinese diplomats now wield widespread influence—China has embarked on a concerted campaign to marginalize and intimidate Taiwan and its supporters. This behavior has threatened the delicate status quo in place across the Taiwan Strait, and thus stability and peace in the region.

China's increasingly bellicose rhetoric and behavior toward Taiwan have become even more stark against the backdrop of Russia's invasion of Ukraine in February 2022 and the ongoing war. The war on Ukraine has demonstrated that revanchist authoritarian aggression, regardless of the potential cost to the aggressor, is a very real and substantive threat. For Taiwan and its democratic partners around the world, the crisis in Ukraine has proven that the relative peace and stability of the post-Cold War era is far from inviolable. Through its invasion, Russia has issued a profound challenge to the US-led world order, showing that full-scale warfare, including the threat of nuclear weapons, remains a viable means to achieve geopolitical objectives. And though the Russian attack faltered amid fierce Ukrainian resistance and unexpectedly coherent, robust, and sustained international support for Kyiv, it nevertheless set a concerning precedent.

The stability of the international system has been further threatened by the outbreak of the 2023 Israel-Hamas War. While the conflict remains in its early stages, it has rapidly intensified since Hamas' brutal surprise attack on October 7, 2023. Already, the war has threatened to spread beyond the borders of Gaza, potentially evolving into a larger, more dangerous regional conflict. Once again, this state of affairs has not gone unnoticed in Taipei, with the government expressing support for Israel while simultaneously seeking to glean lessons from the evolving hostilities. Following closely on the heels of the Russia-Ukraine War, the Israel-Hamas conflict seems to be evidence of a concerning pattern, in which revisionist authoritarian states like Russia and Iran weigh the gains of military aggression favorably over the costs. For Taiwan, constantly operating in one of the most perilous and volatile geopolitical environments, this pattern is undoubtedly a cause for considerable concern.

For China, the impediments to launching an invasion of Taiwan may appear to be diminishing. After years of reform and expansion, the PLA now enjoys an overwhelming quantitative and qualitative advantage over its Taiwanese counterpart, and its recent behavior suggests a growing willingness to utilize this strength. Relatedly, Taiwan's deterrent capabilities have eroded significantly, as its own efforts at military reform have been overshadowed by Beijing's massive investments in its offensive capabilities. And while—as of the writing of this report—US President Joseph Biden has stated that the United States will come to Taiwan's aid in the event of an attack, the conflicts in Ukraine and Gaza could potentially divert US attention and resources, in turn threatening to undermine US commitments to Taiwan. In light of these developments, Xi Jinping may view the window of opportunity to seize Taiwan through military force as rapidly approaching.

Across the globe, authoritarianism and militarism are surging once more. From Eastern Europe and the Middle East to the Taiwan Strait and South China Sea, revanchist, revisionist powers are working to challenge democratic norms and undermine longstanding partnerships. More concerning still, these authoritarian states have shown a growing willingness to cooperate and engage with one another, presenting an increasingly coordinated challenge to the US-led international order. The PRC, Russia, Iran, and North Korea—despite their many differences—have demonstrated growing alignment, driven by a shared desire to re-write the rules of the international order.

in their favor. The conflicts in Ukraine and Gaza, while certainly different in many regards, nevertheless reflect this mounting convergence of interests.

Against this dangerous geopolitical backdrop, it will be imperative for the United States and Taiwan to forge a stronger, more enduring partnership, and for Taiwan to gain greater international attention and support. This sentiment has gained broader acceptance in recent years, as a bipartisan consensus in the United States has emerged in support of countering Chinese aggression and solidifying ties with Taiwan. In both the Executive and Legislative branches, US policymakers have shifted toward a more clear-eyed approach to Beijing. Similarly, a growing chorus of US experts and practitioners has called for enhancing the partnership with Taipei, with proposals including—but not limited to—increased security cooperation, more effective economic engagement, academic and technology agreements, and expanded people-to-people interactions. Already, this shift in thinking has impacted US political behavior, as evidenced by the proliferation of congressional delegations to Taiwan. Taiwan has a remarkable opportunity to capitalize on this broad US support and expand its partnership with the United States.

With this in mind, the Global Taiwan Institute assembled a bipartisan Task Force on US-Taiwan relations, with the goal of evaluating the current state of the relationship, shedding light on its weaknesses, and providing recommendations for strengthening it. The Task Force includes a wide range of policy experts and practitioners, hailing from the government, private businesses, and academia. Together, its members possess a wealth of experience on Taiwan, China, and the broader Indo-Pacific region. Each member participated in a personal capacity; their views do not represent or necessarily reflect the views of their respective organizations and affiliations.

This report is the product of more than a year of discussions and briefings, during which participants engaged on issues related to Taiwan's diplomatic status, role in the global economy, military capabilities, and efforts to combat Chinese coercive measures, among others. The report was also informed by a Task Force delegation visit to Taiwan, which featured top-level meetings with Taiwanese government officials, military leaders, business leaders, and civil society groups. These meetings provided invaluable insights into Taiwan's economic, political, and security priorities, as well as key areas in which the US-Taiwan relationship could be bolstered.

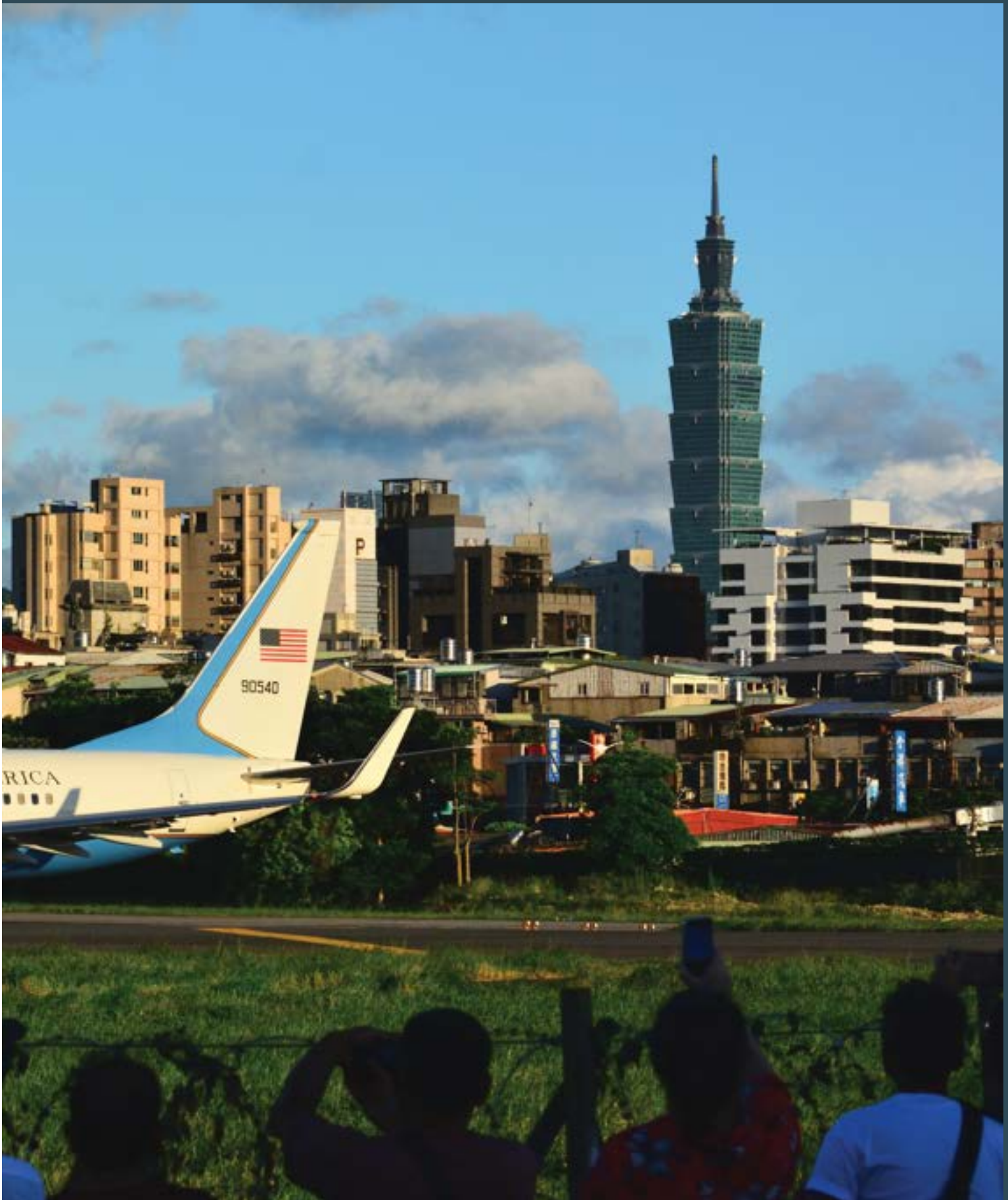
The report provides an in-depth overview of the current state of the US-Taiwan relationship, including discussions of: diplomatic and political engagements between the United States and Taiwan; military and security interactions; and trade and economic ties between the two states. Following each section, the Task Force provides a series of recommendations aimed at expanding and reinforcing the US-Taiwan relationship as it enters its most dangerous period yet.

This report is not intended to dictate what Taiwan, its people, or its leaders should or should not do, as the future of Taiwan should be shaped by the people of Taiwan. Rather, it is intended to explore the US-Taiwan relationship, shed light on potential areas of improvement, and provide recommendations for strengthening the partnership going forward.



## DIPLOMACY AND POLICY







## Task Force Findings: Diplomatic and Political

Since the United States recognized the People's Republic of China as the sole government of China in 1979, US-Taiwan relations have been conducted on an unofficial basis. This unique dynamic has placed limits on the diplomatic and political interactions between Washington and Taipei. Nevertheless, the United States has capitalized on its own interpretation of the agreements governing its relations with Taiwan, articulated in the 1979 *Taiwan Relations Act*, allowing Washington to engage with Taipei on a wide range of issues. These ties have expanded markedly since the Trump Administration, as US policy no longer prioritizes Beijing's political preferences over broader American interests. With broad bipartisan Congressional support for Taiwan, the United States is increasingly taking steps to strengthen its ties with the island democracy, while supporting an expanded role for Taipei on the international stage. While this growing US boldness in supporting Taiwan could undoubtedly trigger backlash from the PRC—indeed, it already has—it is necessary to ensure that Taiwan can continue to serve as a valuable contributor to the international community.

### Bilateral Relations

Amid the countless trials and travails that Taiwan has faced since 1979, its unique diplomatic relationship with the United States has served as a source of relative consistency. Despite their lack of formal ties, the two governments have consistently engaged on a variety of political, economic, and military matters, albeit with notable limitations. At times, this has necessitated unorthodox workarounds, such as framing visits to the United States by senior Taiwanese officials as “transits” on the way to Latin America or the Caribbean. For decades, the United States has abided by these conditions out of deference to the PRC, which unfailingly objects to any meaningful contact between US and Taiwanese officials. These compromises on Washington's part were largely motivated by economic interests and optimistic assessments of China's political trajectory.

However, this state of affairs appears to be changing. Over the past two decades, the CCP has increasingly leveraged China's massive population, ascendant economy, and rapidly modernizing military to exert influence and challenge the status quo. No longer content to abide by the standards set by the US-led international order, the PRC has embarked on a global campaign to rewrite the rules in its favor. This behavior—from its aggressive claims in the South China Sea, to its controversial “wolf warrior diplomacy,” and its global Belt and Road Initiative (BRI, also known as One Belt, One Road, 一帶一路)—has eroded US hopes for a more stable, mutually beneficial coexistence with the PRC.<sup>1</sup> While the process has been slow and halting, it increasingly seems that the United States has abandoned the naivete of its past China policies. In turn, this has provided an opportunity for an expansion of diplomatic interactions between the United States and Taiwan.

Over the last decade, as US-China ties have steadily deteriorated, US officials have demonstrated a greater willingness to engage with Taiwanese counterparts. While high-ranking US political figures have conducted visits to Taiwan in the past—most notably then-House Speaker Newt Gingrich, who traveled to the island in 1997—the number of delegations has increased markedly over the past five years.<sup>2</sup> Emblematic of this shift in thinking regarding visits to Taiwan was the *Taiwan Travel Act of 2018*.<sup>3</sup> While the Act itself changed relatively little of substance, its existence—and its approval by the Executive Branch—represented a significant political message. As a means of signaling both discontent with Chinese behavior and support for Taiwan, a wide range of officials have visited Taiwan, where they have met with high-level Taiwanese counterparts—including President Tsai Ing-wen—toured the island's semiconductor facilities, and engaged with defense officials. These delegations have included members of Congress (from both the House of Representatives and the Senate, as well as from both the Democratic and Republican parties), as well as high-ranking figures from the Department of State, the Department of Health and Human Services, and the Department of Commerce, as well as governors and state and local elected officials,

<sup>1</sup> Center for Preventative Action, “Global Conflict Tracker: Territorial Disputes in the South China Sea,” *Council on Foreign Relations*, June 26, 2023, <https://www.cfr.org/global-conflict-tracker/conflict/territorial-disputes-south-china-sea>.

Peter Martin in conversation with Joanna Nawrotkiewicz, “Understanding Chinese ‘Wolf Warrior Diplomacy,’” *The National Bureau of Asian Research*, October 22, 2021, <https://www.nbr.org/publication/understanding-chinese-wolf-warrior-diplomacy/>.

James McBride, Noah Berman, and Andrew Chatzky, “Backgrounder: China's Massive Belt and Road Initiative,” *Council on Foreign Relations*, February 2, 2023, <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative>.

<sup>2</sup> “Explained: What happened when a US House Speaker visited Taiwan in 1997?” *Firstpost*, August 3, 2022, <https://www.firstpost.com/explainers/explained-what-happened-when-a-us-house-speaker-visited-taiwan-in-1997-11004431.html>.

<sup>3</sup> US Congress, House, Taiwan Travel Act, PL 115-135, 115th Cong, signed by the President March 16, 2018, <https://www.congress.gov/bill/115th-congress/house-bill/535>.

among others.<sup>4</sup>

This recent proliferation of official visits to Taiwan culminated in August 2022, when then-US Speaker of the House Nancy Pelosi undertook her own, highly publicized visit to Taipei.<sup>5</sup> The trip, which proved controversial in China, was interpreted by many as a strong display of US support for Taiwan.<sup>6</sup> In her remarks during the visit, Pelosi expressed her strong endorsement of Taiwan's role in the international community, as well as her belief in the enduring strength of the US-Taiwan relationship.<sup>7</sup> These statements—which were in line with broader US sentiment regarding diplomatic relations with Taiwan—gained additional salience during and after the visit, as the PLA responded by conducting large-scale naval and air exercises in close proximity to Taiwan and its outlying islands.<sup>8</sup> Despite these exercises, the Pelosi visit created space for the international community to demonstrate its support to Taiwan, with a wide range of foreign government officials and elected leaders traveling to the island since.<sup>9</sup>

The recent trend of high-level visits to Taiwan has not been without its critics. Besides the expected objections from Beijing, the engagements have also been criticized by certain experts in the United States, who consider the visits overly provocative and/or lacking in substance. For them, the visits have done little more than unnecessarily antagonize the PRC, injecting undue tension into an already volatile strategic environment.<sup>10</sup> In this telling, the delegations have largely prioritized symbolic displays of support over meaningful policy measures. These criticisms reached a high-water mark during and after the Pelosi visit, as fears of a Chinese escalation surged.<sup>11</sup>

Arguably, visits to China by US cabinet officials in 2023 have produced even fewer outcomes that advance US interests—yet the same critics have not pounced on the US administration for pursuing dialogue with Beijing. In truth, high-level diplomacy is primarily a tool for political messaging to various audiences, both domestic and international, used to drive future outcomes and rally other like-minded countries to alignment. As such, it is hypocritical to argue that high-level visits to Taiwan are somehow less meaningful or effective than visits to other US allies and partners around the world. While the provocation argument stands on its own, the “substance over symbolism” argument necessarily challenges the utility of in-person diplomacy, and therefore the value of our senior diplomatic corps more generally.

Furthermore, these trips have been widely embraced by Taiwan.<sup>12</sup> As Task Force members found during their own delegation to Taipei, the visits have been broadly viewed as a strong demonstration of US support for Taiwan, helping to counter prevalent CCP narratives questioning US intentions and reliability. Given the significant resources that Beijing dedicates to political warfare (through various channels of dis- and misinformation) in Taiwan, such overt signs of political support are more crucial than ever.

<sup>4</sup> “Press Release: US Congressional Delegation Visits Taiwan,” American Institute in Taiwan, April 6, 2023, <https://www.ait.org.tw/us-congressional-delegation-visits-taiwan-mccaul/#:~:text=Rep.,to%20the%20Indo%2DPacific%20region>.

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<sup>5</sup> Tim Starks et. al., “Nancy Pelosi departs Taiwan, ending contentious visit that angered China,” *Washington Post*, August, 2022, <https://www.washingtonpost.com/world/2022/08/02/nancy-pelosi-taiwan-visit/>.

<sup>6</sup> David Rising, “China’s response to Pelosi visit a sign of future intentions,” *Associated Press*, August 19, 2022, <https://apnews.com/article/taiwan-china-beijing-congress-8857910a1e44cefa70bc4dfd184ef880>.

Jude Blanchette et. al., “Critical Questions: Speaker Pelosi’s Taiwan Visit: Implications for the Indo-Pacific,” *CSIS*, August 15, 2022, <https://www.csis.org/analysis/speaker-pelosis-taiwan-visit-implications-indo-pacific>.

Norah Huang, “A Taiwan perspective on what is at stake after Nancy Pelosi’s visit to Taiwan,” *Brookings Institution*, September 26, 2022, <https://www.brookings.edu/articles/a-taiwan-perspective-on-what-is-at-stake-after-nancy-pelosis-visit-to-taiwan/>.

<sup>7</sup> Speaker Nancy Pelosi, “Press Release: Transcript of Pelosi Opening Remarks at Bilateral Meeting with Vice President of the Legislative Yuan of Taiwan Tsai Chi-chang,” *Speaker’s Press Office*, August 2, 2022, <https://pelosi.house.gov/news/press-releases/transcript-of-pelosi-opening-remarks-at-bilateral-meeting-with-vice-president-of>.

<sup>8</sup> Seung Min Kim and Eric Tucker, “China extends threatening military exercises around Taiwan,” *Associated Press*, August 8, 2022, <https://apnews.com/article/taiwan-china-asia-beijing-nancy-pelosi-8fa31bee2bce1dc9979ecd21f7185f7ec>.

<sup>9</sup> Helen Davidson, “The Pelosi effect: foreign delegations queue up to visit Taiwan in defiance of China,” *The Guardian*, August 27, 2022, <https://www.theguardian.com/world/2022/aug/27/the-pelosi-effect-foreign-delegations-queue-up-to-visit-taiwan-in-defiance-of-china>.

<sup>10</sup> Bonnie S. Glaser and Zack Cooper, “Opinion: Nancy Pelosi’s Trip to Taiwan Is Too Dangerous,” *The New York Times*, July 28, 2022, <https://www.nytimes.com/2022/07/28/opinion/china-us-taiwan-pelosi.html>.

<sup>11</sup> Isaac Chotiner, “The Provocative Politics of Nancy Pelosi’s Trip to Taiwan,” *The New Yorker*, August 4, 2022, <https://www.newyorker.com/news/q-and-a/the-provocative-politics-of-nancy-pelosis-trip-to-taiwan>.

<sup>12</sup> Lily Kuo and Karina Tsui, “How Taiwan reacted to Pelosi’s visit, from ‘welcome’ to ‘American witch,’” *The Washington Post*, August 3, 2022, <https://www.washingtonpost.com/world/2022/08/03/nancy-pelosi-taiwan-visit-reaction/>.

Taiwanese President Tsai Ing-wen (蔡英文) conducted a visit to the United States in March 2023.<sup>13</sup> The trip, officially referred to as a “transit” en route to meeting with diplomatic allies in Central America, included a meeting with former US Speaker of the House Kevin McCarthy and other members of Congress in California and a speech at a private event in New York. While certainly noteworthy for its visibility and boldness, Tsai’s trip was not unprecedented. As the Congressional Research Service (CRS) has noted, Taiwanese presidents have conducted 29 transits through the United States since 1994.<sup>14</sup>

While diplomatic contacts between the United States and Taiwan have been steadily increasing for decades, they expanded significantly during the Trump Administration. The pro-Taiwan (and anti-China) leanings of the administration became clear almost immediately after Trump’s inauguration in 2016, when the president-elect accepted a congratulatory phone call from President Tsai.<sup>15</sup> This conversation—the first of its kind since the normalization of US-China relations in 1979—sparked backlash from the PRC, which viewed it as an unacceptable effort to legitimize the Taiwanese government. The Trump Administration largely continued to express support for Taiwan throughout its tenure, viewing the island as key to its efforts to counter China and maintain a free and open Indo-Pacific.<sup>16</sup> The then-US National Security Advisor Robert O’Brien hosted his counterpart in Washington in 2019, and US Deputy National Security Advisor Matthew Pottinger hosted Taiwanese Vice President-elect Lai Ching-te (賴清德) at the White House in 2020.<sup>17</sup> In August 2020, Secretary of Health and Human Services Alex Azar visited Taiwan, marking the highest-ranking US Executive Branch official in Taiwan for more than four decades. Similar efforts extended to the last days of the administration, when outgoing Secretary of State Mike Pompeo mandated the loosening of the State Department’s self-imposed restrictions on contacts with Taiwanese officials.<sup>18</sup>

Though the Biden Administration has reversed some of Trump’s diplomatic initiatives elsewhere in the world, it has largely continued its predecessor’s policies vis-à-vis the Indo-Pacific, including Taiwan. To start, Biden invited Taipei’s representative in Washington, Hsiao Bi-khim (蕭美琴), to attend the inauguration, again sparking backlash from Beijing. In 2023, Taiwan’s Foreign Minister Joseph Wu (吳釗燮) and Secretary General of the National Security Council Wellington Koo (顧立雄) attended high-level bilateral meetings at the American Institute in Taiwan’s Washington office. The administration has also consistently expressed strong support for Taipei in remarks and publications.<sup>19</sup> Perhaps the most notable example of this has come from President Biden himself, who has stated that the United States would come to Taiwan’s defense on four separate occasions.<sup>20</sup> While these statements have been walked back by administration officials, they nevertheless indicate the commander-in-chief’s understanding of the importance of the island democracy to US interests. As US-China tensions are unlikely to resolve anytime soon, officials in both Washington and Taipei have a remarkable opportunity to forge an even stronger, more comprehensive partnership.

## Multilateral Relations

As a result of China’s growing international influence, Taiwan has been largely marginalized from the international community. Since the ROC’s expulsion from the United Nations in 1972 in favor of the PRC, the island has occupied a unique position, treated as a diplomatic pariah by the vast majority of UN member states. Beijing continues to wage a campaign to further isolate Taiwan, using economic and political influence and coercion to peel away Taiwan’s remaining diplomatic allies and deny Taipei’s participation in international fora. These efforts have been successful, as the PRC has convinced nine countries to abandon Taiwan since 2016.<sup>21</sup> Following Honduras’ switch

<sup>13</sup> Emily Feng and John Ruwitch, “Taiwan’s president arrives in the U.S. amid warnings from China,” *NPR*, March 30, 2023, <https://www.npr.org/2023/03/30/1166970205/taiwans-president-arrives-in-the-u-s-amid-warnings-from-china>.

<sup>14</sup> Susan V. Lawrence, *In Focus: Taiwan Presidents’ U.S. Transit Visits*, Congressional Research Service, April 26, 2023, <https://crsreports.congress.gov/product/pdf/IF/IF12371/6#:~:text=Since%201994%2C%20four%20sitting%20presidents,visits%20to%20the%20United%20States>.

<sup>15</sup> Tom Phillips, Nicola Smith, and Nicky Woolf, “Trump’s phone call with Taiwan president risks China’s wrath,” *The Guardian*, December 3, 2016, <https://www.theguardian.com/us-news/2016/dec/03/trump-angers-beijing-with-provocative-phone-call-to-taiwan-president>.

<sup>16</sup> Hannah Grothusen, “How Biden is Building on Trump’s Legacy in Taiwan,” *CSIS*, August 20, 2021, <https://www.csis.org/blogs/new-perspectives-asia/how-biden-building-trumps-legacy-taiwan>.

<sup>17</sup> “Vice President Lai,” Office of the President, Republic of China (Taiwan), 2023, <https://english.president.gov.tw/Page/543>.

<sup>18</sup> Idrees Ali and David Brunnstrom, “Pompeo lifts restrictions on U.S.-Taiwan relationship as clock runs out on Trump administration,” *Reuters*, January 9, 2021, <https://www.reuters.com/article/us-usa-taiwan-diplomacy/pompeo-lifts-restrictions-on-u-s-taiwan-relationship-as-clock-runs-out-on-trump-administration-idUSKBN29E0Q6>.

<sup>19</sup> Hannah Grothusen, “How Biden is Building on Trump’s Legacy in Taiwan.”

<sup>20</sup> John Ruwitch, “Biden, again, says US would help Taiwan if China attacks,” *National Public Radio*, September 19, 2022, <https://www.npr.org/2022/09/19/1123759127/biden-again-says-u-s-would-help-taiwan-if-china-attacks>.

<sup>21</sup> Ian Huang, “China vs. Taiwan: The battle for diplomatic allies,” *Commonwealth Magazine*, April 7, 2023, <https://english.cw.com.tw/article/article.action?id=3407>.

in March 2023, Taipei is left with 13 formal allies, mostly small states in Oceania, the Caribbean, and Central America.<sup>22</sup>

Not satisfied with luring away formal allies, Beijing has also worked to ostracize Taiwan in the global community, exerting its economic and political influence to prevent Taipei from participating in the vast majority of multilateral institutions. The PRC has wielded the language of UN Resolution 2758 as a cudgel, countering efforts to include Taiwan.<sup>23</sup> Given the UN's global mandate and vast array of affiliated organizations, this has had a multitude of negative implications for the Taiwanese people and the world. China has prevented Taiwan from accessing a wide range of organizations, even when Taiwanese participation would provide undeniable benefits. This phenomenon was cast in sharp relief during the COVID-19 pandemic, when Taiwan was prevented from participating—even as an observer—in meetings of the WHO, including the World Health Assembly (WHA).<sup>24</sup> Given the island's early recognition of the dangers posed by the virus and subsequent successes in containing it, this exclusion had negative implications not just for Taiwan, but for the world at large.<sup>25</sup>

Recognizing that Taiwan's international participation provides manifold benefits to the international community, the United States has increasingly made efforts to support a greater Taiwanese role in a variety of fora. This policy was clearly articulated in the *TAIPEI Act* of 2020, which called on the United States and its representatives to advocate:

- For Taiwan's membership in all international organizations in which statehood is not a requirement and in which the United States is also a participant;
- For Taiwan to be granted observer status in other appropriate international organizations<sup>26</sup>

This language reflects a concerted effort to challenge the PRC's campaign of marginalization and expand Taiwan's role in the international community. Notably, these efforts have not occurred in isolation. In an encouraging sign of rising international support for Taiwan, a growing number of states and organizations have called for the inclusion—either fully or as an observer—in multilateral institutions.<sup>27</sup> From the European Union to South America, an expanding contingent of nations has advocated for Taiwan. While this support is likely partially motivated by rising distaste with China's aggressive behavior, it nevertheless represents a valuable opportunity for Taiwan to expand its global position.<sup>28</sup>

This international advocacy for Taiwan's participation in multilateral organizations is largely in keeping with a broader trend in support for Taiwan. Over the last several years, a growing range of states have demonstrated far greater willingness to engage with Taiwan. This phenomenon has been particularly pronounced in Europe, once a hub of Chinese influence globally. Frustrated with the PRC's aggressive diplomacy, coercive economic policies, and human rights abuses, nations across the continent are expanding ties with Taiwan.<sup>29</sup> This has led to a proliferation of memoranda of understanding (MOU) between European states and Taipei, as well as a spate of European parliamentary and business delegations to Taiwan. Notably, the EU—which maintains a mission in Taipei—has also updated its language about Taiwan, encouraging greater cooperation with Taiwanese officials and businesses.<sup>30</sup>

<sup>22</sup> “Diplomatic Allies,” Ministry of Foreign Affairs, Republic of China (Taiwan), 2023, <https://en.mofa.gov.tw/AlliesIndex.aspx?n=1294&sms=1007>.

<sup>23</sup> Jessica Drun and Bonnie S. Glaser, “Insights: The Distortion of UN Resolution 2758 and Limits on Taiwan's Access to the United Nations,” *German Marshall Fund of the United States*, March 24, 2023, <https://www.gmfus.org/news/distortion-un-resolution-2758-and-limits-taiwans-access-united-nations>.

<sup>24</sup> Helen Davidson, “Outcry as World Health Assembly locks out Taiwan under pressure from China,” *The Guardian*, May 23, 2023, <https://www.theguardian.com/world/2023/may/23/outcry-as-world-health-organization-locks-out-taiwan-under-pressure-from-china>.

Mrinalika Roy, Emma Farge, and Ben Blanchard, eds., “Taiwan fails in bid to join WHO assembly after China pressure,” *Reuters*, May 23, 2023, <https://www.reuters.com/world/asia-pacific/taiwans-efforts-join-who-assembly-fail-2022-05-23/>.

<sup>25</sup> Chen Chien-Jen, Ellen J. Mackenzie, Brent Christensen, “Inside Taiwan's Response to COVID-19” (online seminar, Johns Hopkins University, April 25, 2020), <https://publichealth.jhu.edu/events/covid-19-events-and-briefings/inside-taiwans-response-to-covid-19>.

<sup>26</sup> U.S. Congress, House, *Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019*, PL 116-135, 116th Cong., signed by the President March 26, 2020, <https://www.congress.gov/bills/116/congress/senate-bill/1678?q=%7B%22search%22%3A%5B%22Taiwan+Travel+Act%22%5D%7D&s=3&r=10>

<sup>27</sup> “MOFA appreciates widespread international support for the government as it promotes UN campaign while facing military threats and coercion from China,” Ministry of Foreign Affairs, Republic of China (Taiwan), September 27, 2022, [https://en.mofa.gov.tw/News\\_Content.aspx?n=1328&s=98975](https://en.mofa.gov.tw/News_Content.aspx?n=1328&s=98975).

<sup>28</sup> Steven Lee Myers, “China, Seeking a Friend in Europe, Finds Rising Anger and Frustration,” *The New York Times*, September 17, 2020, <https://www.nytimes.com/2020/09/17/world/asia/china-europe-xi-jinping.html>.

<sup>29</sup> Ibid.

Petr Tůma, “What's driving Central and Eastern Europe's growing ties with Taiwan?,” Atlantic Council, June 27, 2023, <https://www.atlanticcouncil.org/blogs/new-atlanticist/whats-driving-central-and-eastern-europes-growing-ties-with-taiwan/>.

<sup>30</sup> European Economic and Trade Office in Taiwan,” European Union, 2023, [https://www.eeas.europa.eu/delegations/taiwan\\_en?s=242](https://www.eeas.europa.eu/delegations/taiwan_en?s=242).

Press and Information Team of the Delegation to Taiwan, “Relations with the EU: The European Union and Taiwan,” European Economic and Trade Office in Taiwan, July 26, 2021, [https://www.eeas.europa.eu/taiwan/european-union-and-taiwan\\_en?s=242](https://www.eeas.europa.eu/taiwan/european-union-and-taiwan_en?s=242).



Seeking to further expand its cooperation—both bilateral and multilateral—with Taiwan, the United States also established the Global Cooperation and Training Framework (GCTF) with Taiwan. Inaugurated in 2015 as a “platform to utilize Taiwan’s strengths and expertise to address global issues of mutual concern,” the GCTF has expanded to include Japan and Australia as full members.<sup>31</sup> Many other states have collaborated with the platform as well, often serving as hosts for GCTF workshops. These include Sweden, Guatemala, Slovakia, Canada, and Israel. Through the GCTF and its workshops, Taiwan has been able to share its experiences in a wide range of fields, from public health to cyber security. Given the rising international interest in the platform, it will likely continue to serve as a valuable forum for Taiwan’s multilateral presence.



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<sup>31</sup> “Mission,” Global Cooperation & Training Framework, <https://www.gctf.tw/en/IdeaPurpose.htm>.



## Recommendations: Diplomatic and Political

In recent years, the United States and Taiwan have significantly expanded their diplomatic partnership. Amid rising US-PRC tension and increasingly aggressive Chinese behavior worldwide, Washington has taken substantive steps to bolster ties with Taiwan, while also working to carve out a larger international space for the island democracy. While the Task Force applauds these efforts, it finds that the United States could do more to strengthen its relationship with Taiwan and improve Taiwan's global position.

**First, the United States should continue to expand contacts between US and Taiwanese officials.** US delegations to Taiwan serve an important function as a signaling mechanism, no less than visits to other countries. Beyond official visits, however, the United States should work to regularize, expand, and upgrade contacts between US government officials and Taiwanese counterparts, with the aim of arriving at more mutually beneficial agreements and MOUs. Capitalizing on the removal of contact restrictions, State Department officials—and officials from other government agencies—should engage in more regular consultations with Taiwanese partners at higher levels.

**Second, the United States should continue to expand its efforts to include Taiwan in international organizations and public-private sector initiatives.** While efforts to carve out a greater role for Taiwan internationally have been admirable thus far, the United States should be even more vocal in supporting Taiwan's global participation. Rather than allowing the PRC to dictate Taiwan's role in international organizations, the United States should devote additional resources to these institutions while charging diplomats with strongly advocating for Taiwan's participation, either fully or as an observer. The United States should also bring Taiwan in to participate, as an observer as necessary, in plurilateral forums such as G7 working level meetings and US-Japan-Australia security dialogues, in addition to coordinating on semiconductor manufacturing and export controls in groupings that include South Korea, Japan, and the Netherlands.

**Third, the United States and Taiwan should work to expand the GTCF, both in membership and in frequency of its workshops.** The GTCF represents a valuable platform for formalizing Taiwan's multilateral engagement, and should be treated as such. A growing contingent of nations from around the world have participated, providing Taiwan with crucial opportunities to share expertise. Recognizing this, the United States and Taiwan should work to further expand the grouping, bringing in additional countries, either as observers or full members. Congress should direct additional funding toward the initiative through the budget for the American Institute in Taiwan. The United States should also consider placing pressure on key holdouts, such as Germany and France, with the aim of securing their participation in the initiative.

**Fourth, the United States should seek to facilitate academic-industry partnerships between US STEM universities and high-tech companies, and their Taiwanese counterparts.** Such partnerships will enhance shared capabilities by enhancing access to world-class STEM talent; expanding the collective peer network of high-tech business, research, and policy leaders; bolstering cooperation in tech diplomacy and economic prosperity; and providing an expanded network of investors for emerging and established businesses in both markets.

**Fifth, the United States and Taiwan should work to pinpoint overlaps between the US Indo-Pacific Strategy and the Taiwanese New Southbound Policy.** Both Washington and Taipei have vested interests in contributing to global economic and technological development. Accordingly, they should seek avenues to expand cooperation in third-party states, particularly those in Southeast Asia and the Pacific Islands. These efforts should center around developing trusted technologies, microfinancing, capacity-building, and training to economically empower women and disenfranchised peoples. In doing so, they can further expand support for Taiwan while simultaneously pushing back against PRC influence.

## DEFENCE AND SECURITY







## Defense and Security

While the United States and Taiwan engage with one another across a wide range of domains, their cooperation on military and security matters is perhaps the deepest and most crucial. Since the ROC's withdrawal to Taiwan in 1949, it has occupied an increasingly perilous position in the shadow of the larger, more populous, and more aggressive PRC. And while Taiwan's armed forces once enjoyed significant qualitative and technological advantages over the People's Liberation Army, that primacy has long since evaporated. In 2023, Taiwan now faces a PLA that is more capable than ever, armed with state-of-the-art equipment and backed by a vast, militarized bureaucracy. Furthermore, as the PRC's behavior over the last decade has made clear, it is increasingly comfortable with using its military might to challenge international norms and exert influence. Given these concerns, the US-Taiwan security relationship has become more critical than ever before. The Task Force has found that the current levels of military cooperation are insufficient to meet the growing threat of a PRC invasion, necessitating substantial reforms on the part of both Washington and Taipei.

### Recent Developments

Since 1950, when the Truman Administration sent the Seventh Fleet toward the Taiwan Strait to deter a Chinese attack, the US military has been involved in maintaining stability in the cross-Strait relationship.<sup>32</sup> While direct, public displays of military-military (mil-mil) cooperation largely halted following the 1979 switch in diplomatic recognition and withdrawal of US forces, the United States has continued to support Taiwan's military through other means. Predominantly, this support has come in the form of arms sales and associated training, which have remained a central feature of the relationship. While such sales are—and will continue to be—absolutely crucial to efforts to deter the PRC from launching an invasion, recent events suggest that arms sales alone may no longer be sufficient.

In 2022, two events—the Russian invasion of Ukraine and the PLA's drills following then-US Speaker of the House Nancy Pelosi's visit to Taiwan—effectively upended many years of geopolitical norms, highlighting the inherent instability of the cross-Strait relationship. Russia's unilateral attack on Ukraine has been a stark reminder to the West that the days of conventional warfare are not behind us. Moscow's boldness and willingness to accept international ostracism has proven the limits of non-military deterrence—such as sanctions—and placed strain on international institutions. And even as the war has ground to a bloody stalemate fears of Russian escalation have persisted. While parallels between the war in Ukraine and a potential Taiwan Strait contingency are of limited utility, it is likely that the People's Republic of China has taken notice, both of Russia's and Ukraine's successes and failures. These lessons could potentially inform China's decision-making in the event of a future invasion of Taiwan.

However, Russia's invasion has also provided valuable lessons for military planners in Washington and Taipei. Rather than relying purely on high-value, high-profile platforms, Ukraine's forces have deployed a wide array of smaller, cheaper, and mobile systems, such as man-portable air-defense systems (MANPADS) and drones. Through strategic, asymmetric use of these armaments, Kyiv has been able to wear down a quantitatively—and ostensibly, qualitatively—superior Russian force, inflicting devastating casualties and forcing Moscow to resort to a partial mobilization.

In the wake of China's response to both the Pelosi visit and President Tsai's subsequent meeting with then-Speaker Kevin McCarthy, these lessons have only gained increased salience. While the exercises were just that, they nevertheless demonstrated the PLA's vastly improved capabilities in the air and sea domains. Through coordinated missile launches, naval maneuvers, and air incursions, the PRC displayed its power for all to see. As numerous commentators have noted, the drills have fundamentally altered the status quo in the Taiwan Strait. Through its repeated incursions across the long-observed median line in the Taiwan Strait—which have increased substantially in recent years—the PLA is demonstrating is attempting to coerce the Taiwanese into submission. Taken together, these events have altered the state of play in the Taiwan Strait and challenge the United States as it seeks to maintain regional peace and security. Given these concerns, it is imperative that the United States and Taiwan strengthen their military and security partnership, both by enhancing existing programs and seeking out novel approaches to cooperation.

### Arms Sales and Asymmetric Defense

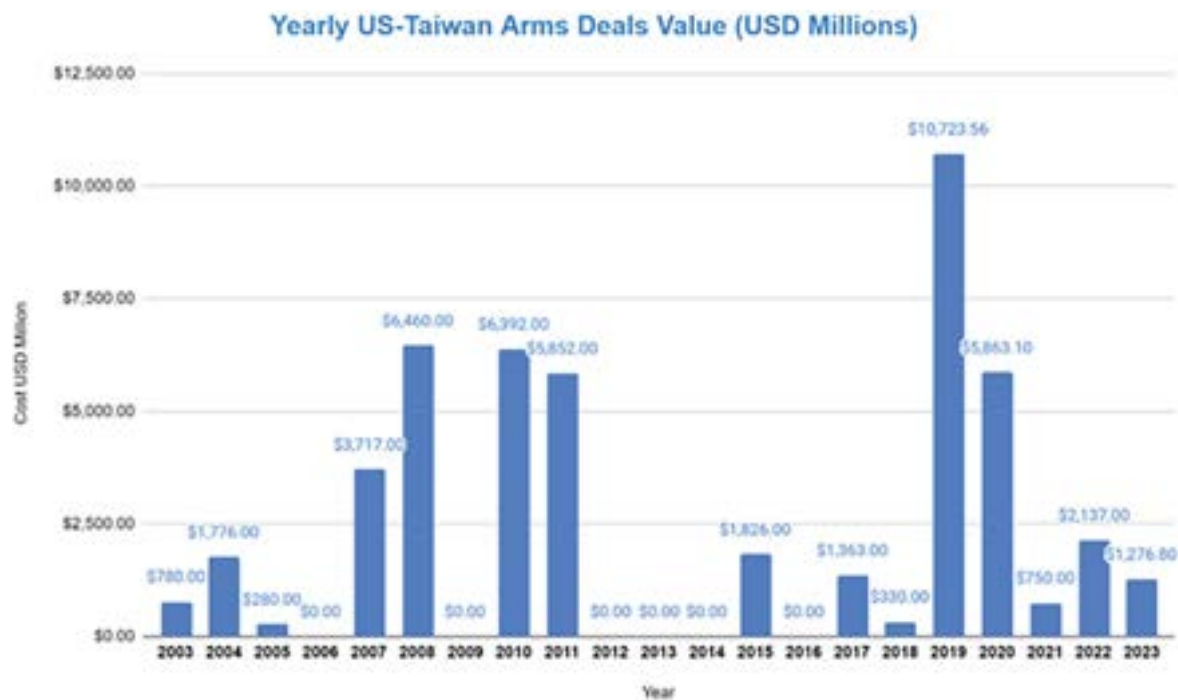
Currently, the majority of US support for Taiwan comes in the form of arms sales, including training programs. These transactions generally occur under the auspices of the Taiwan Relations Act, which states that it is US policy to provide Taiwan with “arms of a defensive

<sup>32</sup> “The Taiwan Straits Crises: 1954–55 and 1958,” *Office of the Historian, Foreign Service Institute, United States Department of State*, <https://history.state.gov/milestones/1953-1960/taiwan-strait-crises#:~:text=In%20late%201949%20and%20early,Korean%20conflict%20from%20spreading%20south.>



character.”<sup>33</sup> The ambiguity of this term—the TRA does not specify what exactly “defensive” entails—has provided successive US administrations with significant leeway in arming Taiwan. And while the 1982 Joint Communiqué included language relating to gradual decreases in arms sales to Taiwan, the US negotiators refused to accede to Chinese attempts to establish a “‘date certain’ for the termination of all arms sales.”<sup>34</sup> This repudiation was further established in the Six Assurances, which included a statement that “the United States has not agreed to set a date for ending arms sales to Taiwan.”<sup>35</sup> However, a memorandum drafted at the time by President Ronald Reagan clarified that “it is essential that the quantity and quality of the arms provided [to] Taiwan be conditioned entirely on the threat posed by the PRC.”<sup>36</sup> Together, these documents and communications have provided the structure for US arms sales to Taiwan for decades.

While the value of US arms sales to Taiwan has fluctuated over time, Taiwan has consistently remained one of the top destinations for US-manufactured armaments and US training.<sup>37</sup> The content of these sales has likewise varied over time, as the United States has provided Taiwan with a vast array of weapons, ammunition, platforms, and components. Despite the benefits these transactions provide for both the United States and Taiwan, divergences in priorities have placed strain on the relationship in recent years.



*Graphic: Annual totals of approved US arms sales to Taiwan, 2003-2023 (Data source: GTI research)*

Historically, Taiwan’s military establishment has sought to maintain some degree of qualitative parity with the PLA. In pursuit of this, Taiwan has often lobbied the United States for larger, more traditional weapons systems and platforms, ranging from M1A2 Abrams main battle tanks to F16 multirole fighters.<sup>38</sup> While undoubtedly formidable platforms, these purchases have increasingly come under scrutiny

<sup>33</sup> U.S. Congress, House, Taiwan Relations Act, PL 96-8, 96th Cong., signed by the President April 10, 1979, <https://www.congress.gov/96/statute/STATUTE-93/STATUTE-93-Pg14.pdf/>.

<sup>34</sup> “The August 17, 1982 US-China Communiqué on Arms Sales to Taiwan,” *Office of the Historian, Foreign Service Institute, United States Department of State*, <https://history.state.gov/milestones/1981-1988/china-communicue>.

<sup>35</sup> Congressional Research Service, “President Reagan’s Six Assurances to Taiwan,” Updated June 13, 2023, <https://sgp.fas.org/crs/row/IF11665.pdf>.

<sup>36</sup> Harvey Feldman, “President Reagan’s Six Assurances to Taiwan and Their Meaning Today,” *The Heritage Foundation*, October 7, 2007, <https://www.heritage.org/asia/report/president-reagans-six-assurances-taiwan-and-their-meaning-today>.

<sup>37</sup> Thomas C. Frohlich, “Saudi Arabia buys the most weapons from the US government. See what other countries top list,” *USA Today*, March 26, 2019, <https://www.usatoday.com/story/money/2019/03/26/us-arms-sales-these-countries-buy-most-weapons-government/39208809/>.

<sup>38</sup> “Taiwan army training on first M1A2T Abrams delivered in June,” *Army Recognition*, September 15, 2022, [https://www.armyrecognition.com/defense\\_news\\_september\\_2022\\_global\\_security\\_army\\_industry/taiwan\\_army\\_training\\_on\\_first\\_m1a2t\\_abrams\\_delivered\\_in\\_june.html](https://www.armyrecognition.com/defense_news_september_2022_global_security_army_industry/taiwan_army_training_on_first_m1a2t_abrams_delivered_in_june.html). “US seeks to speed up delivery of new F-16 fighter jets to Taiwan,” *Al Jazeera*, January 21, 2022, <https://www.aljazeera.com/news/2022/1/21/us-seeks-way-to-speed-delivery-of-new-fighter-jets-to-taiwan>.

by US strategists, who view them as costly, unwieldy, and likely to be ineffective in the event of a Chinese attack.<sup>39</sup> Instead, the United States has pressed Taiwan to embrace a more realistic, asymmetric approach to arms acquisitions. However, these efforts have had limited success, partially as a result of Washington's own difficulties in communicating a clear definition of "asymmetric."

By its very nature, asymmetric defense is difficult to define. Broadly speaking, however, the term often refers to the use of large numbers of small, mobile, and affordable weapons and vehicles, deployed strategically and proactively. In the context of Taiwan, this approach is often referred to as a "porcupine defense,"<sup>40</sup> in which the island arms itself with a vast array of sea mines, mobile anti-ship missile systems, surface-to-air missile launchers (SAMs), anti-tank munitions, and small, highly maneuverable vehicles, including mobile launch platforms and fast-attack naval vessels.<sup>41</sup> The ultimate goal of such a strategy would be to slow or even halt a Chinese amphibious assault during its crossing of the Taiwan Strait, wearing down the invading force and denying any attempts at establishing a beachhead. While some analysts have questioned the effectiveness of such an approach in the face of a full-scale Chinese attack, the vast majority—including the US government—maintain that it is currently Taiwan's most viable path toward self-defense.<sup>42</sup>

In an effort to convince Taiwan to abandon its previous policies in favor of a more asymmetric approach, successive US administrations have pushed Taipei to purchase larger numbers of smaller armaments, with a particular focus on anti-ship missiles and SAMs.<sup>43</sup> Concerned that more traditional platforms like tanks and fighters would likely be destroyed or rendered inoperable in the early days of an invasion, the United States has increasingly pressured Taiwanese defense planners to reevaluate their strategy, even refusing to sell certain large armaments.<sup>44</sup> This effort has grown even more persistent in the wake of the Russian invasion of Ukraine, in which the strategic use of small, mobile weapons by the Ukrainian military halted—and even reversed—the Russian advance both on the ground and in the Black Sea.<sup>45</sup>

Despite divergences in priorities, US arms sales to Taiwan will undoubtedly continue apace, particularly as bipartisan Congressional support for the island reaches unprecedented levels. However, the Biden Administration—and future administrations—will likely need to develop creative solutions in order to encourage Taiwan to substantively embrace a more asymmetric approach. For Taiwan, this will necessitate difficult conversations between civilian and military leadership, as lack of communication and cooperation between the two has often stymied attempts at reform in the past.

### Shortcomings and Delays

While arms sales are a crucial pillar of the US-Taiwan military relationship, the United States has long struggled to fulfill Taiwan's demands. Despite the United States' overwhelming dominance as a producer and exporter of weapons and military hardware, several factors have conspired to slow, alter, or even fully halt arms shipments to Taiwan.<sup>46</sup> As of early 2023, Taiwan was facing a backlog of nearly US \$19 billion in undelivered weapons.<sup>47</sup> This disparity in arms purchases versus arms deliveries is indicative of broader issues endemic to the US Foreign Military Sales (FMS) process, as well as long-term concerns regarding the US military industrial base.

<sup>39</sup> Edward Wong and Amy Qin, "US Presses Taiwan to Buy Weapons More Suited to Win Against China," *The New York Times*, <https://www.nytimes.com/2022/05/07/us/politics/china-taiwan-weapons.html>.

<sup>40</sup> Michael E. O'Hanlon, "An asymmetric defense of Taiwan," *The Brookings Institution*, April 28, 2021, <https://www.brookings.edu/articles/an-asymmetric-defense-of-taiwan/>.

<sup>41</sup> Matt Yu and Ko Lin, "Taiwan Navy proposes NT\$31.6 billion for fast attack missile boats," *Central News Agency* via *Taiwan News*, August 31, 2018, <https://www.taiwannews.com.tw/en/news/3519644>.

<sup>42</sup> Raymond Kuo, "The Counter-Intuitive Sensibility of Taiwan's New Defense Strategy," *War on the Rocks*, December 6, 2021, <https://warontherocks.com/2021/12/the-counter-intuitive-sensibility-of-taiwans-new-defense-strategy/>.

Michael A. Hunzeker, "Taiwan's Defense Plans Are Going Off the Rails," *War on the Rocks*, November 18, 2021, <https://warontherocks.com/2021/11/taiwans-defense-plans-are-going-off-the-rails/>.

<sup>43</sup> Ibid.

<sup>44</sup> Megan Eckstein, "State Department approves possible sale of MH-60R helicopters to Spain," *Defense News*, March 15, 2022, <https://www.defensenews.com/naval/2022/03/15/state-department-approves-possible-mh-60r-sale-to-spain/>.

<sup>45</sup> Nurlan Aliyev, "Ukraine's Asymmetric Responses to the Russian Invasion," *PONARS Eurasia*, July 28, 2022, <https://www.ponarseurasia.org/ukraines-asymmetric-responses-to-the-russian-invasion/>.

<sup>46</sup> Pieter D. Wezeman, Justine Gadon and Siemon T. Wezeman, "Surge in arms imports to Europe, while US dominance of the global arms trade increases," *Stockholm International Peace Research Institute*, March 13, 2023, <https://www.sipri.org/media/press-release/2023/surge-arms-imports-europe-while-us-dominance-global-arms-trade-increases>.

<sup>47</sup> Joe Gould, "Slow arms deliveries to Taiwan blamed on US production bottlenecks," *Defense News*, February 24, 2023, <https://www.defensenews.com/pentagon/2023/02/24/slow-arms-deliveries-to-taiwan-blamed-on-us-production-bottlenecks/>.

In accordance with current FMS policy, requests for the sale of US-made weapons are subject to a detailed review process, involving both the Department of State and the Department of Defense (DoD).<sup>48</sup> These reviews are intended to assess the purpose and potential implications of proposed sales relative to US national interests, and can often take significant periods of time as the sale winds through two massive bureaucracies. Once these reviews are complete, the potential deal is sent to Congress, which evaluates the sale during a 30-day review period. Should the sale be approved, the US government will alert the purchaser that negotiations can begin. As Bryant Harris has noted, these negotiations often extend for years, as delays on either side can extensively prolong discussions.<sup>49</sup> Critically, it is extremely rare for US arms manufacturers to proactively produce surpluses of weapons; rather, they wait until contracts are signed before tooling up to start production.<sup>50</sup>

While this drawn-out process has long been criticized by politicians and academics, it has received additional scrutiny following the Russian invasion of Ukraine.<sup>51</sup> Seeking to strengthen Ukraine's defense, the United States has led a global effort to arm the Ukrainian military with munitions and equipment. Though this effort has been positively received both domestically and internationally, it has posed fresh challenges for the US-Taiwan arms trade.<sup>52</sup> As a wide range of commentators have argued, recent shipments of weapons and vehicles to Ukraine could potentially aggravate pre-existing delays in shipments to Taiwan.<sup>53</sup> Taiwanese officials have echoed these concerns, noting that Ukraine and Taiwan have lobbied for similar armaments, including Stinger and Javelin missiles and HIMARS launchers.<sup>54</sup> The Pentagon's "Tiger Team" to address these backlogs provided relatively few actionable recommendations, primarily drawing attention to well-known problems without proposing meaningful solutions

These concerns have continued to mount following the outbreak of the Israel-Hamas War, which has placed additional strain on US supply chains and consumed large quantities of US-manufactured material.<sup>55</sup> Some observers have also expressed fears that the Biden Administration's recent outreach to the PRC<sup>56</sup> could further divert US attention from providing arms to Taipei.<sup>57</sup>

As many experts—both within the Pentagon and in the private sector—have noted, the US defense-industrial base is currently insufficient to meet growing demand for military equipment.<sup>58</sup> While the United States boasts some of the world's largest, most advanced weapons manufacturers, these companies have consistently proven incapable of fulfilling arms contracts on a timely basis. These inadequacies were particularly exposed during the COVID-19 pandemic, when semiconductor shortages and broader supply chain issues contributed to substantial production backlogs. For the United States, this is undoubtedly concerning, as it could potentially hinder arms deals with key partners and even deprive US forces of necessary equipment. For Taiwan, however, this lack of capacity is an existential threat.

<sup>48</sup> Bryant Harris, "Taiwan is buying US weapons, but Washington isn't delivering them," *Defense News*, August 30, 2022, <https://www.defensenews.com/congress/2022/08/25/chinas-neighbors-are-buying-us-weapons-washington-isnt-delivering/>.

<sup>49</sup> Ibid.

<sup>50</sup> Cynthia Cook, "Reviving the Arsenal of Democracy: Steps for Surging Defense Industrial Capacity," *CSIS*, March 14, 2023, <https://www.csis.org/analysis/reviving-arsenal-democracy-steps-surging-defense-industrial-capacity>.

<sup>51</sup> Lynndy Smith, "US foreign military sales process needs better communication," *C4ISRNet*, January 27, 2023, <https://www.c4isrnet.com/industry/2023/01/27/us-foreign-military-sales-process-needs-better-communication/>.

<sup>52</sup> Paul Lushenko and Sarah Kreps, "Americans support exporting drones to Ukraine — with a caveat," *Brookings Institution*, May 25, 2023, <https://www.brookings.edu/articles/americans-support-exporting-drones-to-ukraine-with-a-caveat/>.

Atlantic Council experts, "In 2022, the war in Ukraine awakened Europe. Here's how it must adapt in 2023," *Atlantic Council*, February 2, 2023, <https://www.atlanticcouncil.org/blogs/new-atlanticist/in-2022-the-war-in-ukraine-awakened-europe-heres-how-it-must-adapt-in-2023/>.

<sup>53</sup> Gordon Lubold, Doug Cameron, and Nancy A. Youssef, "US Effort to Arm Taiwan Faces New Challenge With Ukraine Conflict," *The Wall Street Journal*, November 27, 2023, <https://www.wsj.com/articles/u-s-effort-to-arm-taiwan-faces-new-challenge-with-ukraine-conflict-11669559116>.

<sup>54</sup> Lawrence Chung, "Ukraine war 'could delay US Stinger missile delivery' to Taiwan," *South China Morning Post*, May 3, 2023, <https://www.scmp.com/news/china/military/article/3176376/ukraine-war-could-delay-us-stinger-missile-delivery-taiwan>.

<sup>55</sup> Ryan Brobst and Bradley Bowman, "Can the U.S. Arm Israel, Ukraine, and Taiwan at the Same Time?," *Foundation for Defense of Democracies*, October 24, 2023, <https://www.fdd.org/analysis/2023/10/24/can-the-u-s-arm-israel-ukraine-and-taiwan-at-the-same-time/>.

<sup>56</sup> Kyle Feldscher, Maureen Chowdhury, Kaanita Iyer and Tori B. Powell, "Biden meets with China's President Xi," *CNN*, November 15, 2023, <https://www.cnn.com/politics/live-news/joe-biden-xi-jinping-meeting-11-15-23/index.html>.

<sup>57</sup> Lucy Hornby, "Taiwan's Room to Maneuver Shrinks as Biden and Xi Meet," *Foreign Policy*, November 15, 2023, <https://foreignpolicy.com/2023/11/15/taiwan-xi-jinping-biden-meeting-apec-china-united-states/>.

<sup>58</sup> Jimmy Quinn, "Pentagon Frustration over Defense Production Delays Boils Over," *National Review*, January 11, 2023, <https://www.nationalreview.com/corner/pentagon-frustration-over-defense-production-delays-boils-over/>.

Jennifer Kavanagh and Jordan Cohen, "The Real Reasons for Taiwan's Arms Backlog — and How to Help Fill It," *War on the Rocks*, January 13, 2023, <https://warontherocks.com/2023/01/the-real-reasons-for-taiwans-arms-backlog-and-how-to-help-fill-it/>



## Military-to-Military Engagement

Beyond the arms trade, the United States and Taiwan have also increasingly worked to engage on a military-to-military basis. In recent years, rising tensions with the PRC have contributed to expanded contact between the two.<sup>59</sup> In recent years, this engagement has primarily taken the form of joint training initiatives, albeit on a relatively modest scale. In February 2023, following several months of provocative PRC military operations, US officials leaked that the United States deployed between 100 and 200 troops to the island, continuing a practice that has endured since at least 2005.<sup>60</sup> These troops will serve in a training and advisory role, helping to train Taiwan's forces in relevant military tactics. Additionally, a growing number of Taiwanese troops have traveled to the United States to train, including a group that participated in training exercises in Michigan in late 2022. Recognizing the value of such direct military cooperation, Taiwan also plans to send a full battalion of soldiers to train in the United States in 2024.<sup>61</sup> In addition, a growing chorus of US experts and lawmakers has called for the United States to include Taiwan in joint naval exercises, including the annual Rim of the Pacific (RIMPAC) exercises.<sup>62</sup>

These efforts to train and prepare Taiwan's armed forces have become increasingly imperative in recent years. Besides the ever-present threat of a Chinese attack, Taiwan's military—and its Army in particular—is in need of substantial reform. While this is partially a result of the aforementioned preoccupation with traditional offensive military operations, it is also a product of decades of substandard equipment, training, and recruitment. Though Taiwan has long maintained a system of mandatory conscription for its male population, successive governments have steadily chipped away at the length and quality of the conscription period. Starting as a relatively rigorous, two-year service commitment, the period of mandatory conscription was repeatedly cut, falling to a mere four months in 2017.<sup>63</sup> As many participants have noted, the quality of the training provided during the conscription period also fell during this period, to the point that recruits have likened the experience to “summer camp.”<sup>64</sup> This state of affairs did little to improve the reputation of the military in Taiwan, where service is widely regarded as undesirable.

Seeking to address this, the Tsai Administration recently made the decision to extend the mandatory service period, returning it to one year.<sup>65</sup> While this step was welcomed by many observers—as well as a majority of the Taiwanese population—it has been widely regarded as insufficient, particularly as qualitative reforms to the training program have thus far failed to materialize.<sup>66</sup> In the absence of a longer, more standardized, and more professional training regimen, Taiwan's Army is likely to continue to struggle with effectiveness, retention, and societal prestige.<sup>67</sup> Given these concerns, it is clear that a far more extensive reform—and funding—will be necessary. In this regard, further cooperation with US counterparts could help provide a path forward.

In order to most effectively implement such reform, Taiwan's armed forces, and its Defense Ministry, must first develop, and articulate, their strategic concept, explaining the how, when, and where the Taiwan's military forces expect to protect the nation against security threats. They must explain this unifying purpose in a clear and convincing way, showing that they can win, to both ensure public support for the forces, and to bolster deterrence. The services' training efforts must pursue this concept, building confidence that Taiwan's forces can succeed in this era where technological developments increasingly favor forces in the defense, along with delegation of authorities throughout the junior ranks.

<sup>59</sup> Oren Liebermann, “US plans to expand training of Taiwanese forces,” *CNN*, February 24, 2023, <https://www.cnn.com/2023/02/23/politics/us-taiwan-forces-training/index.html>

<sup>60</sup> Nancy A. Youssef and Gordon Lubold, “U.S. to Expand Troop Presence in Taiwan for Training Against China Threat,” *The Wall Street Journal*, February 23, 2023, <https://www.wsj.com/articles/u-s-to-expand-troop-presence-in-taiwan-for-training-against-china-threat-62198a83>. Keoni Everington, “China cries foul at deployment of US soldiers at AIT in Taiwan,” *Taiwan News*, August 8, 2019, <https://www.taiwannews.com.tw/en/news/3675448>.

<sup>61</sup> Matt Yu and Evelyn Kao, “Taiwan's plan to send battalion to U.S. shows progress in exchanges,” *Focus Taiwan (CNA English News)*, February 22, 2023, <https://focustaiwan.tw/politics/202302220024>.

<sup>62</sup> Bard Lendon, “Invite Taiwan to massive RIMPAC naval exercises, US defense act says,” *CNN*, December 29, 2021, <https://www.cnn.com/2021/12/28/asia/taiwan-us-military-rimpac-exercise-intl-hnk-ml/index.html>.

<sup>63</sup> Associated Press, “Taiwan increases its compulsory military service as it faces pressure from China,” *NPR*, December 27, 2022, <https://www.npr.org/2022/12/27/1145594497/taiwan-compulsory-military-service-china>.

<sup>64</sup> Erin Hale, “Taiwan Mulls Lengthening Military Service,” *VOA*, April 11, 2022, <https://www.voanews.com/a/taiwan-mulls-lengthening-military-service-6523728.html>.

<sup>65</sup> Associated Press, “Taiwan increases its compulsory military service as it faces pressure from China.”

<sup>66</sup> Ibid.

<sup>67</sup> Wu Shu-wei, “Soldiers unfit for active duty reach record high,” *Taipei Times*, May 8, 2023, <https://www.taipeitimes.com/News/taiwan/archives/2023/05/08/2003799368>.

## Expanding Taiwan's Stockpiles

In the wake of Chinese military operations in the vicinity of Taiwan—most notably, the massive naval and aerial exercises following the Pelosi visit—numerous commentators have raised concerns about Taiwan's stockpiles of critical resources. From food and water to energy and ammunition, the island is highly dependent on outside sources for a broad array of key supplies. In the event of a substantial Chinese operation targeting Taiwan, it is likely that many of these vital flows of resources would be disrupted. In turn, this could significantly degrade the island's capacity to endure Chinese pressure.

In both Taipei and Washington, Taiwan's vulnerability to supply chain disruptions has been met with considerable consternation. While Taiwan undoubtedly possesses a strong and dynamic economy, it is exceedingly reliant on outside connections to survive. This is particularly true for its energy sector. Despite its efforts to invest in renewable sources of energy, the island remains highly reliant on fossil fuels for domestic energy production.<sup>68</sup> This reliance has only grown in recent years, as domestic pressure has led to the closure of the majority of the island's nuclear power plants.<sup>69</sup> As a result, many commentators have contended that Taiwan is uniquely vulnerable to disruptions in its energy supply chains.<sup>70</sup> In an effort to address these concerns, Taiwan has announced that it is working to expand its strategic energy stockpiles, with particular emphasis on liquid natural gas (LNG), crude oil, and coal.<sup>71</sup> However, these efforts are unlikely to bear fruit in the near-term, as observers have noted that the island's stockpiles are well below the levels necessary to endure a protracted disruption.<sup>72</sup>

Beyond energy, the threat of a Chinese effort to disrupt Taiwan's access to outside resources has exacerbated concerns about the state of the island's arms and ammunition stockpiles. Recognizing this, the US officials have announced plans to greatly expand arms provisions to Taiwan, with the ultimate objective of turning the island into a "giant weapons depot."<sup>73</sup> Within Taiwan, domestic manufacturers have also expressed interest in shifting production toward arms and military equipment.<sup>74</sup> Taken together, these efforts have potential to significantly expand Taiwan's arms supplies. However, given the recent intensification of Beijing's pressure campaigns against Taiwan, the campaign to expand the island's arms stockpiles has become more urgent than ever.

## Lessons from Ukraine

For Taiwan, Ukraine's effective response to Russia's invasion could also serve as an informative model. While the strategic environment faced by Kyiv is far different than the one faced by Taipei, Ukraine's success in deploying regular forces, mobilizing irregular reserve forces, and training conscripts is undoubtedly relevant.<sup>75</sup> In particular, Ukraine's achievements in preparing and utilizing reserve forces should be of great interest to military planners in both Taipei and Washington. While Taiwan ostensibly maintains a large force of civilian reservists—roughly 2.3 million on paper—the system has long been criticized for its insufficient training and inadequate organization.<sup>76</sup> As Taipei—with the help of the United States—seeks to improve the capabilities of its reserves, it could be well-served by looking to Ukraine.

While Taiwan's government is still working to develop effective tactics for mobilizing its population to supplement its defensive capabilities, a number of civil society organizations have emerged in recent years seeking to fill the gap. Led by groups like Forward Alliance (壯闊台灣) and Kuma Academy (黑熊學院), Taiwan's robust civil society has worked to spread awareness of the threats posed by China

<sup>68</sup> Evan A. Feigenbaum and Jen-yi Hou, "Overcoming Taiwan's Energy Trilemma," *Carnegie Endowment for International Peace*, April 27, 2023, <https://carnegieendowment.org/2020/04/27/overcoming-taiwan-s-energy-trilemma-pub-81645>.

<sup>69</sup> Kwangyin Liu, "A charged debate: Taiwan's nuclear energy conundrum," *Heinrich-Böll-Stiftung Hong Kong*, April 14, 2023, <https://hk.boell.org/en/2023/04/14/charged-debate-taiwans-nuclear-energy-conundrum>.  
Evan A. Feigenbaum and Jen-yi Hou, "Overcoming Taiwan's Energy Trilemma."

<sup>70</sup> Ibid.

<sup>71</sup> Jeanny Kao and Yimou Lee, "Taiwan to boost energy inventories amid China threat," *Reuters*, October 23, 2022, <https://www.reuters.com/business/energy/taiwan-boost-energy-inventories-amid-china-threat-2022-10-24/>.

<sup>72</sup> Jordan McGilis, "Assessing Taiwan's Strategic Energy Stockpiles," *Global Taiwan Institute*, May 4, 2022, <https://globaltaiwan.org/2022/05/assessing-taiwans-strategic-energy-stockpiles/#:~:text=Taiwan%27s%20Strategic%20Stockpiles,than%20sixty%20days%20of%20supply>.

<sup>73</sup> Edward Wong and John Ismay, "U.S. Aims to Turn Taiwan Into Giant Weapons Depot," *The New York Times*, October 5, 2022, <https://www.nytimes.com/2022/10/05/us/politics/taiwan-biden-weapons-china.html>.

<sup>74</sup> Emily Feng, "Taiwan's companies make the world's electronics. Now they want to make weapons," *NPR*, August 18, 2023, <https://www.npr.org/2023/08/18/1186919198/taiwan-military-weapons-manufacturing-industry>.

<sup>75</sup> Jim Garamone, "Training Key to Ukrainian Advantages in Defending Nation," *US Department of Defense*, September 6, 2023, <https://www.defense.gov/News/News-Stories/Article/Article/3149975/training-key-to-ukrainian-advantages-in-defending-nation/>.

<sup>76</sup> Huizhong Wu, "Military reserves, civil defense worry Taiwan as China looms," *Associated Press*, September 4, 2022, <https://apnews.com/article/russia-ukraine-taiwan-china-taipei-0ac81227d1fe37822b8a1d084119e248>.

(including disinformation), teach valuable survival and defensive skills, and prepare the general population to endure a crisis.<sup>77</sup> Though these organizations are broadly focused on community-based civilian activities—i.e. they place relatively little emphasis on actual combat or insurgency training—they could nevertheless play a significant role in preparing for a Chinese attack.

### Beyond Traditional Security

While traditional military provocations in the vicinity of Taiwan are perhaps the most public display of the PRC's aggressive behavior, they are by no means the only tool in Beijing's arsenal. In recent years, the PRC has increasingly worked to undermine Taiwan's democracy through the use of far more insidious, difficult-to-detect technological means, many of which have been overseen by the CCP's United Front Work Department (UFWD, 中共中央統一戰線工作部). These tactics—often lumped into broader discussions of “gray zone” warfare—involve a wide range of operations, including cyberattacks on Taiwanese infrastructure, widespread disinformation campaigns, efforts to cultivate local proxies, and operations designed to erode the confidence and will to fight off the Taiwanese people.<sup>78</sup> While undoubtedly less visible than aerial incursions into Taiwan's air defense identification zone (ADIZ), such activities are potentially just as threatening.

Though Taiwan's democracy is surely one of its greatest strengths, it has also left the nation vulnerable to China's information operations. With a highly open, pluralistic society, Taiwan has been forced to confront difficult choices in countering these operations. To its credit, however, the island has experienced remarkable success in doing so. Led by a newly established and empowered Ministry of Digital Affairs (MODA, 數位發展部), Taiwan has been able to effectively counter many of the PRC's campaigns.<sup>79</sup> While the Taiwan government has certainly played a significant role in pushing back against PRC influence operations, a substantial portion of these efforts have been spearheaded by Taiwan's civil society. Led by organizations such as Doublethink Lab and Taiwan Information Environment Research Center (IORG), civil society groups have proven themselves highly capable of countering Beijing's information campaigns.<sup>80</sup> Through fact-checking, data analysis, and technological literacy education, these organizations have helped to supplement—and even surpass—government efforts.

Despite these successes, however, Taiwan's work is far from done. With each year, Beijing's information operations grow increasingly sophisticated, as its vast army of hackers, influencers, and bots works to circumvent Taiwan's defenses. These threats will only become more pronounced as the island approaches its 2024 presidential elections and beyond, when Chinese disinformation campaigns will likely expand significantly. In recognition of these growing threats, the United States and Taiwan should work to further expand their cooperation, sharing successful strategies and engaging in regular cyber dialogues.



<sup>77</sup> In conversation with Enoch Wu, “In Brief with Enoch Wu, Founder of Forward Alliance,” *9DASHLINE*, April 5, 2023, <https://www.9dashline.com/article/in-brief-with-enoch-wu-founder-of-the-forward-alliance>.

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<sup>78</sup> Brit McCandless Farmer, “China's cyber assault on Taiwan,” *60 Minutes Overtime*, June 18, 2023, <https://www.cbsnews.com/news/china-cyber-assault-taiwan-60-minutes-2023-06-18/>.

The Economist, “China is flooding Taiwan with disinformation,” *The Economist*, September 26, 2023, <https://www.economist.com/asia/2023/09/26/china-is-flooding-taiwan-with-disinformation>.

“Taiwan communist party head indicted on China infiltration charge,” *The Japan Times*, October 5, 2023, <https://www.japantimes.co.jp/news/2023/10/05/asia-pacific/politics/taiwan-communist-china-infiltration/>.

<sup>79</sup> “Ministry of Digital Affairs,” Ministry of Digital Affairs (MODA) Republic of China (Taiwan), <https://moda.gov.tw/en/>.

<sup>80</sup> “Doublethink Lab,” Doublethink Lab, <https://doublethinklab.org/>.

“About IORG,” Taiwan Information Environment Research Center, November 7, 2023, [https://iorg.tw/\\_en/about](https://iorg.tw/_en/about).

Jonah Landsman, “Lessons from Taiwan: Enduring PRC Media Infiltration – Part Two: The Civil Shield,” *Global Taiwan Institute*, November 1, 2023, <https://globaltaiwan.org/2023/11/lessons-from-taiwan-enduring-prc-media-infiltration-part-two-the-civil-shield/>

## Recommendations: Defense and Security

Though the United States and Taiwan maintain robust military and security ties, the Task Force finds that the current state of the relationship is no longer sufficient to meet rising geopolitical challenges. As a result of domestic political considerations, bureaucratic inefficiency, inadequate industrial capacity, and outdated military doctrine, both the United States and Taiwan are unprepared to counter the threat posed by the PRC. These failings have significantly eroded deterrence in the Taiwan Strait, potentially providing an opportunity for Beijing to launch an attack. Nevertheless, both Washington and Taipei can take steps to improve their joint capabilities, strengthen their partnership, and dissuade the PRC from engaging in military aggression.

**First, the United States must continue to streamline and simplify the FMS process.** While the recommendations made by the Pentagon’s “Tiger Team” were a start, much more must be done to make the process of arms sales more efficient and comprehensible. The US Congress should mandate reviews of statutory requirements and processes within both the Departments of State and Defense, with the goal of excising unnecessary bureaucratic steps and clarifying overly complex procedures. Given Congress’ strong, bipartisan support for Taiwan, it should lead the way in shaping these long-overdue reforms.

**Second, the United States should work to reinvigorate its military-industrial infrastructure.** As recent years have demonstrated, the production capabilities of US defense manufacturers are fundamentally insufficient to meet rising demand. The US government should engage directly with these producers, providing incentives—potentially including lucrative, multi-year contracts or federal funding for technical education—for expanding production capacity or implementing steeper penalties for those that fail to meet contractual deadlines.

**Third, the United States should greatly expand its combined training operations with Taiwan.** Though current programs represent a step in the right direction, the numbers involved are too low to make a substantive difference. The United States should continue to send military trainers to Taiwan, while welcoming growing numbers of Taiwanese troops to train in the United States. The United States should also formally include Taiwan in large-scale naval training exercises. These programs could help to improve interoperability, which would be critical in the event of a Chinese invasion.

**Fourth, the United States should provide Taiwan with a larger variety of modern weapons and platforms, with a particular focus on more affordable, less unwieldy armaments.** While Taiwan has received a large amount of materiel from the United States, much of it consists of less-advanced or outdated models. The United States should provide Taiwan with the most up-to-date, effective arms available, potentially including advanced drones or anti-missile platforms. Overall, the United States should place heavy emphasis on the sale of smaller, cheaper, and more maneuverable weapons, including Stinger missiles and mobile launch systems. These could include developmental systems and weapons not utilized by the US military, as we have seen with various drones supplied to Ukraine. The United States should press partners and allies to approve technology transfer licenses for Taiwan where applicable.

**Fifth, the United States and Taiwan should collaborate to develop a defense strategy suited to the precision strike era and Taiwan’s operational challenges.** This operational concept should place increased emphasis on asymmetric defense, civil preparedness, and operational flexibility. Beyond merely pushing Taiwan to purchase “asymmetric” weapons, the United States should pursue a more collaborative approach, working closely with Taiwanese civilian and military leadership to develop shared understandings of asymmetry and its implications. Washington and Taipei should also take lessons from Ukraine’s defense against Russia, working together to create a well-equipped and well-trained Taiwanese civil defense force.

**Sixth, Taiwan should partner with a private-sector driven, US-based institution to accelerate the innovation and commercialization of dual-use technologies.** The institution would be responsible for assembling a group of tech industry leaders, venture capitalists, and universities on both sides of the Pacific to aid Taiwan’s effort to integrate its own hardware expertise with software innovation.

**Seventh, the United States should work with allies and partners to ensure that Taiwan has the supplies and infrastructure necessary to endure Chinese pressure.** While Taiwan maintains significant stockpiles of many resources, it remains fundamentally unprepared to endure sustained PRC pressure in the long run. The United States should work closely with Taiwan, as well as other like-minded countries, to ensure that the island has what it needs to survive. These efforts should focus on critical resources, including energy, food, and water.



# TRADE AND ECONOMICS





## Trade and Economics

Despite the informal nature of their political relationship, the United States and Taiwan have nevertheless developed a strong, mutually beneficial economic relationship. For Taiwan, the United States serves as a crucial source of foreign direct investment (FDI), a leading supplier of machinery, finished goods, and agricultural products, and a vital market for Taiwanese exports.<sup>81</sup> For the United States, meanwhile, Taiwan has increasingly become an indispensable producer of electronic components—particularly semiconductor chips—a reliable provider of technical expertise, and a critical trading hub in the Indo-Pacific region. Given these critical supply chains, economic ties between the two democracies have flourished in recent years.

Trade between the United States and Taiwan has never been more robust. Thanks to a Trade and Investment Facilitation Agreement (TIFA) signed between the United States and Taiwan in 1994, the market access Taiwan receives in the United States under the auspices of World Trade Organization agreements, and, more recently, a shift in supply chains from the PRC to Taiwan due to US tariffs on Chinese goods, Taiwan's exports to—and trade surplus with—the United States have consistently increased.<sup>82</sup> In 2022, exports from Taiwan to the United States exceeded US\$90 billion.<sup>83</sup>

### The Role of Semiconductors

While Taiwan is indeed a producer of a broad range of goods, its success in dominating the market in one critical sector—semiconductors—has largely overshadowed other sectors of its economy. Despite the island's relatively constricted geography, limited population, and ongoing exclusion from many international fora, it has nevertheless distinguished itself as the globe's foremost producer of semiconductor chips. Led by companies such as Taiwan Semiconductor Manufacturing Company (TSMC, 台灣積體電路製造股份有限公司), United Microelectronics Corporation (UMC, 聯華電子), and WIN Semiconductors Corporation (穩懋半導體股份有限公司), Taiwan now accounts for over 60 percent of the global chip market, as well as more than 90 percent of the market for advanced chips.<sup>84</sup> Given the increasingly critical role that semiconductors play in modern technology, Taiwan's dominance of the sector is inextricably linked to its security and role in the international system.

In recent years, semiconductor chips have emerged as one of the most vital commodities in the global economy. As key components of a vast array of goods—from consumer electronics and cars to missiles and military vehicles—they have become increasingly sought-after by governments and companies around the world, with demand skyrocketing over the last decade.<sup>85</sup> This rising significance was cast in sharp relief in the early days of the COVID-19 pandemic, when global semiconductor shortages effectively paralyzed a variety of industries, particularly in the automotive sector.<sup>86</sup>

For Taiwan, the semiconductor industry has become increasingly critical, both as a contributor to its domestic prosperity and as a means of expanding its global presence. Domestically, the sector has served as a crucial driver of the island's broader economic growth, even allowing Taiwan to maintain respectable growth indicators amid the depths of the pandemic, as demand for semiconductor-reliant

<sup>81</sup> Riley Walters, "US-Taiwan Economic Relations in 2023: Causes for Measured Optimism," *Global Taiwan Institute*, January 25, 2023, <https://globaltaiwan.org/2023/01/us-taiwan-economic-relations-in-2023-causes-for-measured-optimism/#:~:text=The%20United%20States%20historically%20accounts,out-bound%20investments%20from%20Taiwanese%20entities.>

"Taiwan," Office of the United States Trade Representative, <https://ustr.gov/countries-regions/china/taiwan>.

"U.S. Trade with Taiwan," Office of Technology Evaluation, 2021, <https://www.bis.doc.gov/index.php/documents/technology-evaluation/ote-data-portal/country-analysis/3012-2021-statistical-analysis-of-u-s-trade-with-taiwan/file>.

<sup>82</sup> Riley Walters, "A Backgrounder on the History of US-Taiwan Trade and Investment Talks," *Global Taiwan Institute*, June 30, 2021, <https://globaltaiwan.org/2021/06/a-backgrounder-on-the-history-of-us-taiwan-trade-and-investment-talks/>.

David E. Bond, Matt Solomon, and Ian Saccomanno, "Section 301 Tariff Exclusions Will Expire Soon, Unless Extended," *White & Case*, July 23, 2023, <https://www.whitecase.com/insight-alert/section-301-tariff-exclusions-will-expire-soon-unless-extended#:~:text=The%20United%20States%20first%20imposed,policies%20were%20harming%20US%20commerce.>

<sup>83</sup> "Trade in Goods with Taiwan," U.S. Census, 2023, <https://www.census.gov/foreign-trade/balance/c5830.html>.

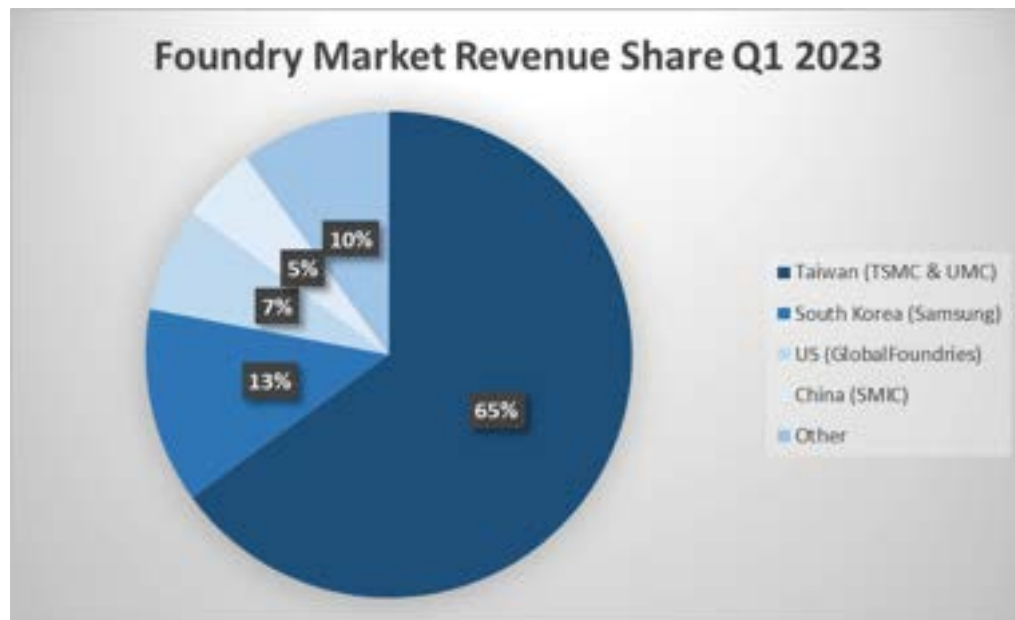
<sup>84</sup> "Taiwan's dominance of the chip industry makes it more important," *The Economist*, March 6, 2023, <https://www.economist.com/special-report/2023/03/06/taiwans-dominance-of-the-chip-industry-makes-it-more-important>.

<sup>85</sup> Ondrej Burkacky, Julia Dragon, and Nikolaus Lehmann, "The semiconductor decade: A trillion-dollar industry," *McKinsey & Company*, April 1, 2022, <https://www.mckinsey.com/industries/semiconductors/our-insights/the-semiconductor-decade-a-trillion-dollar-industry>.

<sup>86</sup> Ian King, Debby Wu, and Demetrios Pogkas, "How a Chip Shortage Snarled Everything From Phones to Cars," *Bloomberg*, March 29, 2021, <https://www.bloomberg.com/graphics/2021-semiconductors-chips-shortage/>.



consumer goods surged.<sup>87</sup> Additionally, the industry has contributed significantly to Taiwan's job market, with semiconductor firms—as well as the vast ecosystem of integral and peripheral industries that supports them—providing tens of thousands of job opportunities for Taiwanese workers.<sup>88</sup> From their operations hubs in Taiwan's many science parks, these firms have also served as crucial incubators for technological innovation for the world's most advanced chips, allowing Taiwan to maintain its position as a global tech leader.<sup>89</sup>



*Graphic: Global semiconductor foundry share for the first quarter of 2023, showing Taiwan's firms with a commanding lead over foreign competitors (Data source: GTI research)*

Beyond these domestic benefits, the semiconductor industry has also played a significant role in expanding Taiwan's role in the international community. As chips have grown in global importance in recent years, so too has Taiwan. For many outside observers, the island has become an "indispensable" economy, commanding outsized international influence relative to its size.<sup>90</sup> Capitalizing on this reputation, Taiwan has increasingly integrated its chipmaking industry into its diplomatic approach, using its "democracy chips" to expand ties with fellow democratic states.<sup>91</sup> This approach has already borne fruit, as states such as the United States, Japan, Germany, and Lithuania have sought to benefit from Taiwan's expertise and experience through dialogues and bilateral investments.<sup>92</sup>

Amid increasingly aggressive behavior from the PRC, Taiwan's semiconductor industry has taken on additional significance as an element of the island's national security approach. While Taiwan has a wide range of defensive and offensive military capabilities, it is its chipmaking sector—and particularly TSMC—that has increasingly been viewed as the island's greatest asset in its struggle with Beijing.

<sup>87</sup> "The Effect of Covid-19 on the Technology Sector in Taiwan," *Fidelity International*, August 26, 2021, <https://www.fidelity.me/articles/analysis-and-research/2021-08-27-the-effect-of-covid-19-on-the-technology-sector-in-taiwan-1630030680432>.

<sup>88</sup> Colley Hwang, "The three pillars of Taiwan's semiconductor industry," *DIGITIMES Asia*, April 13, 2023, <https://www.digitimes.com/news/a20230413VL206/ic-design-white-paper-ic-design-distribution.html>.

<sup>89</sup> Perry Q. Wood, "Hsinchu: Taiwan's city at the centre of China's conundrum," *The Lowy Institute*, June 29, 2021, <https://www.loyyinstitute.org/the-interpretor/hsinchu-taiwan-s-city-centre-china-s-conundrum>.

"Taiwan's dominance of the chip industry makes it more important," *The Economist*, March 6, 2023, <https://www.economist.com/special-report/2023/03/06/taiwans-dominance-of-the-chip-industry-makes-it-more-important>.

<sup>90</sup> Perry Q. Wood, "Hsinchu: Taiwan's city at the centre of China's conundrum."  
"Taiwan's dominance of the chip industry makes it more important."

<sup>91</sup> Tristan Bove, "How semiconductor 'democracy chips' can play a vital role in U.S.-Taiwan diplomacy as threats from China mount," *Fortune*, August 22, 2022, <https://www.yahoo.com/video/semiconductor-democracy-chips-play-vital-115716937.html>.

<sup>92</sup> Julian Ryall, "Japan to get Taiwan chip maker TSMC's help to revolutionise its semiconductor sector amid economic, security concerns," *South China Morning Post*, July 9, 2023, <https://www.scmp.com/week-asia/economics/article/3223465/chips-ahoy-japan-taiwans-help-recharges-home-made-semiconductor-sector>.

Pieter Haeck and Stuart Lau, "Taiwan's chips plan for Europe exposes Germany's precarious position on Asia," *Politico*, January 13, 2023, <https://www.politico.eu/article/taiwan-chips-semiconductor-tsmc-plan-for-europe-exposes-germanys-precarious-position-on-asia/>.

Andrius Sytas, "Lithuania's Teltonika sets domestic chip production goal under Taiwanese deal," *Reuters*, January 18, 2023, <https://www.reuters.com/technology/lithuanias-teltonika-semiconductor-deal-with-taiwan-group-2023-01-18/>.

This has been popularly referred to as Taiwan's "Silicon Shield," a concept that suggests that the semiconductor industry serves as a strong deterrent against Chinese attack, either by encouraging foreign support for Taiwan in order to protect its industries or by convincing the PRC that such an attack would pose an unacceptable risk to the semiconductor supply chain.<sup>93</sup> This theory has proven somewhat controversial, as the PRC has demonstrated little compunction about menacing Taiwan in recent years, and emphasis on Taiwan as a chokepoint for chips has led some in the West to seek to reduce dependence on Taiwan for this technology given its geopolitical precarity.<sup>94</sup> However, awareness of Taiwan's crucial role in the global supply chain certainly seems to have risen in many countries, potentially increasing global support for the island.<sup>95</sup>

The growing importance of Taiwan's semiconductor industry has not gone unnoticed by the United States. For Washington, the island's dominance of the chip market—and particularly the market for advanced chips—has increasingly become a national security issue.<sup>96</sup> In addition to their countless commercial uses, semiconductors play a critical role in the production and maintenance of modern military equipment, including missile systems and fighters. And while the United States has long been a major player in the global semiconductor industry, it has fallen far behind Taiwan in recent decades, as US firms have focused more heavily on higher value-add portions of the supply chain, such as design and semiconductor manufacturing equipment, rather than production of chips and chip materials.<sup>97</sup> As a result of this shift in priorities, US firms now account for only 13 percent of global semiconductor production. This has forced the US defense industry to rely heavily on Taiwan's production capabilities, with Taiwanese firms becoming integral to the operations of many defense producers.<sup>98</sup>

Recognizing this—as well as the potential ramifications of a Chinese seizure of the island's production facilities—Washington has sought to build stronger ties with Taiwan's chip industry, while simultaneously working to enhance its own production capacity. Moreover, the United States is hardly alone in hedging its risks against depending too heavily on Taiwan's advanced chips. The European Union and Japan too are stepping up their efforts to boost domestic chipmaking capabilities and bolstering ties with TSMC. And even Taiwan itself has dependencies on the PRC given the growing sector there for back-end operations such as assembly, testing, packaging, and eventual integration into downstream components and electronics.

In an effort to strengthen interconnectivity between the US and Taiwanese economies—ideally enhancing Taiwan's deterrent capabilities in the process—the United States has worked to encourage Taiwan's firms—most notably TSMC—to diversify their holdings by investing in foreign production facilities, ideally in the United States. The most successful outcome of these efforts thus far has been TSMC's highly publicized investment in Arizona, brokered by the Trump Administration in 2020.<sup>99</sup> The new facility, which reportedly will cost TSMC upwards of US\$40 billion, has been hailed as a milestone in US-Taiwan tech cooperation.<sup>100</sup> According to TSMC, the plant will eventually manufacture some of the company's most advanced chips, including 3-nanometer chips.<sup>101</sup> While concerns have already arisen regarding the company's work culture—leading to delays in the opening of the facility—this investment has nevertheless been a boon, strengthening ties with a world-leading technology firm while simultaneously relocating a portion of the global semiconductor supply chain within US borders.<sup>102</sup> Investments such as these are not only important for supply chain resiliency, but it also helps demonstrate that Taiwan can contribute to employment and manufacturing in the United States and provide a concrete counterargument to the business lobby in the United States that favors the PRC. In addition to these efforts to lure Taiwanese investment, the United States has also taken

<sup>93</sup> Alexander Neill, "Doubts grow over Taiwan's Silicon Shield," Geopolitical Intelligence Services AG, March 28, 2023, <https://www.gisreportsonline.com/r/china-taiwan-silicon-shield/>.

<sup>94</sup> Ibid.

<sup>95</sup> Chris Miller, "The Chips That Make Taiwan the Center of the World," *Time Magazine*, October 5, 2022, <https://time.com/6219318/tsmc-taiwan-the-center-of-the-world/>.

<sup>96</sup> Eric Lee, "How Taiwan Underwrites the US Defense Industrial Complex," *The Diplomat*, November 9, 2021, <https://thediplomat.com/2021/11/how-taiwan-underwrites-the-us-defense-industrial-complex/>.

<sup>97</sup> Ibid.

<sup>98</sup> Kristy Tsun Tzu Hsu, "Taiwan as a Partner in the U.S. Semiconductor Supply Chain," The Wilson Center, September 2022, [https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/2022-09\\_Taiwan\\_SemiconductorSupplyChain\\_Hsu.pdf](https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/2022-09_Taiwan_SemiconductorSupplyChain_Hsu.pdf).

<sup>99</sup> John Liu and Paul Mozur, "Inside Taiwanese Chip Giant, a U.S. Expansion Stokes Tensions," *The New York Times*, February 22, 2023, <https://www.nytimes.com/2023/02/22/technology/tsmc-arizona-factory-tensions.html>.

<sup>100</sup> Jordan Valinsky, "TSMC ups its Arizona chipmaking investment to \$40 billion ahead of Biden's visit," *CNN Business*, December 6, 2022, <https://www.cnn.com/2022/12/06/business/tsmc-arizona-investment/index.html>.

<sup>101</sup> Ibid.

<sup>102</sup> Jacob Zinkula, "TSMC is stalling an agreement that would make its Phoenix plant safer and more efficient, an Arizona union says," *Business Insider*, October 6, 2023, <https://www.businessinsider.com/tsmc-phoenix-plant-safety-training-concerns-arizona-unions-2023-10#:~:text=Construction%20in%20Phoenix%20hasn%27t,by%20a%20year%20to%202025>.

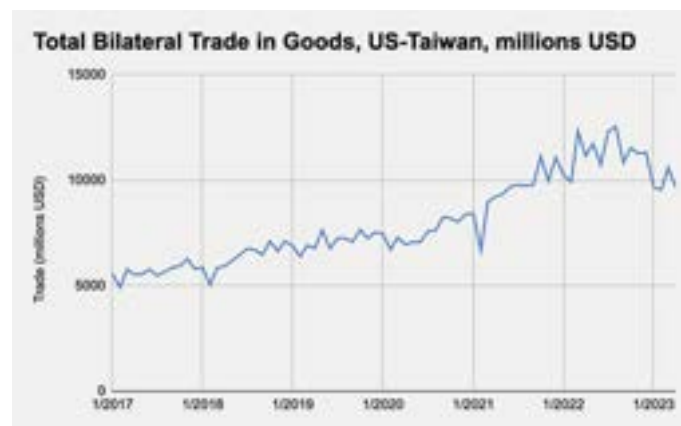
steps to safeguard and expand its own chip industries. In pursuit of this, the Biden Administration has sought to implement the *CHIPS and Science Act* of 2022.<sup>103</sup> The Act, passed with bipartisan support and signed into law in August 2022, is designed to enhance the United States' position in global technology supply chains, with a particular focus on semiconductor production.

For Taiwan, these developments have proven highly controversial. Though some within Taiwan have welcomed TSMC's investment in the United States as a potentially lucrative business opportunity, a growing contingent has expressed concerns that the move is a sign of broader US efforts to "hollow out" Taiwan's semiconductor industry.<sup>104</sup> According to such arguments, the investment will allow the United States to pull key expertise away from Taiwan, strengthening US industries at the expense of Taiwan's. These concerns have only grown in the aftermath of the *CHIPS Act's* passage, as some Taiwanese have worried that the United States is callously campaigning to erode the island's vaunted "Silicon Shield," challenging Taiwan's semiconductor dominance and weakening its position globally. This discourse has not gone unnoticed in the United States, leading some to question Taiwan's commitment to the US market as an investment destination. Notably, past experience with Japan and Korea have shown that increasing US investment, jobs, and presence can help smooth over US domestic skepticism of major economic and security commitments to foreign countries.

Staying ahead of the pack, TSMC recently opened its first dedicated research and development center, with plans to develop 2-nanometer, 1.4-nanometer, and other pioneering technologies within Taiwan.<sup>105</sup> TSMC also announced plans to invest in an advanced chip packaging facility in Taiwan. The importance and resilience of Taiwan's semiconductor industry in the near term is clear. Producing advanced chips in Taiwan remains more cost-effective, and Taiwan's talent pool remains second to none. The United States will need to continue to co-operate with Taiwan as it ramps up its own training capabilities and develops a workforce for the growing semiconductor manufacturing industry.

### Bilateral Trade and Investment Dynamics

Beyond semiconductors, and as noted above, the United States and Taiwan maintain a strong, highly dynamic trade relationship. According to figures compiled by the United States Census Bureau, Taiwan currently stands as the United States' ninth-largest overall trading partner, accounting for roughly 2.3 percent of overall US trade.<sup>106</sup> This places Taiwan just behind far larger economies such as India and the United Kingdom, and ahead of major economies such as France and Italy. As of 2022, overall bilateral trade in goods between the United States and Taiwan amounted to roughly US\$135 billion, representing a considerable increase from 2021 (US\$113 billion).<sup>107</sup> This trade is largely attributable to Taiwan's exports, which results in a very large trade surplus with the United States. There is no question that Taiwan derives enormous economic benefit from the broad and open market access it enjoys, as its major exports—semiconductors and electronics—enter the United States duty-free. As the figure below makes clear, this growth in bilateral trade is largely in keeping with a broader expansion of US-Taiwan trade in recent years:



Graphic: Total bilateral trade in goods between the United States and Taiwan, 2017-2023 (Data Source: GTI research)

<sup>103</sup> U.S. Congress, House, Chips and Science Act, H.R. 4346, PL 117-167, 117th Cong., passed House August 9, 2022, <https://www.congress.gov/bill/117th-congress/house-bill/4346>.

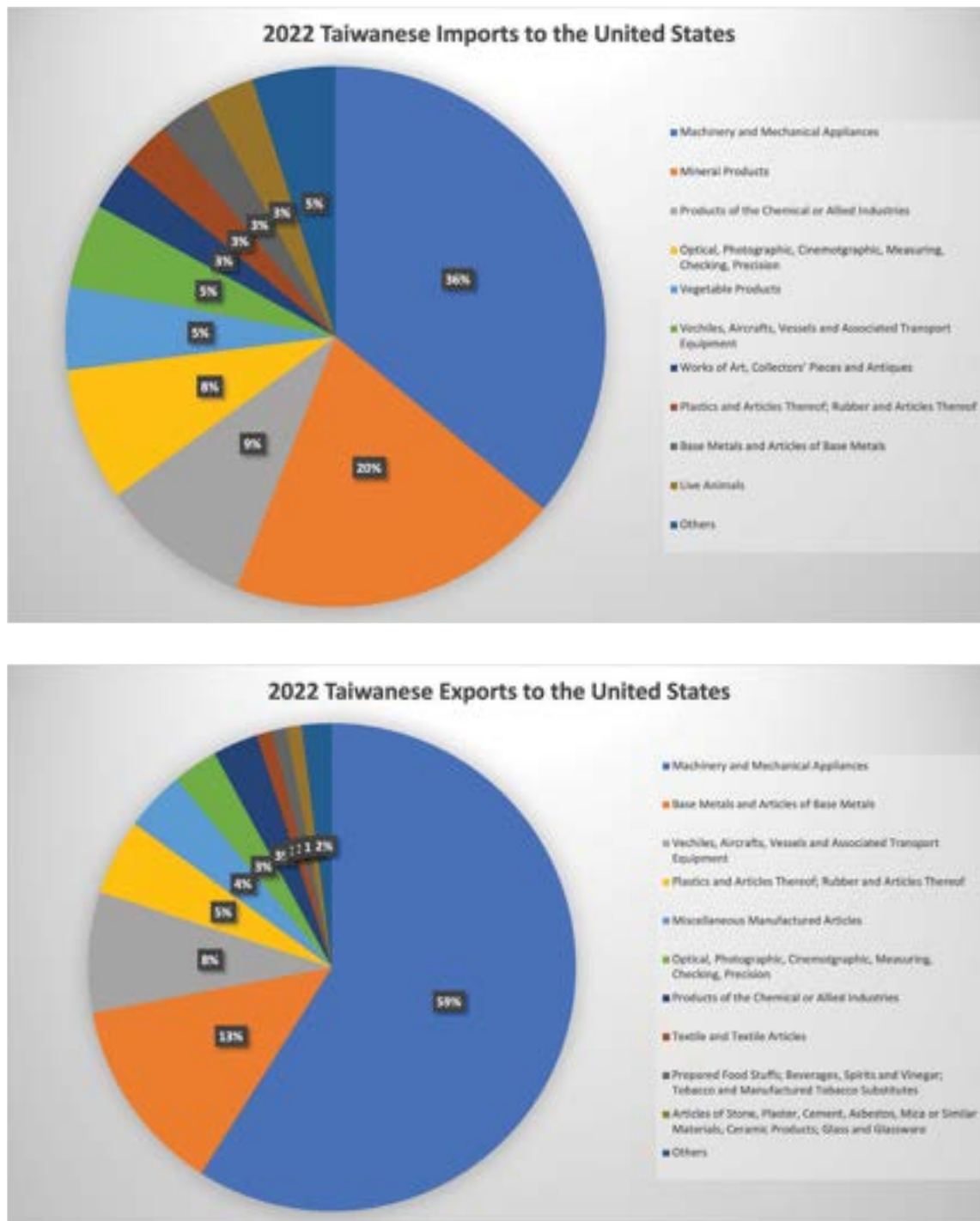
<sup>104</sup> John Liu and Paul Mozur, "Inside Taiwanese Chip Giant, a U.S. Expansion Stokes Tensions," *The New York Times*, February 22, 2023, <https://www.nytimes.com/2023/02/22/technology/tsmc-arizona-factory-tensions.html>.

<sup>105</sup> Cheng Ting-Fang and Lauly Li, "TSMC opens first dedicated R&D center in Taiwan," *NIKKEI Asia*, July 28, 2023, <https://asia.nikkei.com/Business/Tech/Semiconductors/TSMC-opens-first-dedicated-R-D-center-in-Taiwan>.

<sup>106</sup> "Top Trading Partners - September 2023," US Census, <https://www.census.gov/foreign-trade/statistics/highlights/topcm.html>.

<sup>107</sup> "Trade in Goods with Taiwan," US Census, <https://www.census.gov/foreign-trade/balance/c5830.html>.

In terms of goods traded, the relationship between the United States and Taiwan is highly diversified. According to statistics released by the Taiwanese government, US exports to Taiwan primarily consist of machinery and appliances, mineral and chemical products, and agricultural goods. Meanwhile, Taiwan's primary exports to the United States are dominated by electronic and mechanical components, raw materials, and transportation equipment.



*Graphic: Taiwanese imports from the United States and exports to the United States, 2022 (Data Source: GTI research)*

Notably, this broad expansion in bilateral trade has occurred in the absence of a bilateral comprehensive free trade agreement (FTA) between the United States and Taiwan. While such an agreement has long been a goal of successive Taiwanese governments, it has largely been regarded as unnecessary and, for some constituencies, undesirable by the United States. At least partially, this reluctance to engage



in FTA discussions has been a product of broader, domestic political dynamics in the United States, where Congress has consistently demonstrated a reluctance to approve comprehensive, bilateral trade agreements in recent years.

Indeed, given the expanding trade surplus that Taiwan has with the United States, manufacturing and labor interests have not been eager to provide even more access to Taiwanese exporters. Moreover, Taiwan has shown limited willingness to compromise on its agriculture market access, which would be the primary benefit for US markets. As a result, successive US administrations have used other tools to continue constructive economic engagement with Taiwan. This has done little to deter Taiwanese authorities, however, who have continued to lobby for a FTA for its political value rather than as a material economic deliverable.

Despite the lack of an FTA, the United States and Taiwan have nevertheless proven capable of overcoming trade barriers and achieving mutually beneficial results when approached on a targeted, sectoral basis. This was exemplified in 2020, when the Tsai Administration finally removed long-standing restrictions on the import of US pork containing ractopamine, a food additive used in the United States to promote leanness in livestock.<sup>108</sup> This decision—which was met with significant controversy within Taiwan—was seen as a major step for Taiwan in US-Taiwan trade discussions, as it appeared to remove a key hurdle that had long stymied negotiations.<sup>109</sup> For the United States, on the other hand, such access in one narrow sector after years of increased imports from Taiwan seemed long overdue.

As noted above, trade data show that one of the most significant drivers of the recent expansion in exports to the United States from Taiwan has been the Section 301 tariffs on the PRC.<sup>110</sup> Indeed, this has generated more economic benefit to Taiwan than the potential benefits from an FTA because the tariffs give Taiwan a very clear advantage over Chinese competitors. Specifically, the 25 percent tariff placed by the United States on most Chinese goods allows Taiwanese exports to ship to the United States at a more competitive price than their largest competitor for manufacturing exports.

In the absence of an FTA, US-Taiwan trade relations have taken place under the auspices of several bilateral dialogue platforms. The oldest of these is the US-Taiwan Trade and Investment Framework Agreement (TIFA), which has facilitated dialogue between the Taiwanese government and various US officials—primarily from the Office of the United States Trade Representative (USTR)—since its inception in 1994.<sup>111</sup> TIFA discussions have been periodic, with a long pause during the Obama Administration due to Taiwan's prohibitions on US beef imports and reliance on senior official and cabinet official meetings during the Trump Administration. Formal discussions under the TIFA resumed in 2021 and have now been subordinated to the US-Taiwan Initiative for 21st Century Trade.<sup>112</sup>

The TIFA talks have also helped to facilitate the growth of a substantial US-Taiwan bilateral investment relationship. According to statistics from USTR, the United States' total FDI in Taiwan amounted to US\$16.7 billion in 2022, representing a 2.7 percent increase from the previous year.<sup>113</sup> Conversely, Taiwan's total FDI in the United States stood at US\$16.1 billion in 2022, a 1.1 percent increase from 2021. In both cases, the primary target of investment has been manufacturing, though US firms have also invested in the Taiwanese finance and insurance sectors. Despite these impressive numbers, both sides have argued that excessive barriers have limited overall investment. For the United States, inconsistent Taiwanese regulations and a general lack of transparency in the island's financial markets have deterred some US investors from investing.<sup>114</sup> Meanwhile, Taiwanese firms and government officials have consistently noted that the United States and Taiwan currently lack a double taxation avoidance agreement, which negatively impacts bilateral investment. Accordingly, such an agreement has become a major objective for Taiwanese diplomats and business leaders.<sup>115</sup>

Beyond the TIFA talks, the United States and Taiwan also engage through the Economic Prosperity Partnership Dialogue (EPPD), a format inaugurated in 2020 to increase cooperation on a broad range of issues, including 5G and telecommunications security, supply

<sup>108</sup> Sean Lin, "Taiwan to ease rules on US pork, beef," *Taipei Times*, August 29, 2020, <https://www.taipeitimes.com/News/front/archives/2020/08/29/2003742461>.

<sup>109</sup> "Thousands march in Taiwan against US pork imports," *Associated Press*, November 22, 2020, <https://apnews.com/article/taiwan-thousands-protest-us-pork-imports-cf76e2db33063462632bfd383e0b7dbf#:~:text=President%20Tsai%20Ing%20Dwen%27s%20administration,to%20be%20lifted%20in%20January>.

<sup>110</sup> "China Section 301-Tariff Actions and Exclusion Process," Office of the United States Trade Representative, <https://ustr.gov/issue-areas/enforcement/section-301-investigations/tariff-actions>.

<sup>111</sup> USTR Press Office, "United States and Taiwan Hold Dialogue on Trade and Investment Priorities," Office of the United States Trade Representative, June 30, 2021, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/june/united-states-and-taiwan-hold-dialogue-trade-and-investment-priorities>.

<sup>112</sup> Lawrence Chung, "Taiwan, US resume trade talks with commitment to meetings and cooperation," *South China Morning Post*, June 30, 2021, <https://www.scmp.com/news/china/diplomacy/article/3139278/covid-19-vaccines-chips-agenda-taiwan-us-resume-trade-talks>.

<sup>113</sup> "Taiwan," Office of the United States Trade Representative.

<sup>114</sup> Arati Shroff, "2022 Investment Climate Statements: Taiwan," US Department of State, <https://www.state.gov/reports/2022-investment-climate-statements/taiwan/>.

<sup>115</sup> Ibid.

chains, infrastructure, energy, public health, investment screening, women's economic empowerment, education, and entrepreneurship.<sup>116</sup>

Most recently, the United States and Taiwan reached an initial agreement on the US-Taiwan Initiative on 21<sup>st</sup>-Century Trade.<sup>117</sup> The initiative, first launched in 2022 as a means of expanding and liberalizing US-Taiwan trade, focuses on a variety of issues, including “digital trade enhancement, trade facilitation, sound regulatory practices, SMEs, environmental protection, standards, and addressing non-market policies.”<sup>118</sup> The recent progress on the agreement has been referred to by some as an “early harvest,” a significant precursor to a larger, more expansive future agreement. According to USTR officials, the issues in the initial agreement include “customs and border procedures, regulatory practices, and small business.”<sup>119</sup> While the Initiative on 21<sup>st</sup>-Century Trade was initially met with a somewhat tepid response from some in Taipei—who viewed it as a poor substitute for more substantive agreements like a FTA—the recent progress has been welcomed as a major step toward a more formal, deepened trade relationship.<sup>120</sup>

### Multilateral Trade Initiatives

Despite this progress on bilateral trade and Taiwan's membership in the World Trade Organization, the United States has excluded Taiwan from more recent multilateral negotiations. Like much of the United States' policy in the Indo-Pacific, this reluctance to incorporate Taiwan has largely been driven by concerns regarding the PRC. While the United States has shown less deference to Beijing in recent years, other states in the region—and particularly those in Southeast Asia and Oceania—remained focused on maintaining a delicate balance between the United States and the PRC.<sup>121</sup> As such, the majority of Asian countries avoid overtly engaging with Taiwan due to coercive pressure from Beijing. This phenomenon was clearly demonstrated in 2022, when the Biden Administration failed to include Taiwan in the Indo-Pacific Economic Framework (IPEF) due to opposition from other participants.<sup>122</sup> While IPEF remains somewhat nebulous and light on specifics, its exclusion of Taiwan was met with dismay in Taipei.<sup>123</sup>

Beyond the US-led IPEF, Taiwan has also been left out of several larger, regional multilateral economic agreements. These include the PRC-led Regional Comprehensive Economic Partnership (RCEP)—signed in 2020 and including 15 Indo-Pacific states—and the even more expansive Japan-led Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).<sup>124</sup> Seeking to benefit from access to the vast trade agreement, Taiwan applied for CPTPP membership in 2021, only days after the PRC's bid to join.<sup>125</sup> The odds of either Taiwan or the PRC being accepted remain uncertain, especially when the United States is unlikely to join the CPTPP anytime soon and there is already a divide amongst member countries about whether or not to accept Taiwan's accession either together or after the PRC.

<sup>116</sup> “U.S.-TAIWAN ECONOMIC PROSPERITY PARTNERSHIP DIALOGUE (EPPD),” American Institute in Taiwan, <https://www.ait.org.tw/u-s-taiwan-economic-prosperity-partnership-dialogue/>.

<sup>117</sup> David Lawder, “US, Taiwan reach deal on first part of ‘21st Century’ trade pact,” *Reuters*, May 19, 2023, <https://www.reuters.com/business/us-taiwan-reach-deal-first-part-21st-century-trade-pact-ustr-2023-05-18/>.

<sup>118</sup> Department of North African Affairs, “MOFA welcomes US-Taiwan Initiative on 21<sup>st</sup>-Century Trade,” Ministry of Foreign Affairs, Republic of China (Taiwan), June 1, 2022, [https://en.mofa.gov.tw/News\\_Content.aspx?n=1328&sms=273&s=97936](https://en.mofa.gov.tw/News_Content.aspx?n=1328&sms=273&s=97936).

<sup>119</sup> David Lawder, “US, Taiwan reach deal on first part of ‘21st Century’ trade pact.”

<sup>120</sup> Ralph Jennings, “US-Taiwan trade deal seen speeding up Taiwan's shipping and boosting start-ups; Beijing quiet so far,” *South China Morning Post*, May 20, 2023, <https://www.scmp.com/economy/china-economy/article/3221183/us-taiwan-trade-deal-seen-speeding-taiwans-shipping-and-boosting-start-ups-beijing-quiet-so-far>.

<sup>121</sup> Yao-Yuan Yeh et al. “Why Was Taiwan Left Out of the US-Led IPEF?,” *The Diplomat*, May 25, 2022, <https://thediplomat.com/2022/05/why-was-taiwan-left-out-of-the-us-led-ipef/>.

<sup>122</sup> “Indo-Pacific Economic Framework for Prosperity (IPEF),” Office of the United States Trade Representative, <https://ustr.gov/trade-agreements/agreements-under-negotiation/indo-pacific-economic-framework-prosperity-ipef>.

<sup>123</sup> Yao-Yuan Yeh et al. “Why Was Taiwan Left Out of the US-Led IPEF?”

<sup>124</sup> “Regional Comprehensive Economic Partnership Agreement (RCEP),” Australian Government Department of Foreign Affairs and Trade, <https://www.dfat.gov.au/trade/agreements/in-force/rcep>.

“Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP),” Australian Government Department of Foreign Affairs and Trade, <https://www.dfat.gov.au/trade/agreements/in-force/cptpp/comprehensive-and-progressive-agreement-for-trans-pacific-partnership>.

<sup>125</sup> Ben Blanchard, Christian Scholmollinger ed., “Taiwan calls on Britain to support its bid for Pacific trade pact,” *Reuters*, March 20, 2023, <https://www.reuters.com/world/taiwan-calls-britain-support-its-bid-pacific-trade-pact-2023-03-20/>.

## Recommendations: Trade and Economics

While the current trade and economic relationship between the United States and Taiwan is undoubtedly strong, the Task Force finds that it can be further strengthened. Recent trends suggest that barriers to an expanded economic partnership may be fading, potentially providing an opportunity for far more substantive engagement between the two. Given the PRC's increased aggression and Taiwan's pre-eminence in the semiconductor industry, building a stronger US-Taiwan economic relationship is more crucial than ever.

**First, the United States and Taiwan should take substantive steps to liberalize their trade ties in a targeted manner.** Using fora like TIFA, EPPD, and particularly the Initiative on 21<sup>st</sup>-Century Trade, Washington and Taipei should work to isolate key barriers to trade and determine avenues toward overcoming them. Given Congress' reluctance to ratify comprehensive FTAs, the two sides should seek more focused, tailored negotiations, capitalizing on comparative advantages and areas of mutual agreement. This specificity should also extend to discussions of market access, which should occur on a product-by-product or sector-by-sector basis. Taiwan could contribute to such liberalization by lowering its existing trade barriers on US goods. In doing so, it could help to balance the bilateral trade relationship and increase mutual trust.

**Second, the United States should negotiate a double taxation agreement with Taiwan, which is now making headway in Congress.** Such an agreement has long been a priority of Taiwan, as current US tax regulations place an undue tax burden on Taiwanese companies and citizens. Currently, Taiwan is the only top 10 US trade partner that lacks a double taxation agreement, forcing companies involved in US-Taiwan trade—both US and Taiwanese—to pay taxes in both jurisdictions. In turn, this burden has reduced the attractiveness of the United States as an investment target for Taiwanese businesses and individuals. Notably, a bipartisan bill—the *Taiwan Tax Agreement Act of 2023*—has already been unveiled.<sup>126</sup> The United States should fast-track negotiations on such an agreement.

**Third, the United States and Taiwan should develop stronger, more substantive mechanisms to engage on semiconductors and supply chain security.** Given the growing importance of semiconductors for economic growth and national security, it is imperative that the United States—the leading designer of advanced semiconductors—and Taiwan—the leading manufacturer of advanced semiconductors—work together to ensure the security and stability of the sector. Such cooperation will only become more critical as the PRC continues to threaten Taiwan. By engaging in regular dialogues on semiconductors and supply chains, the United States can benefit from Taiwan's unparalleled expertise and potentially secure additional investment from Taiwanese firms, while also helping to dispel fears of a US-led “hollowing out” of Taiwan's domestic industrial base.

**Fourth, the United States should advocate for Taiwan's inclusion in regional multilateral economic groupings.** While the United States has withdrawn from CPTPP, Washington should continue to push its allies and partners remaining in the agreement to support Taiwan's application to the grouping. As the primary organizer of IPEF, the United States should also work to overcome opposition to Taiwan's membership in that framework. In doing so, the United States could ensure that states across the region benefit from Taiwan's strong economy, technical expertise, and central geographic location.

**Fifth, the United States and Taiwan governments should work to foster expanded private sector connections between US and Taiwanese companies.** While both Washington and Taipei are limited in their abilities to influence private sector investment, they should take steps to create favorable conditions for enhanced cooperation between US and Taiwanese firms. Such efforts could include the aforementioned double taxation agreement, further lowering of tariff barriers, and the establishment of bilateral investment forums.

<sup>126</sup> US Congress, Senate, *Taiwan Tax Agreement Act of 2023*, S. 1457, 118<sup>th</sup> Cong., 1<sup>st</sup> sess., introduced in the Senate on May 4, 2023, <https://www.foreign.senate.gov/imo/media/doc/dav23816.pdf>.



# APPENDICES







## Appendix I: History of US Cross-Strait Policy

### Early Relations

Though the United States has maintained a relationship of some sort with the Republic of China (ROC) since the 1910s—shortly after the founding of the ROC—the partnership changed dramatically during and immediately after the Second World War.<sup>127</sup> The ROC, then led by Generalissimo Chiang Kai-shek (蔣介石), had already been at war with Japan since 1937. After the United States declared war on Japan in December 1941, the two militaries fought as allies against the shared threat. Soon after Japan's surrender in 1945, however, the long-running Chinese Civil War resumed. The conflict, which commenced in 1927 between the ROC and Mao Zedong's (毛澤東) insurgent CCP, had simmered even during the 1937-45 period. Following WW2, the United States made sporadic efforts to mediate between the CCP and Chiang's Nationalists, to little effect.<sup>128</sup>

By 1949, the CCP had driven the Nationalist government out of power, forcing its retreat to Taiwan, and in October declared the establishment of the People's Republic of China. This failure on the part of Chiang and his forces largely confirmed US preconceptions about the KMT, leading Washington to maintain a decidedly wary, skeptical approach to the ROC, with the Truman Administration publicly stating in early 1950 that it would not intervene in the regime's defense.<sup>129</sup>

However, this policy of indifference came to an abrupt end in late 1950, when PRC forces entered the Korean War in support of North Korea. Seeking to consolidate its diplomatic and military position in the region, the United States negotiated a formal alliance with the ROC government.<sup>130</sup> Despite its past failures, Taiwan nevertheless represented a crucial bastion of anti-communist sentiment in East Asia, a valuable asset throughout the Cold War-era ideological competition. The alliance was further strengthened in 1954 with the signing of the Sino-American Mutual Defense Treaty, which formalized bilateral cooperation between the two parties in a variety of areas.<sup>131</sup> Fearing that a PRC attack on Taiwan was imminent, the United States once more expanded its commitment to its insular ally, with Congress passing the so-called "Formosa Resolution" in 1955.<sup>132</sup> This resolution provided the US president with broad authority to defend Taiwan from attack, with the aim of deterring PRC aggression in the near-term.

Despite these commitments, the PRC remained determined to seize Taiwan, destroy its longtime adversary, and conclude the Civil War once and for all. This intent contributed to the First (1954-1955) and Second (1958) Taiwan Strait Crises, during which PLA forces launched attacks on Taiwan's offshore islands along the coast of the mainland.<sup>133</sup> While the PRC was successful in capturing several island groups during the first crisis, US logistical and materiel support and diplomatic pressure, combined with strong Taiwanese defensive maneuvers, largely neutralized Beijing's pressure and ensured that neither incident could expand into a broader conflict. Through its support for the ROC regime, the United States demonstrated a strong interest in containing PRC military aggression. While circumstances have evolved significantly since the 1950s, this stance remains a key part of US policy toward the Taiwan Strait (and the region).

Though the formal alliance between the United States and Taiwan endured for nearly three decades, it was ultimately unable to survive

<sup>127</sup> "A Guide to the United States' History of Recognition, Diplomatic, and Consular Relations, by Country, since 1776: China," *Office of the Historian, Foreign Service Institute, United States Department of State*, <https://history.state.gov/countries/china>.

<sup>128</sup> "Chinese Civil War, 1945-1949," *Britannica*, October 9, 2023, <https://www.britannica.com/event/Chinese-Civil-War#ref338889>.

<sup>129</sup> Philip G. Johnson, "Chinese Civil War and U.S.-China Relations: Records of the U.S. State Department's Office of Chinese Affairs, 1945-1955," U.S. National Archives,

[https://www.gale.com/binaries/content/assets/gale-us-en/primary-sources/archives-unbound/primary-sources\\_archives-unbound\\_chinese-civil-war-and-u.s.-china-relations\\_records-of-the-u.s.-state-department%E2%80%99s-office-of-chinese-affairs-1945-1955.pdf](https://www.gale.com/binaries/content/assets/gale-us-en/primary-sources/archives-unbound/primary-sources_archives-unbound_chinese-civil-war-and-u.s.-china-relations_records-of-the-u.s.-state-department%E2%80%99s-office-of-chinese-affairs-1945-1955.pdf).

William W. Newman, "Deterrence and Commitment across the Taiwan Strait: Lessons from Truman, Eisenhower, and Kennedy," *War on the Rocks*, December 19, 2022, <https://warontherocks.com/2022/12/deterrence-and-commitment-across-the-taiwan-strait-lessons-from-truman-eisenhower-and-kennedy/>.

<sup>130</sup> Raju Gopalakrishnan, "Milestones in relations between the U.S., China and Taiwan," *Reuters*, August 2, 2022, <https://www.reuters.com/world/milestones-relations-between-us-china-taiwan-2022-08-02/>.

<sup>131</sup> "Mutual Defense Treaty Between the United States and the Republic of China; December 2, 1954," *Lillian Goldman Law Library*, [https://avalon.law.yale.edu/20th\\_century/chin001.asp](https://avalon.law.yale.edu/20th_century/chin001.asp).

<sup>132</sup> Public Law 4, Chapter 4, February 7, 1955, <https://www.govinfo.gov/content/pkg/STATUTE-69/pdf/STATUTE-69-Pg7.pdf>.

<sup>133</sup> The Taiwan Straits Crises: 1954-55 and 1958, *Office of the Historian, Foreign Service Institute, United States Department of State*, <https://history.state.gov/milestones/1953-1960/taiwan-strait-crises>.



the radical geopolitical shifts of the 1970s. Beginning in the early years of the decade, the Nixon Administration made the strategic decision to reengage with the PRC, with the aim of reducing Cold War-era tensions while simultaneously exploiting the rift between the PRC and the Soviet Union.<sup>134</sup> In pursuit of this, Nixon embarked on a highly publicized visit to the PRC in early 1972, meeting with Mao and engaging in discussions on a range of issues, including the status of Taiwan. These talks culminated in the signing of the so-called “Shanghai Communiqué” on February 27.<sup>135</sup> This document—resulting from the first formal negotiation between the United States and the PRC—included language that continues to shape US Taiwan policy today. Specifically, it stated that:

*The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves. With this prospect in mind, it affirms the ultimate objective of the withdrawal of all US forces and military installations from Taiwan. In the meantime, it will progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes.*

This paragraph—and particularly, the statement “The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China”—would have far-reaching implications for both the PRC and ROC. Instead of taking a firm, decisive stance on the political status of Taiwan, Nixon and his negotiators accepted the far more ambiguous verb “acknowledge,” allowing them to placate their Chinese interlocutors while largely sidestepping the Taiwan issue in the short-term. Such ambiguous language would prove to be a hallmark of later US-PRC negotiations, laying the groundwork for today’s US policy.

Ultimately, Nixon’s overtures to the PRC were not an anomaly, but were instead emblematic of broader shifts in US policy toward the PRC and Taiwan. While the ROC had been a staunch, anti-communist ally for decades, its importance had waned as pragmatism increasingly outweighed ideology. Seeking to further reduce global tensions and expand economic opportunities, the Carter Administration engaged in secret negotiations with Beijing in 1978, with the goal of normalizing relations.<sup>136</sup> These discussions culminated in the December 15, 1978, announcement of the establishment of official, diplomatic relations between the United States and the PRC.<sup>137</sup> For the US-Taiwan relationship, this represented a seismic shift.

As a precondition for normalizing relations, the PRC demanded that the United States sever its official ties with the ROC.<sup>138</sup> Specifically, Beijing insisted that Washington recognize the PRC as “the sole legal government of China.”<sup>139</sup> As Richard Bush and Shelley Rigger have noted, this stipulation had a variety of concerning—and long-lasting—implications for Taiwan.<sup>140</sup> This effectively completed a process that had begun in 1971, when the United Nations passed UN Resolution 2758, which recognized the PRC as “the only legitimate representative of China to the United Nations” and simultaneously expelled the ROC from all UN-affiliated bodies.<sup>141</sup> Formally abandoned by the United States—by far its most important ally—Taipei was cast adrift, forced to confront a perilous geopolitical environment deprived of the legal protections it had enjoyed for decades. However, this was far from the end of the US-Taiwan partnership.

## Relations 1979-Present

Despite the United States’ decision to recognize the PRC, Taiwan remained a key feature of US policy in East Asia. Recognizing this, on April 10, 1979, President Carter signed into law the *Taiwan Relations Act* (TRA), which retroactively entered into force on January 1 of that year.<sup>142</sup> Indicative of strong and enduring Congressional support for Taiwan—and related wariness of the PRC—the TRA provided

<sup>134</sup> Ken Hughes, “Nixon on China,” UVA Miller Center, <https://millercenter.org/the-presidency/educational-resources/nixon-china>.

<sup>135</sup> “Joint Statement Following Discussions with Leaders from the People’s Republic of China,” *Office of the Historian*, February 27, 1972, <https://history.state.gov/historicaldocuments/frus1969-76v17/d203>.

<sup>136</sup> “A Momentous Occasion: A Look Back at President Carter’s 1979 Decision to Normalize Relations with China,” *The Carter Center*, January 9, 2019, <https://www.cartercenter.org/news/features/p/china/40-anniversary-china-relations.html>

<sup>137</sup> “The Establishment of Sino-U.S. Diplomatic Relations and Vice Premier Deng Xiaoping’s visit to the United States,” *Ministry of Foreign Affairs of the People’s Republic of China*, [https://www.fmprc.gov.cn/eng/ziliao\\_665539/3602\\_665543/3604\\_665547/200011/t20001117\\_697797.html#:~:text=On%20the%20basis%20of%20this,evening%20of%2016%20December%201978](https://www.fmprc.gov.cn/eng/ziliao_665539/3602_665543/3604_665547/200011/t20001117_697797.html#:~:text=On%20the%20basis%20of%20this,evening%20of%2016%20December%201978).

<sup>138</sup> Richard Bush and Shelly Rigger, “The Taiwan Issue and the Normalization of US-China Relations,” *The Brookings Institution*, January 16, 2019, <https://www.brookings.edu/wp-content/uploads/2019/01/The-Taiwan-Issue-and-the-Normalization-of-US-China-Relations-Bush-Rigger1.pdf>

<sup>139</sup> Ibid.

<sup>140</sup> Ibid.

<sup>141</sup> “Restoration of the lawful rights of the People’s Republic of China in the United Nations,” 1971, <https://digitallibrary.un.org/record/192054?ln=en>

<sup>142</sup> U.S. Congress, House, *Taiwan Relations Act*, PL 96-8, 96th Cong., signed by the President April 10, 1979, <https://www.congress.gov/96/statute/STATUTE-93/STATUTE-93-Pg14.pdf>

the US government with broad latitude to engage with Taiwan on a wide range of issues. While the *Act* was less comprehensive than the full military alliance of previous decades, it nevertheless represented a substantial commitment, particularly given the ostensibly “informal” nature of US-Taiwan relations.

Perhaps predictably, the content of the TRA was not well-received in Beijing. During a Senate Foreign Relations Committee delegation to the PRC in April of 1979—roughly a week after the signing of the *Act*—Chinese leader Deng Xiaoping (鄧小平) warned that the legislation had the potential to derail the nascent relationship between the PRC and the United States.<sup>143</sup> In particular, Chinese leaders objected to the *Act*’s insistence on continued arms sales to Taiwan.<sup>144</sup> This dispute ultimately precipitated what would later be referred to as the “Third Communiqué” in 1982 (following the first [the Shanghai Communiqué] and the second [the normalization agreement]). Under the terms of this new agreement, the United States would “respect PRC sovereignty and gradually reduce arms sales to Taiwan,” so long as the PRC maintained a peaceful approach to the ROC.

While these negotiations were occurring, officials from the United States and Taiwan remained in close consultation. Seeking to allay Taiwanese fears regarding the US-PRC dialogue, US diplomats provided their Taiwanese counterparts with a list of talking points—approved by President Reagan—clarifying what the United States had not agreed to with the PRC.<sup>145</sup> In response, the Taiwan government requested that the points be made public, which the United States ultimately permitted. These proposals—later referred to as the “Six Assurances”—were included in the 1982 Congressional testimony by then-Assistant Secretary of State for East Asian and Pacific Affairs John H. Holdridge.<sup>146</sup> While these assurances were long treated as informal understandings, they were affirmed by Congress in 2016, before being fully declassified by the Trump Administration in 2020. Taken together, the Assurances established that the United States would continue to maintain strong ties with Taiwan, regardless of the outcome of negotiations with the PRC.

In the years that have followed these developments, much has changed. Taiwan, once a highly authoritarian, single-party state, has transitioned into one of the world’s most vibrant and inclusive democracies, while also evolving into a leading economy and center of technological innovation in the global supply chain. Across the Strait, meanwhile, the PRC has experienced its own evolution, changing rapidly from an isolated, largely agrarian economy to a heavily industrialized, highly globalized powerhouse. Concurrently, its military—previously an insurgent peasant army—has become a world-leading force, more capable than ever of threatening Taiwan—and others in the region. Despite these changes, however, US policy toward Taiwan has stayed largely consistent to the present day.

### The “One-China Policy” and Strategic Ambiguity

Broadly speaking, the US “One-China Policy” serves as the primary guide for US conduct toward the PRC and Taiwan. This policy has helped Washington to navigate a difficult, increasingly delicate state of affairs in the Taiwan Strait, providing successive presidential administrations with the latitude necessary to placate Beijing while simultaneously maintaining substantial ties with Taiwan. The flexibility of this policy approach is rooted in its inherent vagueness; at its core, the “One-China Policy” is deliberately noncommittal, avoiding firm guarantees and merely *acknowledging* Beijing’s position on Taiwan.

This ambiguity is linked—though critically, not synonymous with—the United States’ longstanding policy of “strategic ambiguity.” In simple terms, strategic ambiguity refers to Washington’s informal efforts to maintain uncertainty in both Beijing and Taipei regarding its commitment to becoming involved in a Taiwan Strait contingency. Rather than explicitly guaranteeing Taiwan’s security—an approach often referred to as “strategic clarity”—the United States instead maintains a more equivocal approach, merely expressing a strong interest in Taiwan’s security. As the RAND Corporation’s Raymond Kuo has noted, this policy is designed to create a state of “dual deterrence,” in which Beijing is deterred from launching an attack on Taiwan (out of fear that the United States would intervene) and Taipei is deterred from unilaterally declaring independence (out of fear the United States would not intervene).

While this policy is undoubtedly related to the “One-China Policy,” the two are not coterminous. In general, the “One-China Policy” is concerned primarily with issues of sovereignty and diplomatic recognition, largely avoiding matters of defense. By contrast, the informal concept of “strategic ambiguity” pertains almost exclusively to security, serving as a means of enhancing deterrence in the Taiwan Strait by discouraging unilateral action. Both policies play critical roles in the broader US policy approach toward the Taiwan Strait. However, the two are fundamentally distinct.

<sup>143</sup> Fox Butterfield, “Senators Cautioned on Taiwan by Deng,” *The New York Times*, April 20, 1979, <https://www.nytimes.com/1979/04/20/archives/senators-cautioned-on-taiwan-by-deng-peking-leader-asserts.html>

<sup>144</sup> “The August 17, 1982 U.S.-China Communiqué on Arm Sales to Taiwan,” *Office of the Historian, Foreign Service Institute, United States Department of State*, <https://history.state.gov/milestones/1981-1988/china-communicue>

<sup>145</sup> “President Reagan’s Six Assurances to Taiwan,” Congressional Research Service, Updated June 13, 2023, <https://crsreports.congress.gov/product/pdf/IF/IF11665>

<sup>146</sup> “The Six Assurances to Taiwan,” July 1982, <http://www.taiwandocuments.org/assurances.htm>



## Appendix II: The Underpinnings of US Cross-Strait Policy

While US-Taiwan relations are ostensibly “unofficial,” they are guided by a body of law, agreements, and principles. Broadly speaking, the US approach to Taiwan is rooted in three key structures. Those are:

- The *Taiwan Relations Act* of 1979
- The Three Communiqués between the US and PRC
- The Six Assurances

Though these are not necessarily the sole determinants of US Taiwan policy—other agreements and political statements have had impacts on the relationship—they are the primary sources of guidance.

### The Taiwan Relations Act

More than any other single document, the Taiwan Relations Act effectively serves as the central text of the modern US-Taiwan relationship. In the over four decades since its inception, the TRA has provided successive US presidential administrations with guidelines for handling Taiwan-related issues and engaging with Taiwanese counterparts, while simultaneously serving as a persistent reminder of Taiwan’s importance, particularly for the US Congress. Notably, among the TRA, the Three Communiqués, and the Six Assurances, only the TRA has been signed into law by a US president. In addition to its aforementioned assertions on defense and security in the Taiwan Strait, the Act also contains stipulations on US policy on a range of other issues. This includes assertions that the United States will:

- Work to preserve human rights in Taiwan;
- Continue to engage in commercial contracts with Taiwanese entities;
- Treat Taiwan as having equal legal standing;
- Support the continued participation of Taiwan in international organizations;
- Continue to treat Taiwan and its diplomats with the same “privileges and immunities” afforded to other nations;

In keeping with the US-PRC normalization agreement, the TRA notably refrains from referring to the “Republic of China,” referring to the regime as the “Government on Taiwan.” Additionally, it calls for the closure of the US embassy in Taipei, which was subsequently replaced by the American Institute in Taiwan (AIT), a government-subsidized non-profit intended to serve as a *de facto* embassy. Despite these shifts, the *Act* nevertheless outlined a relationship that was similar in many regards to the more formal one that preceded the switch. Specifically, it declared that the policy of the United States would be to “preserve and promote extensive, close, and friendly commercial, cultural, and other relations between the people of the United States and the people on Taiwan.”<sup>147</sup>

In addition to the stipulations directed primarily at the US-Taiwan relationship, the TRA also contained notable language pertaining to broader US policy toward the Taiwan Strait. In particular, it asserted that the US remained committed to maintaining the “peace and stability” of the Taiwan Strait, contending that doing so was crucial to safeguarding the larger Western Pacific region. Perhaps most notably—and ambiguously—the TRA asserted that the United States:

*[S]hall provide Taiwan with arms of a defensive character and shall maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or social or economic system, of the people of Taiwan.*

As this language suggests, the TRA is not exclusively targeted at Taiwan. Rather, it serves as an admonition to the PRC that acts of aggression or coercion will not be tolerated by the United States. Specifically, it cautions that “any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes” will be considered “a threat to the peace and security of the Western Pacific area.” In keeping with these statements, the Act subsequently calls for the United States to “maintain the capacity [...] to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan.” Taken together, these declarations provide much of the foundation for the United States’ current security ties with Taiwan, and contributed to the development of the later posture of “strategic ambiguity.”

<sup>147</sup> U.S. Congress, House, Taiwan Relations Act, PL 96-8, 96th Cong., signed by the President April 10, 1979, <https://www.congress.gov/96/statute/STATUTE-93/STATUTE-93-Pg14.pdf/>.

While undoubtedly forceful in its support for Taiwan and rejection of coercion or aggression, the TRA is nevertheless relatively vague in its language. Rather than explicitly committing to Taiwan's defense, the *Act* merely calls on the United States to maintain the ability to respond to a Taiwan Strait contingency and provides a legal mechanism for doing so. Similarly, the assertion that the United States will "provide Taiwan with arms of a defensive character" leaves significant ambiguity regarding what exactly "arms of a defensive character" are. This vagueness is not unintentional. Rather, it is a key element of the TRA's design. The TRA was designed to provide assurances to Taipei that it had not been abandoned, while providing a warning to the PRC against unilateral aggression or violent coercion—without explicitly tying the hands of a future US administration. In doing so, it has contributed significantly to the strong, mutually beneficial US-Taiwan relationship of the 21<sup>st</sup> century. In recognition of this, the *Act* was reaffirmed by Congress with bipartisan support in 2016.<sup>148</sup>

### The Three Communiqués

While ostensibly focused primarily on US-PRC relations, the Three Communiqués (the Shanghai Communiqué, the US-PRC normalization agreement, and the 1982 Joint Communiqué) have also played a crucial role in shaping US policy toward Taiwan.<sup>149</sup> Perhaps most importantly, the Communiqués provide the basis for what is now referred to as the US "One-China Policy." This policy, first articulated in the Shanghai Communiqué and refined in subsequent agreements, broadly states that the United States recognizes the PRC as the sole legal government of China but only "*acknowledges* the Chinese position" [italics added] that Taiwan is part of China, leaving ambiguous the US position on the issue.<sup>150</sup> Notably, this differs from Beijing's "One-China Principle," which clearly asserts that Taiwan is an integral component of the PRC.<sup>151</sup> This seemingly subtle distinction has served as a foundational element of US policy toward Taiwan.

Additionally, the Communiqués contain critical articulations of US policy toward Taiwan and the Taiwan Strait. Notably, all three recognize the centrality of the "Taiwan question" to the PRC, clarifying that the United States has "no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs." Building on this, the 1982 Communiqué also included a statement that the United States would not seek to pursue a policy of 'two Chinas' or 'one China, one Taiwan.'<sup>152</sup> This language remains a feature of US policy to this day. Despite this commitment to non-intervention in PRC affairs, the Communiqués uniformly assert that the United States will continue to maintain "cultural, commercial, and other unofficial relations with the people of Taiwan," rejecting Chinese demands to halt all ties with Taiwan. Finally, each of the three agreements contains relatively forceful language rejecting the use of force to change the status quo in the Taiwan Strait, advocating instead for peaceful dialogue between the PRC and Taiwan.

### The Six Assurances

Developed at roughly the same time as the US-PRC negotiations that culminated in the Third Communiqué, the "Six Assurances" have also contributed significantly to the development of US-Taiwan relations. In general, the Assurances were intended to assuage Taiwanese fears of total abandonment, which had risen steadily amid growing US-PRC rapprochement. As such, they reflect the Reagan Administration's desire to clarify the nature of its negotiations with Beijing, dispel any notions of abandonment, and reaffirm the United States' commitment to its relationship with Taiwan. These statements—which were long treated as informal principles until their formal affirmation in 2016—continue to inform US administrations in their engagement with Taipei.

The Assurances, as articulated in recently declassified diplomatic cables, are as follows:<sup>153</sup>

1. The United States has not agreed to set a date for ending arms sales to Taiwan.
2. The United States has not agreed to consult with the PRC on arms sales to Taiwan.
3. The United States will not play a mediation role between Taipei and Beijing.
4. The United States has not agreed to revise the *Taiwan Relations Act*.
5. The United States has not altered its position regarding sovereignty over Taiwan.
6. The United States will not exert pressure on Taiwan to enter into negotiations with the PRC.

<sup>148</sup> "Menedez, Rubio: "Six Assurances" continued foundation of U.S.-Taiwan Relations," May 19, 2016, <https://www.menendez.senate.gov/newsroom/press/menendez-rubio-six-assurances-continued-foundation-of-us-taiwan-relations>

<sup>149</sup> "Three Communiqués," American Institute in Taiwan, <https://www.ait.org.tw/tag/three-communiques/>

<sup>150</sup> Michael J. Green and Bonnie S. Glaser, "What Is The U.S. "One China" Policy, and Why Does it Matter?," *CSIS*, January 13, 2017, <https://www.csis.org/analysis/what-us-one-china-policy-and-why-does-it-matter>

<sup>151</sup> Chong Ja Ian, "The Many 'One Chinas': Multiple Approaches to Taiwan and China," Carnegie Endowment for International Peace, February 9, 2023, <https://carnegieendowment.org/2023/02/09/many-one-chinas-multiple-approaches-to-taiwan-and-china-pub-89003>

<sup>152</sup> "The Six Assurances to Taiwan," July 1982, <http://www.taiwandocuments.org/assurances.htm>

<sup>153</sup> Leigh Hartman, "U.S. reaffirms importance of Taiwan relationship," *ShareAmerica*, September 2, 2020, <https://share.america.gov/u-s-reaffirms-importance-of-taiwan-relationship/>

### Additional Legislation Pertaining to Taiwan

Though the aforementioned documents form the foundation for modern US Taiwan policy, the United States has passed into law several additional bills intended to strengthen the US-Taiwan relationship. These efforts have markedly increased in recent years, as Taiwan has enjoyed growing bipartisan support in Congress. Key legislation includes (but is not limited to):

- The Taiwan Travel Act of 2018: A bill removing many of the restrictions preventing US government officials from traveling to Taiwan. This act was signed into law by President Trump on March 16, 2018.<sup>154</sup>
- The *Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act* of 2019: A bill calling on the US government and government officials to advocate for Taiwan participation on the international stage.<sup>155</sup> This act was signed into law by President Trump on March 26, 2020.

Beyond these Taiwan-specific bills, language pertaining to the US-Taiwan relationship has been included in a wide range of additional bills focused on broader US foreign, economic, and defense policy. Perhaps most notably, Taiwan has been mentioned with increasing frequency in the annual National Defense Authorization Act (NDAA), with overall mentions surging to an unprecedented 471 in NDAA 2023. This suggests that Taiwan has emerged as a key priority for the US Congress, which could potentially translate into additional financial and materiel support for Taipei.

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<sup>154</sup> U.S. Congress, House, Taiwan Travel Act, PL 115-135, 115th Cong., signed by the President March 16, 2018, <https://www.congress.gov/bill/115th-congress/house-bill/535>

<sup>155</sup> U.S. Congress, House, *Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019*, PL 116-135, 116<sup>th</sup> Cong., signed by the President March 26, 2020, <https://www.congress.gov/bill/116th-congress/senate-bill/1678?q=%7B%22search%22%3A%5B%22Taiwan+Travel+Act%22%5D%7D&s=3&r=10>

## **Appendix III: Meetings Conducted During Delegation to Taiwan**

**President Tsai Ing-wen**

**Vice President William Lai**

**Minister of Foreign Affairs Joseph Wu**

**Secretary-General of the National Security Council Wellington Koo**

**Minister of the National Development Council Kung Ming-hsin**

**Minister of Economic Affairs Wang Mei-hua**

**Minister of the Mainland Affairs Council Chiu Tai-san**

**Minister of National Defense Chiu Kuo-cheng**

**Minister of Digital Affairs Audrey Tang**

**Democratic Progressive Party Co-Founder Chiou I-jen**

**Kuomintang Chairman Eric Chu**

**Members of the Legislative Yuan's Foreign Affairs and National Defense Committee**

**American Institute in Taiwan**

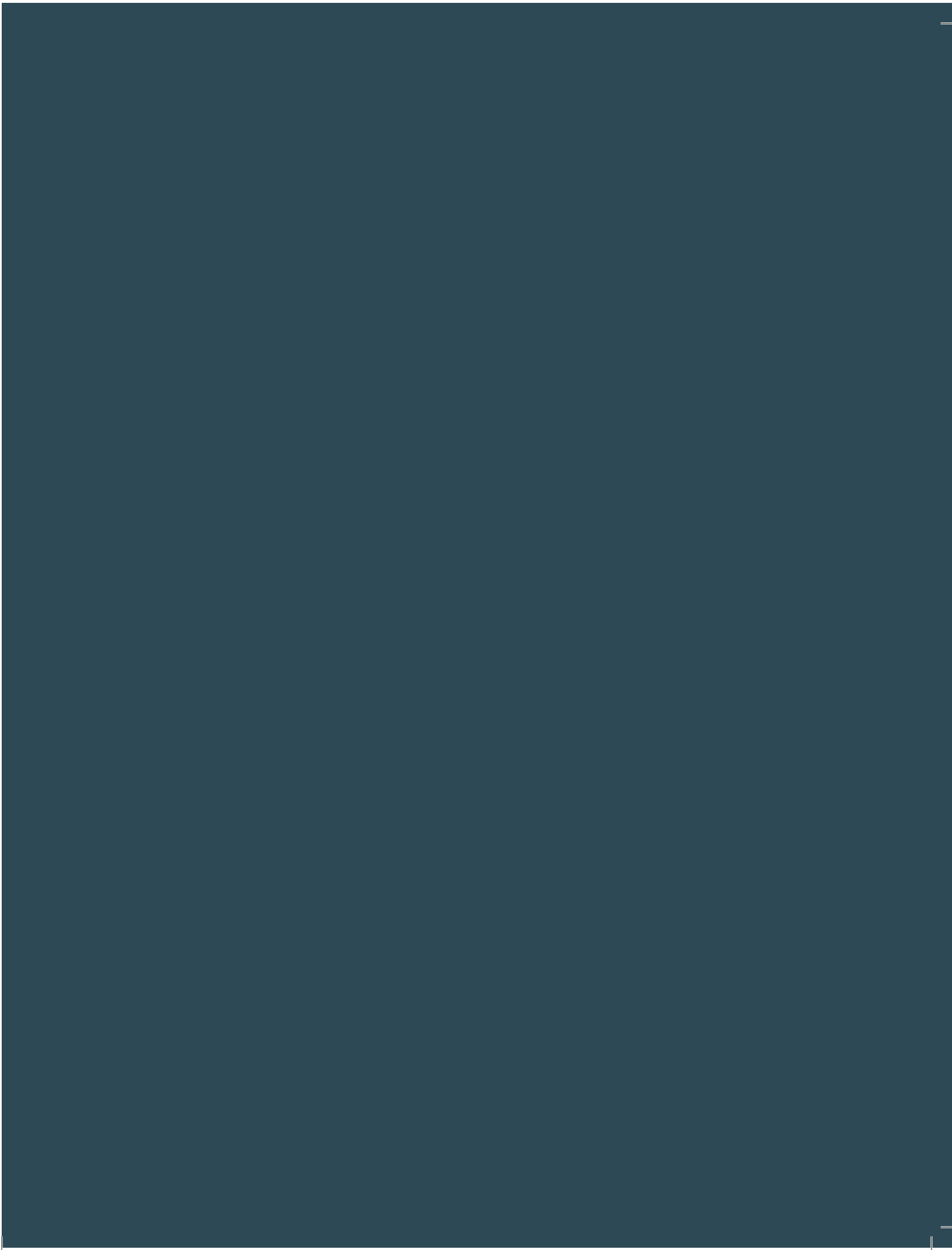
**Industrial Technology Research Institute**

**Institute for National Defense and Security Research**

**Taiwan Institute of Economic Research**

**Kuma Academy**





# Task Force Member Biographies

## Head of Delegation:

**Robert C. O'Brien** is co-founder and chairman of American Global Strategies LLC, as well as the chairman of GTI's US-Taiwan Task Force. He was the 27th United States national security advisor from 2019 – 2021. O'Brien served as the president's principal advisor on all aspects of American foreign policy and national security affairs. O'Brien brought a renewed focus to defense and industrial base issues to the National Security Council (NSC). A longtime advocate of a sea power and a 355 ship Navy, O'Brien visited leading shipyards during his tenure. He also spent time at defense plants and with our troops at bases around the world. During O'Brien's time as national security advisor, the United States orchestrated the historic Abraham Accords in the Middle East, brokered economic normalization between Serbia and Kosovo, achieved significant defense spending increases among our NATO allies and increased cooperation with America's allies across the Indo-Pacific. Prior to serving as NSA, O'Brien was the special presidential envoy for hostage affairs with the personal rank of ambassador. He was directly involved in the return of over 25 detainees and hostages to the United States. O'Brien previously served as co-chairman of the US Department of State Public-Private Partnership for Justice Reform in Afghanistan under both Secretaries of State Rice and Clinton. O'Brien was also a presidentially appointed member of the US Cultural Property Advisory Committee from 2008-2011. In 2005, O'Brien was nominated by President George W. Bush and unanimously confirmed by the US Senate to serve as a US representative to the 60th session of the UN General Assembly. Earlier in his career, O'Brien served as a senior legal officer for the UN Security Council commission that decided claims against Iraq arising out of the first Gulf War. He was a major in the Judge Advocate General's Corps of the US Army Reserve. O'Brien is partner emeritus at Larson LLP in Los Angeles, a nationally recognized litigation boutique that he co-founded in 2016. Over his career, he has served as counsel and arbitrator in dozens of international proceedings. O'Brien is the recipient of the National Security Medal, the National Intelligence Distinguished Service Medal, the Department of Defense Medal for Distinguished Public Service, the National Defense Medal, the Legion d'honneur (chevalier) and the Kosovo Presidential Medal of Merits. The National Museum of the Surface Navy named O'Brien the recipient of the 2021 Freedom of the Seas Award. Following the signing of the Abraham Accords in 2020, a tree was planted on behalf of the State of Israel at the John F. Kennedy Memorial Forest in the Hills of Jerusalem in honor of O'Brien. In 2019, O'Brien received the Dr. Miriam and Sheldon Adelson Award for the Defense of America and Israel. The UC Berkeley School of Law presented O'Brien with the Stefan A. Riesenfeld Memorial Award for outstanding contributions to the field of international law in 2011. O'Brien holds a JD from the UC Berkeley School of Law. He received his BA degree in political science, cum laude, from UCLA.

## Task Force Members:

**Allison Hooker** currently serves as senior vice president at American Global Strategies, handling the firm's Indo-Pacific practice. In addition, she serves as the vice chair of GTI's US-Taiwan Task Force. Prior to this, Ms. Hooker served at the National Security Council as deputy assistant to the president and senior director for Asian affairs, where she led the coordination and implementation of US policy toward the Indo-Pacific region and coordinated policy approaches with allies and partners in the Indo-Pacific and Europe. Prior to that, she served as special assistant to the president and senior director for the Korean Peninsula, where she focused on US policy toward the Koreas. Before her service at the White House, Ms. Hooker was a senior analyst for North Korea in the Department of State's Bureau of Intelligence and Research from 2001 to 2014. She was the 2013-2014 Council on Foreign Relations International Affairs Fellow in South Korea. She is a graduate of the George Washington University's Elliott School of International Affairs and has studied at Keio University and Osaka University in Japan.

**Keith Krach** is the former under secretary of state and chairman and co-founder of the Krach Institute for Tech Diplomacy. Krach is an American businessman, Silicon Valley innovator, philanthropist and public servant, noted for bringing transformational leadership to many sectors, including robotics, engineering, commerce, education, philanthropy, government and even the way people sign. He is the former

chairman of the Purdue Board of Trustees and recruited sitting Governor of Indiana, Mitch Daniels, to be the 12th president of the University. Krach was unanimously confirmed by the US Senate to serve as under secretary of state (2019-2021) to lead America's economic diplomacy portfolio. Krach led the development of the bipartisan Global Economic Security Strategy, built the Clean Network Alliance of Democracies to defeat the CCP's masterplan to control 5G communications, and strengthened ties with Taiwan by orchestrating the Lee Economic Prosperity Partnership Agreement and becoming the highest-ranking state department official to visit in 41 years. As a result of these and other national security initiatives, Krach and his family were sanctioned by the CCP. Krach served as DocuSign chairman & CEO for 10 years, transforming it from a startup to the global powerhouse it is today.

**Lieutenant General Wallace "Chip" Gregson (USMC, Ret.)** served as the assistant secretary of defense for Asian and Pacific security affairs. Previously, he served as chief operating officer for the United States Olympic Committee, then as an independent consultant before entering Government in 2009. From 2003 to 2005, he was commanding general of the Marine Corps Forces Pacific and Marine Corps Forces Central Command, where he led and managed over 70,000 Marines and Sailors in the Middle East, Afghanistan, East Africa, Asia and the United States. From 2001 to 2003 he served as commanding general of the III Marine Expeditionary Force in Japan, where he was awarded the Japanese Order of the Rising Sun, the Gold and Silver Star; the Korean Order of National Security Merit, Gukseon Medal; and the Order of Resplendent Banner from the Republic of China. Prior to his time in Japan, he was director of Asia-Pacific policy in the Office of the Secretary of Defense from 1998 to 2000. Lt. Gen. Gregson is a member of the Council on Foreign Relations; the US Naval Institute; and the Marine Corps Association. He is a former Trustee of the Marine Corps University Foundation, and currently is an advisor to the Global Taiwan Institute. His civilian education includes a bachelor's degree from the US Naval Academy, and master's degrees in strategic planning from the Naval War College, and international relations from Salve Regina College.

**Derek Mitchell** is a non-resident senior advisor to the Office of the President and the Asia Program at the Center for Strategic and International Studies (CSIS). Previously, he served as the president of the National Democratic Institute from 2018-2023. From 2012-2016, Mitchell served as US Ambassador to the Republic of the Union of Myanmar (Burma). He was America's first ambassador to the country in 22 years. From 2011-12, he served as the State Department's first special representative and policy coordinator for Burma, with the rank of ambassador. Prior to this, Mitchell served as principal deputy assistant secretary of defense, Asian and Pacific Security Affairs (APSA), in the Office of the Secretary of Defense. He spent six months as acting APSA assistant secretary of defense, and was responsible for overseeing the Defense Department's security policy in Northeast, Southeast, South, and Central Asia. For his service, he received the Office of the Secretary of Defense Award for Distinguished Public Service in August 2011. From 2001 to 2009, Mitchell served as senior fellow and director of the Asia Division of the International Security Program at CSIS.

**Kurt Tong** is the managing partner at The Asia Group. Prior to joining The Asia Group, Ambassador Tong served as consul general and chief of mission in Hong Kong and Macau. Ambassador Tong served as the principal deputy assistant secretary for economic and business affairs at the State Department, the agency's most senior career diplomat handling economic affairs, from 2014 to 2016. He was deputy chief of mission and chargé d'Affaires at the US Embassy in Tokyo from 2011 to 2014, where he played a key role in Japan's entry into the Trans-Pacific Partnership and supported Japan's recovery from the Great East Japan Earthquake. Prior to these positions, Ambassador Tong served as ambassador for Asia-Pacific Economic Cooperation (APEC) in 2011, leading the US chairmanship of the organization during one of the most productive periods for APEC. As director of Korean affairs in the State Department's Bureau of East Asia and Pacific Affairs, he played a leadership role in negotiations with North Korea as part of the Six-Party Talks and in securing the release of captive Americans held in Pyongyang. He was one of the original architects of the Trans-Pacific Partnership and the US-Korea Free Trade Agreement during the Bush and Obama administrations, including while serving as director for Asian economic affairs at the White House National Security Council from 2006 to 2008.

**Stephen Young** served as a US diplomat for over 33 years, with assignments in Washington, Taipei, Moscow, Beijing, Kyrgyzstan, and Hong Kong. He earned a BA at Wesleyan University and a PhD in

history at the University of Chicago. Young was ambassador to the Kyrgyz Republic, director of the American Institute in Taiwan (AIT) and consul general to Hong Kong. Young first lived in Taiwan as a teen in the 1960's, when his father was a MAAG Advisor to the Taiwan military. He has lived a total of 11 years in Taiwan. Since retiring to his family home in New Hampshire in 2013, Young has been writing and speaking. He was a Visiting Professor at Wesleyan University in 1994-95, where he taught a seminar on modern Chinese foreign policy. Young speaks Russian and Chinese. His wife, Barbara Finamore, founded the China Program in Beijing for the Natural Resources Defense Council (NRDC).

**Jennifer Hu** is the chair of the board of directors at the Global Taiwan Institute. A GTI co-founder, she previously served as vice chair of the board of directors from 2016-2020, before becoming chair in 2020. At GTI, she leads the institute's strategic growth and development, planning, and fundraising initiatives. In addition to her work at GTI, she is an expert in high-speed rail and intercity passenger rail safety and regulatory issues. She also advises on federal regulatory, policy, and legislative issues related to high-speed rail, railroad safety, and surface transportation. Hu serves as a voting member representing rail passengers on a federal advisory committee and also serves on two Transportation Research Board standing committees. Prior to joining large infrastructure projects in 2010, she spent several years in Taiwan where she held public service positions including presidential aide at the Office of the President of Taiwan, and the director-general of the Bureau of Civil Affairs at the Tainan City Government. She received a BS from the Massachusetts Institute of Technology, an MSFS from Georgetown University, and a JD and LLM from The George Washington University Law School. She is a member of the New York and Texas Bars.

**Ivan Kanapathy** is an adjunct professor at Georgetown University's Edmund A. Walsh School of Foreign Service. He also serves as a senior associate (non-resident) at the Center for Strategic and International Studies (CSIS). From March 2018 to July 2021, Kanapathy served on the White House's National Security Council staff as director for China, Taiwan, and Mongolia and deputy senior director for Asian affairs. Prior to this position, he worked at the American Institute in Taiwan, representing US interests and advising on military and security issues in Taipei. Kanapathy holds an MA (with distinction) in East Asia security studies from the Naval Postgraduate School, a BS in physics and economics from Carnegie Mellon University, and an AA and diploma (with highest honors) in Chinese – Mandarin from the Defense Language Institute.

**Lanhee J. Chen**, PhD is the David and Diane Steffy Fellow in American Public Policy Studies at the Hoover Institution and an affiliate of the Center on Democracy, Development and the Rule of Law in the Freeman-Spogli Institute for International Studies at Stanford University. A veteran of several high-profile political campaigns and himself a candidate for statewide office in California, Chen has worked in politics, government, business, and academia. In his 2022 campaign for California State Controller, Chen was the strongest-performing statewide Republican, earned more votes than any other Republican candidate in the country in the general election, and won endorsements from every major newspaper in the state. Chen has advised numerous major campaigns, including four presidential efforts. In 2012, he was policy director of the Romney-Ryan campaign, and served as Governor Mitt Romney's chief policy adviser, a senior strategist on the campaign, and the person responsible for developing the campaign's domestic and foreign policy. Chen earned his PhD and AM in political science from Harvard University; JD cum laude from Harvard Law School; and an AB magna cum laude in Government from Harvard College.

**Carolyn Bartholomew** serves as commissioner of the US-China Economic and Security Review Commission and is chair of Radio Free Asia's Board of Directors and has served on the Board since Fall 2021. Prior to these positions, Bartholomew held senior-level positions in Congress, including on key committees overseeing Asia foreign policy and funding foreign aid, and congressional leadership, as a long-time counsel, legislative director, and chief of staff. She has particular policy expertise on US-China trade relations, security issues, and human rights, and has led efforts on the promotion of human rights and strengthening civil society in countries around the world. In addition, Bartholomew brings almost two decades of experience on nonprofit and corporate boards. Bartholomew was former chief of staff, counsel, legislative director, and foreign policy adviser to US House of Representatives Speaker Nancy Pelosi.



**Dr. Jerrold D. Green** is the president and chief executive officer of the Pacific Council on International Policy in Los Angeles. He is concurrently a research professor at the University of Southern California Annenberg School for Communication and Journalism. Green was previously a partner at Best Associates in Dallas, Texas, a privately held merchant banking firm with global operations. He also occupied a senior management positions at the RAND Corporation where he served as the director of international programs and development and was awarded the RAND Medal for Excellence. Green served for eight years as a member of the United States Secretary of the Navy Advisory Panel where he was awarded the Department of the Navy, Distinguished Civilian Service Award for his service. He currently serves on the Board of Directors of the Whittier Trust Company as well as having served multiple terms on the U.S. Department of State Advisory Committee on International Economic Policy (ACIEP), the Board of Directors of the California Club, the Advisory Committee of The Asia Society of Southern California, the Advisory Board of Whitney International University, the Board of Falcon Waterfree Technologies, the Board of Columbia University's Middle East Institute, and as an International Medical Corps Ambassador. Dr. Green is a reserve deputy sheriff with the Los Angeles County Sheriff's Department and has been a technical advisor to Activision Publishing in Santa Monica, California, where he consulted on the highly successful *Call of Duty* series.

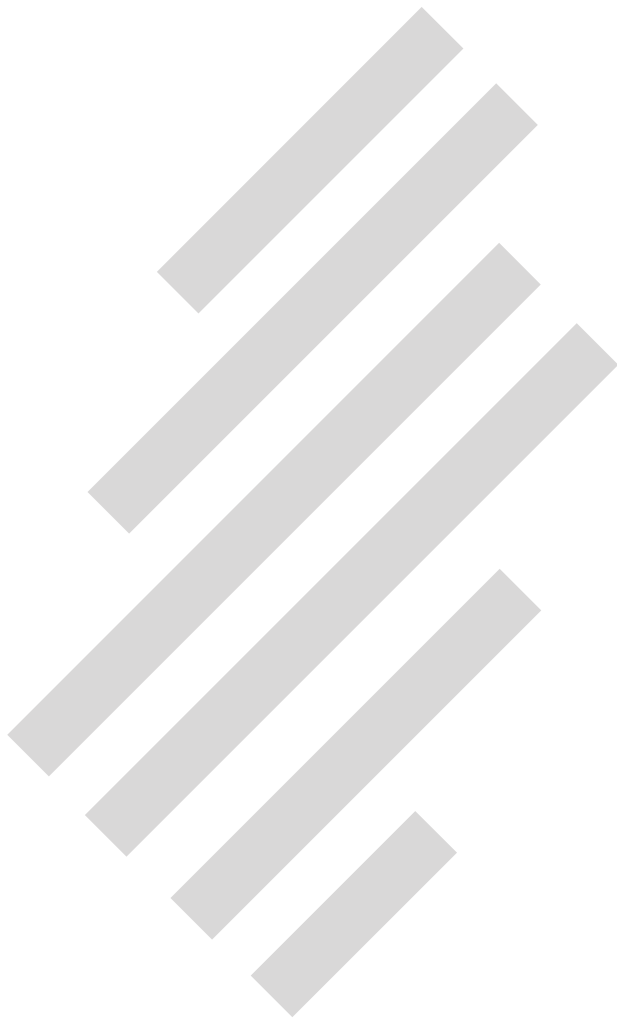
**Jamieson Greer** is a partner at King & Spalding in the firm's International Trade team. Prior to joining King & Spalding, Jamieson was the chief of staff to the US Trade Representative (USTR), Ambassador Robert Lighthizer. He worked very closely with Ambassador Lighthizer and senior White House officials on developing and implementing trade policy and advised the USTR on all aspects of the agency's mission. Greer was also deeply involved in the administration's negotiations on the Phase One trade deal with China and participated in numerous strategy sessions with Ambassador Lighthizer, the president and other cabinet members as part of that process. He was a critical part of USTR's efforts to negotiate and obtain Congressional approval of the new United States-Mexico-Canada Agreement. Before working at USTR, Greer spent several years in private practice focusing on trade-related matters, from compliance with US export controls to transactions subject to CFIUS's approval, trade remedies and antidumping laws. Greer also served in the US Air Force Judge Advocate General's Corps, including a deployment to Iraq. He served as both prosecutor and defense counsel in criminal investigations and courts-martial involving US airmen.

**Shihoko Goto** is the director for geoeconomics and Indo-Pacific enterprise and deputy director for the Asia Program at the Wilson Center. She specializes in trade relations and economic issues across the Indo-Pacific, and is also focused on the political developments in Japan, South Korea, and Taiwan. She is also a columnist for The Diplomat magazine and contributing editor to The Globalist. She was a fellow of the Mansfield Foundation/Japan Foundation US-Japan Network for the Future for 2014 to 2016. Prior to joining the Wilson Center, she was a financial journalist covering the international political economy with a focus on Asian markets. As a correspondent for Dow Jones News Service and United Press International based in Tokyo and Washington, she has reported extensively on policies impacting the global financial system as well as international trade. She was also formerly a donor country relations officer at the World Bank. She received the Freeman Foundation's Jefferson journalism fellowship at the East-West Center and the John S. and James L. Knight Foundation's journalism fellowship for the Salzburg Global Seminar. She is fluent in Japanese and French. She received an MA in international political theory from the Graduate School of Political Science, Waseda University, Japan, and a BA in modern history, from Trinity College, University of Oxford, UK.

#### Rapporteur:

**Marshall Reid** is the program manager at GTI, as well as the host of GTI's podcast, GTI Insights. Previously, he worked as a program assistant with the Asia Program at the German Marshall Fund of the United States, where he helped to organize several international forums focused on East and South Asian affairs. He is also a Pacific Forum Young Leader. Prior to moving to Washington, DC, he served as an English instructor in Taipei, Taiwan, where he lived for just under a year. Marshall received his MA in International Affairs at the Elliott School of international affairs at George Washington University and his BA in history and international relations from Rhodes College in Memphis, Tennessee. He is proficient in Mandarin.







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