Congressional Research Service
Informing the legislative debate since 1914

Taiwan: Issues for Congress

Updated October 30, 2017

Congressional Research Service
https://crsreports.congress.gov
R44996

CRS REPORT
Prepared for Members and
Committees of Congress

Summary

Taiwan, which officially calls itself the Republic of China (ROC), is an island democracy of 23 million people located across the Taiwan Strait from mainland China. It is the United States' tenth-largest trading partner. Since January 1, 1979, the U.S. relationship with Taiwan has been unofficial, a consequence of the Carter Administration's decision to establish diplomatic relations with the People's Republic of China (PRC) and break formal diplomatic ties with self-ruled Taiwan, over which the PRC claims sovereignty. The Taiwan Relations Act (TRA, P.L. 96-8; 22 U.S.C. 3301 et seq.), enacted on April 10, 1979, provides a legal basis for the unofficial U.S.-Taiwan relationship. It also includes commitments related to Taiwan's security.

The PRC considers unofficiality in the U.S.-Taiwan relationship to be the basis for the U.S.-PRC relationship. Some Members of Congress have urged the executive branch to re-visit rules intended to distinguish the unofficial U.S.-Taiwan relationship from official U.S. relationships with diplomatic partners, in order to accord Taiwan greater dignity and respect.

The PRC continues to threaten the use of force to bring about Taiwan's unification with mainland China. Beijing codified that threat in 2005, in the form of an Anti-Secession Law. The United States terminated its Treaty of Mutual Defense with Taiwan as of January 1, 1980, but on the basis of the Taiwan Relations Act, it has remained involved in supporting Taiwan's military. Initially, support was focused on arms sales, which Taiwan Relations Act calls for "to enable Taiwan to maintain a sufficient self-defense capability." Starting in 1997, the security relationship broadened to include dialogues, training and military education opportunities for Taiwan military personnel, and support for other "non-hardware aspects of military capability."

After eight years of relative stability in the cross-Strait relationship during the administration of former Taiwan President Ma Ying-jeou (2008-2016), tensions between Taiwan and the PRC leadership have risen under current President Tsai Ing-wen of Taiwan's Democratic Progressive Party (DPP). The main point of disagreement is the long-standing issue of Taiwan's sovereignty. Beijing insists that President Tsai commit to the notion that Taiwan and mainland China are parts of "one China." President Tsai has been unwilling to make such a commitment.

Since President Tsai's election in January 2016, Beijing has progressively increased pressure on her government. Among other moves, it has established diplomatic relations with three countries that previously recognized Taiwan, pressured host countries to force Taiwan's unofficial representative offices to change their names, blocked Taiwan's participation as an observer at international meetings, stepped up deployments of the PRC military near Taiwan, reduced the number of mainland Chinese tourists visiting Taiwan, demanded that other countries return Taiwan citizens accused of crimes to the PRC, rather than Taiwan, and, for the first time, tried a Taiwan activist on charges of attempted subversion of the PRC state. Questions for Congress include whether the U.S. government should seek to support Taiwan in the face of mounting pressure from the PRC, and if so, how to balance such support with the U.S. interest in peace and stability across the Taiwan Strait and the desire for constructive relations with the PRC

The 115th Congress passed FY2017 appropriations legislation (P.L. 115-31) to fund the American Institute in Taiwan, through which the United States conducts relations with Taiwan. FY2018 appropriations legislation (H.R. 3354 and S. 1780) is pending. Other pending legislation includes the National Defense Authorization Act for FY2018 (H.R. 2810 and S. 1519), the Taiwan Security Act of 2017 (S. 1620), the Strengthening Security in the Indo-Asia-Pacific Act (H.R. 2621), the Taiwan Travel Act (S. 1051 and H.R. 535), a bill "To direct the Secretary of State to regain observer status for Taiwan in the World Health Organization" (H.R. 3320), and a resolution calling for negotiations to enter into a bilateral trade agreement with Taiwan (H.Res. 271).

Contents

Introduction 1
Taiwan's History 2
Nomenclature 4
Taiwan's Government Structure 5
Taiwan's Top Leaders 5
U.S.-Taiwan Relations 7
Long-Standing U.S. Commitments Related to Taiwan 7
The Three Joint Communiqués with the PRC 8
The Taiwan Relations Act 9
"The Six Assurances" to Taiwan 10
The 1994 Taiwan Policy Review 11
President Bill Clinton's "Three No's" (1998) 12
U.S. Policy Statements on Taiwan 12
Trump Administration Policy Toward Taiwan 13
The American Institute in Taiwan (AIT) 15
Status of AIT Personnel 16
AIT Budget 16
Taiwan's Representative Office in the United States 16
Taiwan and the Twin Oaks Estate in Washington, DC 18
Interactions Between U.S. and Taiwan Officials 19
Cabinet-Level U.S. Government Travel to Taiwan 20
Travel by Taiwan Leaders and Senior Officials to the United States 21
U.S. Security Cooperation with Taiwan 23
Dialogues 24
Training 25
Legislative Proposals for U.S.-Taiwan Port Calls 25
Legislative Proposals for Taiwan's Inclusion in Multilateral Military Training Activities 27
U.S. Arms Sales to Taiwan 28
U.S. Commitments Related to Taiwan Arms Sales 29
The Trump Administration and Taiwan Arms Sales 30
"Regularity" of Taiwan Arms Sales 31
Competing Assessments of Taiwan's Defense Needs 32
Taiwan's Non-NATO Ally Status 33
PRC Objections to Taiwan Arms Sales 34
Cooperation to Address Global Challenges 34
U.S.-Taiwan Commercial Ties 35
Visa Waiver 37
Cross-Strait Relations 37
The PRC Position on Taiwan 38
The "One-China Principle" and the "1992 Consensus" 38
Peaceful Reunification and "One Country, Two Systems" 39
The 2005 PRC Anti-Secession Law and the Threat of Use of Force 39
PRC Discourse on Taiwan Independence 40
Key Statements by Top PRC leaders 41
Taiwan's President Tsai and "One China" 41

Taiwan's KMT Opposition Party and "One China" ... 44
The U.S. Position on Cross-Strait Relations ... 44
PRC Actions to Pressure Taiwan to Endorse "One China" ... 45
Cross-Strait Economic Ties ... 48
Taiwan's Democracy ... 49
Taiwan's Economy ... 50
Taiwan's Engagement with the World ... 53
Diplomatic Partners ... 53
Taiwan Representative Offices Abroad ... 54
North Korea ... 55
Participation in the Global Coalition to Counter ISIS ... 55
Taiwan in International Organizations ... 56
The United Nations and Its Specialized Agencies ... 56
Asia-Pacific Economic Cooperation (APEC) ... 60
International Criminal Police Organization (INTERPOL) ... 61
Taiwan's Security ... 62
Taiwan's Defense Budget ... 63
Maritime Disputes ... 64
The East China Sea ... 64
The South China Sea ... 65
Legislation in the 115th Congress Related to Taiwan ... 66

Figures

Figure 1. Map of Taiwan ... 4
Figure 2. Taiwan Real GDP Growth: 2010-2017 ... 51
Figure 3. Annual Growth of Taiwan's Merchandise Trade: 2010-July 2017* ... 52
Figure 4. The ROC's "11-Dash Line" in the South China Sea ... 65

Tables

Table 1. Key AIT Personnel ... 15
Table 2. Key CCNAA/TECRO Personnel ... 17
Table 3. U.S. Cabinet-Level Visitors to Taiwan 1978-Present ... 21
Table 4. President Tsai's Transit Visits Through the United States ... 22
Table 5. Notifications of Proposed Major Arms Sales to Taiwan 2007-2017 ... 31
Table 6. Legislation on Taiwan Enacted into Law in the 115th Congress ... 67
Table 7. Provisions in the Pending National Defense Authorization Act for FY2018 (H.R. 2810) Related to Taiwan ... 68
Table 8. Other Pending Legislation in the 115th Congress Related to Taiwan ... 70

Table B-1. Major Arms Sales to Taiwan, 2000-2017 ... 75

Appendixes

Appendix A. The Six Assurances 73
Appendix B. Major Arms Sales to Taiwan 75

Contacts

Author Information..... 78

Introduction

Taiwan, which officially calls itself the Republic of China (ROC), is an island democracy of 23 million people located across the Taiwan Strait from mainland China and north of the Philippines. Since January 1, 1979, the U.S. relationship with Taiwan has been unofficial, a consequence of the Carter Administration's decision to establish diplomatic relations with the People's Republic of China (PRC) and break formal diplomatic ties with self-ruled Taiwan, over which the PRC claims sovereignty. At the time, both the PRC and the ROC insisted that the United States could have diplomatic relations with only one of them. The Taiwan Relations Act (TRA, P.L. 96-8; 22 U.S.C. 3301 et seq.), enacted on April 10, 1979, provides a legal basis for the unofficial U.S.-Taiwan relationship. It also includes commitments related to Taiwan's security.

Long-standing issues for U.S. policy, including for Congress, include how to balance support for Taiwan's democracy, prosperity, and security with the U.S. interest in peace and stability across the Taiwan Strait and the desire for constructive relations with the PRC, whose global influence continues to grow. Congress has shown a strong interest in executive branch implementation of the Taiwan Relations Act, including executive branch decisions related to arms sales to Taiwan, which are called for by the Taiwan Relations Act, and other security-related support for Taiwan. Over the decades since 1979, many Members have pressed the executive branch to ease self-imposed U.S. restrictions on contacts with Taiwan officials and representatives, which they consider to be inappropriate for a former treaty ally that has evolved to become a flourishing democracy, the United States' tenth-largest merchandise trading partner, and its second largest customer for Foreign Military Sales. Congress has also shown a strong interest in helping Taiwan break out of the international isolation imposed on it by the PRC, by, for example, supporting Taiwan's efforts to participate in international organizations.

Before his inauguration, President Donald J. Trump had signaled that he might seek a closer relationship with Taiwan than his immediate predecessors. On December 2, 2016, then-President-elect Trump spoke by telephone with Taiwan's President Tsai Ing-wen, making him the first incoming or incumbent U.S. president known to speak with a Taiwan president during the era of unofficial relations.[1] In a December 11, 2016, Fox News interview, President-elect Trump appeared to question the U.S. "one-China" policy, under which the United States recognizes the PRC as "the sole legal Government of China" and maintains only unofficial relations with Taiwan, while also honoring commitments in the Taiwan Relations Act.[2] In a February 9, 2017, telephone call with PRC President Xi Jinping, however, President Trump recommitted the United States to its "one-China" policy.[3]

The United States has a strong interest in the relationship between Taiwan and the PRC. With the landslide victory of President Tsai and her traditionally China-skeptic Democratic Progressive Party (DPP) in Taiwan's January 2016 elections, Taiwan's relations with the PRC entered a new, less stable, era. Mindful of the views of her supporters, Tsai has declined to embrace the position that Taiwan and mainland China are both parts of "one China," although she has not refuted it either. The PRC has ratcheted up pressure on her to endorse the concept, which her predecessor

[1] Anne Gearan, Philip Rucker, and Simon Denyer, "Trump's Taiwan Phone Call Was Long Planned, Say People Who Were Involved," *The Washington Post*, December 4, 2016, https://www.washingtonpost.com/politics/trumps-taiwan-phone-call-was-weeks-in-the-planning-say-people-who-were-involved/2016/12/04/f8be4b0c-ba4e-11e6-94ac-3d324840106c_story.html.

[2] "Exclusive: Donald Trump on Cabinet Picks, Transition Process," Fox News Sunday, December 11, 2016, http://www.foxnews.com/transcript/2016/12/11/exclusive-donald-trump-on-cabinet-picks-transition-process.html.

[3] The White House, "Readout of the President's Call with President Xi Jinping of China," February 9, 2017, https://www.whitehouse.gov/the-press-office/2017/02/09/readout-presidents-call-president-xi-jinping-china.

from the Kuomintang (KMT) party, Ma Ying-jeou, had accepted with caveats. The PRC has suspended communications mechanisms across the Taiwan Strait, established diplomatic relations with three countries that previously recognized Taiwan, pressured host countries to force Taiwan's unofficial representative offices to change their names, blocked Taiwan's participation as an observer at international meetings, stepped up deployments of the PRC military near Taiwan, reduced the number of mainland Chinese tourists visiting Taiwan, demanded that other countries return Taiwan citizens accused of crimes to the PRC, rather than Taiwan, and, for the first time, tried a Taiwan activist on charges of attempted subversion of the PRC state. After Taiwan's most significant diplomatic partner, Panama, switched recognition to the PRC in June 2017, President Tsai declared, "Coercion and threats will not bring the two sides closer. Instead, they will drive our two peoples apart." She said that Taiwan "will never surrender to such intimidation."[4]

Taiwan's History[5]

Taiwan was originally settled by Austronesian peoples (also called "aboriginals") about 6,000 years ago.[6] Approximately 500,000 of their descendants live on Taiwan today. Dutch traders arrived in 1623 and established a settlement on the southwest coast. The Dutch East India Company administered most of Taiwan until 1661. The Spanish maintained settlements in northern Taiwan from 1626 to 1642. Migration from the Chinese mainland to Taiwan continued throughout.

In 1661, Zheng Chenggong, also known as Koxinga, led a force of more than 25,000 men from the Chinese mainland to Taiwan. They expelled the Dutch and established a civil administration in opposition to China's Qing Dynasty rulers. Zheng died in 1662. His son continued the struggle against the Qing until his death in 1681. The Qing established control over Taiwan in 1683.[7]

In 1895, at the end of the First Sino-Japanese War (1894-1895), the Qing Dynasty ceded Taiwan to Japan in the Treaty of Shimonoseki. Taiwan remained a Japanese colony for 50 years, until the end of World War II. The Republic of China, which was founded on January 1, 1912 on mainland China and led by the Kuomintang Party (KMT), assumed control of Taiwan on October 25, 1945, also known as "Retrocession Day." In February 1947, residents of Taiwan staged an uprising against KMT rule. KMT forces put down the unrest by force, at the cost of as many as 28,000 lives, in what is now known as the February 28 or "2-28" Incident.[8]

In December 1949, after losing a civil war on mainland China to the forces of the Communist Party of China (CPC), the KMT moved the seat of the ROC across the Taiwan Strait to Taipei, Taiwan. An estimated 1.5 million to 2 million Chinese fled with the KMT to Taiwan. Families

[4] Office of the President, Republic of China (Taiwan), "President Tsai's Remarks on Termination of Diplomatic Relations with Panama," June 13, 2017, http://english.president.gov.tw/NEWS/5161.

[5] Shelley Rigger, *Why Taiwan Matters: Small Island, Global Powerhouse*, Rowman & Littlefield Publishers, Inc., 2014; Cecilia Sun, Laura Lee-Chin and Alfred Ritter, "Democracy in Taiwan: Part One," *World Affairs*, vol. 155, no. 2, (Fall 1992), pp. 53-57, http://www.jstor.org/stable/20672339.

[6] Albert min-Shan Ko, Chung-Yu Chen, and Qiaomei Fu, et al., "Early Austronesians: Into and Out of Taiwan," *The American Journal of Human Genetics*, vol. 94, issue 3 (March 6, 2014), pp. 426-436.

[7] Ralph C. Croizier, "Zheng Chenggong," *Encyclopedia Britannica*, October 15, 2009, https://www.britannica.com/biography/Zheng-Chenggong.

[8] Chris Horton, "Taiwan Commemorates a Violent Nationalist Episode, 70 Years Later," *The New York Times*, February 26, 2017, https://www.nytimes.com/2017/02/26/world/asia/taiwan-1947-kuomintang.html; Nicholas D. Kristof, "Taipei Journal: The Horror of 2-28: Taiwan Rips Open the Past," *The New York Times*, April 3, 1992, http://www.nytimes.com/1992/04/03/world/taipei-journal-the-horror-of-2-28-taiwan-rips-open-the-past.html.

whose forebears arrived in Taiwan with the KMT in the 1940s are known in Taiwan today as "mainlanders." Ethnic Chinese whose forebears lived on the island before the arrival of the KMT are known as "Taiwanese."

On Taiwan, the KMT administered decades of authoritarian one-party rule. In May 1948, while still based on mainland China, the ROC National Assembly adopted "Temporary Provisions Effective During the Period of National Mobilization for Suppression of the Communist Rebellion," suspending many of the freedoms outlined in the ROC constitution. The National Assembly imposed martial law on Taiwan on May 20, 1949. Martial law remained in effect for 38 years, until July 15, 1987, when President Chiang Ching-Kuo lifted it in the last year of his life. The move ended military censorship and the trial of citizens by military courts and opened the way for political liberalization. Taiwan legalized the formation of political parties in 1989 with passage of the Law on the Organization of Civic Groups. The DPP, founded in September 1986 with strong support from native Taiwanese, claims credit for a major role in "toppling the KMT's one-party dictatorship."[9] The National Assembly formally cancelled the "Temporary Provisions" in 1991.

Taiwan held its first direct election for the Legislative Yuan, Taiwan's parliament, in December 1992. It held its first presidential election in 1996. Chen Shui-bian of the DPP was Taiwan's first non-KMT president, serving two terms from 2000-2008. Ma Ying-jeou of the KMT served two terms from 2008 to 2016.Taiwan presidents are limited to two four-year terms. In January 2016 elections, the DPP won both the presidency and, for the first time, control of the legislature. The DPP describes itself as "the party of democracy, freedom, human rights, and a strong Taiwanese identity," the latter in contrast to the KMT, with its roots in mainland China.[10]

Long after the retreat to Taiwan, the KMT continued to vow to re-take mainland China. In 1971, however, United Nations General Assembly Resolution 2758 recognized the PRC's representatives as "the only legitimate representatives of China to the United Nations," and expelled "the representatives of Chiang Kai-shek," the ROC's then-President.[11] (See "The United Nations and Its Specialized Agencies," below.) Since canceling the related "Temporary Provisions" in 1991, the ROC government has claimed "effective jurisdiction" only over Taiwan, the archipelagos of Penghu, Kinmen (also known as Quemoy), and Mazu (also known as Matsu), and a number of smaller islands. ROC sovereignty claims also include disputed islands in the East China Sea and South China Sea.

[9] Democratic Progressive Party, "Welcome to the DPP: About Our Party," accessed on May 23, 2016, http://english.dpp.org.tw/about-the-dpp/.

[10] Ibid.

[11] United Nations General Assembly Resolution 2758 (XXVI), "Restoration of the Lawful Rights of the People's Republic of China in the United Nations," October 25, 1971, https://documents-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/327/74/IMG/NR032774.pdf.

Figure 1. Map of Taiwan

Source: Graphic created by CRS. Map and information generated by Hannah Fischer using data from National Geospatial-Intelligence Agency (2017); Department of State (2017); Esri (2014); DeLorme (2014).

Nomenclature

Nomenclature for Taiwan is highly contested. The government of Taiwan officially calls itself the Republic of China (ROC). To distinguish the ROC from the PRC, official government websites in Taiwan often use the name, "Republic of China (Taiwan)." Taiwan's ruling party, the Democratic Progressive Party, considers the "Republic of China" name to have been imposed on Taiwan by the KMT, which assumed control of Taiwan in 1945, when the Japanese gave up their colonial rule of the island. A revision of the DPP's Party Charter in 1991 called for the establishment of a "Republic of Taiwan." President Tsai, however, regularly uses the name, "Republic of China."

The PRC maintains that the ROC ceased to exist when the PRC was established. Beijing refers to the government of Taiwan as the "Taiwan authorities," and to the President of Taiwan as "the leader of the Taiwan authorities." Beijing has effectively blocked Taiwan from using the ROC name internationally. In the World Trade Organization, Taiwan is the "Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu," also known as "Chinese Taipei." In many other international fora, Taiwan is "Chinese Taipei."

U.S. executive branch policy is to use the name "Taiwan" instead of "Republic of China" or "Republic of China on Taiwan"; to refer to Taiwan as an "area" or "economy," rather than a "country"; and to refer to the "Taiwan authorities," rather than to the Taiwan "government."[12] The

[12] U.S. Department of State, "Guidelines on Contacts with Taiwan," unclassified memorandum to diplomatic and consular posts, October 7, 2013.

U.S. Congress' most significant legislation related to Taiwan, the 1979 Taiwan Relations Act, refers to Taiwan's government as, "the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979." Multiple pieces of legislation since then, however, have referred to Taiwan as the "Republic of China" or the "Republic of China on Taiwan." In recent years, legislation has increasingly referred to Taiwan simply as "Taiwan."[13] The Legislative Branch is not subject to executive branch rules on how to refer to Taiwan.

Taiwan's Government Structure

Taiwan's central government consists of the Office of the President and five government branches, known as "yuan." The president serves as head of state and commander of the armed forces. Descriptions of the five yuan follow.

- **The Executive Yuan**, headed by a premier appointed by the President, is Taiwan's cabinet. Members include the vice premier, ministers, chairpersons of commissions, and ministers without portfolio.
- **The Legislative Yuan** is Taiwan's unicameral parliament, with 113 members, all elected for four-year-terms with no term limits. In the January 2016 election, the DPP won 68 seats, ending the KMT's previously unbroken control of the body. The KMT won 35 seats, the New Power Party five seats, the People's First Party (PFP) 3 seats, the Non-Partisan Solidarity Union (NPSU) 1 seat, and an independent candidate who caucuses with the DPP 1 seat.[14]
- **The Judicial Yuan** oversees Taiwan's judiciary.
- **The Examination Yuan** administers Taiwan's civil service system, including standards for employment, salaries, and benefits.
- **The Control Yuan**, which includes the National Audit Office, monitors government expenditures and investigates allegations of wrongdoing by public servants or agencies.[15]

An ongoing debate in Taiwan about constitutional reform includes discussion of whether Taiwan should abolish the Examination Yuan and the Control Yuan, whose functions are often portrayed as relatively narrow.

Taiwan's Top Leaders

Taiwan's top leaders are listed below, with their family names preceding their given names.

President Tsai Ing-wen, 61, took office on May 20, 2016. In the January 2016 elections, she won 56% of the vote in a three-way race. Her inauguration marked the third transfer of presidential power from one party to another through a peaceful electoral process since Taiwan began holding direct presidential elections in 1996. She serves concurrently as chair of the DPP.

[13] In the 115th Congress, S. 1620, The Taiwan Security Act of 2017, for example, would direct the Secretary of Defense to permit the U.S. Pacific Command to receive port calls by "the navy of the Republic of China." The bill includes an additional 33 references to "Taiwan."

[14] Alison Hsiao, "Elections: DPP to Control Legislative Yuan," *Taipei Times*, January 17, 2016, http://www.taipeitimes.com/News/taiwan/archives/2016/01/17/2003637414.

[15] Executive Yuan, Republic of China (Taiwan), "Government," *The Republic of China Yearbook 2016*, http://english.ey.gov.tw/cp.aspx?n=8A84304601DEC81E.

President Tsai was born in 1956, trained as a lawyer in Taiwan, earned a master's degree in law from Cornell University in 1980 and a Ph.D. in law from the London School of Economics and Political Science in 1984, with a specialization in international trade law and competition law. She served as a law professor at universities in Taiwan from 1984 to 2000.

Tsai began her public service career while still teaching law. From 1992 to 2000, she served as Chief Legal Advisor to Taiwan's negotiating team for its bid to join the General Agreement on Tariffs and Trade (GATT), the predecessor organization to the World Trade Organization (WTO). Taiwan gained WTO membership in 2002. From 1994 to 1998, she also served as Senior Advisor to Taiwan's Mainland Affairs Council, and from 1999 to 2000 as a Senior Advisor to President Lee Teng-hui's National Security Council.

Transitioning to full-time government service, Tsai served as Chair of Taiwan's Mainland Affairs Council under President Chen Shui-bian from 2000 to 2004. Tsai joined the Democratic Progressive Party (DPP) in 2004 and won election to Taiwan's parliament, the Legislative Yuan, where she served from 2004 to 2006. She served as Vice Premier under President Chen from 2006-2007. Tsai first won election to be chair of the DPP from 2008 to 2012, and regained the chairmanship in 2014. She is Taiwan's first female president and also, according to her official biography, "the first female head of state in Asia who was not born into a political family." Her family ran an auto repair shop.[16]

Public support for Tsai appears to have fallen off sharply since her inauguration. In August 2017, the Taiwanese Public Opinion Foundation's monthly public opinion poll found 29.8% of respondents approved of her leadership, the lowest percentage of her time in office so far. Respondents were particularly critical of her handling of judicial reforms and a major infrastructure development project.[17]

Vice President Chen Chien-jen, 66, is a noted epidemiologist who received a Doctor of Science degree in epidemiology and human genetics from Johns Hopkins University in 1982. Vice President Chen's prior public service includes positions as Minister of the National Science Council (2006-2008), Minister of Health (2003-2005), a post he took over at the height of the 2003 Severe Acute Respiratory Syndrome (SARS) outbreak on the island, and Vice President of Academica Sinica, Taiwan's most prestigious research institution (2011-2016). In his official biography, Chen describes himself as a devout Catholic who has had audiences with Pope John Paul II, Pope Benedict XVI, and Pope Francis.[18] Chen is a political independent.

Premier Lai Ching-te (William Lai), 57, trained as a physician and holds a master's degree in public health from Harvard University. Often described as a political rival of President Tsai, he served 11 years as a DPP legislator and a subsequent seven years, from 2010 to 2017, as mayor of the city of Tainan before Tsai appointed him premier on September 5, 2017. Questioned about the relationship between the two sides of the Taiwan Strait in his first appearance before the Legislative Yuan, Lai set off a political firestorm by stating, "We are a sovereign independent country. Our name is the Republic of China. The two sides of the Strait are not subordinate to each other. That is the real relationship at present."[19] Lai is President Tsai's second premier. His predecessor, Lin Chuan, a political independent, resigned on September 4, 2017.

---

[16] Office of the President, Republic of China (Taiwan), "President Tsai," http://english.president.gov.tw/Page/40, accessed October 3, 2017.

[17] Sophia Yeh and Elizabeth Hsu, "President's Rating Hits New Low, Taipei Mayor Liked by 70%: Poll," Focus Taiwan, August 14, 2017, http://focustaiwan.tw/news/aipl/201708140021.aspx.

[18] Office of the President, Republic of China (Taiwan), "Vice President Chen," http://english.president.gov.tw/Page/41.

[19] "賴清德：不會另行宣布台灣獨立" (Lai Ching-te: Will Not Separately Declare Taiwan Independence), CNA,

Legislative Yuan Speaker Su Jia-chyuan, 60, is the first non-KMT member to serve as Speaker of Taiwan's parliament. He was previously the DPP's Secretary-General. Su served earlier in his career as Chairman of Taiwan's Council of Agriculture, Minister of the Interior, and as a legislator from Pingtung County for two terms, from 1992 to 1997.

U.S.-Taiwan Relations

The United States terminated diplomatic relations with Taiwan on January 1, 1979, and established diplomatic relations with the PRC. At the time, both Taiwan and the PRC insisted that countries could only have relations with one of them, not both. Since the break in diplomatic relations, the United States has maintained a highly unusual relationship with Taiwan, one that is extensive and vibrant but also officially "unofficial" and low profile. With no precedent for such a relationship with a security partner and major trading partner, U.S. policymakers have long improvised rules for how the unofficial relationship with Taiwan should differ from the official relationships that the United States maintains with diplomatic partners. Those rules, which are not negotiated with Beijing, have evolved over time.

In its management of Taiwan policy, the executive branch has sought to assure the PRC that the United States is upholding its commitments to the PRC and is not conferring "officiality" on the U.S.-Taiwan relationship. At the same time, it has sought to demonstrate to Taiwan and Taiwan's supporters in the United States that it is honoring the Taiwan Relations Act, which includes security commitments related to Taiwan. The executive branch has also sought to portray itself as responsive to calls from Members of Congress and others for the United States to accord Taiwan the dignity and respect that many believe Taiwan deserves for its democratic and economic achievements.

A core goal of U.S. policy has been the preservation of peace and stability in the Taiwan Strait, seeing it as central to the security of Asia. To achieve that goal, the United States has long opposed unilateral changes in the status quo by either the PRC or Taiwan. Since 1998, U.S. officials have explicitly stated that the United States does not support Taiwan independence, though they do not say that the United States opposes it.

Long-Standing U.S. Commitments Related to Taiwan[20]

A series of U.S. commitments related to Taiwan underpin the U.S.-Taiwan relationship. The executive branch's shorthand for those commitments, in the words of a senior Trump Administration official, is that the United States adheres to "our one-China policy that's based on the three joint communiqués with China, as well as the Taiwan Relations Act."[21]

---

http://www.cna.com.tw/news/firstnews/201709265011-1.aspx. CRS translation. Some English-language reports inaccurately translated his words more provocatively, as "The two sides of the Taiwan Strait are independent of each other, with Taiwan being an independent sovereign state carrying the designation the 'Republic of China.'" Chen Chun-hua, Justin Su, and Y.F. Low, "Premier Says His Stance on Taiwan, China Not Contradictory," CNA via Focus Taiwan, September 26, 2017, http://focustaiwan.tw/news/aipl/201709260018.aspx; Lu Hsin-hui, Yeh Su-ping, and Flor Wang, "Constitutional Reform a Bottom-Up Task: President Tsai," CNA via Focus Taiwan, October 2, 2017, http://m.focustaiwan.tw/news/aipl/201710020007.aspx.

[20] For a detailed analysis of the key documents that underpin the U.S.-Taiwan and U.S.-China relationships, see Richard C. Bush, "The 'Sacred Texts' of United States-China-Taiwan Relations," in *At Cross Purposes: U.S.-Taiwan Relations Since 1942* (M.E. Sharpe, 2004), pp. 124-178.

[21] The White House, "Background Briefing by Senior Administration Officials on the Visit of President Xi Jinping of the People's Republic of China," April 4, 2017, https://www.whitehouse.gov/the-press-office/2017/04/04/background-

The Three Joint Communiqués with the PRC

The United States concluded joint communiqués with the PRC in 1972, 1978, and 1982, all with key provisions related to Taiwan. The first two communiqués paved the way for the establishment of diplomatic relations between the United States and China on January 1, 1979. As executive decrees, the three joint communiqués do not have the force of law.

- In a 1972 joint communiqué, known as the Shanghai Communiqué, the Nixon Administration declared 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 added that the United States, "reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves."[22]
- In a 1978 joint communiqué on the establishment of U.S.-PRC diplomatic relations, the Carter Administration stated that the United States "recognizes the People's Republic of China as the sole legal Government of China." The Administration reserved the right to maintain unofficial relations with Taiwan by stating, "Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan." Revising the language in the Shanghai Communiqué, the 1978 communiqué also states that, "The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China."[23]
- The 1982 joint communiqué begins with a summary of the 1978 joint communiqué, stating that in that document, the United States "recognized the Government of the People's Republic of China as the sole legal Government of China, and it acknowledged the Chinese position that there is but one China and Taiwan is part of China. Within that context, the two sides agreed that the people of the United States would continue to maintain cultural, commercial, and other unofficial relations with the people of Taiwan." The heart of the 1982 joint communiqué is commitments related to arms sales to Taiwan. The communiqué states that, "the United States Government understands and appreciates the Chinese policy of striving for a peaceful resolution of the Taiwan question." In that context, the communiqué states that the United States "does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends gradually to reduce its sale of arms to Taiwan, leading, over a period of time, to a final resolution."[24]

The PRC argues that by agreeing to the language in the three joint communiqués, the United States agreed that Taiwan is a part of China, a position that the PRC's government sees as being

briefing-senior-administration-officials-visit-president-xi.

[22] "U.S.-PRC Joint Communique (1972)," February 28, 1972, https://www.ait.org.tw/our-relationship/policy-history/key-u-s-foreign-policy-documents-region/u-s-prc-joint-communique-1972/.

[23] Joint Communique of the United States of America and the People's Republic of China (Normalization Communique)," January 1, 1979 (released December 15, 1978), https://www.ait.org.tw/our-relationship/policy-history/key-u-s-foreign-policy-documents-region/u-s-prc-joint-communique-1979/.

[24] "U.S.-PRC Joint Communique (1982)," August 17, 1982, https://www.ait.org.tw/our-relationship/policy-history/key-u-s-foreign-policy-documents-region/u-s-prc-joint-communique-1982/.

at the heart of the "one China" policy that it demands of its diplomatic partners. Many U.S. commentators, including prominent retired U.S. officials, assert that the United States acknowledged *China's position* that Taiwan is part of China, but did not commit to that being the U.S. position, leaving the U.S. position on Taiwan's status as part of China ambiguous.[25]

The Taiwan Relations Act

On April 10, 1979, 100 days after terminating diplomatic relations with Taiwan, President Carter signed into law the Taiwan Relations Act (P.L. 96-8, U.S.C. 3301 et seq.), including security commitments that Congress added to the Carter Administration's original draft of the legislation.[26] Key provisions of the TRA include:

- Relations with Taiwan shall be carried out through the American Institute in Taiwan (AIT), a non-profit corporation.
- It is U.S. policy "to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States."
- It is U.S. policy "to maintain the capacity of the United States 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."
- The United States "will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability."
- "The president is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom. The President and the Congress shall determine, in accordance with constitutional processes, appropriate action by the United States in response to any such danger."
- "Whenever the laws of the United States refer or relate to foreign countries, nations, states, governments, or similar entities, such terms shall include and such laws shall apply with respect to Taiwan."

The Taiwan Relations Act does not require the United States to come to Taiwan's defense in the case of a potential attack from China, but leaves open the possibility that the United States might do so, creating a policy often referred to as "strategic ambiguity." The policy is intended to deter the PRC from attacking Taiwan and to deter Taiwan from taking actions that might provoke a PRC attack.

Executive Order (E.O.) 13014, issued by President Clinton on August 15, 1996, directs how the executive branch should implement the Taiwan Relations Act. Entitled "Maintaining Unofficial

[25] See, for example, Richard C. Bush, "A One-China Policy Primer," Brookings Institution, March 2017. Bush, a former AIT Chairman, writes that, "By only acknowledging 'the Chinese position,' the United States did not adopt [it] as its own." See also remarks by former State Department Office of Republic of China Affairs Director Harvey Feldman: "In fact, officially, the U.S. has never 'accepted' the PRC view; we have only 'acknowledged' it." Harvey Feldman interview with Edward Dillery, The Association for Diplomatic Studies and Training, Foreign Affairs Oral History Project, March 11, 1999, http://www.adst.org/OH%20TOCs/Feldman,%20Harvey.toc.pdf, p. 70.

[26] For the full text of the Taiwan Relations Act, see https://www.gpo.gov/fdsys/pkg/STATUTE-93/pdf/STATUTE-93-Pg14.pdf.

Relations with the People on Taiwan," the executive order's stated purpose is "to facilitate the maintenance of commercial, cultural and other relations between the people of the United States and the people on Taiwan without official representation or diplomatic relations ... ."[27] E.O. 13014 superseded E.O. 12143, issued by President Carter on June 22, 1979, which had the same title and stated purpose.[28] President Clinton's E.O. 13014 delegates to the Secretary of State all functions that the Taiwan Relations Act confers on the President, unless otherwise delegated to other agencies or reserved to the President in the order. The E.O. authorizes the Secretary of State to re-delegate his authority.

"The Six Assurances" to Taiwan

In 1982, a month before the release of the third joint communiqué with the PRC, President Ronald Reagan communicated to Taiwan's then-President Chiang Ching-kuo what have come to be known as "the Six Assurances." The executive branch has never made public the text of the assurances relayed to President Chiang. Appearing before the House and Senate immediately after the issuance of the joint communiqué with China, however, a senior Reagan Administration official included in his prepared statements a set of assurances that corresponded to a version of "the Six Assurances" made public by Taiwan's Ministry of Foreign Affairs.[29] As relayed to Congress, the assurances were:

- [In negotiations with the PRC,] " ... we did not agree to set a date certain for ending arms sales to Taiwan";
- " ... [W]e see no mediation role for the United States" [between Taiwan and the PRC];
- " ... [N]or will we attempt to exert pressure on Taiwan to enter into negotiations with the PRC";
- " ... [T]here has been no change in our longstanding position on the issue of sovereignty over Taiwan";
- "We have no plans to seek" [revisions to the Taiwan Relations Act; and]
- [the August 17 Communiqué,] "should not be read to imply that we have agreed to engage in prior consultations with Beijing on arms sales to Taiwan."[30]

---

[27] Executive Office of the President, "Maintaining Unofficial Relations with the People on Taiwan," E.O. 13014 of August 15, 1996, Federal Register, August 19, 1996, https://www.federalregister.gov/documents/1996/08/19/96-13014/maintaining-unofficial-relations-with-the-people-on-taiwan.

[28] National Archives, Executive Order 12143—Maintaining Unofficial Relations with the People on Taiwan," June 22, 1979, https://www.archives.gov/federal-register/codification/executive-order/12143.html.

[29] In 1982, with apparent U.S. acquiescence, the ROC's Ministry of Foreign Affairs issued a public statement that included the following language: "On July 14, 1982, the U.S. side, through appropriate channels, made it known to the Republic of China that the U.S. side: 1. Has not agreed to set a date for ending arms sales to the Republic of China; 2. Has not agreed to hold prior consultations with the Chinese communists on arms sales to the Republic of China; 3. Will not play any mediation role between Taipei and Peiping; 4. Has not agreed to revise the Taiwan Relations Act; 5. Has not altered its position regarding sovereignty over Taiwan; 6. Will not exert pressure on the Republic of China to enter into negotiations with the Chinese communists." "Statement of the Ministry of Foreign Affairs of the Republic of China [Taiwan] Regarding the U.S.-PRC Communiqué of August 18, 1982," in *Legislative History of the Taiwan Relations Act: An Analytic Compilation with Documents on Subsequent Developments*, ed. Lester L. Wolff and David L. Simon (Jamaica, NY: American Association for Chinese Studies, 1982).

[30] Testimony by Assistant Secretary of State John Holdridge, U.S. Congress, Senate Committee on Foreign Relations, *U.S. Policy Toward China and Taiwan*, 97th Cong., 2nd sess., August 17, 1982 (Washington: GPO, 1982), pp. 13-14. Holdridge used almost exactly the same wording in testimony before the House the next day. U.S. Congress, House Committee on Foreign Affairs, *China-Taiwan: United States Policy*, 97th Cong., 2nd sess., August 18, 1982

Executive branch officials have generally only occasionally mentioned "the Six Assurances" in public statements. In September 2017, however, Acting Assistant Secretary of Defense for Asian and Pacific Security Affairs David Helvey provided a summary of U.S. policy that appeared to include the Six Assurances as a central element: "Our policy toward Taiwan is founded on the Taiwan Relations Act of 1979 and the three joint U.S.-China communiques, and is guided by the Six Assurances."[31]

Congress has long sought to elevate the profile of "the Six Assurances" in the U.S.-Taiwan relationship, with a focus on assurances that the United States did not agree to set an end date for arms sales to Taiwan or to engage in prior consultations with Beijing on arms sales to Taiwan. The first time a U.S. government body publicly issued a full written text for the Six Assurances was in the 114th Congress, in H.Con.Res. 88 and S.Con.Res. 38, both of which were passed by their respective chambers. The concurrent resolutions affirmed the TRA and the Six Assurances as "cornerstones of U.S.-Taiwan relations."[32]

The 1994 Taiwan Policy Review

On September 27, 1994, then-Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord, testified to Congress on the results of a two-year-long Taiwan Policy Review.[33] According to Lord's testimony, the review concluded that "it would be a serious mistake" to introduce "what China would undoubtedly perceive as officiality in our relations with Taiwan." Lord said that President Clinton had, however, decided to adjust the U.S. attitude toward Taiwan's participation in international organizations. Henceforth, Lord testified, "Recognizing Taiwan's important role in transnational issues, we will support its membership in organizations where statehood is not a prerequisite, and we will support opportunities for Taiwan's voice to be heard in organizations where its membership is not possible."[34] That remains U.S. policy today.

(Washington: GPO, 1982), pp. 6-7.

[31] Global Taiwan Institute, "Prepared Remarks of David Helvey, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs," September 14, 2017, http://globaltaiwan.org/wp-content/uploads/2017/09/ASD-Prepared-Remarks-for-GTI-Annual-Symposium-FINAL.pdf.

[32] As introduced, H.Con.Res. 88 included a version of the Six Assurances different from that in the final form of the bill. In that version, " ... the Six Assurances are guidelines to conduct relations between the United States and Taiwan and stipulate that the United States would not—(1) set a deadline for termination of arms sales to Taiwan; (2) alter the terms of the Taiwan Relations Act; (3) consult with China in advance before making decisions about United States arms sales to Taiwan; (4) mediate between Taiwan and China; (5) alter its position about the sovereignty of Taiwan which was, that the question was one to be decided peacefully by the Chinese themselves, and would not pressure Taiwan to enter into negotiations with China; and (6) formally recognize Chinese sovereignty over Taiwan.... " This version of the Six Assurances is included as "Appendix 7: The Six Assurances to Taiwan, July 1982," in David Dean, *Unofficial Diplomacy: The American Institute in Taiwan: A Memoir*, XLibris LLC, 2014, p. 247. On page 121 of the memoir, however, Dean, a former AIT Director and Chairman, presents the Six Assurances as being the assurances included in the 1982 Taiwan Ministry of Foreign Affairs statement. As reported out of committee, H.Con.Res. 88 rendered the Six Assurances in the form they were relayed orally to Congress in 1982. S.Con.Res. 38 did the same.

[33] American Institute in Taiwan, "Taiwan Policy Review: Statement Before the Senate Foreign Relations Committee," by Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, Washington, DC, September 27, 1994, https://www.ait.org.tw/en/19940927-taiwan-policy-review-by-winston-lord.html. The hearing at which Lord testified was U.S. Congress, Senate Committee on Foreign Relations, Subcommittee on East Asian and Pacific Affairs, *Review of U.S. Policy Toward Taiwan*, 103rd Cong., 2nd sess., September 26, 1994. The hearing was recessed subject to call. The GPO did not issue a transcript.

[34] American Institute in Taiwan, "Taiwan Policy Review: Statement Before the Senate Foreign Relations Committee," by Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, Washington, DC, September 27, 1994, https://www.ait.org.tw/en/19940927-taiwan-policy-review-by-winston-lord.html.

The Taiwan Policy Review also led to changes in the ways that U.S. and Taiwan officials engaged with each other, and in the name of Taiwan's representative office. For more information about the implications of the policy review for exchanges between U.S. and Taiwan officials, see "Interactions Between U.S. and Taiwan Officials," below.

President Bill Clinton's "Three No's" (1998)

On a visit to Shanghai in the PRC on June 30, 1998, President Bill Clinton told a roundtable of scholars that in his meetings with Chinese leaders, "I had a chance to reiterate our Taiwan policy, which is that we don't support independence for Taiwan, or 'two China's,' or 'one Taiwan, one China,' and we don't believe that Taiwan should be a member in any organization for which statehood is a requirement."[35] President Clinton's statement came to be known as the U.S. "Three No's" policy on Taiwan. Nearly two decades later, it remains U.S. policy to state that the United States does not support Taiwan independence. Although PRC officials sometimes inaccurately quote U.S. officials as saying that the United States *opposes* Taiwan independence, U.S. policy is for officials to state only that the United States does not *support* it. It also remains U.S. policy to state that the United States does not believe Taiwan should be a member of any organization for which statehood is a requirement.[36] Executive branch statements in recent years have tended not to repeat the second "no," that the U.S. does not support "two China's" or "one Taiwan, one China."

U.S. Policy Statements on Taiwan

In a September 13, 2017 update to the page on its website on U.S.-Taiwan Relations, the State Department summarizes U.S. policy in these terms:

> The United States and Taiwan enjoy a robust unofficial relationship. The 1979 U.S.-P.R.C. Joint Communiqué switched diplomatic recognition from Taipei to Beijing. In the Joint Communiqué, the United States recognized the Government of the People's Republic of China as the sole legal government of China, acknowledging the Chinese position that there is but one China and Taiwan is part of China. The Joint Communiqué also stated that the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan. The American Institute in Taiwan (AIT) is responsible for implementing U.S. policy toward Taiwan.
>
> The United States does not support Taiwan independence. Maintaining strong, unofficial relations with Taiwan is a major U.S. goal, in line with the U.S. desire to further peace and stability in Asia. The 1979 Taiwan Relations Act provides the legal basis for the unofficial relationship between the United States and Taiwan, and enshrines the U.S. commitment to assist Taiwan in maintaining its defensive capability. The United States insists on the peaceful resolution of cross-Strait differences, opposes unilateral changes to the status quo by either side, and encourages both sides to continue their constructive dialogue on the basis of dignity and respect.[37]

[35] For discussion of the Three No's, see Jim Mann, "Clinton 1st to OK China, Taiwan '3 No's,'" *Los Angeles Times*, July 9, 1998, and Stephen J. Yates, "Clinton Statement Undermines Taiwan," Heritage Foundation Executive Memorandum #538, July 19, 1998.

[36] U.S. Department of State, "U.S.-Taiwan Relations," September 13, 2017, https://www.state.gov/r/pa/ei/bgn/35855.htm.

[37] U.S. Department of State, "U.S.-Taiwan Relations," September 13, 2017, https://www.state.gov/r/pa/ei/bgn/35855.htm.

The Department of Defense's 2017 annual report to Congress on China's military summarizes U.S. policy in this way:

> The United States maintains a one China policy that is based on the three Joint Communiqués and the Taiwan Relations Act (TRA). The United States opposes any unilateral change to the status quo in the Taiwan Strait by either side and does not support Taiwan independence. The United States continues to support the peaceful resolution of cross-Strait issues in a manner, scope, and pace acceptable to both sides.[38]

Trump Administration Policy Toward Taiwan

Both before and after taking office, the Trump Administration has at times signaled that it might seek to re-evaluate long-standing U.S. policy toward the PRC and Taiwan. On December 2, 2016, President-Elect Trump spoke by telephone with Taiwan's President Tsai Ing-wen, making him the first incoming or incumbent U.S. president known to speak with a Taiwan president during the era of unofficial relations. In a December 11, 2016, Fox News interview, Trump stated, "I fully understand the one-China policy. But I don't know why we have to be bound by a one-China policy unless we make a deal with China having to do with other things, including trade."[39] Shortly after taking office, in a February 9, 2017, telephone call with PRC President Xi Jinping, however, President Trump recommitted the United States to its "one-China" policy. According to a White House readout of the call, "President Trump agreed, at the request of President Xi, to honor our 'one China' policy."[40]

Trump and Xi held a presidential summit in Florida on April 6-7, 2017. Asked in an April 28, 2017, Reuters interview about the possibility of his speaking by telephone again with President Tsai, Trump said he "wouldn't want to be causing difficulty right now for [President Xi]" and would "want to speak to him first" before agreeing to speak again to President Tsai.[41]

Since President Trump's inauguration, officials and the media on Taiwan have expressed concerns that the Trump Administration may consider some sort of "grand bargain" with the PRC that could be at odds with Taiwan's interests. On March 8, 2017, Taiwan's Chinese-language *Liberty Times*, citing an anonymous Washington, DC-based scholar, reported that former Secretary of State and National Security Advisor Henry Kissinger, who engineered President Nixon's rapprochement with China in the early 1970s, was urging President Trump to stabilize U.S.-China relations by concluding a "fourth communiqué" with China.[42] The report did not say what the contents of such a fourth communiqué might be, and whether it might include language on Taiwan. Taiwan's government was sufficiently concerned about the report to reach out to the

[38] Department of Defense, "Military and Security Developments Involving the People's Republic of China 2017," Annual Report to Congress, May 15, 2017, https://www.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF.

[39] "Exclusive: Donald Trump on Cabinet Picks, Transition Process," Fox News Sunday, December 11, 2016, http://www.foxnews.com/transcript/2016/12/11/exclusive-donald-trump-on-cabinet-picks-transition-process.html.

[40] The White House, "Readout of the President's Call with President Xi Jinping of China," February 9, 2017, https://www.whitehouse.gov/the-press-office/2017/02/09/readout-presidents-call-president-xi-jinping-china.

[41] Jeff Mason, Stephen J. Adler, and Steve Holland, "Exclusive: Trump Spurns Taiwan President's Suggestion of Another Phone Call," Reuters, April 28, 2017, http://www.reuters.com/article/us-usa-trump-taiwan-exclusive-idUSKBN17U05I.

[42] 曹郁芬 Nadia Tsao, "華府學者透露：季辛吉推動美中簽署第四公報" ("Washington Scholar Reveals: Kissinger Pushing U.S. and China to Sign Fourth Communiqué"), *Liberty Times*, March 8, 2017, http://news.ltn.com.tw/news/world/breakingnews/1997392.

Trump Administration with the message that, "such a development is inadvisable," according to Taiwan's Foreign Minister David Tawei Lee.[43]

At the Shangri La Dialogue in Singapore on June 3, 2017, Secretary of Defense Jim Mattis provided reassurance to Taiwan that the Trump Administration would continue to sell it arms, as called for in the Taiwan Relations Act. "The Department of Defense remains steadfastly committed to working with Taiwan and with its democratic government to provide in [sic] the defense articles necessary, consistent with the obligations set out in our Taiwan Relations Act," Mattis pledged.[44] The Trump Administration notified Congress of a suite of arms sales to Taiwan on June 29, 2017. Mattis also promised in Singapore, " ... we will not use our allies and partners or our relationships with them, or the capability integral to their security as bargaining chips."[45]

In testimony before the House on June 14, 2017, Secretary of State Rex Tillerson reignited speculation about possible future shifts in U.S. policy toward Taiwan when he stated that the Trump Administration seeks "another 50 years of stability and no conflict with China in the Pacific region," and said, "Taiwan is a big element of that." His remarks were part of a longer statement:

> As we began our dialogue with Chinese leadership, with this new administration, as you know, there was some questioning of our commitment to one China early on. The president has reaffirmed that we are committed to the one-China policy. We are also completely committed to the Taiwan Relations Act, and fulfilling all of our commitments to them under that act.
>
> But we are also in a discussion with China, now, about what is our relationship going to be for the next 50 years. How do we enter another era of stability and absence of conflict? And Taiwan, clearly, to the Chinese, is a part of that discussion.
>
> So it is important, as we engage with them, that we are able to fulfill our commitments to Taiwan, which we have every intention of doing, and that—the question is, is the One China policy sustainable for the next 50 years? And those are the kinds of discussions we're having.
>
> They are extremely complex in many regards. But this is what we seek—is another 50 years of stability and no conflict with China in the Pacific region. Taiwan is a big element of that. North Korea is a big element of that. Their island building and militarization of islands is a significant element of that.
>
> All of these are in our discussion with them about how do we define this relationship for the next half century, to ensure we have a continued era of no conflict and stability.[46]

---

[43] Ku Chuan and Evelyn Kao, "Taiwan's Concerns Voice over Possible 4th U.S.-China Communique," CNA via Focus Taiwan News Channel, March 22, 2017, http://m.focustaiwan.tw/news/AIPL/201703220013.aspx.

[44] U.S. Department of Defense, "Remarks by Secretary Mattis at Shangri-La Dialogue," June 3, 2017, https://www.defense.gov/News/Transcripts/Transcript-View/Article/1201780/remarks-by-secretary-mattis-at-shangri-la-dialogue/source/GovDelivery/. A senior Chinese military officer publicly chastised Mattis for not mentioning the three joint communiqués with the PRC in his remarks in Singapore. Lieutenant General He Lei, Vice President of the Academy of Military Sciences of the Chinese People's Liberation Army, stated, "If the Taiwan issue is talked about, one should not mention the Taiwan Relations Act only. He or she should also mention the three joint communiqués between China and the United States, thus giving a full picture of the issue." "China Strongly Opposes U.S. Arms Sales to Taiwan: Senior Military Officer," Xinhua, June 3, 2017, http://news.xinhuanet.com/english/2017-06/03/c_136336997.htm.

[45] U.S. Department of Defense, "Remarks by Secretary Mattis at Shangri-La Dialogue," June 3, 2017, https://www.defense.gov/News/Transcripts/Transcript-View/Article/1201780/remarks-by-secretary-mattis-at-shangri-la-dialogue/source/GovDelivery/.

[46] Testimony by Secretary of State Rex Tillerson, U.S. Congress, House Committee on Foreign Affairs, *The FY2018*

On October 16, 2017, in an apparent effort to reassure Taiwan ahead of President Trump's scheduled visit to Asia the next month, including a stop in Beijing, David Helvey, Acting Assistant Secretary of Defense for Asian and Pacific Security Affairs, recalled Secretary Mattis' earlier promise not to use allies and partners as "bargaining chips." In remarks to an audience from Taiwan and the United States, he stated, "This includes Taiwan: we will not pursue a grand bargain that trades U.S. interests in a secure and prosperous Taiwan."[47]

The American Institute in Taiwan (AIT)

After terminating diplomatic relations with Taiwan in 1979, the United States could no longer conduct relations with Taiwan through embassies in each capital. The Taiwan Relations Act directed that U.S. relations with Taiwan be conducted instead by a newly-created, non-profit, private corporation incorporated under the laws of the District of Columbia. That entity is known as the American Institute in Taiwan (AIT). AIT comprises a Washington headquarters, based in Arlington, VA, a Taipei "main office," known as AIT/T, a "branch office" in Kaohsiung, known as AIT/K, and a "virtual branch office" in Taichung. It operates under contract with the Department of State.

AIT Washington is overseen by a six-person board of trustees, led by a board chair.[48] Day-to-day operations are led by a managing director. AIT Washington's responsibilities include liaising with Taiwan's representative office in the United States and with U.S. government agencies, supporting U.S.-Taiwan trade policy and the bilateral defense relationship, and conducting public diplomacy.[49]

AIT Taipei, with a staff of over 120 Americans, nearly 300 local staff, and a few dozen family members and contractors, performs functions similar to those of an embassy, including consular functions. A new $240-million office compound for AIT Taipei is scheduled for completion in the first quarter of 2018. AIT Kaohsiung has a staff of nearly 40, including over a dozen Americans.

Table 1. Key AIT Personnel

AIT Position	Incumbent	Start Date in Position
AIT Washington Chair	Amb. James F. Moriarty	October 2016
AIT Washington Managing Director	John J. Norris Jr.	September 2016
AIT Taipei Director	Kin Moy	June 2015

Source: Website of the American Institute in Taiwan, https://www.ait.org.tw/en/directors-and-chairs.html and https://www.ait.org.tw/en/pressrelease-pr1649.html.

Foreign Affairs Budget, 115th Cong., 1st sess., June 14, 2017, https://foreignaffairs.house.gov/hearing/hearing-fy-2018-foreign-affairs-budget/.

[47] Acting Assistant Secretary of Defense for Asian and Pacific Security Affairs David Helvey, prepared remarks for U.S.-Taiwan Business Council Defense Industry Conference, October 16, 2017, http://us-taiwan.org/reports/2017_october16_david_helvey_dod_keynote.pdf.

[48] The AIT board consists of the AIT Chairman; the AIT Managing Director; the State Department's Deputy Assistant Secretary of State for China, Mongolia, and Taiwan; the Executive Director for the State Department's Bureau of East Asian and Pacific Affairs; and two retired Foreign Service Officers (FSOs). The last two slots are currently filled by David G. Brown and Douglas Spelman.

[49] U.S. Department of State, "FY2018 Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs," https://www.state.gov/documents/organization/271013.pdf, p. 177.

Status of AIT Personnel

Prior to 2003, the U.S. government required that AIT employees not be U.S. government employees, so Foreign Service officers left government service temporarily to serve at AIT, while defense-related positions were filled by contractors, many of them retired military personnel. The Section 326 of the Foreign Relations Authorization Act for FY2003 (P.L. 107-228) changed that, authorizing the Secretary of State and the head of any other department or agency of the United States to detail employees to work for AIT. The first active duty U.S. military personnel and Department of Defense civilians detailed to work at AIT Taipei arrived in 2005.

Mindful of the fact that AIT Taipei is not an embassy, U.S. government personnel there have different titles than they would have in embassies. The head of AIT Taipei, the most senior U.S. representative in Taiwan, has the title of "Director," rather than "Ambassador," for example. The senior military representative at AIT Taipei is "Chief, Liaison Affairs Section," rather than "Defense Attaché."[50]

AIT Budget

AIT is funded by a line item in appropriations legislation for the Department of State. The line item, designated in appropriations legislation as "Payment to the American Institute in Taiwan," is provided within the Administration of Foreign Affairs accounts that are funded in Title I of Department of State, Foreign Operations, and Related Programs appropriations acts.[51] In FY2017, Congress authorized a $31,963,000 payment to AIT "for necessary expenses to carry out the Taiwan Relations Act" (P.L. 115-31).

For FY2018, the Trump Administration requested a $26,312,000 payment to AIT. This request would constitute a reduction of approximately 18% from the FY2017 enacted figure. The administration's budget request states that the request "supports AIT's core operations and the move into the newly constructed New Office Compound scheduled for completion and occupancy in the first quarter of FY2018. AIT will continue to meet cost savings measures by lengthening maintenance services, gain efficiencies through operational measures and limit core travel and training."[52]

H.R. 3354, which passed the House on September 14, 2017, would authorize a payment of $30,557,000 to AIT for FY2018, representing a reduction of $1.4 million from the FY2017 enacted total. S. 1780, which was placed on the Senate Legislative Calendar under General Orders on September 7, 2017, would authorize a payment of $31,963,000, maintaining AIT's FY2018 budget at the same level as in FY2017.

Taiwan's Representative Office in the United States

Taiwan's principal representative office in the United States is the Taipei Economic and Cultural Representative Office (TECRO). TECRO oversees 12 subsidiary offices around the United States, known as Taipei Economic and Cultural Offices (TECOs). They are located in Atlanta,

[50] A 2016 Taiwan news article, for example, reports that, "Gene Richards, chief of the American Institute in Taiwan's (AIT's) Liaison Affairs Section, accepted commemorative 'Defending Taiwan' medals on behalf of," two U.S. officers killed on Taiwan's Kinmen Island in 1954. Amy Huang and Kay Liu, "Taiwan Awards Posthumous Medals to Two U.S. Officers," Focus Taiwan, February 7, 2016, http://focustaiwan.tw/news/aipl/201602070018.aspx.

[51] For example, see Division J, Title I, of the Consolidated Appropriations Act, 2017 (P.L. 115-31).

[52] U.S. Department of State, "FY2018 Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs," https://www.state.gov/documents/organization/271013.pdf, p. 178.

Boston, Chicago, Denver, Guam, Honolulu, Houston, Los Angeles, Miami, New York, San Francisco, and Seattle.[53] The Taipei headquarters for the U.S. TECRO office is the Coordination Council for North American Affairs (CCNAA).[54]

Table 2. Key CCNAA/TECRO Personnel

Position	Incumbent	Start Date in Position
Chairperson, Coordination Council for North American Affairs (Taipei)	Yi-Feng Tao	August 2016
Representative to the United States	Stanley Kao	June 2016

Source: Website of the Ministry of Foreign Affairs, Republic of China (Taiwan), http://www.mofa.gov.tw/en/default.html.

Because of the unofficial nature of the U.S.-Taiwan relationship, TECRO and TECO officers do not hold the A-category visas that the United States issues to diplomats or foreign government officials, but rather E-category visas, intended for "treaty trader/treaty investor" applicants.[55] Under a February 4, 2013 Agreement on Privileges, Exemptions, and Immunities between AIT and TECRO, however, TECRO employees enjoy privileges and immunities similar to those enjoyed by diplomats from countries with which the United States has official relations.[56] Such immunities include full criminal immunity, meaning TECRO employees and their families may not be arrested or detained. TECRO employees had previously enjoyed immunity only for official acts.[57] TECRO and TECO employees are also eligible for tax exemption privileges, similar to those for foreign missions. Those privileges include exemption from sales tax, occupancy tax, and other similar taxes at the point of sale.[58]

The Department of State's Diplomatic Motor Vehicles Office, which is located within the Office of Foreign Missions, provides a full range of motor vehicle services for foreign missions and their eligible members, including the issuance of driver's licenses and license plates.[59] Prior to December 2014, TECRO and TECO employees were required to apply to state motor vehicle administrations for driver's licenses and license plates. Since December 2014, however, TECRO and TECO employees have been issued identity cards, personal tax exemption cards, driver's licenses, and license plates similar in appearance to those issued to diplomats, although they differ in certain respects. Whereas diplomats' identification cards and personal tax exemption cards are issued in the name of the State Department, for example, TECRO and TECO employees' cards are issued in the name of AIT, with issuance "approved by the U.S. Department

[53] Taipei Economic and Cultural Representative Office in the U.S., "TECRO Profile and Mission," April 20, 2016, http://web.roc-taiwan.org/us_en/post/18.html.

[54] Taiwan's representative office used the name Coordination Council for North American Affairs (CCNAA) until the 1994 Taiwan Policy Review allowed Taiwan to change the office's name to TECRO.

[55] U.S. Department of State Bureau of Consular Affairs, "Directory of Visa Categories," accessed August 24, 2016, https://travel.state.gov/content/visas/en/general/all-visa-categories.html.

[56] American Institute in Taiwan, "Agreement on Privileges, Exemptions and Immunities Between the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the United States," February 4, 2013, https://www.ait.org.tw/en/ait-tecro-privileges-and-immunities-agreements.html.

[57] Like foreign diplomats assigned to consulates within the United States, TECO employees have more limited immunity, covering only official acts.

[58] U.S. Department of State, "Tax Exemption Cards," https://www.state.gov/documents/organization/235652.pdf.

[59] U.S. Department of State Office of Foreign Missions, "Diplomatic Motor Vehicle Program," https://www.state.gov/ofm/dmv/index.htm.

of State."[60] License plates issued to TECRO and TECO employees and their spouses look like those issued to diplomats, and are similarly "issued by and property of the United States Department of State," but have an "E" prefix, instead of the "D" prefix that appears on diplomatic license plates or the "S" prefix that appears on the license plates of diplomatic spouses, and do not bear the word "Diplomat."[61]

Neither TECRO nor any of the TECOs is permitted to fly the Republic of China flag. Taiwan military officers stationed at TECRO are not permitted to wear their uniforms.[62]

Taiwan and the Twin Oaks Estate in Washington, DC

Twin Oaks is a 26-room mansion on 18.24 acres in northwest Washington, DC. The estate served as the residence of ROC Ambassadors to the United States from 1937 to 1978. The ROC rented the estate for the first decade, and then purchased it in 1947 from the family of the original owner. In December 1978, to prevent the property from being transferred to the PRC when the United States switched diplomatic recognition from the ROC to the PRC, the ROC sold the estate for a nominal fee to the Friends of Free China Association, a U.S. non-profit organization headed by then-Senator Barry Goldwater and lawyer Thomas Corcoran. Taiwan's representative office in the United States bought the estate back from the non-profit in 1982. [63]

Congress helped Taiwan maintain ownership of the estate after the United States terminated diplomatic relations with Taiwan. Its most consequential action was to include in the Taiwan Relations Act the following provision:

> For all purposes under the laws of the United States, including actions in any court in the United States, recognition of the People's Republic of China shall not affect in any way the ownership of or other rights or interests in properties, tangible and intangible, and other things of value, owned or held on or prior to December 31, 1978, or thereafter acquired or earned by the governing authorities on Taiwan.

The provision was crafted with Twin Oaks and its furnishings in mind. According to the memoir of David Dean, former chairman and director of AIT, "Beijing objected strenuously. The State Department, concerned that all of its property in China would not be returned, told Beijing that it had the option to challenge this clause of the TRA in the Supreme Court and, that if it did so, the

[60] U.S. Department of State Office of Foreign Missions, "Announcing: New American Institute in Taiwan Identification Cards to be Issued!" 2014, http://www.state.gov/documents/organization/236119.pdf.

[61] An image of a sample "E"-prefix license plate is available at http://www.state.gov/documents/organization/236117.pdf.

[62] On New Year's Day 2015, TECRO raised the ROC flag at its Twin Oaks estate in northwest Washington, DC, for the first time since 1978, and conferred honors on Taiwan military personnel wearing their uniforms. The TECRO Representative at the time, Shen Lyu-shun, told the media that his office had received approval from the Obama Administration for those moves. A State Department spokesperson denied, however, that the Obama Administration had advance notice of the flag raising. Nadia Tsao and Jake Chung, "ROC Flag Flies Against at U.S.' Twin Oaks," *Taipei Times*, January 3, 2015, http://www.taipeitimes.com/News/front/archives/2015/01/03/2003608344; William Lowther, "U.S. Denies It Knew of ROC Flag-Raising," *Taipei Times*, January 7, 2015, http://www.taipeitimes.com/News/front/archives/2015/01/07/2003608644.

[63] Taiwan Economic and Cultural Representative Office in the United States, "A Brief Introduction of Twin Oaks," February 9, 2017, http://www.roc-taiwan.org/us_en/post/27.html. In 2017, the city of Washington, DC, assessed the value of the estate at over $62 million. District of Columbia real property database, http://geospatial.dcgis.dc.gov/realproperty/.

State Department would support the PRC's claim." Dean reports, however, that China chose not mount a legal challenge.[64]

Although Taiwan's representative office in the United States has owned Twin Oaks since 1982, the State Department has not allowed Taiwan to use the estate as a residence for its representatives since de-recognition. In 2011, however, the Obama Administration authorized Taiwan to resume using Twin Oaks for its annual reception marking the October 10 ("Double Ten") anniversary of the uprising that brought down the Qing Dynasty and led, on January 1, 1912, to the founding of the Republic of China. Double Ten receptions have been held at Twin Oaks every year since 2011. State Department guidance bars all executive branch employees from attending events at Twin Oaks.[65] Legislative Branch employees are not covered by that guidance. Some Members of Congress regularly attend the Double Ten reception and other functions at Twin Oaks.[66] So, too, do AIT personnel, including the AIT Chairman and Managing Director.

Interactions Between U.S. and Taiwan Officials

In the decades since U.S. de-recognition of Taiwan, the State Department has issued guidelines for executive branch personnel on how to handle interactions with Taiwan, including restrictions on venues for meetings and requirements that senior U.S. government personnel from certain agencies receive written permission from the State Department before traveling to Taiwan. The guidelines, which are updated periodically, are intended to distinguish the unofficial U.S.-Taiwan relationship from the official relationships that the United States maintains with diplomatic partners. State Department guidelines issued in 2013 state that, "Taiwan representatives should be treated with courtesy and respect, within the framework of our unofficial relations with the island."[67] The most recent guidelines on contacts with Taiwan were issued during the Obama Administration. The Trump Administration has not so far updated them. The guidance does not apply to legislative branch personnel, including Members of Congress.

State Department guidance does not bar executive branch officials at any level from visiting Taiwan, but does state that Department of State and Department of Defense officials above the rank of Office Director and uniformed military personnel above the level of 06 (Colonel or Navy Captain) must obtain written permission from the State Department's Office of Taiwan Coordination before undertaking official travel to Taiwan. For personal travel, executive branch officials at or above the level of Assistant Secretary or three-star flag officers must obtain clearance from the Office of Taiwan Coordination. All executive branch officials are also required to use regular passports, rather than diplomatic or official passports, for travel to Taiwan, "in keeping with the absence of diplomatic relations between the United States and Taiwan."[68]

---

[64] David Dean, *Unofficial Diplomacy: The American Institute in Taiwan*, XLibris LLC, 2014, p. 117.

[65] U.S. Department of State, "Guidelines on Relations with Taiwan," unclassified memorandum to all department and agency executive secretaries, March 4, 2011.

[66] See, for example, "Members of Congress Laud ROC on Double 10th, Encourage Signing of BIA," Central News Agency (Taiwan) via *The China Post*, October 13, 2013, http://www.chinapost.com.tw/taiwan/national/national-news/2013/10/13/391158/members-of.htm. The article reported that 12 Members of Congress attended the Double Ten reception at Twin Oaks that year.

[67] U.S. Department of State, "Guidelines on Contacts with Taiwan," unclassified memorandum to diplomatic and consular posts, October 7, 2013.

[68] Ibid.

On the subject of meetings with Taiwan visitors and representatives in Washington, DC, State Department guidance dating from 2011 is that such meetings may take place in most U.S. government offices, but not in the State Department, the White House, or the Eisenhower Executive Office Building.[69] Updated 2015 guidance provides for exceptions, including in the case of meetings of international groups of which Taiwan is a member. Because Taiwan is a member of the Global Coalition to Counter the Islamic State of Iraq and Syria (ISIS), for example, Taiwan's representative in Washington, DC, attends meetings of the coalition at the State Department.[70] (See "Participation in the Global Coalition to Counter ISIS," below.) In 2015, during Taiwan's presidential election campaign, then-candidates Tsai Ing-wen and Eric Chu were both granted meetings in the State Department and the Eisenhower Executive Office Building.[71]

Congress has long sought to ease executive branch restrictions on interactions between U.S. and Taiwan officials. In the 115th Congress, pending House and Senate versions of a Taiwan Travel Act (H.R. 535 and S. 1051) both include a finding that since the 1979 enactment of the Taiwan Relations Act, U.S.-Taiwan relations "have suffered from insufficient high-level communication due to self-imposed restrictions that the United States maintains on high-level visits to Taiwan." They also include almost identical non-binding provisions stating, in the case of H.R. 535, that,

> It should be the policy of the United States to—(1) allow officials at all levels of the United States Government, including cabinet-level national security officials, general officers, and other executive branch officials, to travel to Taiwan to meet their Taiwanese counterparts; (2) allow high-level officials of Taiwan to enter the United States, under conditions that demonstrate appropriate respect for the dignity of such officials, and to meet with officials of the United States, including officials from the Department of State and the Department of Defense and other cabinet agencies; and (3) encourage the Taipei Economic and Cultural Representative Office, and any other instrumentality established by Taiwan, to conduct business in the United States, including activities which involve participation by Members of Congress, officials of Federal, State, or local governments of the United States, or any high-level official of Taiwan.

S. 1051 would also authorize officials at all levels of the U.S. government to travel to Taiwan and require the Secretary of State to submit reports every 180 days on travel by U.S. executive branch officials to Taiwan.

Cabinet-Level U.S. Government Travel to Taiwan

U.S. guidance on Cabinet-level travel to Taiwan continues to be based on the outcome of a Taiwan Policy Review undertaken by the Clinton Administration in 1994. That review yielded a policy of permitting senior executive branch officials in "economic and technical areas" to visit Taiwan, with visits by Cabinet-level officials in such areas "not ruled out."[72] By implication, the

[69] U.S. Department of State, "Guidelines on Relations with Taiwan," unclassified memorandum to all department and agency executive secretaries, March 4, 2011.

[70] U.S. Department of State, "List of Participants: Meeting of the Ministers of the Global Coalition—Working to Defeat ISIS," March 22, 2017, https://www.state.gov/r/pa/prs/ps/2017/03/269036.htm.

[71] See, for example, "蔡英文返台，北京不满美高官会蔡" ("Tsai Ing-wen Returns to Taiwan; Beijing Dissatisfied That Senior U.S. Officials Met Tsai"), Voice of America Chinese Service, June 11, 2015, http://www.voachinese.com/a/dpp-tsai-20150610/2816234.html and "Chu Held Talks with U.S. Officials on Visit to Washington," CNA via Focus Taiwan News Channel, November 13, 2015, http://focustaiwan.tw/news/aipl/201511130003.aspx. Tsai's visit preceded her election as president in January 2016.

[72] American Institute in Taiwan, "Taiwan Policy Review: Statement before the Senate Foreign Relations Committee," by Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, Washington, DC, September 27, 1994, https://www.ait.org.tw/en/19940927-taiwan-policy-review-by-winston-lord.html. U.S. Department of State,

policy has discouraged, though not barred, visits by Cabinet-level officials in other than economic and technical areas.

Six Cabinet-level executive branch officials have visited Taiwan since the United States terminated diplomatic relations on January 1, 1979, all of them in economic or technical posts. The first was then-United States Trade Representative Carla Hills, who visited in 1992, at the end of the George H.W. Bush Administration. Following the 1994 Taiwan Policy Review, the Clinton Administration sent four Cabinet-level officials to Taiwan. No Cabinet-level officials visited Taiwan in the George W. Bush Administration. One Cabinet-level official, U.S. Environmental Protection Agency (EPA) Administrator Gina McCarthy, visited Taiwan during the Barack Obama Administration, in 2014.[73] She was the only Cabinet-level official to visit Taiwan in the last 17 years.

Table 3. U.S. Cabinet-Level Visitors to Taiwan 1978-Present

Name	Title	Administration	Date
Carla Hills	U.S. Trade Representative	George H.W. Bush	December 1992
Federico Pena	Secretary of Transportation	Clinton	December 1994
Phil Lader	Administrator, Small Business Administration	Clinton	December 1996
Bill Richardson	Secretary of Energy	Clinton	November 1998
Rodney E. Slater	Secretary of Transportation	Clinton	June 2000
Gina McCarthy	Administrator, Environmental Protection Agency	Obama	April 2014

Source: American Institute in Taiwan press releases and media reports.

Travel by Taiwan Leaders and Senior Officials to the United States

The 1994 Taiwan Policy Review determined that Taiwan's "top leadership" could make "normal transits" of the United States, but should be "forbid[den]" from making non-transit visits to the United States or carrying out "public activities" on U.S. soil.[74] That remains executive branch policy. "Top leaders" has generally been defined to include Taiwan's President, Vice President, and Premier. The term originally also included Vice Premiers, but since 2016, the State Department has not included them in the category of "top leaders" restricted to transit visits.

President Tsai has so far made three overseas trips that have involved transit layovers in the United States. Following long-standing U.S. protocol, she did not meet with executive branch

"Taiwan Policy—New Practices" and "Taiwan Policy—Elements Which Will Not Change," briefing papers prepared for the visit of Under Secretary of State for Political Affairs Peter Tarnoff to China, circa August 1995, downloaded from ProQuest's Digital National Security Archive.

[73] John Liu, "US Cabinet-level Official to Meet Ma," *The China Post*, April 14, 2014, http://www.chinapost.com.tw/taiwan/intl-community/2014/04/14/405279/US-Cabinet-level.htm; "Courteous Reception by US 'Best Ever': Ma," CNA in *The China Post*, March 15, 2016, http://www.chinapost.com.tw/taiwan/intl-community/2016/03/15/460811/Courteous-reception.htm; American Institute in Taiwan, "Remarks as Prepared for Delivery: U.S. Secretary of Transportation Rodney E. Slater Transportation Policy Mission Arrival Statement," June 14, 2000, http://www.ait.org.tw/en/pressrelease-pr0032.html.

[74] U.S. Department of State, "Taiwan Policy—New Practices" and "Taiwan Policy—Elements Which Will Not Change," briefing papers prepared for the visit of Under Secretary of State for Political Affairs Peter Tarnoff to China, circa August 1995, downloaded from ProQuest's Digital National Security Archive.

officials during her transit visits, but was accompanied by the AIT Chairman or, in one case, the Managing Director. Grace Choi, the State Department spokesperson for East Asian and Pacific Affairs, described Tsai's October 2017 transit of Hawaii and a planned November 2017 transit of Guam as "private and unofficial" and said they were based on long-standing U.S. practice consistent with "our unofficial relations with Taiwan." According to Reuters, Choi said the transits were approved out of consideration for the "safety and convenience of the traveler."[75]

Taiwan presidents often meet in person and speak by telephone with some Members of Congress during their transit visits and also meet with local officials and members of the local Taiwanese-American community. On her transit visit to Houston in January 2017, during which she stayed one night in the city, President Tsai met with Senator Ted Cruz, Representative Blake Farenthold, Representative Al Green, and Texas Governor Greg Abbott. She also visited the House Museum of Fine Arts and two Taiwan business facilities in the area, and was honored at a dinner for 600 Taiwanese-Americans.[76] In March 2017, Taiwan's Foreign Minister David Lee cited President Tsai's transit visits as evidence of her successful management of Taiwan-U.S. relations. "By maintaining mutual trust she has earned the affirmation of Washington," Lee told Taiwan's parliament. "She has made transit stops this year and last year in four American cities, receiving high-level security privileges and forging closer contact with important U.S. officials each time."[77]

Table 4. President Tsai's Transit Visits Through the United States

Date	Destination Country/Countries	U.S. Cities Visited in Transit
June 24-25, June 30-July 1, 2016	Panama	Miami, Los Angeles
January 7-8, January 13-14, 2017	Honduras, Nicaragua, Guatemala, El Salvador	Houston, San Francisco
October 28-29, 2017	Tuvalu, the Solomon Islands, the Marshall Islands	Honolulu

Source: Media reports.

The State Department has maintained an effective bar on Taiwan's foreign ministers visiting Washington, DC. Former AIT Chairman Richard C. Bush explains that, "The rationale is that the foreign minister is Taiwan's leading diplomatic official, and diplomacy is by definition official for purposes of U.S. policy."[78] In the era of unofficial relations, the United States has only twice permitted a Taiwan Minister of Defense to visit the United States, both times in the George W.

[75] Ben Blanchard and Jess Macy Yu, "Ahead of Trump Trip, China Urges U.S. Not to Allow Taiwan President In," Reuters, October 27, 2017, https://www.reuters.com/article/us-china-taiwan/ahead-of-trump-trip-china-urges-u-s-not-to-allow-taiwan-president-in-idUSKBN1CW0TD. The State Department spokesperson's language on Tsai's October and November 2017 transits appears consistent with a State Department spokesperson's comments on Tsai's June and July 2016 transits, during the Obama Administration. U.S. Department of State, "State Department Briefing for Foreign Media," given by Mark C. Toner, Deputy Department Spokesperson, June 9, 2016, http://fpc.state.gov/258327.htm.

[76] "Tsai Arrives in Houston for Transit Stop," CNA via Taipei Times, January 9, 2017, http://www.taipeitimes.com/News/front/archives/2017/01/09/2003662766; "Cruz, Texas Governor Meet with Taiwanese President in Houston," January 8, 2017, http://www.reuters.com/article/us-usa-taiwan/cruz-texas-governor-meet-with-taiwanese-president-in-houston-idUSKBN14S0X9.

[77] "Report by H.E. David Tawei Lee, Minister of Foreign Affairs of the Republic of China (Taiwan), at the Foreign Affairs and National Defense Committee of the Legislative Yuan," March 6, 2017, http://www.mofa.gov.tw/en/News3.aspx?n=4BAF9BD5400A05D9&sms=BA5E856472F10901.

[78] Richard C. Bush, "A One-China Policy Primer," The Brookings Institution, March 2017, https://www.brookings.edu/research/a-one-china-policy-primer/.

Bush Administration. The first time was in March 2002, when the Bush Administration granted Defense Minister Tang Yiau-ming permission to attend the first U.S.-Taiwan Defense Industry Conference in St. Petersburg, Florida.[79] The second time was in September 2008, when the Bush Administration granted Defense Minister Chen Chao-min permission to attend the seventh conference in the series, on Amelia Island, Florida.[80]

U.S. Security Cooperation with Taiwan

From 1954 until 1979, the United States and Taiwan, under the name Republic of China, were parties to a Treaty of Mutual Defense under which,

> Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would meet the common danger in accordance with its constitutional processes.[81]

When President Carter announced that the United States had decided to establish diplomatic relations with the PRC on January 1, 1979, he also announced that the United States would be giving one year's notice of its intention to terminate its defense treaty with Taiwan and would be withdrawing its military personnel from Taiwan.[82] President Carter withdrew all U.S. military personnel from Taiwan by April 30, 1979. The defense treaty was terminated on January 1, 1980, at the expiry of the one-year notice period.[83]

Based on provisions in the 1979 Taiwan Relations Act, however, the United States has remained involved in supporting Taiwan's military. Initially, support was focused on arms sales; the Taiwan Relations Act states that " ... the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." Starting in 1997, after the Taiwan Strait crisis of 1995-1996 (see box below), the security relationship broadened to include dialogues, training and military education opportunities for Taiwan military personnel, and assessments of Taiwan's military capabilities, defense bureaucracy, and procurement procedures.[84]

In 2017, Acting Assistant Secretary of Defense for Asian and Pacific Security Affairs David Helvey described the United States as "especially focused on assisting Taiwan with the non-hardware aspects of military capability." He mentioned an effort to help Taiwan "overhaul" its reserve forces to make them "more agile and effective." He noted an effort "to develop improved joint doctrine, part of a larger effort to increase jointness and service interoperability in the Taiwan military." Helvey also noted an emphasis on "asymmetric warfare," including an initiative

---

[79] Tang met at the conference with then-Deputy Secretary of Defense Paul Wolfowitz and Assistant Secretary of State for East Asian and Pacific Affairs James Kelly, drawing strong protests from China. Embassy of the People's Republic of China in the United States of America, "China Protests U.S. Official Contacts with Taiwan," March 14, 2002, http://www.china-embassy.org/eng/zt/twwt/t36755.htm.

[80] U.S.-Taiwan Business Council, "U.S.-Taiwan Defense Industry Conference," http://www.us-taiwan.org/defense/2008/info.html.

[81] "Mutual Defense Treaty Between the United States and the Republic of China," signed December 2, 1954, entered into force March 3, 1955, http://avalon.law.yale.edu/20th_century/chin001.asp.

[82] "East Asia: U.S. Normalizes Relations with the People's Republic of China," *Department of State Bulletin*, January 1979, p. 26.

[83] See Charles L. Cochran and Hungdah Chiu, "U.S. Status of Force Agreements with Asian Countries: Selected Studies," *Occasional Papers/Reprints Series in Contemporary Asian Studies*, No. 7, 1979 (28), School of Law, University of Maryland, http://digitalcommons.law.umaryland.edu/cgi/viewcontent.cgi?article=1027&context=mscas.

[84] Michael S. Chase, "U.S.-Taiwan Security Cooperation," p. 163.

"to increase the ability of Taiwan's ground forces to operate in a more decentralized fashion, with less reliance on higher-level command-and-control." In a similar vein, Helvey said the United States is helping Taiwan with its non-commissioned officer (NCO) corps, "with an aim toward greater decentralization, with greater initiative at the NCO level."[85]

U.S. government officials characterize U.S. security assistance to Taiwan as contributing to peace and stability in Asia by giving Taiwan the confidence to engage with mainland China and by deterring potential PRC coercion and aggression against Taiwan. In congressional testimony in 2011, then-Acting Assistant Secretary of Defense for Asian and Pacific Security Affairs Peter Lavoy explained the U.S. position this way:

> The preservation of stability in the Taiwan Strait is fundamental to our interests of promoting peace and prosperity in the Asia-Pacific writ large. A Taiwan that is strong, confident, and free from threats or intimidation, in our view, is best postured to discuss and adhere to whatever future arrangements the two sides of the Taiwan Strait may peaceably agree upon. In contrast, a Taiwan that is vulnerable, isolated, and under threat would not be in a position to discuss its future with the mainland and might invite the very aggression we would seek to deter, jeopardizing both our interests in regional peace and prosperity, and the interests of the people on Taiwan.[86]

The 1995-1996 Taiwan Strait Crisis

In 1995, after Congress overwhelmingly passed H.Con.Res. 53, "Expressing the sense of the Congress regarding a private visit by President Lee Teng-hui of the Republic of China on Taiwan to the United States," the Clinton Administration granted permission to Taiwan's then-President Lee to make a private visit to his alma mater, Cornell University. Beijing responded by carrying out two rounds of missile exercises in waters near Taiwan, and then, in March 1996, launching a third round of missile exercises, as well as other military exercises, in an apparent attempt to drive down support for Lee ahead of Taiwan's first direct presidential election, which Lee ultimately won. The United States responded to the third set of exercises by dispatching two aircraft carrier battle groups to the area. The events of that period have come to be known as the third Taiwan Strait Crisis, following two earlier crises in 1954 and 1958.[87] The crisis led to an expansion of U.S.-Taiwan defense cooperation that has continued over the intervening decades.

Dialogues

The most senior, regularly-scheduled U.S.-Taiwan bilateral military discussion is the Monterey Talks, an annual strategic discussion between the U.S. Office of the Secretary of Defense and Taiwan's Ministry of National Defense and senior civilian leaders. From 1997 to 2014, the talks were held in Monterey, CA. In 2015, they moved to the Pentagon in Washington, DC. In 2017,

[85] Global Taiwan Institute, "Prepared Remarks of David Helvey, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs," September 14, 2017, http://globaltaiwan.org/wp-content/uploads/2017/09/ASD-Prepared-Remarks-for-GTI-Annual-Symposium-FINAL.pdf.

[86] Prepared Testimony of Dr. Peter Lavoy, Acting Assistant Secretary of Defense for Asian and Pacific Security Affairs, U.S. Congress, House Committee on Foreign Affairs, *Why Taiwan Matters, Part II*, 112th Cong., 1st sess., October 4, 2011, 112-70 (Washington: GPO, 2011).

[87] H.Con.Res. 53 passed the House 396-0 and the Senate 97-1. For discussion of the events of 1995 and 1996, see Andrew Scobell, "Show of Force: Chinese Soldiers, Statesmen, and the 1995-1996 Taiwan Strait Crisis," *Political Science Quarterly*, vol. 115, no. 2 (Summer 2000), pp. 227-246; Arthur S. Ding, "The Lessons of the 1995-1996 Taiwan Strait Crisis: Developing a New Strategy for Taiwan and the United States," in *The Lessons of History: The Chinese People's Liberation Army at 75*, ed. Laurie Burkitt, Andrew Scobell, Larry M. Wortzel (Strategic Studies Institute, U.S. Army War College, 2003), pp. 379-402; Robert S. Ross, "The 1995-1996 Taiwan Strait Confrontation: Coercion, Credibility, and the Use of Force," *International Security*, vol. 25, no. 2 (Fall 2000), pp. 87-123; and Alan Romberg, *Rein in at the Brink of the Precipice: American Policy Toward Taiwan and U.S.-PRC Relations* (Henry L. Stimson Center, 2003), pp. 164-176.

they were held in Hawaii. At the 2017 talks, the U.S. delegation reportedly included National Security Council Senior Director for Asian Affairs Matthew Pottinger and Acting Assistant Secretary of Defense David Helvey. The Taiwan delegation was reportedly led by a Deputy Secretary-General of Taiwan's National Security Council and included a Vice Minister of National Defense.[88] Other dialogues include the Defense Review Talks, the General Officer Steering Group (GOSG), and discussions involving the U.S. Pacific Command and U.S. Pacific forces. In his 2017 remarks, DOD's Helvey noted, "We have additional, ad-hoc meetings that occur regularly, and we conduct robust, service-level exchanges that focus on personnel, training, maintenance, tactics, professionalization, and other topics."[89]

In the 114th Congress, the National Defense Authorization Act (NDAA) for Fiscal Year 2017 (P.L. 114-328) included a non-binding provision (Section 1284) stating that the Secretary of Defense should carry out a program of exchanges between the United States and Taiwan of senior military officers and civilian officials. Senior military officials were defined as general or flag officers on active duty, and senior Department of Defense officials were defined as civilians at the level of Assistant Secretary of Defense or above. As noted above (see "Interactions Between U.S. and Taiwan Officials"), the executive branch does not bar travel to Taiwan by senior defense officials and officers, but does require Department of Defense officials above the rank of Office Director and uniformed military personnel above the level of 06 (Colonel or Navy Captain) to obtain written permission the State Department's Office of Taiwan Coordination before undertaking official travel to Taiwan.

In the 115th Congress, Sec. 1270D of the Senate amendment to the NDAA for FY2018 (H.R. 2810) would require the Secretary of Defense to submit a report by April 1, 2018 with a list of actions taken to implement, and future plans to implement, the recommendations in Sec. 1284 of the NDAA for FY2017, related to military exchanges, or reasons why no actions have been taken or no future plans made to implement the recommendations. The House version of H.R. 2810 contains no analogous provision.

Training

The U.S. Pacific Command sends several dozen observers each year to Taiwan's Han Guang military exercises. Taiwan F-16 pilots train at Luke Air Force Base in Arizona on F-16 Fighting Falcon aircraft. In August 2017, however, a visiting Taiwan legislator noted that Luke Force Base is being converted to F-35 flight operations. It is not clear where F-16 training for Taiwan pilots will happen in the future.[90] Approximately 400 Taiwan military officers study each year at U.S. military academies and other institutions.

Legislative Proposals for U.S.-Taiwan Port Calls

Section 1270E of the House version of the National Defense Authorization Act (NDAA) for FY2018 (H.R. 2810) and Section 12709(b) of the Senate amendment to H.R. 2810 would require the Secretary of Defense to submit a report to Congress assessing the feasibility and advisability of the U.S. Navy making port calls to Taiwan, and of the United States receiving port calls by the

[88] Nadia Tsao and Jonathan Chin, "Taiwan to Submit Letter of Request to U.S. for Fighters," Taipei Times, August 17, 2017, http://www.taipeitimes.com/News/front/archives/2017/08/17/2003676658.

[89] Global Taiwan Institute, "Prepared Remarks of David Helvey, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs," September 14, 2017, http://globaltaiwan.org/wp-content/uploads/2017/09/ASD-Prepared-Remarks-for-GTI-Annual-Symposium-FINAL.pdf.

[90] Wang Cheng-chung and Evelyn Kao, "Taiwan Legislators Visit Luke Air Force Base in Arizona," August 2, 2017, http://focustaiwan.tw/news/aipl/201708020006.aspx.

ROC navy in Hawaii, Guam, "and other appropriate locations." The Senate amendment would include an additional binding provision directing the Secretary of Defense to "reestablish regular ports of call" in Taiwan and to permit the U.S. Pacific Command to receive port calls from the Taiwan Navy. The latter provision also appears in S. 1620, the Taiwan Security Act of 2017, introduced by Senators Cotton and Gardner on July 24, 2017.

In 2016, both Senator Ted Cruz and Representative Randy Forbes, the then-Chairman of the House Armed Services Committee's Seapower and Projection Forces Subcommittee, called for the United States to consider port calls to Taiwan after the PRC cancelled a port call to Hong Kong by the USS *John C. Stennis*.[91] Forbes issued a statement saying that, "China has repeatedly politicized the long-standing use of Hong Kong for carrier port visits, inconveniencing the families of thousands of U.S. sailors and continuing a pattern of unnecessary and disruptive behavior." He added, "As Beijing's direct control of Hong Kong intensifies, the U.S. Navy should strongly consider shifting its carrier port calls to more stable and welcoming locations." Forbes mentioned Taiwan as a possible option.[92]

Writing as a private citizen, former State Department official Randall Schriver argued the case for U.S. port calls to Taiwan in a subsequent 2016 article. They would, he said, "send reassurance to the people of Taiwan at a time when Beijing is increasing pressure on our democratic friend." They would familiarize the U.S. Navy with Taiwan ports, thus serving to "enhance our operational readiness in meaningful ways related to a known contingency for which our own law obligates us to prepare." In addition, he argued, "Unlike PRC-controlled Hong Kong, Taiwan would always be there if we were in distress—as they were when two U.S. F/A-18s were forced to make an emergency landing at Tainan Air Base in Taiwan in April 2015."[93] The White House announced on October 27 that it intended to nominate Schriver for the position of Assistant Secretary of Defense for Asian and Pacific Affairs.[94]

Taiwan's Ministry of National Defense welcomed the port calls language when it first appeared in the Senate's NDAA bill, S. 1519 (115th Congress), saying, "The move shows that the U.S. values military exchanges with Taiwan. The ministry welcomes any form of partnership that would enhance Taiwan's national defense and bring stability to the region."[95]

Critics of the proposal for port visits with Taiwan see them as inconsistent with the unofficial nature of U.S.-Taiwan relations. In addition, some note that China considers Taiwan to be sovereign Chinese territory and could seek to interdict or harass a U.S. warship seeking to enter the 12-nautical mile territorial sea around Taiwan. According to James Moriarty, Chairman of the American Institute in Taiwan, the non-profit corporation through which the United States

[91] Cruz tweeted, "U.S. carrier denied port visit in Hong Kong. Proof that PRC isnt [sic] U.S. partner. We should send carrier to Taiwan instead." Twitter feed of Senator Ted Cruz, April 29, 2016, https://twitter.com/sentedcruz/status/726135248870846466.

[92] Tony Liao and Elaine Hou, "U.S. Congressman Suggests Taiwan as New Carrier Port-Call Location," Focus Taiwan, May 3, 2016, http://focustaiwan.tw/news/aipl/201605030007.aspx.

[93] Randall Schriver, "The Case for U.S. Ship Visits to Taiwan," *The Diplomat*, May 9, 2016, https://thediplomat.com/2016/05/the-case-for-us-ship-visits-to-taiwan/.

[94] "Trump Announces the Pentagon's Top Asia, Technology Nominees," Navy Times, October 28, 2017, https://www.navytimes.com/pentagon/2017/10/28/trump-announces-top-asia-technology-nominees/.

[95] Shelley Shan, "Military Welcomes Possible U.S. Navy Ports of Call," Taipei Times, June 30, 2017, http://www.taipeitimes.com/News/front/archives/2017/06/30/2003673575.

conducts relations with Taiwan, "To state the obvious, it would be very difficult and perhaps dangerous for U.S. naval ships to go into a port in Taiwan."[96]

Spokespeople for both the PRC's Ministry of National Defense and its Foreign Ministry strongly criticized the proposal for port calls. A PRC Ministry of National Defense spokesperson stated:

> We are always firmly opposed to any form of official contact and military interaction between Taiwan and the U.S. We urge the American side to abide by its commitment to the Chinese side with regard to the Taiwan issue, and stop military contacts with Taiwan, so as not to cause damage to the relations between the two militaries and the two countries as well as to the peace and stability across the Taiwan Strait.[97]

A PRC Foreign Ministry spokesperson stated:

> We are strongly concerned about and firmly opposed to the bill approved by the Senate Armed Services Committee. We have lodged solemn representations with the U.S. side about its erroneous actions on Taiwan-related issues. I have to stress once again that the Taiwan question bears on China's sovereignty and territorial integrity, and belongs to China's domestic affairs. Taiwan-related contents in the aforementioned bill severely violate the three joint communiqués between China and the U.S., and constitute interference in China's domestic affairs. China by no means accepts that. We urge the US to honor its commitment on the Taiwan question, immediately stop military contact and arms sales to Taiwan, and avoid causing damage to the bilateral relationship and bilateral cooperation in a broader range of areas.[98]

U.S. legal experts have questioned whether Congress has the authority to direct the Department of Defense to carry out port calls in Taiwan. Hofstra University School of Law Professor Julian Ku writes, "As a constitutional matter, the power to direct and deploy U.S military assets is held exclusively by the President under his Article II Commander-in-Chief powers."[99]

Legislative Proposals for Taiwan's Inclusion in Multilateral Military Training Activities

Congress has shown interest in inviting Taiwan to participate in U.S.-hosted multilateral military training activities. In the 115th Congress, the Senate amendment to the National Defense Authorization Act (NDAA) for FY2018 (H.R. 2810), would include a discretionary "sense of Congress" statement supporting inviting Taiwan "to participate in multilateral training activities hosted by the United States." It would also include binding language directing the Secretary of Defense to invite Taiwan's military to participate in a "Red Flag" exercise at either Eielson Air Force Base in Alaska or Nellis Air Force Base in Nevada. The House version of the bill contains no analogous provisions.

---

[96] Rita Cheng and Lilian Wu, "AIT Chairman Skeptical U.S. Naval Vessels Will Visit Taiwan," *Focus Taiwan*, July 12, 2017, http://focustaiwan.tw/news/aipl/201707120010.aspx.

[97] Ministry of National Defense of the People's Republic of China, "Defense Ministry's Regular Press Conference on June 29," June 30, 2017, http://eng.mod.gov.cn/news/2017-06/30/content_4784139.htm.

[98] Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Lu Kang's Regular Press Conference," June 29, 2017, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1474166.shtml.

[99] Julian Ku, "It's a Good Idea, but Congress Can't Require the U.S. Navy to Make Port Calls in Taiwan," Lawfare Blog, June 30, 2017, https://www.lawfareblog.com/its-good-idea-congress-cant-require-us-navy-make-port-calls-taiwan.

The pending Taiwan Security Act of 2017 (S. 1620) would require the Secretary of Defense to invite the Taiwan military to participate in the 2018 Rim of the Pacific Exercise (RIMPAC) as well as a "Red Flag" exercise at Eielson Air Force Base or Nellis Air Force Base.

Nellis Air Force Base describes "Red Flag" as "the U.S. Air Force's premier air-to-air combat training exercise" and says, "Participants often include both United States and allied nations' combat air forces."[100] Eielson Air Force Base in Alaska describes RED FLAG-Alaska as "a series of Pacific Air Forces commander-directed field training exercises."[101] The U.S. Navy describes RIMPAC as "the world's largest international maritime exercise." It is held every other year in Hawaii and Southern California. In 2016, the exercise drew participants from 26 nations, including the PRC.[102]

Among the questions related to a possible invitation to Taiwan to participate in any of these activities is how such an invitation might affect the willingness of allies and coalition partners to continue their participation. Most nations currently avoid interaction with the Taiwan military because of concerns about being seen to be violating "one China" pledges made to the PRC and thus undermining their broader relationships with the PRC. Other questions include to what degree, if at all, learning to operate in a multilateral environment will help Taiwan with its core mission of island defense, in which it is unlikely to be operating in concert with partners other than the United States.

U.S. Arms Sales to Taiwan

Since 1979, all administrations have notified Congress of Foreign Military Sales (FMS) to Taiwan, presenting the sales as consistent with U.S. law and policy as expressed in the Taiwan Relations Act. Taiwan is the largest customer for FMS programs in Asia and the United States' second largest FMS partner globally. Over its eight years in office (2009-2017), the Obama Administration notified Congress of more than $14 billion in Foreign Military Sales to Taiwan and licensed another $6.2 billion in Direct Commercial Sales (DCS).[103] Taiwan describes the $20 billion in total arms sales to Taiwan over the seven years from 2009 through 2015 as "the largest amount [of arms sales] in any comparable period following the enactment" of the Taiwan Relations Act in 1979.[104]

Among the advanced military systems Taiwan has acquired from the United States in the era of unofficial relations are:

---

[100] Nellis Air Force Base, "Red Flag," accessed September 21, 2017, http://www.nellis.af.mil/Home/Flying-Operations/. See also Nellis Air Force Base, "414th Combat Training Squadron 'Red Flag,'" July 6, 2012, http://www.nellis.af.mil/About/Fact-Sheets/Display/Article/284176/414th-combat-training-squadron-red-flag/.

[101] Eielson Air Force Base, "RED FLAG-Alaska," accessed September 21, 2017, http://www.eielson.af.mil/Info/RED-FLAG-Alaska/.

[102] U.S. Navy, "RIMPAC Exercise to Bring 26 Nations Together in Pacific," June 24, 2016, http://www.navy.mil/submit/display.asp?story_id=95379.

[103] Prepared Remarks of David Helvey, Senior Advisor, Department of Defense, Performing the Duties of the Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs, at the U.S.-Taiwan Business Council Defense Industry Conference, October 3, 2016, http://us-taiwan.org/reports/2016_october3_david_helvey_dod_keynote.pdf; Global Taiwan Institute, "Prepared Remarks of David Helvey, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs," September 14, 2017, http://globaltaiwan.org/wp-content/uploads/2017/09/ASD-Prepared-Remarks-for-GTI-Annual-Symposium-FINAL.pdf.

[104] Executive Yuan, Republic of China (Taiwan), *The Republic of China Yearbook 2016*, http://english.ey.gov.tw/cp.aspx?n=AAA55B728159E214.

- AH-64E Apache Attack Helicopters;
- Patriot-3 missiles;
- F-16 A/B aircraft, with subsequent upgrades to the latest F-16V configuration;
- tactical data links; and
- a long-range surveillance radar system, the AN/FPS-115 PAVE Phased Array Warning System (PAVE PAWS). Constructed by Raytheon Corporation on a mountaintop in Hsinchu County in the north of Taiwan, the PAVE PAWS system allows Taiwan to monitor aerial activities within a range of 3,000 miles, including Chinese missile and Air Force flight activity. The system was commissioned into service in 2013.[105]

U.S. Commitments Related to Taiwan Arms Sales

Sec. 2(b)(5) of the Taiwan Relations Act states that it is the policy of the United States "to provide Taiwan with arms of a defensive character." Sec. 3(a) and (b) state:

> (a) ...[T]he United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.
>
> (b) The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with procedures established by law. Such determination of Taiwan's defense needs shall include review by United States military authorities in connection with recommendations to the President and the Congress.

Former AIT Chairman Richard Bush, who served as a congressional staffer early in his career, suggests that Sec. 3(a) is not as strong a statement as commonly assumed. Bush writes, "In U.S. legislative practice, if Congress wishes to require an action by the executive, it uses the word 'shall.' To say that 'the United States will make available to Taiwan such defense articles and defense services' represents less a mandate for action than it does a statement of intention."[106] With regard to Sec. 3(b), Bush highlights the inclusion of the phrase, "in accordance with procedures established by law." The phrase, Bush explains, is a reference to the Arms Export Control Act, "which requires that the Executive Branch inform Congress of arms sales very late in the process ... and even then only for transfers above a certain value." Bush asserts that, "By including this phrase, Congress was taking itself out of [the decision-making process], and giving the Executive Branch substantial discretion regarding what Taiwan's needs were and what specific weapon systems to provide."[107]

The Reagan Administration's Six Assurances to Taiwan, provided in 1982, include two additional provisions related to arms sales to Taiwan. They are that in the 1982 negotiations with the PRC over the third U.S.-China joint communiqué on arms sales, " ... we did not agree to set a date certain for ending arms sales to Taiwan," and the communiqué, "should not be read to imply that we have agreed to engage in prior consultations with Beijing on arms sales to Taiwan."[108] The

[105] Spencer Ackerman, "Taiwan's Massive, Mega-Powerful Radar System Is Finally Operational," *Wired*, March 8, 2013, https://www.wired.com/2013/03/taiwan-radar/; "Talk of the Day: Taiwan Formally Commissions New Radar System," Focus Taiwan News Channel, February 3, 2013, http://focustaiwan.tw/news/atod/201302030023.aspx.

[106] Richard C. Bush, *At Cross Purposes: U.S.-Taiwan Relations Since 1942*, M.E. Sharpe, 2004, p.157.

[107] Ibid, p. 158.

[108] Testimony by Assistant Secretary of State John Holdridge, U.S. Congress, Senate Committee on Foreign Relations,

latter assurances, though presented to Congress in past tense, have been widely interpreted as a proscription on setting deadlines for ending arms sales and on consultation with Beijing about Taiwan arms sales.

The 1982 U.S.-PRC joint communiqué itself states that the United States "does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends gradually to reduce its sale of arms to Taiwan, leading, over a period of time, to a final resolution."[109] Testifying before Congress about this third communiqué, a senior Reagan Administration official emphasized that, " ... our future actions concerning arms sales to Taiwan are premised on the continuation of China's peaceful policy toward a resolution of its differences with Taiwan."[110]

The Trump Administration and Taiwan Arms Sales

On June 29, 2017, the Trump Administration notified Congress of seven proposed Foreign Military Sales (FMS) programs for Taiwan, with a total value of $1.36 billion. The day before, on June 28, 2017, the State Department took the unusual step of notifying Congress of an additional proposed Direct Commercial Sale (DCS) to Taiwan with a value of $68.8 million.[111] State Department Spokesperson Heather Nauert combined the value of the FMS programs and the DCS program in announcing that the Trump Administration had notified Congress of $1.42 billion of arms sales to Taiwan. She said, "There is continuity here; the United States has been doing defense sales with Taiwan for 50 years or so, so nothing has changed."[112]

Of the seven proposed FMS programs notified, the largest is a $400 million operations and maintenance follow-on package for Taiwan's Surveillance Radar Program (SRP). Other notifications cover joint stand-off weapons (JSOW), high-speed anti-radiation missiles (HARMs), MK-48 heavy-weight torpedoes, MK-54 light-weight torpedoes, upgrades to existing torpedoes, air-to-ground missiles, and an anti-warfare systems upgrade to four ex-KIDD class destroyers. The proposed DCS program notified is for the MK-41 Vertical Launching System. See **Appendix B** for a full list of all FMS programs notified to Congress from 2000 to 2017.

U.S. Policy Toward China and Taiwan, 97th Cong., 2nd sess., August 17, 1982 (Washington: GPO, 1982), pp. 13-14. Holdridge used almost exactly the same wording in testimony before the House the next day. U.S. Congress, House Committee on Foreign Affairs, *China-Taiwan: United States Policy*, 97th Cong., 2nd sess., August 18, 1982 (Washington: GPO, 1982), pp. 6-7.

[109] "U.S.-PRC Joint Communique (1982)," August 17, 1982, https://www.ait.org.tw/our-relationship/policy-history/key-u-s-foreign-policy-documents-region/u-s-prc-joint-communique-1982/.

[110] Testimony by Assistant Secretary of State John Holdridge, U.S. Congress, Senate Committee on Foreign Relations, *U.S. Policy toward China and Taiwan*, 97th Cong., 2nd sess., August 17, 1982 (Washington: GPO, 1982), pp. 13-14.

[111] Department of State, Transmittal No. DDTC 16-071 for the MK-41 Vertical Launching System, June 28, 2017.

[112] Nauert told reporters, "So the administration had formally notified Congress of seven proposed defense sales for Taiwan. It's now valued about $1.42 billion." That $1.42 billion figure reflects the seven FMS sales, with an aggregate value of $1.36 billion, and the additional proposed Direct Commercial Sale (DCS) to Taiwan with a value of $68.8 million notified to Congress on June 28, 2017. Unlike FMS programs, which are publicly listed on the website of the Defense Security Cooperation Agency, DCS sales are not required to be notified to Congress and are not usually made public. The notification of multiple FMS programs for Taiwan and one DCS sale has a precedent in the Obama Administration. On December 16, 2015, the Obama Administration notified Congress of eight FMS programs for Taiwan and one DCS program, with a combined value of $1.83 billion. U.S. Department of State, "Department Press Briefing," June 29, 2017, https://www.state.gov/r/pa/prs/dpb/2017/06/272265.htm#CHINA3; Defense Security Cooperation Agency, "Major Arms Sales," http://www.dsca.mil/major-arms-sales.

"Regularity" of Taiwan Arms Sales

The TRA is silent on the question of how the President and Congress should determine the timing of arms sales to Taiwan. From 1983 to 2001, the United States and Taiwan held annual Arms Sales Talks in Washington, DC, at which a Taiwan Ministry of National Defense delegation presented its requests for defense articles and services and the U.S. government provided formal responses. The talks attracted intense interest from both the Taiwan media and the PRC government. *The Washington Post* described annual meeting as a "contentious, once-a-year showdown over arms sales to Taiwan." The George W. Bush Administration ended the annual talks after the April 2001 meeting, moving to meetings on an "as-needed" basis.[113]

The executive branch notified Congress of proposed major arms sales to Taiwan at least once a year from 2001 to 2008, with the exception of 2006. In three separate years, 2001, 2002, and 2007, it notified Congress of arms sales to Taiwan on four separate occasions over the course of the year. In October 2008, however, the George W. Bush Administration adopted a new approach to arms sales notifications with six notifications of arms sales programs sent to Congress on a single day. A critical 2012 report from the U.S.-Taiwan Business Council and the Project 2049 Institute, an Arlington, VA-based research institute, alleges that the goal of this bundling of arms sales notifications was "to reduce the potential retaliation from China and subsequent consequences for U.S.-China relations, as well as a way to game the calendar in a manner that positioned the sales at the least-worst time."[114] Since 2008, the executive branch has routinely chosen to notify Congress of multiple proposed FMS programs for Taiwan on a single date, with sometimes extended gaps between notifications. The Obama Administration presided over a gap of over four years between notifications of major arms sales to Taiwan, lasting from September 21, 2011 to December 19, 2015. With its seven-program notification in June 2017, the Trump Administration is the third administration to bundle arms sales to Taiwan.

Table 5. Notifications of Proposed Major Arms Sales to Taiwan 2007-2017

Number of Dates on Which Notifications Were Issued, Total Number of FMS Programs Notified, and Aggregate Value of Programs Notified, by Calendar Year

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017[a]
Dates	4	1	0	1	1	0	0	0	1	0	1
Programs	5	6	0	5	3	0	0	0	8	0	7
Value	$3.72 bill	$6.46 billion	$0	$6.39 billion	$5.85 billion	$0	$0	$0	$1.72 billion	$0	$1.36 billion

Source: Defense Security Cooperation Agency, http://www.dsca.mil/major-arms-sales.

Notes: Section 36(b) of the Arms Export Control Act (AECA) (P.L. 90-629) requires congressional notification of letters of offer to sell major defense equipment valued at $14 million or more, defense articles or services valued at $50 million or more, or design and construction services valued at $200 million or more. This is the definition of "major arms sales" used in this table.

a. 2017 data is for January 1, 2017, to October 20, 2017.

[113] President Bush told the Washington Post, "We have made it clear to the Taiwanese that we will not have this so-called annual review—that we will meet on an as-needed basis." Dana Milbank and Mike Allen, "Bush to Drop Annual Review of Weapons Sales to Taiwan," *The Washington Post*, April 25, 2001, https://www.washingtonpost.com/archive/politics/2001/04/25/bush-to-drop-annual-review-of-weapons-sales-to-taiwan/f65586dd-a180-4768-8cdd-e5f51d1ad7ee.

[114] U.S.-Taiwan Business Council and Project 2049 Institute, "Chinese Reactions to Taiwan Arms Sales," March 2012, https://project2049.net/documents/2012_chinese_reactions_to_taiwan_arms_sales.pdf.

The House version of the National Defense Authorization Act for FY2018 (H.R. 2810), the Senate amendment to H.R. 2810, and the pending Taiwan Security Act (S. 1620) all seek more frequent transfers of defense articles and services to Taiwan, while H.R. 2810 also calls for a "timely review" of arms requests from Taiwan. The Senate amendment calls for "regular transfers" of arms to Taiwan. H.R. 2810 would also include a "sense of Congress" statement calling for the Secretary of Defense to undertake "a case-by-case review" of Taiwan's requests for arms sales "consistent with the standard processes and procedures in an effort to normalize the arms sales process with Taiwan"; submit a report to Congress no later than 120 days after each letter of request received from Taiwan, reporting on the status of the request; and brief congressional committees every six months on the status of any arms sales requests from Taiwan. S. 1620, would require the United States to "conduct regular transfers of defense articles to Taiwan" and would revive annual sales talks "to ensure the regular transfer of defense articles."

Competing Assessments of Taiwan's Defense Needs

Tensions have sometimes surfaced among the executive branch, Congress, and Taiwan military planners over assessments of Taiwan's defense needs. Taiwan has often sought to acquire small numbers of expensive, highly sophisticated military platforms with long timelines for delivery, such as F-16C/D fighters in an earlier era, and the F-35 Joint Strike Fighter today. The executive branch's view is that Taiwan faces a growing threat from the PRC and must move urgently to ensure that it has a credible deterrent capability now. Speaking in October 2017, DOD's Helvey argued that, "The ways of traditional defense procurement that focus on high price-tag, high-end systems, with large scale production, and imports are not fully suited to island defense." While acknowledging that Taiwan may continue to need "high-end major defense systems," he urged Taiwan to focus "on acquiring, maintaining, and training on affordable, timely, and cutting edge systems that are integrated into a multi-domain defense."

Helvey also counseled Taiwan, "Don't discount older and simpler capabilities," such as sea and surf-zone mines that "offer significant obstacles to an invading force." He urged Taiwan to seek "to network the old with the new so that they complement one another." Helvey challenged Taiwan, for example, to leverage its technological and innovation strength to explore such questions as, "How can mines be mobile, layered in defensive belts and intelligent" and "What devices can be built that disrupt the electronic communications of an attacker or that counter the effects of jamming?" Taiwan's goal, he said, should be to maintain a "resilient deterrent" that is "networked, survivable, and adaptive."[115]

Taiwan Interest in the F-35

Taiwan's 2017 Quadrennial Defense Review lists "acquisition of advanced weapon systems" as the third priority for defense spending, after defense research and development and indigenous production of weapons and equipment. The Review specifically mentions plans "to acquire new fighters capable of vertical or short takeoff and landing (V/STOL) and having stealth characteristics," an apparent reference to the United States' F-35 strike fighter.[116] In an April 27,

[115] U.S.-Taiwan Business Council, "Prepared Remarks of David Helvey, Acting Assistant Secretary of Defense for Asian and Pacific Security Affairs," for delivery at the U.S.-Taiwan Business Council Defense Industry Conference, Princeton, New Jersey, October 16, 2017, http://us-taiwan.org/reports/2017_october16_david_helvey_dod_keynote.pdf.

[116] Ministry of National Defense, Republic of China, "2017 Quadrennial Defense Review," March 2017, http://www.ustaiwandefense.com/tdnswp/wp-content/uploads/2000/01/2017-Taiwan-Quadrennial-Defense-Review-QDR.pdf.

2017, interview with Reuters, President Tsai explicitly raised the possibility that Taiwan may request to buy the F-35 from the United States. "We don't rule out any items that would be meaningful to our defense and our defense strategy and the F-35 is one such item," she told the news agency.[117] The F-35 is currently projected to cost between $95 million and $123 million per plane, depending on the model.[118]

Indigenous Submarine Program

President Tsai has also backed an ambitious indigenous defense submarine (IDS) program and indigenous fighter-trainer program for which Taiwan hopes to receive technical support from the United States. In the 115th Congress, Sec. 1270B of the Senate amendment to the National Defense Authorization Act for FY2018 (H.R. 2810) would direct that, "The Secretary of Defense shall implement a program of technical assistance and consultation to support the efforts of Taiwan to develop indigenous warfare capabilities, including vehicles and sea mines, for its military forces."

In his September 2017 remarks, the Department of Defense's Helvey sounded a note of caution about U.S. support for Taiwan's development of indigenous warfare capabilities. He stated that "the U.S. government does not own much of the technology Taiwan seeks for its domestic industry."[119] That may be particularly true for the IDS program, given that the United States manufactures only nuclear-powered submarines, whereas Taiwan's plans involve diesel-electric submarines. Because of the technology Taiwan is seeking, Helvey suggested that any support from the United States may need to be in the form of Direct Commercial Sales (DCS). In a DCS framework, Taiwan would work directly with U.S. defense contractors, rather than with the U.S. government, as in the Foreign Military Sales (FMS) framework in which Taiwan has traditionally operated for the bulk of its arms purchases. In the FMS framework, Helvey explained, "the Department of Defense and its contractors absorb a great deal of the cost and risk involved in developing and producing new weapon systems, including from delays, cost-overruns, and quality assurance or performance problems." He noted that, "As Taiwan transitions toward indigenous manufacturing aided by direct commercial sales, the risks of developing new weapons systems will shift to the buyer, and that is something Taiwan will have to reconcile." Helvey also cautioned that Taiwan "will need to ensure compliance with U.S. standards and requirements for safeguarding sensitive defense technologies," which may require Taiwan "to establish new regulatory mechanisms."[120]

Taiwan's Non-NATO Ally Status

Section 1206 of the Foreign Relations Authorization Act for FY2003, P.L. 107-228, requires that Taiwan be treated as if it were a Major Non-NATO Ally (MNNA) for the purpose of transfers of defense articles or services under the Arms Control Export Act, the Foreign Assistance Act of 1961, or any other provision of law. According to the Defense Security Cooperation Agency,

---

[117] Jean Yoon and J.R. Wu, "Exclusive: Taiwan President Says Phone Call with Trump Can Take Place Again," April 27, 2017, http://www.reuters.com/article/us-taiwan-president-idUSKBN17T0W3.

[118] Kyle Mizokami, "The Cost of the F-35 Is Going Up Again," Aviation Week & Space Technology, July 17, 2017. For more information on the F-35, see CRS Report RL30563, *F-35 Joint Strike Fighter (JSF) Program*, by Jeremiah Gertler.

[119] Global Taiwan Institute, "Prepared Remarks of David Helvey, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs," September 14, 2017, http://globaltaiwan.org/wp-content/uploads/2017/09/ASD-Prepared-Remarks-for-GTI-Annual-Symposium-FINAL.pdf.

[120] Ibid.

MNNA status makes Taiwan eligible for stockpiling of U.S. defense articles; purchase of depleted uranium anti-tank rounds; with a reciprocity agreement, exemption from indirect costs, administrative charges, and billeting costs for training; and use of any allocated foreign military financing programs (FMFP) funding for commercial leasing of defense articles.[121]

PRC Objections to Taiwan Arms Sales

In directing the President and Congress to determine "the nature and quality" of defense articles and services sold to Taiwan "based solely upon their judgment of the needs of Taiwan," the Taiwan Relations Act appears to proscribe consideration of the potential impact of such sales on U.S.-China relations. Taiwan's supporters have sometimes alleged that in declining to sell Taiwan certain advanced defense articles, such as F-16C/D combat aircraft, the executive branch has allowed concerns about the PRC's potential reaction to influence its decisions about what items to sell Taiwan, in violation of the act.[122]

Arms sales to Taiwan typically draw strong protests from the PRC. Beijing sees them as a violation of the August 1982 U.S.-China joint communiqué, which stated that the United States intended "gradually to reduce its sale of arms to Taiwan, leading, over a period of time, to a final resolution." The PRC also argues that arms sales make Taiwan less willing to negotiate a resolution to the cross-strait standoff.

After the Trump Administration's June 29, 2017 notification to Congress of arms sales to Taiwan, China's Foreign Ministry spokesperson said that China had "lodged representations" with the U.S. government in both Beijing and Washington, DC. He continued:

> The Chinese side pointed out that Taiwan is an inalienable part of China. By selling arms to Taiwan, the US has severely violated international law, basic norms governing international relations and the three China-US joint communiqués, and jeopardized China's sovereignty and security interests. The Chinese side firmly opposes that.
>
> The Chinese side stressed that the Chinese government and people will never waver in their will and determination to defend national sovereignty and territorial integrity, and fend against external interference. We strongly urge the US side to honor its solemn commitments in the three China-US joint communiqués, cancel its arms sales plan, and stop its military contact with Taiwan, so as not to cause further damage to China-US relations and bilateral cooperation in major areas.[123]

Cooperation to Address Global Challenges

According to AIT Chairman James Moriarty, the United States seeks "to help find new ways for Taiwan to earn the dignity and respect that its contributions to global challenges merit and that befit its democratic status."[124] One avenue for such efforts has been the Global Cooperation and

---

[121] Institute of Security Cooperation Studies, "Chapter 2: Security Cooperation Legislation and Policy," in *The Management of Security Cooperation* ("*The Green Book*") (July, 2016), http://www.iscs.dsca.mil/documents/greenbook/02_Chapter.pdf.

[122] For elaboration of such criticism, see U.S.-Taiwan Business Council and Project 2049 Institute, "Chinese Reactions to Taiwan Arms Sales," March 2012, https://project2049.net/documents/2012_chinese_reactions_to_taiwan_arms_sales.pdf.

[123] Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Lu Kang's Regular Press Conference," June 30, 2017, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1474637.shtml.

[124] "AIT Chairman James Moriarty Remarks at Center for Strategic and International Studies (CSIS)," July 13, 2017,

Training Framework (GCTF), created in June 2015 through a memorandum of understanding between AIT and TECRO, and continued under the Trump Administration. As of late July 2017, the initiative had held eight workshops in Taiwan on such topics as public health, energy efficiency, women's empowerment, e-commerce, and humanitarian assistance and disaster relief, with participation from more than 100 officials and experts from around the Asia-Pacific.[125] Moriarty stated in April 2017 that with the GCTF, the United States seeks ".... to provide more than technical expertise. Our goal is to create networks and build bridges between Taiwan, Southeast Asia and South Asia, the Pacific, the Caribbean, and beyond."[126]

The United States has also helped facilitate contributions from Taiwan to address international crises. In 2014, after the World Health Organization (WHO) rebuffed Taiwan's efforts to donate $1 million via the United Nations Foundation to support the WHO's response to the Ebola virus in West Africa, the United States assisted Taiwan in finding other ways to contribute to the global Ebola response. According to a U.S. State Department report to Congress, "Taiwan coordinated with the United States to deliver 100,000 sets of personal protective equipment to the Pan-American Development Foundation to support preparedness across Latin America and the Caribbean, as well as a $1 million USD contribution to the U.S. CDC Foundation's initiatives to fight Ebola in Liberia, Sierra Leone, and Guinea."[127] Taiwan says its contribution to the Pan – American Development Foundation was valued at $125,000.[128] (See also "World Health Assembly/World Health Organization," below.)

U.S.-Taiwan Commercial Ties

U.S. trade data indicate that in 2016, Taiwan was the United States' 10th-largest merchandise trading partner (at $65.4 billion), 14th-largest export market (at $26.0 billion) and 13th-largest source of imports (at $39.3 billion). From 2000 to 2016, U.S. exports to Taiwan grew by 8.3%, while imports fell by 4.9%. In comparison, U.S. global exports and imports during this period rose by 86.3% and 79.9%, respectively. The United States is Taiwan's second-largest trading partner after the PRC.

U.S. data may understate the importance of Taiwan to the U.S. economy because of the role of global supply chains. For example, many of the consumer electronic products developed by Apple Inc. (such as iPads and iPhones) are assembled in mainland China by Taiwan-owned firms. Taiwan has moved a significant level of its labor-intensive manufacturing overseas, especially to mainland China. This is reflected in Taiwan's data on export orders received by its firms from abroad. That data indicate that the percentage of export orders produced abroad rose from 13.3% in 2000 to 54.2% in 2016; and for information and communications technology products (such as computers), this figure rose from 24.9% to 93.4%.

---

https://www.csis.org/analysis/american-institute-taiwan-chairman-james-moriarty-remarks.

[125] "AIT Chairman James Moriarty Remarks at Center for Strategic and International Studies (CSIS)," July 13, 2017, https://www.csis.org/analysis/american-institute-taiwan-chairman-james-moriarty-remarks.

[126] American Institute in Taiwan, "Remarks by AIT Chairman James Moriarty at the Global Cooperation and Training Framework Mosquito-borne Viral Diseases Laboratory Diagnosis Workshop," April 25, 2017, https://www.ait.org.tw/remarks-ait-chairman-james-moriarty-global-cooperation-training-framework-mosquito-borne-viral-diseases-laboratory-diagnosis-workshop/.

[127] U.S. Department of State, "Report to Congress on P.L. 108-235: U.S. Support for Taiwan's Participation as an Observer at the 69th World Health Assembly and in the Work of the World Health Organization," May 22, 2017.

[128] Executive Yuan, Republic of China (Taiwan), "Foreign Affairs," *The Republic of China Yearbook 2016*, http://english.ey.gov.tw/cp.aspx?n=AAA55B728159E214.

Taiwan government data indicate that Taiwan manufacturing firms received export orders from the United States worth $127.6 billion in 2016, a figure more than three times larger than official U.S. data for U.S. imports from Taiwan in 2015. From 2000 to 2016, U.S. orders to Taiwan firms increased by 160.4%. The United States is the largest source of Taiwan's export orders, accounting for 28.7% of total in 2016. (Mainland China and Hong Kong together accounted for 24.1%.) This indicates that U.S.-Taiwan commercial ties are significantly greater and more complex than reflected in standard bilateral trade data. The stock of U.S. FDI in Taiwan through 2016 was $16.2 billion and the stock of Taiwanese FDI in the United States was $7.2 billion, on a historical-cost basis.[129]

Many U.S. business groups have indicated optimism over Taiwan's economic prospects, but have raised concerns over certain aspects of Taiwan's business climate. In a 2017 survey by the American Chamber of Commerce (AmCham) in Taipei, 67% of respondents said their business operations were "very profitable" in 2016 and 56% said they expected strong profits in 2017. However, 49% of respondents indicated they were positive about their business prospects over the next five years, down from 60% who felt that way in 2015. Respondents indicated that the top five issues affecting their business operations in Taiwan were government bureaucracy, cross-Strait relations, lack of clarity in labor laws, inconsistent regulatory interpretation, and political turmoil in Taiwan.[130]

The U.S. Trade Representative's (USTR) 2017 National Trade Estimates of Foreign Trade Barriers noted Taiwan's sanitary and phytosanitary restrictions on agricultural products, especially in regards to beef and pork. Taiwan maintains import bans on certain beef products and a total ban on imported pork containing the leanness-enhancing drug, ractopamine.

The USTR's 2017 Special 301 on intellectual property rights (IPR) protection cited Taiwan as one of four U.S. trading partners that had recently strengthened their trade secrets law, but also identified it as one of 12 trading partners of concern regarding government use of unlicensed software, and one of 16 trading partners of concern related to their policies on pharmaceutical innovation and market access.[131]

AmCham Taipei's 2017 White Paper indicated that of the 80 issues discussed by the Chamber's committees in the 2016 White Paper, none had been fully resolved by the Taiwan government, although "favorable progress" was made in banking, infrastructure, pharmaceutical IPR protection, public health, real estate, sustainable development, and tobacco. AmCham Taipei recommended ways to boost U.S.-Taiwan commercial ties, including the negotiation of a U.S.-Taiwan "fair trade agreement" and bilateral investment agreement, conducting more two-way high-level visits, and making revisions to the U.S. tax system with regard to the tax treatment of overseas Americans.[132]

In 1994, the United States and Taiwan concluded a Trade and Investment Framework Agreement (TIFA). TIFA talks, usually held on an annual basis, serve as a high level forum to discuss major trade and investment disputes and expanded commercial ties. Topics include market access, IPR protection, labor and environmental issues, and trade capacity building.[133] In the past, the USTR

[129] Bureau of Economic Analysis.

[130] American Chamber of Commerce in Taipei, *2017 Business Climate Survey*, February 20, 2017, available at https://amcham.com.tw/2017/02/2017-business-climate-survey-press-conference/.

[131] The USTR reports can be found at https://ustr.gov/about-us/policy-offices/press-office/reports-and-publications.

[132] American Chamber of Commerce in Taipei, *2017 Taiwan White Paper*, June 2017, available at https://amcham.com.tw/wp-content/uploads/2017/06/June-2017-Taiwan-Business-TOPICS.pdf.

[133] The USTR's website lists 56 U.S.TIFA agreements, but does not include the U.S. TIFA with Taiwan. See https://ustr.gov/trade-agreements/trade-investment-framework-agreements.

has indicated that talks under TIFA could potentially lead to discussions focused on reaching a free trade agreement (FTA). Taiwan's decision in 2007 to ban beef and pork and imports containing ractopamine led the United States to suspend the TIFA talks for nearly six years. They were resumed in March 2013 after Taiwan agreed to allow some beef imports containing ractopamine, based on a maximum residue limit (MRL), although it did not do so for pork.

At the 2016 TIFA talks, the USTR stated that it had "pressed Taiwan for expeditious resolution of agricultural trade issues, including removal of longstanding and unwarranted barriers to U.S. beef and pork, which is necessary for any deepening of our trade relationship." USTR also noted further progress in IP protection and enforcement. The two sides pledged to continue efforts to boost Taiwan's market access for medical devices and to improve procedural fairness and transparency in trade and investment.[134]

In the 115th Congress, H.Res. 271 would call on the USTR to begin negotiations with Taiwan for a bilateral trade agreement. Previous congressional proposals for an FTA with Taiwan include H.R. 419 (113th Congress); H.R. 2918 (112th Congress); H.Con.Res. 276 (111th Congress); H.Con.Res. 137 and S.Con.Res. 60 (110th Congress); and H.Con.Res. 342, H.Con.Res. 346, and S.Con.Res. 84 S (109th Congress).

Visa Waiver

In October 2012, the United States designated Taiwan as a member of the U.S. Visa Waiver Program (VWP). The VWP, administered by the Department of Homeland Security in consultation with the Department of State, allows Taiwan passport holders to visit the United States for business or tourism purposes for up to 90 days without a visa. Under the terms of the program, Taiwan extends reciprocal privileges to Americans visiting Taiwan. The Department of Homeland Security describes the program as "a comprehensive security partnership with many of America's closest allies."[135] Of the 38 VWP members, Taiwan is the only one that does not have diplomatic relations with the United States. According to AIT Taipei, in 2015, more than 440,000 Taiwan passport-holders visited the United States and spent a collective $1.8 billion.[136]

Cross-Strait Relations

The United States has long had a strong interest in peace and stability in the Taiwan Strait, heightened by U.S. security commitments related to Taiwan contained in the Taiwan Relations Act. After eight years of relative stability in cross-Strait relations during the two presidential terms of the KMT's Ma Ying-jeou, from May 2008 to May 2016, tensions are on the rise under President Tsai. The main point of disagreement between the two sides is the long-standing issue of Taiwan's sovereignty, and specifically Beijing's insistence that President Tsai commit to the notion that Taiwan and mainland China are parts of "one China," and President Tsai's unwillingness to make such a commitment. Beijing has progressively increased pressure on President Tsai, starting before she took office, including by seeking to further isolate Taiwan internationally.

[134] USTR, *Press Release*, October 2016, 2016.

[135] Department of Homeland Security, "U.S. Visa Waiver Program," accessed August 25, 2016, https://www.dhs.gov/visa-waiver-program#_ftn1.

[136] Information provided by AIT Taipei, October 17, 2016.

The PRC Position on Taiwan

The PRC views the issue of Taiwan as unfinished business from the 1945-1949 civil war between the Communist Party of China and the KMT, or Nationalist, forces under the leadership of Chiang Kai-shek. The PRC position is that the PRC government that the CPC established on October 1, 1949, replaced the KMT-led Republic of China, with no change in territory, meaning that the PRC includes Taiwan. In the PRC view, the government on Taiwan is no more than "a local authority in Chinese territory."[137] The PRC has long threatened to use force, if necessary, to bring about Taiwan's unification with mainland China.

The "One-China Principle" and the "1992 Consensus"

The PRC insists that the basis for peace across the Taiwan Strait is Taiwan's acceptance of a "one-China principle" that the PRC defines as "there is only one China in the world, Taiwan is a part of China and China's sovereignty and territorial integrity is not to be separated." (For its diplomatic partners, the PRC adds two additional conditions, that partners recognize the PRC as "the sole legitimate government representing the whole of China" and agree not to maintain diplomatic relations with Taiwan.[138])

During the 2008-2016 Ma Ying-jeou Administration on Taiwan, the PRC and Taiwan reached an uneasy accommodation on the PRC's "one-China" demand by pledging their adherence to what the two sides called the "1992 Consensus." The term referred to an agreement reportedly reached during meetings in November 1992 between two semi-official organizations, the PRC's Association for Relations Across the Taiwan Strait (ARATS) and Taiwan's Straits Exchange Foundation (SEF). In those meetings, the two organizations reportedly agreed to state orally that "both sides of the Taiwan Strait adhere to the one-China principle," with the understanding that each side had "its own interpretation" of what the "one-China principle" meant.[139] Under the "1992 Consensus" formula, Beijing and Taipei held 11 rounds of quasi-official high-level talks and signed 23 cross-Strait economic and functional agreements. In November 2015, PRC President Xi and then-Taiwan President Ma engaged in a first-ever meeting between the leaders of the ROC and the PRC, though the two men agreed to meet not as "presidents," but as "leaders" of Taiwan and mainland China.

Both the PRC and Taiwan's KMT have called on President Tsai to affirm the "1992 Consensus." The PRC has also said she could use her own words to commit to what the PRC considers to be the core meaning of the consensus, namely that, "both the Mainland and Taiwan belong to one and the same China and that cross-Strait relations are not state-to-state relations."[140] Tsai has so far declined to do so.

---

[137] State Council of the People's Republic of China, "The One-China Principle and the Taiwan Issue," White Paper, 2000.

[138] Ibid.

[139] A KMT legislator, Su Chi, said in 2006 that he made up the term "1992 consensus" in 2000, when he was serving as chairman of Taiwan's Mainland Affairs Council. He conceived the term as a way for the then-incoming DPP government in Taiwan to avoid saying the words "one-China" and the PRC to avoid explicitly acknowledging that the two sides had different interpretations of the meaning of the "one-China principle." Shih Hsiu-chuan, "Su Chi Admits the '1992 Consensus' Was Made Up," Taipei Times, February 22, 2006, http://www.taipeitimes.com/News/taiwan/archives/2006/02/22/2003294106.

[140] "Full Text of Mainland's Taiwan Affairs Authorities' Statement on Cross-Straits Relations," Xinhua, May 20, 2016.

Peaceful Reunification and "One Country, Two Systems"

In 1979, soon after Deng Xiaoping emerged as the PRC's top leader, the PRC unveiled a Taiwan policy that emphasized the goal of "peaceful reunification" and proposed a concept of "one country, two systems" for mainland China and Taiwan after the proposed reunification. The most recent PRC White Paper on Taiwan, "The One-China Principle and the Taiwan Issue," published in 2000, presents the "one-country, two systems" proposal in this way:

> After reunification, the policy of "one country, two systems" will be practiced, with the main body of China (Chinese mainland) continuing with its socialist system, and Taiwan maintaining its capitalist system for a longer period of time to come. After reunification, Taiwan will enjoy a high degree of autonomy, and the Central Government will not send troops or administrative personnel to be stationed in Taiwan.[141]

In 2001, the People's Daily, the newspaper of the Communist Party of China's Central Committee, explained the "high degree of autonomy" promised to Taiwan in this way.

> After reunification, Taiwan will become a special administrative region. Different from the other provinces or regions of China, it will have its own administrative and legislative powers, an independent judiciary and the right of adjudication on the island. It may conclude commercial and cultural agreements with foreign countries and enjoy certain rights in foreign affairs. It will run its own party, political, military, economic, financial and cultural affairs. It may keep its military forces and the central government will not dispatch troops or administrative personnel to the island. On the other hand, representatives of the government of the special administrative region and those from different circles of Taiwan may be appointed to senior posts in the central government and participate in the running of national affairs.[142]

Although the PRC first proposed the "one country, two systems" notion with Taiwan in mind, it has since implemented the approach in two other jurisdictions: Hong Kong, a former British colony that returned to Chinese sovereignty as a Special Administrative Region (SAR) of the PRC in 1997, and Macao, a former Portuguese colony that returned to Chinese sovereignty as an SAR of the PRC in 1999. Many observers believe that through its intervention in political and judicial matters in Hong Kong since 1997, the PRC has undermined whatever appeal the "one country, two systems" might once have had for Taiwan. The 2000 PRC White Paper states that, "the Chinese Government acknowledges the differences" between Taiwan and the two former colonies, and "is prepared to apply a looser form of the 'one country, two systems' policy in Taiwan than that in Hong Kong and Macao," with "looser" undefined.[143]

The 2005 PRC Anti-Secession Law and the Threat of Use of Force

In March 2005, the PRC's legislature, the National People's Congress, passed an Anti-Secession Law codifying PRC policy toward Taiwan, including the threat of use of force.[144] Article 2 reiterates the PRC's one-China principle, namely that, "There is only one China in the world. Both the mainland and Taiwan belong to one China. China's sovereignty and territorial integrity brook no division." Articles 5 and 7 focus on the prospect of "peaceful reunification." Article 5

---

[141] State Council of the People's Republic of China, "The One-China Principle and the Taiwan Issue," White Paper, 2000.

[142] "What are the Basic Contents of the Policy of 'Peaceful Reunification; One Country, Two Systems'?" The People's Daily, April 10, 2001, http://www.gwytb.gov.cn/en/Special/OneCountryTwoSystem/201103/t20110316_1789245.htm.

[143] Ibid.

[144] National People's Congress, Anti-Secession Law, promulgated March 14, 2005, http://www.npc.gov.cn/englishnpc/Law/2007-12/13/content_1384099.htm.

commits the PRC to work "with maximum sincerity to achieve a peaceful reunification," and states that, "After the country is reunified peacefully, Taiwan may practice systems different from those on the mainland and enjoy a high degree of autonomy." Article 7 states that, "The state stands for the achievement of peaceful reunification through consultations and negotiations on an equal footing between the two sides of the Taiwan Straits." It authorizes consultation and negotiation on such issues as "officially ending the state of hostility between the two sides," "the political status of the Taiwan authorities," and an international profile for Taiwan "that is compatible with its status." In the meantime, Article 6 directs the state to promote people-to-people and other exchanges, closer economic ties, and law enforcement cooperation between mainland China and Taiwan in order "to maintain peace and stability in the Taiwan Straits and promote cross-Straits relations."

International attention to the Anti-Secession Law has focused on Articles 8 and 9, which outline conditions for the use of force—described as "non-peaceful means"—to bring about unification.

> Article 8 In the event that the "Taiwan independence" secessionist forces should act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidents entailing Taiwan's secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China's sovereignty and territorial integrity.
>
> The State Council and the Central Military Commission shall decide on and execute the non-peaceful means and other necessary measures as provided for in the preceding paragraph and shall promptly report to the Standing Committee of the National People's Congress.
>
> Article 9 In the event of employing and executing non-peaceful means and other necessary measures as provided for in this Law, the state shall exert its utmost to protect the lives, property and other legitimate rights and interests of Taiwan civilians and foreign nationals in Taiwan, and to minimize losses. At the same time, the state shall protect the rights and interests of the Taiwan compatriots in other parts of China in accordance with law.

The legislation does not define "secession," or "major incidents entailing Taiwan's secession." Nor does it offer any guidelines as to how the PRC might evaluate whether "possibilities for a peaceful reunification" are "completely exhausted." The U.S. Department of Defense observes of Article 8 that, "The ambiguity of these 'redlines' preserves China's flexibility."[145]

PRC Discourse on Taiwan Independence

PRC commentators do not appear to expect President Tsai to declare Taiwan independent of mainland China. They allege, however, that she seeks to separate Taiwan from mainland China through a gradual process of "soft independence" or "cultural independence" involving efforts to downplay Taiwan's Chinese identity, a program the PRC calls "de-sinicization," and to emphasize instead the island's distinct identity as a product of multiple cultural influences, including aboriginal, Dutch colonial, Japanese colonial, and Chinese. In April 2017, a spokesperson for the PRC's Taiwan Affairs Office charged that the Tsai Administration had not only failed to accept the 1992 Consensus, but also "indulged and supported a series of activities

[145] Department of Defense, "Military and Security Developments Involving the People's Republic of China 2017," Annual Report to Congress, May 15, 2017, https://www.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF.

aimed at 'de-sinicization' and 'Taiwan independence.' It has also obstructed cross-strait exchanges and sought to turn people from both sides against each other."[146]

Key Statements by Top PRC leaders

In his October 18, 2017 report to the Communist Party of China's 19th Congress, Communist Party General Secretary and PRC President Xi Jinping declared, "Resolving the Taiwan question to realize China's complete reunification is the shared aspiration of all Chinese people, and is in the fundamental interests of the Chinese nation." Xi re-stated the PRC's commitment to the principles of "peaceful reunification" and "one country, two systems." In a clear reference to Taiwan's ruling DPP, Xi also reiterated the PRC's preconditions for a return to dialogue with Taiwan. So long as they "[r]ecognize the historical fact of the 1992 Consensus and that the two sides belong to one China," Xi said, "no political party or group in Taiwan will have difficulty conducting exchanges with the mainland."[147]

Reaching out to residents of Taiwan, Xi stated, " ... we respect the current social system and way of life in Taiwan and are ready to share the development opportunities on the mainland with our Taiwan compatriots first." He promised that "over time" the PRC would allow people from Taiwan to "enjoy the same treatment as local people when they pursue their studies, start businesses, seek jobs, or live on the mainland.... "[148]

Projecting a harder line, Xi stated, "We have the resolve, the confidence, and the ability to defeat separatist attempts for 'Taiwan independence' in any form." Repeating an applause line from his August 1, 2017 speech marking the 90th anniversary of the People's Liberation Army, Xi added, "We will never allow anyone, any organization, or any political party, at any time or in any form, to separate any part of Chinese territory from China."[149]

Taiwan's President Tsai and "One China"

President Tsai's Democratic Progressive Party embraces a strong Taiwanese identity. The Party has long been associated with support for Taiwan's status as a sovereign country separate from mainland China.

- In an October 1991 revision to its party platform, the DPP called for "establishment of a sovereign, independent Republic of Taiwan," through referendum.[150]
- In its 1999 Resolution on Taiwan's Future, the DPP declared, "Taiwan is a sovereign, independent country. Any change to the independent status quo must

[146] "Endorsing One-China Principle Only Way to Break Deadlock in Cross-Strait Ties: Spokesperson," Xinhua, April 28, 2017, http://news.xinhuanet.com/english/2017-04/28/c_136244368.htm.

[147] Xi Jinping, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," delivered at the 19th National Congress of the Communist Party of China, October 18, 2017.

[148] Ibid.

[149] Ibid. Xi Jinping, "在庆祝中国人民解放军建军 90 周年大会上的讲话 (2017 年 8 月 1 日)" ("Speech at Meeting Celebrating the 90th Anniversary of the Founding of the People's Liberation Army (August 1, 2017)"), *People's Daily*, August 2, 2017, http://58.68.146.102/rmrb/20170802/2. In Chinese, the line common to both speeches was, "我们绝不允许任何人、任何组织、任何政党、在任何时候、以任何形式、把任何一块中国领土从中国分裂出去!"

[150] Democratic Progressive Party, 黨綱 (Party Platform), Adopted at the First Plenum of the Fifth Party Congress, October 12-13, 1991.

> be decided by all the residents of Taiwan through referendum." It also stated, "Taiwan does not belong to the People's Republic of China. The 'one-China principle' and 'one country, two systems' unilaterally advocated by China absolutely do not apply to Taiwan."[151]

Mindful of concerns in Washington, DC, and elsewhere that her party's history of support for independence might contribute to a sharp deterioration in cross-Strait relations, Tsai spoke cautiously about Taiwan's status on the campaign trail, and has continued that caution as president. She has neither endorsed nor refuted the "1992 Consensus" or the idea that Taiwan and mainland China are parts of "one China." As president, she has offered language that some in Taiwan hoped the PRC might interpret as a partial endorsement of the "one China" principle, had it wanted a face-saving way to continue negotiations with the DPP government. The PRC chose not to interpret Tsai's statements in that light. After taking office in May 2016, Tsai also appointed three members of Taiwan's main opposition party, the KMT, and an independent to powerful, high-profile positions in her government, part of an apparent effort to build bridges to the KMT and to Beijing.[152]

Responding to Beijing's calls for her to endorse the "1992 Consensus," Tsai said in her May 20, 2016, inauguration speech that she respected the "historical fact" that institutions from the mainland and Taiwan had met in 1992 and "arrived at various joint acknowledgements and understandings." She also said that the two sides had "accumulated outcomes" from twenty-plus years of interactions starting in 1992, and that both sides should "collectively cherish and sustain them." By offering a starting date of 1992, Tsai appeared to leave open the possibility that the "1992 Consensus" might be among the outcomes to be cherished. Tsai added that her government would "conduct cross-Strait affairs in accordance with the Republic of China Constitution, the Act Governing Relations Between the People of Taiwan Area and the Mainland Area, and other relevant legislation," referencing documents that treat mainland China and Taiwan as parts of a single China.[153]

In the next paragraph of her speech, however, Tsai challenged the PRC interpretation of two key issues, the nature of the "political foundation" for the cross-Strait relationship, and the core content of the "1992 Consensus." The PRC maintains that the "political foundation" for relations is "adhering to the 1992 Consensus and opposing 'Taiwan independence,'" and it states that the core meaning of the "1992 Consensus" is that "both the Mainland and Taiwan belong to one and the same China and that cross-Straits relations are not state-to-state relations."[154] By contrast, Tsai said:

> By existing political foundations, I refer to a number of key elements. The first element is the fact of the 1992 talks between the two institutions representing each side across the Strait (SEF & ARATS), when there was joint acknowledgement of setting aside differences

---

[151] Democratic Progressive Party, "台灣前途決議文" ("Resolution on Taiwan's Future"), Adopted at the Second Plenum of the Eighth Party Congress, May 8-9, 1999. Translation by CRS.

[152] The four appointments were Lin Chuan, an independent, as Premier, David Li of the KMT as Foreign Minister, Feng Shih-kuan of the KMT as Defense Minister, and Chen Tain-jy of the KMT as Chairman of the National Development Council. Lin and Chen have since left their posts.

[153] Office of the President, Republic of China (Taiwan), "Inaugural Address of ROC 14th-Term President Tsai Ing-Wen," May 20, 2016, http://english.president.gov.tw/NEWS/4893; Mainland Affairs Council, Executive Yuan, The Act Governing Act Relations between the People of the Taiwan Area and the Mainland Area, as amended, first promulgated July 31, 1992, http://www.mac.gov.tw/en/News_Content.aspx?n=4F2E0C155DF44564&sms=2C46F5E37DC2E1D2&s=1403D3EA1BC2B0B9.

[154] "Full Text of Mainland's Taiwan Affairs Authorities' Statement on Cross-Straits Relations," Xinhua, May 20, 2016,

> to seek common ground. This is a historical fact. The second element is the existing Republic of China constitutional order. The third element pertains to the outcomes of over twenty years of negotiations and interactions across the Strait. And the fourth relates to the democratic principle and prevalent will of the people of Taiwan.[155]

Notably, Tsai suggested that the "joint acknowledgement" from 1992 was not that mainland China and Taiwan were parts of "one China," but rather that the two sides would be "setting aside differences to seek common ground."

Responding to Tsai's Inaugural Address, the head of the Communist Party of China Central Committee's Taiwan Work Office, who doubles as head of the PRC's Taiwan Affairs Office (TAO), asserted that Tsai had not satisfied Beijing with her remarks.

> ...[S]he was ambiguous about the fundamental issue, the nature of cross-Strait relations, an issue that is of utmost concern to people on both sides of the Taiwan Straits. She did not explicitly recognize the 1992 Consensus and its core implications, and made no concrete proposal for ensuring the peaceful and stable growth of cross-Straits relations. Hence, this is an incomplete test answer.[156]

In her next major speech to tackle the cross-Strait relationship, her October 10, 2016, speech marking the ROC's 105th National Day, Tsai stated her desire "to establish a consistent, predictable and sustainable cross-Strait relationship, and to maintain both Taiwan's democracy and the status quo of peace across the Taiwan Strait." Tsai called for the two sides to "sit down and talk as soon as possible." She stated, though, that Taiwan "will not bow to pressure."[157] By defining the status quo as "peace," Tsai again challenged a PRC definition of a key concept. The PRC argues that the "1992 Consensus" is "an important part of the status quo of cross-Strait ties."[158]

In her year-end press conference in 2016, Tsai acknowledged the worsening of relations between the mainland and Taiwan.

> ...[I]n the past few months, it has been the general feeling of the Taiwanese people that the rational and calm position that both sides have worked hard to maintain has seen certain changes. Step by step, Beijing is going back to the old path of dividing, coercing, and even threatening and intimidating Taiwan. We hope this does not reflect a policy choice by Beijing, but must say that such conduct has hurt the feelings of the Taiwanese people and destabilized cross-strait relations.[159]

In June 2017, after Panama broke diplomatic relations with Taiwan and established them with the PRC, Tsai accused Beijing of challenging the status quo of peace and stability.

> I also want to use this opportunity to declare to Beijing: Taiwan has already upheld our responsibility for maintaining cross-strait peace and stability. In contrast, China's actions have challenged the cross-strait status quo. This is unacceptable to the people of Taiwan. And we will not sit idle as our national interests are repeatedly threatened and challenged.

---

[155] Office of the President, Republic of China (Taiwan), "Inaugural Address of ROC 14th-Term President Tsai Ing-Wen," May 20, 2016.

[156] "Full Text of Mainland's Taiwan Affairs Authorities' Statement on Cross-Straits Relations," Xinhua, May 20, 2016.

[157] Office of the President, Republic of China (Taiwan), "President Tsai's 2016 National Day Address: 'Forging Ahead: Achieving Reforms to Make the Country Great," October 10, 2016, http://english.president.gov.tw/NEWS/4997.

[158] "Negating 1992 Consensus Would Change Cross-Strait Status Quo: Spokesman," Xinhua, April 27, 2016, http://news.xinhuanet.com/english/2016-04/27/c_135317156.htm.

[159] Office of the President, Republic of China (Taiwan), "President Tsai's Remarks at Year-End Press Conference," December 31, 2016, http://english.president.gov.tw/NEWS/5052.

> Coercion and threats will not bring the two sides closer. Instead, they will drive our two peoples apart. On behalf of the 23 million people of Taiwan, I declare that we will never surrender to such intimidation.[160]

In her National Day remarks on October 10, 2017, President Tsai adopted a less confrontational tone. "We remain committed to maintaining peace and stability both in the Taiwan Strait and across the region," she said. "Meanwhile, we will continue to safeguard Taiwan's freedom, democracy, and way of life, as well as ensure the Taiwanese people's right to decide our own future." She called on leaders on both sides of the Taiwan Strait to "search for new modes of cross-Strait interactions with determination and patience."[161]

Taiwan's KMT Opposition Party and "One China"

Taiwan's Kuomintang (KMT) was founded in mainland China in 1912, in the first year of the Chinese republic that succeeded the Qing Dynasty. Under its leader Chiang Kai-shek, it ruled mainland China from the 1920s until 1949, when the KMT forces lost a civil war to the Chinese Communist Party and Chiang ordered an evacuation to Taiwan. The KMT had ruled Taiwan since 1945, when Japan gave up its colonial rule of the island after its defeat in World War II.

On Taiwan, the KMT maintained one-party rule until 1987. It retained power for the first dozen years after the introduction of democracy, losing the presidency for the first time in 2000. It regained the presidency from 2008 to 2016. The KMT's control of Taiwan's legislature was unbroken until 2016, when the party suffered a major defeat both the presidential and legislative elections. The KMT is now seeking to regroup under the leadership of former ROC Vice President Wu Den-yih, a "Taiwanese" whose family lived on the island before the arrival of the KMT. Wu was elected KMT Chairman in May 2017 and took office on August 20, 2017.

The KMT has long embraced the idea that Taiwan and mainland China are both parts of a single country, though the party has insisted that the country is the Republic of China, not the PRC of the Communist Party of China. The cross-Strait policy of the most recent President from the KMT, Ma Ying-jeou, who served from 2008 to 2016, was to maintain a status quo that he defined as "no unification, no independence and no use of force." He also supported promotion of "peaceful cross-Strait development on the basis of the 1992 consensus, where by each side acknowledges the existence of 'one China,' but maintains its own interpretation of what that means."[162] The KMT today criticizes President Tsai for declining to endorse the "1992 Consensus" and thus, the KMT argues, drawing Taiwan into unnecessary confrontation with the PRC.

The U.S. Position on Cross-Strait Relations

In two sets of remarks in October 2017, AIT Chairman James Moriarty acknowledged that, "the current cross-Strait relationship suffers from a lack of trust and communication." He said that, "The United States will continue to urge both sides to engage in constructive dialogue and to

---

[160] Office of the President, Republic of China (Taiwan), "President Tsai's Remarks on Termination of Diplomatic Relations with Panama," June 13, 2017, http://english.president.gov.tw/NEWS/5161.

[161] "Full Text of President Tsai Ing-wen's National Day Address," Focus Taiwan, October 10, 2017, http://focustaiwan.tw/news/aipl/201710100004.aspx.

[162] "Full Text of President Ma Ying-jeou's Inaugural Address," *Focus Taiwan*, May 20, 2012, http://focustaiwan.tw/news/aipl/201205200002.aspx. For discussion of President Ma's "Three No's" policy, see Ralph Cossa, "Looking Behind Ma's Three Noes," *Taipei Times*, January 21, 2008, http://www.taipeitimes.com/News/editorials/archives/2008/01/21/2003398185.

demonstrate patience, flexibility, and creativity in finding ways to engage with each other, in order to avoid miscalculation and resolve their differences."[163]

Moriarty also offered rare explicit U.S. endorsement of President Tsai's approach to the cross-Strait relationship. "My interactions with President Tsai have reaffirmed my conviction that she is a responsible, pragmatic leader," Moriarty said. "The United States appreciates her determination to maintain stable cross-Strait ties in the face of increasing pressure from the PRC on a number of fronts." Re-stating long-standing U.S. policy, Moriarty added that, "The United States will continue to insist on the peaceful resolution of differences between the PRC and Taiwan in a manner that is acceptable to the people on both sides of the Strait. There should be no unilateral attempts by either side to change the status quo."[164]

PRC Actions to Pressure Taiwan to Endorse "One China"

In June 2016, the PRC announced that it had suspended "communication mechanisms" with Taiwan because of President Tsai's "failure to recognize the 1992 Consensus."[165] The suspension officially applies to communication between the official bodies on each side tasked with cross-Strait relations—the PRC's Taiwan Affairs Office (TAO) and Taiwan's Mainland Affairs Council (MAC)—as well as communication between two semi-official organizations—the PRC's Association for Relations Across the Taiwan Strait (ARATS) and Taiwan's Straits Exchange Foundation (SEF). Although communication between the leaders of the TAO and MAC has been suspended, low-level working level communications between agencies on each side of the Taiwan Strait, ranging from tourism authorities to the police, appear to continue. The PRC also continues to engage with members of Taiwan's opposition KMT party, which embraces the "1992 Consensus," and to participate in cross-Strait exchanges such as the annual Shanghai-Taipei Forum.

Other actions Beijing has taken to pressure President Tsai to embrace "one China" include the following.

- On June 12, 2017, Beijing established diplomatic relations with Panama, which had been one of Taiwan's most significant diplomatic allies. Panama's switch of recognition to Beijing followed that of Sao Tome and Principe, in December 2016, and the Gambia, in March 2016. Twenty countries continue to maintain diplomatic relations with Taiwan, including the Holy See. (See "Diplomatic Partners," below.)
- The PRC has pressured several countries in which Taiwan has unofficial trade offices to require that those trade offices drop "Republic of China" or "Taiwan" from their names, and use the city name "Taipei" instead. (See "Taiwan Representative Offices Abroad," below.)
- In May 2017, Beijing blocked an invitation to Taiwan to attend the annual meeting of the World Health Assembly (WHA), the governing body of the World Health Organization, as an observer. Taiwan had attended WHA meetings from

[163] American Institute in Taiwan, "Remarks by AIT Chairman James Moriarty at TECRO's Twin Oaks Double Ten Ceremony," October 4, 2017, https://www.ait.org.tw/remarks-ait-chairman-james-moriarty-tecros-twin-oaks-double-ten-celebration/. See also American Institute in Taiwan, "Remarks by AIT Chairman James Moriarty at Brookings Institution," October 12, 2017, https://www.ait.org.tw/remarks-ait-chairman-james-moriarty-brookings-institution/.

[164] Ibid.

[165] "Mainland Spokesman Says Cross-Strait Communication Mechanisms in Suspension," Xinhua, June 26, 2016, http://news.xinhuanet.com/english/2016-06/26/c_135466191.htm.

2009 to 2016. (See "World Health Assembly/World Health Organization" below.) In December 2016, under pressure from Beijing, the International Civil Aviation Organization declined to invite Taiwan to its triennial meeting as a guest of its president. A Taiwan representative attended in 2013. (See "International Civil Aviation Organization (ICAO)" below.)

- Also in May 2017, delegates from the PRC forced the ejection of a Taiwan delegation from an Intersessional Meeting in Perth, Australia of participants in the Kimberley Process, a partnership between governments and the diamond industry to control rough diamond production and trade.[166] A "participants and observers" page on the Kimberley Process website lists the names of countries and the European Union. A note at the bottom of the page states, "The rough diamond-trading entity of Chinese Taipei has also met the minimum requirements" of the Kimberley Process Certification Scheme.[167]
- PRC military aircraft and warships are increasingly operating close to Taiwan, at times entering Taiwan's Air Defense Identification Zone (ADIZ).[168] The PRC's Liaoning aircraft carrier has sailed through the Taiwan Strait twice in 2017. Its only previous passage through the Taiwan Strait was in 2013.[169] Asked in September 2017 about People's Liberation Army aircraft circumnavigating Taiwan, a PRC Ministry of National Defense spokesperson stated that "the relevant air force training is part of the annual training plan of the PLA air force, and similar trainings will continue in the future." He added, "for those people who feel worried, I want to say, there is no need to fear or worry as long as one does not seek 'Taiwan independence.'"[170]
- The number of tourists from mainland China visiting Taiwan has declined since President Tsai took office. According to the Taiwan Tourism Bureau, the number of mainland China-based visitors to Taiwan in 2016 fell 16% over 2015, to 3.5 million.[171] In 2017, compared to the same month a year earlier, mainland tourism declined 30% in January, 50% in February, 45% in March, 43% in April, 38% in

[166] Kelsey Munro, "'Disgusting' and 'Extraordinary' Scenes as Chinese Delegation Shouts Down Welcome Ceremony," *The Sydney Morning Herald*, May 3, 2017, http://www.smh.com.au/federal-politics/political-news/disgusting-and-extraordinary-scenes-as-chinese-delegation-shouts-down-welcome-ceremony-20170502-gvxbou.html; Robbie Gramer, "Chinese Delegation Blows Up at Anti-Conflict Diamond Meeting to Sideline Taiwan," Foreign Policy, May 2, 2017, http://foreignpolicy.com/2017/05/02/china-delegation-taiwan-australia-conflict-minerals-meeting-one-china-policy-diplomatic-dispute-kimberley-process/.

[167] Kimberley Process, "KP Participants and Observers," https://www.kimberleyprocess.com/en/kp-participants-and-observers, accessed October 16, 2017.

[168] See, for example, Lu Hsin-hui and Y.F. Low, "Chinese Aircraft Enters Taiwan's ADIZ: MND," Focus Taiwan, August 15, 2017, http://focustaiwan.tw/news/aipl/201708150011.aspx.

[169] Steven Stashwick, "Chinese Aircraft Carrier Sails Taiwan Strait Again," *The Diplomat*, July 6, 2017, http://thediplomat.com/2017/07/chinese-aircraft-carrier-sails-taiwan-strait-again/; Michael Forsythe and Chris Buckley, "Taiwan Responds After China Sends Carrier to Taiwan Strait," *The New York Times*, January 10, 2017, https://www.nytimes.com/2017/01/10/world/asia/china-taiwan-strait-aircraft-carrier-trump.html; "China's Aircraft Carrier Liaoning Passes Through Taiwan Strait," Xinhua, November 28, 2013, http://en.people.cn/90786/8469236.html.

[170] PRC Ministry of National Defense, "Monthly Press Conference of the Ministry of National Defense," September 28, 2017, http://eng.mod.gov.cn/focus/2017-09/28/content_4793398.htm.

[171] Tourism Bureau, Republic of China, "2016 Visitor Arrivals by Residence," http://admin.taiwan.net.tw/statistics/year_en.aspx?no=15. According to the Tourism Bureau reported, Taiwan received 524,000 visitors from the United States in 2016.

May, and 30% in June, and 21% in July.[172] The PRC has not acknowledged ordering tourists to stay away, but its state media has highlighted the reported negative impact of lower mainland tourist numbers on the Taiwan tourism industry and linked the phenomenon to President Tsai's policies. The PRC's state news agency, Xinhua, noted in May 2017 that, "The lull [in tourism from mainland China] follows the election of Taiwan's new leader Tsai Ing-wen, who assumed office last May. Tsai has refused to adhere to the 1992 Consensus, angering people on both sides of the Strait."[173]

- In multiple cases over the last year, the PRC has insisted that Taiwanese suspected of fraud and other wrongdoing in foreign countries be repatriated to the PRC, rather than Taiwan. Some foreign countries, including Cambodia, Indonesia, Kenya, and Vietnam, have complied.[174]
- On September 11, 2017, a PRC court tried a Taiwan citizen, activist Lee Ming-che, on charges of "subversion of state power," the first time anyone from Taiwan is known to have faced such charges.[175] Represented by a court-appointed lawyer after being denied the right to appoint his own, Lee pled guilty to the subversion charge and is awaiting sentencing. He reportedly told the court, "I regarded biased and malicious reports about the Chinese mainland by media in the West and Taiwan as reality, and had no clear knowledge of the mainland's development."[176] According to the PRC's Xinhua News Agency, the indictment against Lee charged that he and a mainland Chinese co-conspirator "attempted to overturn state power and the socialist system through unscrupulous distortion of the facts and by fanning public hostility against the government and its system," using instant messaging services. The case has created a political firestorm in Taiwan. Lee, who was employed by Wenshan Community College in Taipei, was first detained in the PRC's Hunan Province in March 2017. Taiwan's Premier, William Lai, has called for Lee's quick release and return to Taiwan.[177]

---

[172] Tourism Bureau, Republic of China.

[173] "Xinhua Insight: What Has DPP Brought to Taiwan Over the Past Year?" Xinhua, May 20, 2017, http://news.xinhuanet.com/english/2017-05/20/c_136299231.htm.

[174] "Taiwan Fumes as Indonesia Sends Fraud Suspects to China," Reuters, August 3, 2017, http://www.reuters.com/article/us-taiwan-china-indonesia-idUSKBN1AJ1NZ?il=0.

[175] "Taiwan Suspect Arrested on Mainland," Xinhua, May 26, 2017, http://news.xinhuanet.com/english/2017-05/26/c_136318450.htm.

[176] "China Focus: Taiwan Suspect Stands Trial For Inciting State Subversion," September 11, 2017, http://news.xinhuanet.com/english/2017-09/11/c_136601192.htm. See also, Margaret K. Lewis, "Taiwan's Human Rights Revolution and China's Devolution," *The Diplomat,* October 3, 2017, https://thediplomat.com/2017/10/taiwans-human-rights-revolution-and-chinas-devolution/. According to Taiwan media accounts, Lee befriended PRC citizens on WeChat, a popular Chinese social media platform, sharing information about Taiwan's efforts to come to terms with the extended period of authoritarian KMT rule on Taiwan known as "the White Terror." According to the *Taipei Times,* "After his WeChat account was blocked from group interactions, Lee began to send his Chinese friends books about human rights and helped raise funds for the families of Chinese human rights advocates." The paper asked in an editorial, "If even someone such as Lee can stand accused of threatening China's national security, who is to say the same would not happen to a Taiwanese who shares photographs of the 1989 Tiananmen Square massacre with a Chinese friend, or discusses other incidents that are still considered taboo by Chinese authorities?" "Editorial: Who Is Lee Ming-che," Taipei Times, March 31, 2017, http://www.taipeitimes.com/News/editorials/archives/2017/03/31/2003667780/1.

[177] "Premier Urges Lee Ming-che's Swift Release by China," CNA via Taipei Times, September 13, 2017, http://www.taipeitimes.com/News/taiwan/archives/2017/09/13/2003678346.

Cross-Strait Economic Ties

The PRC (including Hong Kong) is Taiwan's largest merchandise export market, accounting for 40% of its global exports in 2016.[178] Due to slowing economic growth in mainland China, however, Taiwan's exports to the PRC (including Hong Kong) fell by 12.3% in 2015 and by 0.2% in 2016. Many analysts believe mainland China to be Taiwan's largest destination for foreign direct investment (FDI), although the exact level remains unknown.[179] According to Taiwan's Mainland Affairs Council, approved Taiwan FDI flows to mainland China in 2016 were $9.1 billion and the stock of Taiwanese FDI in mainland China from 1991 to 2016 totaled $164.6 billion.[180]

The administration of President Ma Ying-jeou (2008-2016) sought to boost commercial ties with mainland China. President Ma sought to help Taiwan firms take advantage of the opportunities arising from the PRC's large and rapidly growing economy. One consideration for Ma appears to have been the hope that with expanded Taiwan-mainland China commercial ties, the PRC might lessen its opposition to Taiwan's attempts to negotiate free trade agreements (FTAs) with other economies. After taking office in 2008, Ma lifted restrictions on direct trade, transportation, and postal links. He also negotiated an Economic Cooperation Framework Agreement (ECFA) with the PRC, described as a plan to significantly liberalize trade and investment barriers over time. ECFA, agreed to in June 2010, identified four follow-on agreements for negotiation: trade in goods, trade in services, investment, and dispute settlement.

Following the signing of the ECFA, the PRC appeared to lessen its opposition to Taiwan seeking trade agreements with other countries, referred to as "economic cooperation agreements." Taiwan concluded such agreements with New Zealand and Singapore in 2013. Cross-Strait trade relations soured in the spring of 2014, however, when the Legislative Yuan's consideration of a cross-straits Trade in Services Agreement (TiSA) led to widespread protests, known as the "Sunflower Movement," and forced the government to suspend a vote on TiSA, and subsequently to suspend discussions on a trade in goods agreement between the two sides.[181] Opposition to the TiSA appears to have been driven in part by anxiety over Taiwan's increased dependence on mainland China's economy, as well as concerns that growing economic integration threatened the competitiveness of many Taiwan industries.

President Tsai's May 2016 inaugural address indicated her intention to lessen Taiwan's economic dependence on mainland China through a number of domestic and foreign economic initiatives.

> The new administration will pursue a new economic model for sustainable development based on the core values of innovation, employment and equitable distribution. The first step of reform is to strengthen the vitality and autonomy of our economy, reinforce Taiwan's global and regional connections, and actively participate in multilateral and bilateral economic cooperation as well as free trade negotiations including the TPP [Trans-Pacific Partnership] and RCEP [Regional Comprehensive Economic Partnership]. We will

[178] Much of these exports appear to be inputs used by Taiwan-invested firms in China to assemble various consumer products, such as Apple iPhones, some of which are exported to the United States.

[179] The Taiwan government only reports data on "approved" FDI in the mainland and does not publish data on Taiwanese FDI that may have entered China through Hong Kong or various foreign tax havens.

[180] Taiwan Mainland Affairs Council.

[181] In December 2014, Ma publicly complained that China was pressuring other countries not to negotiate FTAs with Taiwan.

> also promote a "New Southbound Policy" in order to elevate the scope and diversity of our external economy, and to bid farewell to our past overreliance on a single market.[182]

Taiwan's Democracy

Democracy in Taiwan has evolved rapidly since then-President Chiang Ching-kuo lifted martial law in 1987. U.S. officials regularly laud Taiwan's democratic achievements. AIT Chairman James Moriarty, speaking in July 2017, stated that, "Taiwan stands as a beacon of democracy in Asia, offering a compelling example not only for Asia, but for the world." The U.S.-Taiwan relationship is sustained, in part, he said, by "the mutual respect for democracy, human rights, and civil liberties."[183] In September 2017, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs David Helvey described Taiwan as, "a model for the region and the world with its market economy and its vibrant, prosperous, free, and orderly democratic society." He stated that "shared values are an essential, core component of the U.S.-Taiwan relationship."[184]

The Taiwan entry in the State Department's Country Reports on Human Rights Practices for 2016 states that Taiwan's authorities "generally respected" freedom of speech and press. The report noted that, "An independent press, an effective judiciary, and a functioning democratic political system combined to promote freedom of speech and press."[185]

Discussing January 2016 presidential and legislative elections, the State Department report stated that, "Observers regarded the elections as free and fair, although there were allegations of vote buying by candidates and supporters of both major political parties." As a result of those elections, Taiwan now has its first female president and women make up a record 38% of the legislature, the Legislative Yuan. Among the female legislators is Taiwan's first immigrant lawmaker, who was born in Cambodia.[186]

In the State Department's 2017 Trafficking in Persons Report, Taiwan maintained its Tier One status for the eighth consecutive year. The rating means that the State Department judges Taiwan to be fully meeting the Trafficking Victims Protection Act's minimum standards for the elimination of trafficking. The report credited Taiwan with "serious and sustained efforts," but noted that "in many cases judges sentenced traffickers to lenient penalties not proportionate to the crimes, weakening deterrence and undercutting efforts of police and prosecutors."[187]

Freedom House, which describes itself as "an independent watchdog organization dedicated to the expansion of freedom and democracy around the world," rated Taiwan "free" in its "Freedom in the World 2017" rankings. It was one of 87 polities in the world that Freedom House rated "free." The organization gave Taiwan an aggregate score of 91 points for political rights and civil

---

[182] Focus Taiwan News Channel, *Full text of President Tsai's Inaugural Address*, May 20, 2016.

[183] "AIT Chairman James Moriarty Remarks at Center for Strategic and International Studies (CSIS)," July 13, 2017, https://www.csis.org/analysis/american-institute-taiwan-chairman-james-moriarty-remarks.

[184] Global Taiwan Institute, "Prepared Remarks of David Helvey, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs," September 14, 2017, http://globaltaiwan.org/wp-content/uploads/2017/09/ASD-Prepared-Remarks-for-GTI-Annual-Symposium-FINAL.pdf.

[185] U.S. Department of State, "Country Reports on Human Rights Practices for 2016," March 3, 2017, http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?year=2016&dlid=265374.

[186] Ibid.

[187] U.S. Department of State, "2017 Trafficking in Persons Report," June 27, 2017, https://freedomhouse.org/report/freedom-world/2017/taiwan.https://www.state.gov/documents/organization/271345.pdf.

liberties, with 100 being "most free" and 0 "least free." The organization judged China to be "not free," with an aggregate score of 15. In its entry on Taiwan, Freedom House stated,

> Taiwan's vibrant and competitive democratic system has allowed three peaceful transfers of power between rival parties since 2000, and protections for civil liberties are generally robust. Ongoing concerns include Chinese efforts to influence policymaking and some sectors of the economy, foreign migrant workers' vulnerability to exploitation, and disputes over the land and housing rights of both ordinary citizens and Taiwan's indigenous people.[188]

Taiwan's Economy

Taiwan has evolved to become a highly developed, dynamic, and globally competitive economy. In 2016, Taiwan's gross domestic product (GDP) on a purchasing power parity (PPP) basis was $1.1 trillion, making it the world's 21st-largest economy. Its per capita GDP on a PPP basis, a common measurement of living standards, was $48,100, 15% greater than Japan's and about 73% of the U.S. level.[189] In 2016, Taiwan was the world's 19th-largest trading economy.[190] The World Economic Forum (WEF), a Switzerland-based non-profit organization, in 2016 ranked Taiwan as the 14th most competitive economy out of 138 economies surveyed, based on an assessment of institutions, policies, and factors that determine the level of productivity of an economy and, in turn, its prosperity.[191] A 2017 survey by the Importers and Exporters Association of Taipei (IEAT) assessed Taiwan to have the 16th most competitive trading economy out of 54 major countries surveyed, down from ninth in the 2011 survey. (The United States ranked first.)[192]

Taiwan's GDP growth has been relatively slow in recent years, rising by 0.7% in 2015 and 1.5% in 2016. The Economist Intelligence Unit (EIU) projects Taiwan's real GDP will grow by 2.2% in 2017 (see **Figure 2**). Taiwan's economy depends on international trade. Taiwan's exports of goods and services in 2016 totaled $331 billion, equivalent to 63% of its nominal GDP. In 2015, Taiwan's global merchandise exports and imports fell by 10.6% and 16.6%, respectively, and each barely changed in 2016. However, during the first seven months of 2017, Taiwan's exports and imports grew by 12.5% and 14.9% respectively (see **Figure 3**).

[188] Freedom House, "Freedom in the World 2017: Taiwan,"

[189] Source: Economist Intelligence Unit (EIU) Data Tool.

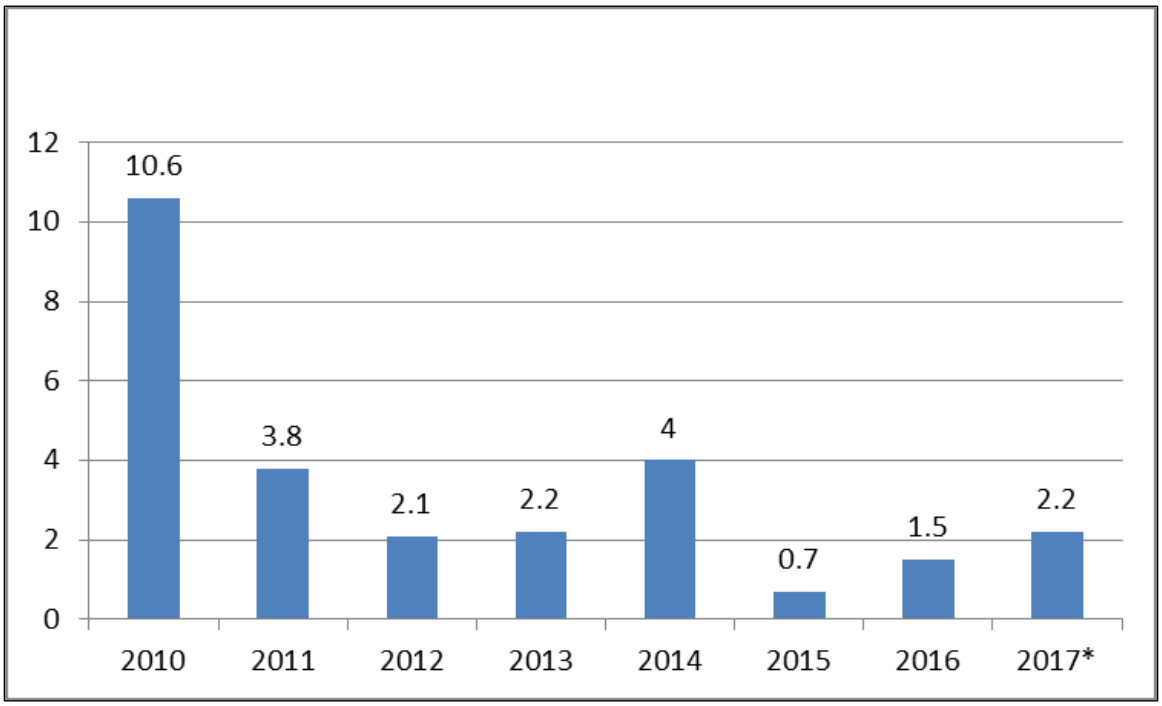
[190] Source: *Global Trade Atlas* database.

[191] WEF, *The Global Competitiveness Report, 2016–2017*, September 28, 2016, http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf.

[192] Importers and Exporters Association of Taipei (IEAT), "Publication of The 2017 Survey on Global Trade Environments and Growth Potential in Key and Emerging Markets," April 1, 2017, http://www.ieatpe.org.tw/en/events_06.html.

Figure 2. Taiwan Real GDP Growth: 2010-2017

(percent)

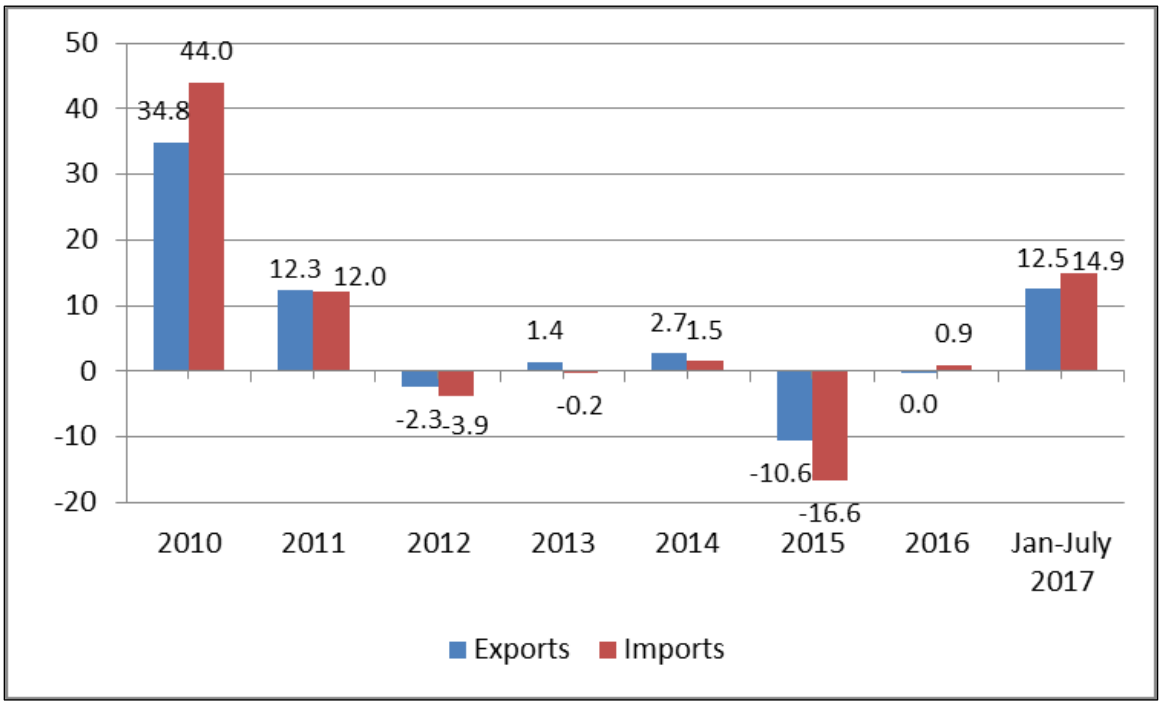


Source: EIU.

Note: *EIU projection.

Figure 3. Annual Growth of Taiwan's Merchandise Trade: 2010-July 2017*

(percent)



Source: Taiwan Bureau of Trade.

Note: * Data for January-July 2017 are year-on-year growth.

Taiwan faces a number of economic challenges, including declining competitiveness for many industries, inability to participate in various regional trade agreements, stagnant wages, and lack of job opportunities for some college graduates. While the island-wide rate of unemployment in Taiwan is relatively low at 3.8% (as of July 2017), the rate for those aged 20-24 is 13%.[193] Many young Taiwan professionals have sought better-paying positions elsewhere, including in mainland China. The Taiwan government reports that more than 720,000 Taiwan citizens are working outside the island, 58% of them in mainland China.[194] Nearly three-quarters of those workers have college degrees or higher.[195]

Taiwan's share of global merchandise exports fell from a peak of 2.5% in 1993 to 1.6% in 2016. Taiwan officials attribute this trend in part to the proliferation of bilateral and regional trade agreements (RTAs), especially among other major Asia-Pacific economies.[196] Taiwan is currently not a party to these RTAs, in large part because Beijing pressures other countries not to sign trade deals with Taiwan. Taiwanese officials have expressed concern that Taiwan's exclusion from RTAs could harm the long-term competitiveness of many Taiwan industries, which could reduce trade flows and diminish economic growth. Taiwan has reportedly sought free trade agreements (FTAs) and/or bilateral investment agreements (BIAs) with several countries, including the

[193] Taiwan, *National Statistics* https://eng.stat.gov.tw/ct.asp?xItem=15761&ctNode=1609&mp=5.

[194] Crystal Hsu, "Brain Drain Problem Has Deteriorated: NDC Minister," *Taipei Times*, August 25, 2017, http://www.taipeitimes.com/News/biz/archives/2017/08/25/2003677109.

[195] Nicola Smith, "Taiwan Is Suffering From a Massive Brain Drain and the Main Beneficiary is China," *Time*, August 20, 2017, http://time.com/4906162/taiwan-brain-drain-youth-china-jobs-economy/.

[196] RTA's under negotiation in the region include the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP).

United States, Japan, the United Kingdom, the European Union, and Australia. The January 2017 U.S. withdrawal from the TPP appears to have complicated Taiwan's strategy for joining the TPP. Taiwan had sought U.S. support for its eventual membership.

A key Taiwan government initiative aimed at boosting domestic innovation, economic growth, and job creation is the "five plus two" innovative industries program. The first five industries are the "Internet of Things," smart machinery, biotechnology and pharmaceuticals, green energy technology, and national defense. The "plus two" industries are high-value agriculture and the circular economy (dealing with recycling and re-use of resources).[197] In addition, Taiwan's Executive Yuan in May 2017 approved an eight-year $58 billion "Forward-Looking Infrastructure Development Program" focused largely on investments in railways, aquatic environments, green energy, digital technology, and urban and rural facilities.[198]

Externally, Taiwan's government has launched a New Southbound Policy, aimed at reducing economic dependence on the PRC and "developing comprehensive, mutually beneficial relations with countries in the Association of Southeast Asian Nations and South Asia, Australia and New Zealand" through economic and trade collaboration, people-to-people exchanges, resource sharing, and regional connectivity.[199] Challenges for the program include pressure from the PRC on Southeast Asia countries not to cooperate with Taiwan, and Taiwan's lack of representative offices in two target countries for the New Southbound Policy, Cambodia and Laos. Still, Taiwan's strategy to diversify its economic ties may have led to positive results in the case of foreign tourism in Taiwan. In 2016, the number of mainland Chinese tourists to Taiwan fell by 16.2% over the previous year, but an increase in tourists from elsewhere, mainly from Asia, helped boost the overall level of inbound tourists to Taiwan by 2.4%.[200]

Taiwan's Engagement with the World

Diplomatic Partners

Taiwan maintains full diplomatic relations with 20 states. During President Ma's administration (2008-2016), the PRC and the ROC suspended efforts to persuade each other's diplomatic partners to switch their allegiance, a practice sometimes known as "dollar diplomacy." In March 2016, two months before President Tsai took office, Beijing announced that it was re-establishing diplomatic relations with The Gambia, a former diplomatic partner of Taiwan. Although The Gambia broke relations with Taipei in 2013, China had previously deferred the country's request to establish relations with Beijing in an apparent gesture of goodwill toward President Ma. Since President Tsai took office in May 2016, two more countries that previously recognized Taiwan have switched diplomatic recognition to Beijing, Sao Tome and Principe, in December 2016, and Panama, in June 2017.

In the Tsai Administration, analysts are closely monitoring the status of engagement between the Holy See and the PRC. The two have long explored the possibility of establishing diplomatic relations, but have never been able to resolve differences over China's religious policy. The Holy

[197] Tim Ferry, "The 5+2 Industrial Innovation Plan," Taiwan Business Topics, Amcham Taipei, May 8, 2017, https://topics.amcham.com.tw/2017/05/52-industrial-innovation-plan/.

[198] Executive Yuan, Republic of China, "Forward-Looking Infrastructure: Foundation for Future Growth," July 27, 2017, http://english.ey.gov.tw/News_Hot_Topic.aspx?n=25C679A2A240627E&sms=AD98DD3139D04F2E.

[199] Taiwan Executive Yuan, "New Southbound Policy Paying Early Dividends," May 15, 2017.

[200] Taiwan Tourism Bureau, *Visitor Statistics for December 2016*, February 14, 2017.

See is a particularly important partner for Taiwan because of the Catholic Church's influence across Latin America, and because the Holy See is Taiwan's only diplomatic partner in Europe.

The 20 Countries that Maintain Diplomatic Relations with Taiwan

Africa (2): Burkina Faso, Swaziland

Europe (1): The Holy See (Vatican)

Latin America and the Caribbean (11): Belize, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, St. Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines

The Pacific (6): Kiribati, Marshall Islands, Nauru, Palau, Solomon Islands, Tuvalu

Taiwan Representative Offices Abroad

As of September 2016, Taiwan boasted 94 unofficial representative offices in 58 countries, including 12 offices in the United States (including Guam). Taiwan also maintains a mission at the World Trade Organization's headquarters in Geneva, known as the "Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the World Trade Organization." Taiwan hosted 69 embassies and representative offices from countries around the world, as well as the European Union.[201] In January 2017, Japan, which is Taiwan's third largest trading partner, changed the name of its representative office in Taiwan from "Interchange Association, Japan" to the "Japan-Taiwan Exchange Association." The PRC criticized the new name for including the word "Taiwan."[202]

Since President Tsai entered office, the PRC has pressured several countries in which Taiwan has unofficial representative offices to require that those offices drop "Republic of China" or "Taiwan" from their names, and use the city name "Taipei" instead. Nigeria ordered a name change for Taiwan's representative office in January 2017, Dubai in May 2017, Ecuador in June 2017, and Bahrain in July 2017. (The "Trade Office of Taiwan to the Kingdom of Bahrain," for example, is now "Trade Office of Taipei to the Kingdom of Bahrain.")[203] Under PRC pressure, Nigeria also ordered Taiwan's unofficial office to cut its staff and move out of the capital, Abuja, and ordered Taiwan's top representative to leave the country. Nigerian armed police sealed off the Abuja office on June 30.[204] Taiwan still uses the "Republic of China (Taiwan)" name in Jordan, where its office is "Commercial Office of the Republic of China (Taiwan), Amman," and in Papua New Guinea, where its office is the "Trade Mission of the Republic of China (on Taiwan) in Papua New Guinea."[205]

---

[201] Executive Yuan, Republic of China (Taiwan), *The Republic of China Yearbook 2016*, http://english.ey.gov.tw/cp.aspx?n=AAA55B728159E214.

[202] J.R. Wu and Ben Blanchard, "Japan Representative to Taiwan Says Bilateral Ties at Their 'Best,'" Reuters, January 3, 2017, http://www.reuters.com/article/us-china-taiwan-japan/japan-representative-to-taiwan-says-bilateral-ties-at-their-best-idUSKBN14N0V5.

[203] Scarlett Chai and Evelyn Kao, "Taiwan's Representative Office in Bahrain Operating Normally: MOFA," Focus Taiwan, July 13, 2017, http://focustaiwan.tw/news/aipl/201707130008.aspx.

[204] Elaine Hou, "Relocation of Taiwan's Representative Office in Nigeria in Progress," Focus Taiwan, August 3, 2017, http://focustaiwan.tw/news/aipl/201708030010.aspx; Scarlett Chai and Lilian Wu, "Taiwan Trade Office in Ecuador Forced to Change Name: MOFA," FocusTaiwan, June 27, 2017, http://focustaiwan.tw/news/aipl/201706270014.aspx.

[205] Commercial Office of the Republic of China (Taiwan), Amman, http://www.roc-taiwan.org/jo_en/index.html, accessed September 26, 2017; The Trade Mission of the Republic of China (on Taiwan) in Papua New Guinea, http://www.roc-taiwan.org/pg_en/index.html, accessed September 26, 2017; Ministry of Foreign Affairs, Republic of China (Taiwan), "ROC Embassies and Missions Abroad," http://www.taiwanembassy.org/

North Korea

On September 22, 2017, Taiwan's Executive Yuan announced that Premier Lai Ching-te had "approved a blanket suspension of bilateral trade between Taiwan and North Korea." A spokesperson said the move was "in response to the grave threat to national security and the international order posed by North Korea's recent moves," a reference to North Korea's nuclear and missile tests in violation of U.N. Security Council resolutions.[206] Taiwan is not a member of the United Nations, so is not technically required to implement U.N. Security Council resolutions on North Korea. In his October 12, 2017 remarks, AIT Chairman Moriarty said, "We thank Taiwan for its recent decision to go beyond the requirements of the UN sanctions," by banning all trade with North Korea. Taiwan, Moriarty said, "has set a valuable example for the international community.... "[207] In 2016, Taiwan reported goods imports of $12.2 million from North Korea, and goods exports of $507,000 to North Korea. In the first six months of 2017, Taiwan imported $1.2 million in goods from North Korea, and exported $26,600.[208]

Participation in the Global Coalition to Counter ISIS

Taiwan is one 73 partners in the Global Coalition to Counter the Islamic State of Iraq and Syria (ISIS), and one of eight partners in Asia.[209] President Obama announced the coalition's formation on September 10, 2014. Taiwan's participation was facilitated by the fact that the coalition is not a United Nations body and the PRC is not a coalition partner. Coalition meetings provide Taiwan officials with rare opportunities to sit at tables with senior officials of dozens of countries, most prominently the United States. At a March 22, 2017, meeting of the ministers of the coalition at the U.S. State Department, for example, Taiwan's Representative in the United States, Stanley Kao, was able to interact U.S. Secretary of State Rex Tillerson, as well as a prime minister, five deputy prime ministers, some four dozen foreign ministers, and the European Union's High Representative for Foreign Affairs and Security Policy.[210]

In 2015, as a member of the coalition, Taiwan donated 350 pre-fabricated houses for use by displaced families in northern Iraq, "delivered promptly in collaboration with the U.S."[211] AIT Chairman James Moriarty announced in October 2017 that AIT is working with Taiwan "to

portalOfDiplomaticMission_en.html#ALL, accessed September 26, 2017.

[206] Executive Yuan of the Republic of China (Taiwan), "Executive Yuan Approvals Total Trade Ban with North Korea," September 22, 2017, http://english.ey.gov.tw/News_Content2.aspx?n=8262ED7A25916ABF&sms=DD07AA2ECD4290A6&s=BA04E3EB1DAEECA2.

[207] American Institute in Taiwan, "Remarks by AIT Chairman James Moriarty at Brookings Institution," October 12, 2017, https://www.ait.org.tw/remarks-ait-chairman-james-moriarty-brookings-institution/.

[208] Global Trade Atlas and Taiwan Bureau of Trade.

[209] U.S. Department of State, "The Global Coalition to Defeat ISIS: Partners," accessed September 19, 2017, https://www.state.gov/s/seci/c72810.htm; Global Coalition, accessed September 19, 2017, http://theglobalcoalition.org/en/partners/.

[210] U.S. Department of State, "List of Participants: Meeting of the Ministers of the Global Coalition—Working to Defeat ISIS," March 22, 2017, https://www.state.gov/r/pa/prs/ps/2017/03/269036.htm.

[211] Executive Yuan, Republic of China (Taiwan), *The Republic of China Yearbook 2016*, http://english.ey.gov.tw/cp.aspx?n=AAA55B728159E214; Prepared Statement of Susan Thornton, Deputy Assistant Secretary of State, Bureau of East Asian and Pacific Affairs, Department of State, for U.S. Congress, House Committee on Foreign Affairs, Subcommittee on Asia and the Pacific, *The Future of U.S.-Taiwan Relations*, 114th Cong., 2nd sess., February 11, 2016, Serial No. 114-153, http://docs.house.gov/meetings/FA/FA05/20160211/104457/HHRG-114-FA05-Wstate-ThorntonS-20160211.pdf.

finalize an additional contribution to support humanitarian survey and ordnance clearance operations in liberated cities" in Iraq and Syria.[212]

Taiwan in International Organizations

At Beijing's insistence, the United Nations and its affiliated organizations all bar Taiwan from membership. Taiwan is a full member of such bodies as the World Trade Organization (WTO), the Asian Development Bank (ADB), and the Asia-Pacific Economic Cooperation (APEC) forum, but as an economy or a separate customs territory, not a state, and not under the name "Taiwan." In the WTO, Taiwan is the "Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu," also known as "Chinese Taipei." Taiwan was a founding member of the ADB, as the Republic of China, but when the PRC joined the organization in 1986, Taiwan was forced to accept a name change to "Taipei, China." In APEC, which Taiwan joined at the same time as the PRC, Taiwan is "Chinese Taipei."

Since the 1994 Taiwan Policy Review, U.S. policy has been to support Taiwan's membership in international organizations for which statehood is not a requirement for membership, and to encourage "meaningful participation" for Taiwan in organizations for which statehood is a requirement for membership.[213] The United States has been active in supporting Taiwan's participation in myriad international organizations, sometimes in a role mandated by Congress. Frequently, however, the PRC exercises an effective veto over Taiwan's participation.

Congress has passed multiple pieces of legislation pressuring the executive branch to implement that policy with respect to specific international organizations, including the World Health Assembly (WHA), the governing body of the World Health Organization (P.L. 107-10, P.L. 107-158, P.L. 108-28, and P.L. 108-235); the International Civil Aviation Organization (ICAO) (P.L. 113-17); and the International Criminal Police Organization (INTERPOL) (P.L. 114-139).[214]

The United Nations and Its Specialized Agencies

Taiwan lost its United Nations membership, in the name of the Republic of China, in 1971, at the 26th Session of the U.N. General Assembly. Resolution 2758 recognized that "the representatives of the Government of the People's Republic of China are the only lawful representatives of China to the United Nations" and decided "to expel forthwith the representatives of Chiang Kai-shek from the place which they unlawfully occupy at the United Nations and in all the organizations related to it."[215] The United Nations and U.N. specialized agencies, a category defined as "autonomous organizations working with the United Nations," have long interpreted the language

[212] American Institute in Taiwan, "Remarks by AIT Chairman James Moriarty at Brookings Institution," October 12, 2017, https://www.ait.org.tw/remarks-ait-chairman-james-moriarty-brookings-institution/.

[213] U.S. Department of State, "U.S. Relations with Taiwan," September 13, 2016, https://www.state.gov/r/pa/ei/bgn/35855.htm. See also American Institute in Taiwan, "Taiwan Policy Review: Statement before the Senate Foreign Relations Committee," by Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, Washington, DC, September 27, 1994, https://www.ait.org.tw/en/19940927-taiwan-policy-review-by-winston-lord.html. In 2011, Secretary of Health and Human Services Kathleen Sebelius stated that no U.N. organization has the right to unilaterally decide Taiwan's status. This does not appear to be U.S. policy.

[214] Laws addressing Taiwan's participation in the World Health Assembly and the World Health Organization include P.L. 107-10, P.L. 107-158, P.L. 108-28, and P.L. 108-235.

[215] United Nations General Assembly, Resolution 2758 (XXVI), "Restoration of the Lawful Rights of the People's Republic of China in the United Nations," October 25, 1971, http://www.un.org/documents/ga/res/26/ares26.htm.

of Resolution 2758 as barring Taiwan from membership in the United Nations and U.N. specialized agencies.[216]

Full Text of U.N. General Assembly Resolution 2758 (XXVI)

Restoration of the lawful rights of the People's Republic of China in the United Nations

The General Assembly,

Recalling the principles of the Charter of the United Nations,

Considering that the restoration of the lawful rights of the People's Republic of China is essential both for the protection of the Charter of the United Nations and for the cause that the United Nations must serve under the Charter,

Recognizing that the representatives of the Government of the People's Republic of China are the only lawful representatives of China to the United Nations and that the People's Republic of China is one of the five permanent members of the Security Council,

Decides to restore all its rights to the People's Republic of China and to recognize the representatives of its Government as the only legitimate representatives of China to the United Nations, and to expel forthwith the representatives of Chiang Kai-shek from the place which they unlawfully occupy at the United Nations and in all the organizations related to it.

1976th plenary meeting,
25 October 1971.

In Taiwan, however, the meaning of Resolution 2758 remains contested. Some note that the resolution established the PRC as "the only legal representatives of China to the United Nations," but did not state that Taiwan was part of the PRC. Some note that the resolution expelled "the representatives of Chiang Kai-shek," but did not explicitly expel representatives of "the Republic of China" or "Taiwan." In a September 2017 article, Taiwan's Foreign Minister, David Ta-wei Lee, wrote that, "It is important to remember that, while it seated the People's Republic of China (PRC) in the UN, this resolution did not address the issue of representation of Taiwan and its people in the organization; much less did it give the PRC the right to represent the people of Taiwan."[217]

Between 1993 and 2006, Taiwan sought annually to regain membership in the United Nations, first under the name "Republic of China," and then in 2007 under the name "Taiwan." Taiwan's diplomatic allies submitted repeated requests for a review of Resolution 2758, but never succeeded in having the issue included on the General Assembly's agenda.[218] In March 2008, outgoing Taiwan President Chen Shui-bian of the DPP sought to put the issue before Taiwan voters, presenting them with two referendum questions supporting efforts to rejoin or join the United Nations. The referenda were declared void due to low voter participation.

[216] United Nations, "Funds, Programmes, Specialized Agencies and Others," accessed September 15, 2017, http://www.un.org/en/sections/about-un/funds-programmes-specialized-agencies-and-others/.

[217] David Tawei Lee, "The United Nations Needs to Treat Taiwan Fairly," *The National Interest*, September 11, 2017, http://nationalinterest.org/feature/the-united-nations-needs-treat-taiwan-fairly-22256.

[218] "U.N. Rejects Taiwan Application for Entry," *New York Times*, July 24, 2007, http://www.nytimes.com/2007/07/24/world/asia/24iht-taiwan.1.6799766.html. See, for example, "Request for the Inclusion of an Item in the Provisional Agenda of the Fifty-Third Session; Need to Review General Assembly Resolution 2758 (XXVI) of 25 October 1971 Owing to the Fundamental Change in the International Situation and to the Coexistence of Two Governments Across the Taiwan Strait," letter from the representatives of Burkina Faso, El Salvador, the Gambia, Grenada, Liberia, Nicaragua, Sao Tome, and Principe, Saint Vincent and the Grenadines, Senegal, Swaziland, and the Solomon Islands to the United Nations addressed to the Secretary-General, July 8, 1998, http://www.un.org/documents/ga/docs/53/plenary/a53-145.htm.

The 2007 U.N. bid and the 2008 referenda elicited statements of opposition to Taiwan's U.N. membership from both then-U.N. Secretary General Ban Ki Moon and from the United States. Ban, in a letter to a diplomatic partner of Taiwan, reportedly stated that the U.N. considers "Taiwan for all purposes to be an integral part of the People's Republic of China."[219]

In June 2007, a State Department spokesperson said the United States was opposed to "any initiative that appears designed to change Taiwan's status unilaterally" and that, "consistent with our one China policy, we do not support Taiwan's membership in international organizations that require statehood, including the United Nations."[220] Dennis Wilder, National Security Council Senior Director for Asia in the President George W. Bush Administration, stated, "Membership in the United Nations requires statehood. Taiwan, or the Republic of China, is not at this point a state in the international community."[221]

In his September 2017 article, Taiwan Foreign Minister Lee noted that restrictions on Taiwan's participation in the U.N. extend beyond government representatives to affect Taiwan non-governmental organizations and journalists, as well:

> For years, representatives from Taiwan's many nongovernmental organizations involved in indigenous, labor, environmental and women's rights have been barred from attending meetings and conferences held at the UN's New York headquarters and at the Palais des Nations in Geneva simply because they hail from Taiwan. Similarly, to the outrage of the international press community, Taiwanese journalists are not allowed to cover UN meetings in person.

He called for the international community to support Taiwan's "aspirations and our right to fair treatment by the U.N.," adding, "At the very least, stop turning us away at the door."[222]

World Health Assembly/World Health Organization

The World Health Organization is a United Nations specialized agency that is "the directing and coordinating authority on international health within the United Nations system."[223] The PRC replaced Taiwan in the World Health Organization (WHO) in 1972, under the terms of World Health Assembly resolution WHA25.1, whose language echoed that of U.N. General Assembly Resolution 2758 (XXVI).[224]

---

[219] Ban Ki Moon, U.N. Secretary-General, letter to the Nauru mission to the United Nations, March 28, 2007, cited in John J. Tkacik Jr., "Taiwan's 'Unsettled' International Status: Preserving U.S. Options in the Pacific," Heritage Foundation Backgrounder #2146, June 19, 2008, http://www.heritage.org/research/reports/2008/06/taiwans-unsettled-international-status-preserving-us-options-in-the-pacific#_ftn6. Nauru had attempted to help Taiwan deposit with the United Nations an instrument of accession to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Ban returned the instrument.

[220] U.S. Department of State, "Taiwan U.N. Membership Referendum Opposed by United States," June 25, 2007, http://iipdigital.usembassy.gov/st/english/article/2007/06/20070625135742zjsredna0.3750421.html#axzz4QfhzIfQz.

[221] Charles Snyder, "ROC Statehood Undecided: US Official," *Taipei Times*, September 1, 2007, http://www.taipeitimes.com/News/front/archives/2007/09/01/2003376690/1.

[222] David Tawei Lee, "The United Nations Needs to Treat Taiwan Fairly," *The National Interest*, September 11, 2017, http://nationalinterest.org/feature/the-united-nations-needs-treat-taiwan-fairly-22256.

[223] United Nations, "Funds, Programmes, Specialized Agencies and Others," accessed September 15, 2017, http://www.un.org/en/sections/about-un/funds-programmes-specialized-agencies-and-others/.

[224] World Health Organization, "WHA25.1: Representation of China in the World Health Organization," 25th World Health Assembly, Third Plenary Meeting, May 10, 1972, http://apps.who.int/iris/bitstream/10665/91916/1/WHA25.1_eng.pdf.

Within the WHO, Taiwan is now referred to as "the Taiwan Province of China." An internal 2010 WHO memorandum leaked in 2011 to the Taiwan media states that the WHO Secretariat considers itself to have an obligation "of refraining from actions which could constitute or be interpreted as recognition of a separate status of Taiwanese authorities and institutions from China." The memorandum instructs that, "Information related to the Taiwan Province of China must be listed or shown as falling under China and not separately as if they referred to a State."[225]

After its expulsion from the WHO, Taiwan first sought observer status in the World Health Assembly (WHA), the governing body of the WHO, in 1997. It attended its first WHA as an observer, under the name "Chinese Taipei," in 2009, at the start of the Ma Ying-jeou Administration. The WHO Director-General issued an invitation to Taiwan's health minister to attend the WHA as an observer each year of the Ma Administration, from 2009 to 2016, although the invitation required PRC approval.[226] In 2017, as part of an apparent effort to pressure President Tsai to commit to the principle that Taiwan is part of "one China," the PRC blocked the WHO from issuing Taiwan an invitation to attend the 70th WHA meeting as an observer. In his address to the WHA, then-U.S. Secretary of Health and Human Services Tom Price, M.D. expressed U.S. "disappointment" at the development.

> ...[W]e must express the United States' disappointment that, contrary to the custom of the past eight years, an invitation was not extended to Taiwan to observe this year's Assembly. The United States remains committed that Taiwan should not be excluded from WHO.

P.L. 108-235 requires the Secretary of State to submit a report to Congress by April 1 each year "describing the United States plan to endorse and obtain observer status for Taiwan" at that year's WHA, including "an account of the efforts the Secretary of State has made, following the last meeting of the World Health Assembly, to encourage WHO member states to promote Taiwan's bid to obtain observer status." In the 115th Congress, H.R. 3320 (Yoho) would amend the reporting requirement in P.L. 108-235 to add a mandate for, "An account of the changes and improvements the Secretary of State has made to the United States plan to endorse and obtain observer status for Taiwan at the World Health Assembly, following any annual meetings of the World Health Assembly at which Taiwan did not obtain observer status."

According to the 2017 edition of the State Department report to Congress, the United States seeks not only "to secure Taiwan's regular Observer status in the WHA," but also "to support the participation of Taiwan in WHO's technical activities and its health safety and security work.... " Highlights of the 2017 report include the following statements:

- "The United States believes that Taiwan should be referred to as 'Taiwan' or 'Chinese Taipei' in both internal and external WHO communications..... The United States objects to the usage of the names 'Taiwan, Province of China,' 'Taiwan, China,' and other closely related nomenclature in WHO/WHA internal

[225] World Health Organization, "Application of the International Health Regulations (2005) to the Taiwan Province of China," Memorandum from Anne Marie Worning, Executive Director of Director-General's Office, September 14, 2010. Taiwan formally protested the WHO memorandum. See Ministry of Health and Welfare, Letter from Wen-Ta Chiu, M.D., Ph.D., Minister, Department of Health, Chinese Taipei, to Dr. Margaret Chan, Director-General, World Health Organization, May 14, 2011, http://www.mohw.gov.tw/dl-32502-0d1b58a7-e6d6-4170-9192-fd918736a397.html.

[226] The Director-General's 2016 invitation letter, inviting Taiwan's health minister to head a delegation to attend the 69th WHA as an observer, was issued on May 6, 2016, after President Tsai was elected but before she took office on May 20, 2016. It opened with a statement that it was being issued "in line with the One-China principle." World Health Organization, Invitation Letter from Director-General Dr. Margaret Chan to Dr. Been-Huang Chiang, Minister, Ministry of Health and Welfare, May 6, 2016.

documents as well as in all other international organizations in which Taiwan participates."

- "The United States is concerned about restrictions the WHO appears to be imposing on Taiwan's meaningful participation in WHO technical bodies where the work is directly relevant to the 23 million residents of the island and to populations in the surrounding region." The report notes that in 2016, Taiwan requested invitations to attend 13 WHO technical meetings and received invitations to six.
- The report notes Taiwan's interest in working with five specific bodies and frameworks, and states that the United States "is actively working to support Taiwan's participation" in the International Food Safety Authorities Network (INFOSAN) "as an important next step in meaningful technical participation that would benefit the entire region."[227]

International Civil Aviation Organization (ICAO)

Like the World Health Organization, the International Civil Aviation Organization (ICAO) is a United Nations specialized agency. It "sets international rules on air navigation, the investigation of air accidents, and aerial border-crossing procedures."[228] With the acquiescence of the PRC, in 2013 the then-President of the Council invited Taiwan to participate as his guest in the 38th ICAO Assembly in Montreal. Cross-Strait relations were in a period of relative stability at the time. That year, too, Congress passed and the President signed P.L. 113-17, requiring the Secretary of State to develop a strategy for Taiwan to obtain observer status at the Assembly in September 2013, and at "other related meetings, activities, and mechanisms thereafter." On January 1, 2014, ICAO elected a new Council President. In 2015, it appointed a new Secretary General, Dr. Fang Liu, a Chinese national.[229] In May 2016, President Tsai took office in Taiwan. The PRC prevented the issuance of any invitation to Taiwan to participate in the 39th ICAO Session Assembly, which took place September 27-October 7, 2016, in Montreal.

Arguing for Taiwan's participation in ICAO, Stanley Kao, Taiwan's representative to the United States, wrote in a 2016 column that Taiwan's Taoyuan International Airport is among the busiest in the world, and yet Taiwan's Civil Aeronautics Administration "has had to resort to various informal channels to keep up with the development of ICAO's regulations and standards and overcome the difficulties associated with a lack of transparency in order to maintain adequate safety levels and service standards in the Taipei FIR [Flight Information Region]."[230]

Asia-Pacific Economic Cooperation (APEC)

APEC is a forum of Asia-Pacific economies that seeks "to build a dynamic and harmonious Asia-Pacific community by championing free and open trade and investment, [and] promoting and

[227] U.S. Department of State, "Report to Congress on P.L. 108-235: U.S. Support for Taiwan's Participation as an Observer at the 69th World Health Assembly and in the Work of the World Health Organization," May 22, 2017.

[228] United Nations, "Funds, Programmes, Specialized Agencies and Others," accessed September 15, 2017, http://www.un.org/en/sections/about-un/funds-programmes-specialized-agencies-and-others/.

[229] International Civil Aviation Organization, "Dr. Fang Liu Personal Page," access September 15, 2017, https://www.icao.int/secretariat/DrLiu/Pages/default.aspx.

[230] Stanley Kao, "Taiwan to ICAO: Let Us In," *Aviation Week & Space Technology*, September 21, 2016, http://aviationweek.com/commercial-aviation/taiwan-icao-let-us.

accelerating regional economic integration," among other goals.[231] With the help of the George H.W. Bush Administration, Taiwan joined as a full member economy at the same time as the PRC, in November 1991. Taiwan's president is barred from attending APEC's annual economic leaders' meeting, however. Taiwan presidents have named special envoys to attend on their behalf, but the envoys have been effectively subject to PRC approval. The PRC rejected Taiwan's emissaries in 2001 and 2005, forcing Taiwan to miss the 2001 meeting and find an alternative special envoy in 2005. For the 2016 leaders' meeting, which took place in Lima, Peru on November 20, 2016, President Tsai named People First Party Chairman James Soong as her special envoy.[232] Soong and China's President Xi met briefly at the meeting, a development that Taiwan Presidential Office spokesperson Alex Huang described as "a positive thing." Huang added, "We always welcome any interaction that would help both sides understand each other without political pre-conditions."[233] The 2017 APEC Economic Leaders' Week is scheduled for November 6-11, 2017 in Da Nang, Vietnam.

International Criminal Police Organization (INTERPOL)

The Republic of China held membership in INTERPOL from 1923 until 1984, when China joined and insisted that the ROC delegation change its name and be demoted to a sub-bureau of China, a designation currently held by the Chinese Special Administrative Regions of Hong Kong and Macao.[234] Rather than accept those conditions, Taiwan exited the organization. Beijing will host the 86th INTERPOL General Assembly from September 25 to 29, 2017. INTERPOL's President, Meng Hongwei, is a PRC national who previously served as China's Vice Minister of Public Security. He was elected in November 2016 to a four-year term.[235]

P.L. 114-139 directed the Secretary of State to "develop a strategy to obtain observer status for Taiwan in INTERPOL and at other related meetings, activities, and mechanisms thereafter" and to "instruct INTERPOL Washington to officially request observer status for Taiwan in INTERPOL and to actively urge INTERPOL member states to support such observer status and participation for Taiwan." In a report required by the act, the Department of State said that, "For the sake of the international community's safety, the United States will continue to advocate strongly for Taiwan's meaningful engagement and participation in the activities of INTERPOL." The report noted that,

> Because Taiwan is not a member of INTERPOL, Taiwan has been unable to access pertinent INTERPOL law enforcement databases through INTERPOL's "I-24/7" secure communications system, including databases on wanted persons and information on stolen and lost travel documents. Although there is an indirect arrangement by which Taiwan's police agency can exchange information with the INTERPOL General Secretariat, this

[231] Asia-Pacific Economic Cooperation, "Mission Statement," http://www.apec.org/About-Us/About-APEC/Mission-Statement.aspx.

[232] Yuan-Ming Chiao, "James Soong Tapped as Taiwan's APEC Envoy," October 6, 2016, http://www.chinapost.com.tw/taiwan/national/national-news/2016/10/06/480317/James-Soong.htm.

[233] "Taiwan Sees Exchange with China's Leader at APEC as Positive," Reuters, November 21, 2016, http://www.reuters.com/article/us-taiwan-china-apec-idUSKBN13G0EP.

[234] Daniel Southerland, "China Moves to Replace Taiwan as Interpol Member," *Christian Science Monitor*, September 5, 1984, http://www.csmonitor.com/1984/0905/090536.html.

[235] INTERPOL, "China's Meng Hongwei elected President of INTERPOL," November 10, 2016, https://www.interpol.int/News-and-media/News/2016/N2016-149.

> arrangement has proved to be insufficient, as the information received is often incomplete and untimely, leaving Taiwan and the rest of the world vulnerable to criminal activity.[236]

Taiwan's Security[237]

In the 2017 edition of its annual report on Congress on "Military and Security Developments Involving the People's Republic of China," the Department of Defense (DOD) states that the PRC's military, the People's Liberation Army (PLA), "continues to prepare for contingencies in the Taiwan Strait to deter and, if necessary, compel Taiwan to abandon moves toward independence, or to unify Taiwan with the mainland by force, while simultaneously deterring, delaying, or denying any third-party intervention on Taiwan's behalf." [238]

The DOD report outlines four possible courses of military action for the PRC against Taiwan: 1) blockades of maritime and air traffic to force Taiwan's capitulation; 2) a limited campaign of "disruptive, punitive, or lethal military actions" intended to "induce fear in Taiwan and to degrade the Taiwan population's confidence in their leaders"; 3) missile attacks and precision air strikes "to degrade Taiwan's defenses, neutralize Taiwan's leadership, or break the Taiwan people's resolve"; and 4) an amphibious invasion, which DOD says would entail "significant political and military risk" for the PRC.[239] In its own 2017 Quadrennial Defense Review, Taiwan's Ministry of National Defense (MND) judges that, "The PLA now possesses the capability to impose a blockade on Taiwan and conduct multi-dimensional operations to seize our offshore islands."[240]

DOD notes that the balance of power across the Taiwan Strait continues to shift in the PRC's favor. In DOD's words, Taiwan faces the challenge of "declining defensive advantages."

> China's multi-decade military modernization effort has eroded or negated many of Taiwan's historical advantages in deterring PLA aggression, such as the PLA's inability to project sufficient power across the Taiwan Strait, the Taiwan military's technological superiority, and the inherent geographic advantages of island defense. Although Taiwan is taking important steps to build its war reserve stocks, grow its defense-industrial base, improve joint operations and crisis response capabilities, and strengthen its officer and noncommissioned officer corps, these improvements only partially address Taiwan's declining defensive advantages.[241]

The DOD report raises additional concerns about Taiwan's planned shift to an all-volunteer force by 2019, noting that, "The transition has led to additional personnel costs needed to attract and

---

[236] U.S. Department of State, "U.S. Support for Taiwan Observer Status in the International Criminal Police Organization (INTERPOL," report to Congress required by P.L. 114-139, July 21, 2016.

[237] See also, Department of Defense, "Taiwan's Maritime Self-Defense Capabilities 2016," A Report to Congress Pursuant to the National Defense Authorization Act for Fiscal Year 2015 (P.L. 113-291).

[238] Department of Defense, "Military and Security Developments Involving the People's Republic of China 2017," Annual Report to Congress, May 15, 2017, https://www.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF.

[239] Ibid.

[240] Ministry of National Defense, Republic of China, "2017 Quadrennial Defense Review," March 2017, http://www.ustaiwandefense.com/tdnswp/wp-content/uploads/2000/01/2017-Taiwan-Quadrennial-Defense-Review-QDR.pdf. For analysis of Taiwan's 2017 Quadrennial Defense Review, see Derek Grossman, Michael Chase, and Logan Ma, "Taiwan's 2017 Quadrennial Defense Review in Context," June 14, 2017, https://www.rand.org/blog/2017/06/taiwans-2017-quadrennial-defense-review-in-context.html.

[241] Department of Defense, "Military and Security Developments Involving the People's Republic of China 2017," Annual Report to Congress, May 15, 2017.

retain personnel under the volunteer system, diverting funds from foreign and indigenous acquisition programs, as well as near-term training and readiness."[242]

In its 2017 Quadrennial Defense Review, Taiwan's MND itself identifies challenges it faces as including "constrain[t]s in defense financial resources and manpower, difficulty in acquiring advanced weapons systems, increasing threats to cyber security, decreasing defense awareness in the public, and increasing incidents of complex emergencies," such as typhoons and earthquakes. On the issue of public awareness, the Review notes, "Due to ongoing economic, social, and cultural exchanges across the Taiwan Strait, many of our fellow citizens have gradually lost awareness that the two sides of the Strait remain military adversaries, and that the risk of war still exists."[243]

Ongoing PRC military reforms may reduce the likelihood of military action against Taiwan in the near term, according to two National Defense University China experts. They note that, " ... in the near term the PLA is likely to face a degree of organization disruption as new lines of authority are clarified, new leaders take their positions, and rank-and-file personnel seek to understand where they stand in the new organizational chart and what their roles will be." The result, the experts write, is that, " ... the PLA will be focused inward for the next few years, reducing its ability to fight a major war." Over the longer-term, however, if the reforms succeed in improving China's ability to conduct joint operations in multiple domains, the experts predict that, "The result could be a better-trained joint force that will pose an even greater threat to Taiwan's security."[244]

Taiwan's Defense Budget

In 2016, the PRC's official defense budget of $144.3 billion was approximately 14 times that of Taiwan, at $10.5 billion.[245] For 2018, Taiwan's Ministry of National Defense has proposed a defense budget of $10.79 billion, an increase of 1.9% over 2017. The figure represents 2.03% of Taiwan's 2016 nominal Gross Domestic Product (GDP) of $529.6 billion, and could fall below 2% of Taiwan's nominal GDP for 2017. The budget proposal marks a retreat from a pledge Taiwan's government made in March to increase defense spending to 3% of GDP.[246] It also follows many years of stagnant or declining spending as a share of government spending and of GDP.[247]

The U.S. executive branch and congress have been united in urging Taiwan to spend more on defense. Speaking in October 2017, the Department of Defense's David Helvey stated that Taiwan's defense budget "has not kept pace" with Taiwan's changing security environment. "It

[242] Ibid.

[243] Ministry of National Defense, Republic of China, "2017 Quadrennial Defense Review," March 2017.

[244] Phillip C. Saunders and Joel Wuthrow, "What Do China's Military Reforms Mean for Taiwan?" The National Bureau of Asian Research, May 19, 2016, http://nbr.org/research/activity.aspx?id=692.

[245] Department of Defense, "Military and Security Developments Involving the People's Republic of China 2017," Annual Report to Congress, May 15, 2017, https://www.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF.

[246] Tsai Chia-ling and Kuang-Lin Liu, "Defense Ministry Sets Preliminary 2018 Budget at NT$327.8 Billion," CNA via Focus Taiwan, October 7, 2017, http://focustaiwan.tw/news/aipl/201710070010.aspx; Jon Grevatt, "Taiwan's MND Proposes 2% Increase for 2018 Military Budget," IHS Jane's Defence Weekly, October 9, 2017, http://www.janes.com/article/74708/taiwan-s-mnd-proposes-2-increase-for-2018-military-budget.

[247] Bonnie Glaser and Anastasia Mark, "Taiwan's Defense Spending: The Security Consequences of Choosing Butter Over Guns," Asia Maritime Transparency Initiative, CSIS, March 18, 2015, https://amti.csis.org/taiwans-defense-spending-the-security-consequences-of-choosing-butter-over-guns/.

needs to be increased and increased now," he said.[248] Also speaking in October 2017, AIT Chairman Moriarty said Taiwan must address the issue of its defense budget "with real urgency." Moriarty observed that, "Taiwan is spending significantly less on defense as a percentage of GDP than others that face similarly sophisticated threats, such as Israel, South Korea, and Ukraine." Taiwan, he said, "can and must do better."[249]

In the House version of H.R. 2810, the National Defense Authorization Act for FY2018, Section 1268(4) would state that it is the sense of Congress that "Taiwan should significantly increase its defense budget to maintain a sufficient self-defense capability."

Maritime Disputes

Before President Tsai took office, some commentators speculated that her party's strong Taiwan identity and ambivalent attitude toward the mainland-originated Republic of China might lead her to reevaluate Taiwan's relationship to maritime features claimed in the name of the Republic of China. In her May 20, 2016, inauguration speech, Tsai signaled no change in Taiwan's sovereignty claims.

> I was elected President in accordance with the Constitution of the Republic of China, thus it is my responsibility to safeguard the sovereignty and territory of the Republic of China; regarding problems arising in the East China Sea and South China Sea, we propose setting aside disputes so as to enable joint development.[250]

The East China Sea

In the East China Sea, Taiwan claims sovereignty over five uninhabited islets and three reefs that Taiwan calls collectively the Diaoyutai Islets. The PRC and Japan also claim sovereignty over the features, which the PRC calls the Diaoyu Islands and Japan calls the Senkaku Islands. Japan administers them. Tensions between the PRC and Japan over the islets have remained high since September 2012, when Japan bought three of the islets from their private owners, a move that Taiwan and the PRC characterized as "nationalizing" the islets.

In August 2012, Taiwan's then-President Ma Ying-jeou proposed an "East China Sea Peace Initiative." The initiative called for Japan, the PRC, and Taiwan "to replace confrontation with dialogue, shelve territorial disputes through negotiation, formulate a Code of Conduct in the East China Sea and engage in joint development of resources."[251] Taiwan officials credited the spirit of the initiative for Taiwan and Japan's success in negotiating a fisheries agreement in 2013,

[248] U.S.-Taiwan Business Council, "Prepared Remarks of David Helvey, Acting Assistant Secretary of Defense for Asian and Pacific Security Affairs," for delivery at the U.S.-Taiwan Business Council Defense Industry Conference, Princeton, New Jersey, October 16, 2017, http://us-taiwan.org/reports/2017_october16_david_helvey_dod_keynote.pdf.

[249] American Institute in Taiwan, "Remarks by AIT Chairman James Moriarty at Brookings Institution," October 12, 2017, https://www.ait.org.tw/remarks-ait-chairman-james-moriarty-brookings-institution/.

[250] Office of the President, Republic of China (Taiwan), "Inaugural Address of ROC 14th-Term President Tsai Ing-Wen," May 20, 2016, http://english.president.gov.tw/NEWS/4893.

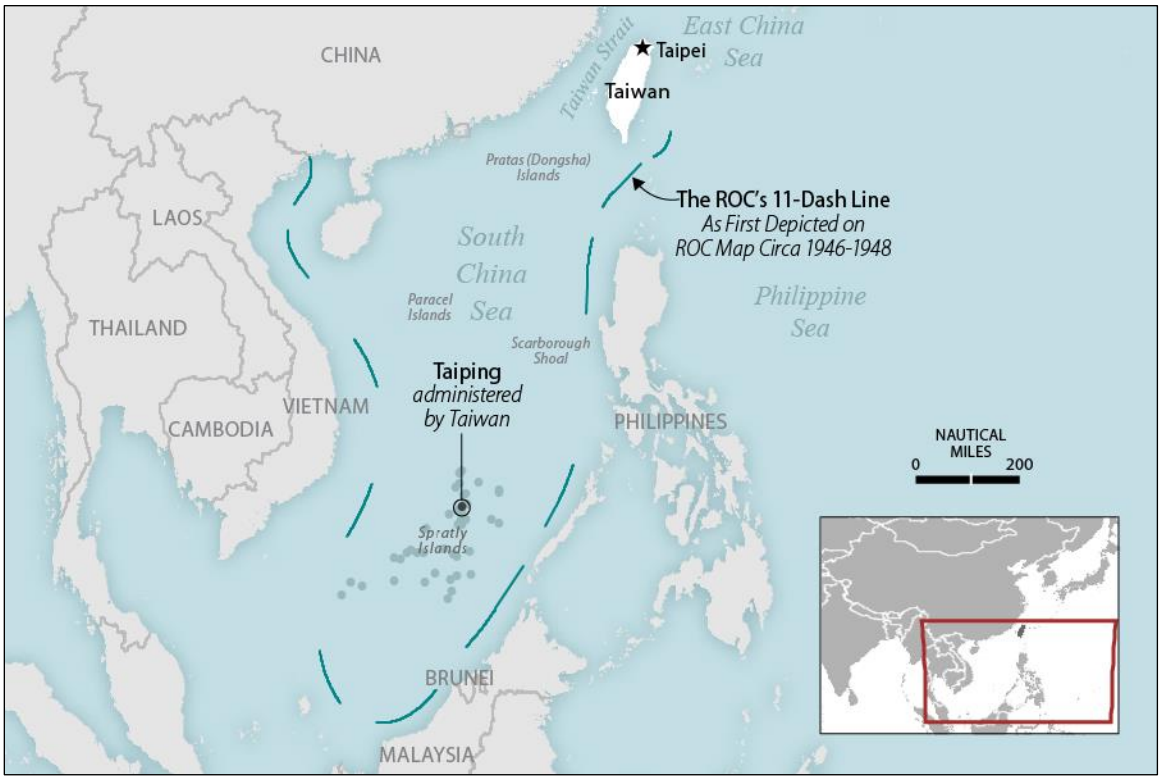
[251] Ministry of Foreign Affairs, Republic of China (Taiwan), "The Republic of China (Taiwan) Proposes: The East China Sea Peace Initiative," 2012, http://www.mofa.gov.tw/en/cp.aspx?n=A3C75D6CF8A0D021. See also, Ministry of Foreign Affairs, Republic of China (Taiwan), "East China Sea Peace Initiative Implementation Guidelines," September 7, 2012, http://www.mofa.gov.tw/en/cp.aspx?n=678FD6BB7AB0BB1E.

ensuring the right of Taiwan and Japanese fishermen to fish in the waters around the islets. The agreement also established a bilateral fishing commission.[252]

The South China Sea

The "nine-dash line" on PRC maps, laying an ambiguous claim to most of the South China Sea, is derived from an "eleven-dash line" that first appeared on ROC maps between 1946 and 1948. Both dashed lines encompass four island groups in the South China Sea: the Paracels (known in Chinese as the *Xisha*), Spratlys (*Nansha*), Pratas (*Dongsha*), and Macclesfield Bank and Scarborough Shoal (*Zhongsha*). Both Taiwan and the PRC officially claim sovereignty over all four island groups. Taiwan physically occupies Taiping Island, also known as Itu Aba, the largest naturally formed feature in the Spratly island chain. Taiwan maintains a Coast Guard unit on Taiping Island, conducts regular drills there, and has built an airstrip.[253] Taiping Island is also claimed by the PRC, the Philippines, and Vietnam.

Figure 4. The ROC's "11-Dash Line" in the South China Sea



Source: Graphic created by CRS. Map generated by Hannah Fischer using data from Esri (2014); Department of State boundary files (2015); personal conversation with Department of State (2016); and CRS analysis.

Notes: The size of Taiping Island (also known as Itu Aba) has been exaggerated for visualization purposes.

In July 2016, an arbitral tribunal constituted under the United Nations Convention on the Law of the Sea (UNCLOS) ruled that none of the geographic features in the Spratly island chain,

[252] Angela Tsai and Jamie Wang, "Taiwan-Japan Fishery Pact Shows Peace Initiative Works: MOFA," CNA, May 3, 2016, http://taiwandiaoyutaiislands.tw/EN/AgreementState_Detail.aspx?ID=1414.

[253] Elaine Hou and Y.F. Low, "Taiwan Reiterates Sovereignty over Taiping Island," Focus Taiwan, August 25, 2017, http://focustaiwan.tw/news/aipl/201708250011.aspx.

including Taiping Island, was entitled to a 200- nautical mile Exclusive Economic Zone or to a Continental Shelf under UNCLOS. As recently as August 2017, Secretary of State Rex Tillerson joined his counterparts from Australia and Japan in issuing a joint statement that "noted the significance of the UNCLOS dispute settlement regime and the Tribunal's decision in discussions among parties in their efforts to peacefully resolve their disputes in the SCS [South China Sea]."[254]

Taiwan, however, continues to reject the ruling. A statement released by Taiwan's Presidential Office immediately after the ruling was issued argued

> The arbitral tribunal did not formally invite the ROC to participate in its proceedings, nor did it solicit the ROC's views. The decisions of the tribunal which impinge on the interests of the ROC, especially with regard to the status of Taiping Island, have seriously undermined the rights of the ROC over the South China Sea Islands and their relevant waters. The ROC government does not accept any decisions that undermine the rights of the ROC, and declares that they have no legally binding force on the ROC.[255]

Taiwan has not been a party to talks between the Association of Southeast Asian Nations (ASEAN) and the PRC aimed at forging a Code of Conduct for the South China Sea, an exclusion Taiwan blames on "China's relentless effort to suppress it internationally."[256] In August 2017 remarks, however, President Tsai pledged that, "Despite our exclusion from South China Sea regional dialogue, Taiwan will nevertheless continue to safeguard freedom of navigation and overflight in the area."[257]

In the National Defense Authorization Act for FY2016 (P.L. 114-92), Congress included Taiwan in the South China Sea Initiative, the purpose of which was described as, "increasing maritime security and maritime domain awareness of foreign countries along the South China Sea." The initiative targeted the countries of Indonesia, Malaysia, the Philippines, Thailand, and Vietnam. The legislation also authorized payment of "incremental expenses" for training of personnel from Brunei, Singapore, and Taiwan.

Legislation in the 115th Congress Related to Taiwan

The 115th Congress has passed one bill relating to Taiwan. The Consolidated Appropriation Act, 2017 (**P.L. 115-31**) provides $31,963,000 to carry out the Taiwan Relations Act (**P.L. 96-8**). Multiple bills are pending. The House and Senate versions of the National Defense Authorization Act for FY2018 (**H.R. 2810**) would include provisions related to the executive branch's handling of arms sales requests from Taiwan, reciprocal port calls, and, in the case of the Senate amendment to H.R. 2810, high-level military exchanges, Taiwan's participation in multilateral military exercises, and U.S. support to Taiwan to develop indigenous undersea warfare capabilities. **S. 1620** (Cotton) would also include provisions related to high-level military exchanges, reciprocal port calls, and Taiwan's participation in multilateral military exercises. **H.R. 2621** (Thornberry) would express the sense of Congress that the United States should continue to support humanitarian and disaster relief assistance to Taiwan.

---

[254] U.S. Department of State, "Australia-Japan-United States Trilateral Strategic Dialogue Ministerial Joint Statement," August 6, 2017, https://www.state.gov/r/pa/prs/ps/2017/08/273216.htm.

[255] Office of the President, Republic of China (Taiwan), "ROC Government Position on the South China Sea Arbitration," July 12, 2016, http://english.president.gov.tw/NEWS/4939.

[256] Ku Chuan and Y.F. Low, "Taiwan Reiterates Sovereignty over South China Sea," Focus Taiwan, August 7, 2017, http://focustaiwan.tw/news/aipl/201708070031.aspx.

[257] Ibid.

Among other bills, The Taiwan Travel Act (**S. 1051** (Rubio) and its companion, **H.R. 535** (Chabot)) would include a sense of Congress provision stating that high-ranking U.S. and Taiwanese government officials should travel to each other's countries for meetings. S. 1051 would include an addition provision requiring the Secretary of State to provide a report to Congress on executive branch travel to Taiwan. **H.R. 3320** (Yoho) would amend the requirements in P.L. 108-235 for an annual report describing the U.S. plan to endorse and obtain observer status for Taiwan at the annual meeting of the World Health Assembly. **H.Res. 271** (Yoho) would encourage the United States Trade Representative to commence negotiations for a bilateral free trade agreement.

Table 6. Legislation on Taiwan Enacted into Law in the 115th Congress

Listed in Reverse Chronological Order According to Latest Action

Bill No. and Sponsor	Title	Latest Action	Notes
H.R. 244 (P.L. 115-31) (Cook)	Consolidated Appropriations Act, 2017	Signed by the President 5/5/2017	Title I provides $31,963,000 to carry out the Taiwan Relations Act (P.L. 96-8).

Source: http://www.congress.gov.

Table 7. Provisions in the Pending National Defense Authorization Act for FY2018 (H.R. 2810) Related to Taiwan

Comparison of the House and Senate Versions of the Bill

H.R. 2810	Senate Amendment to H.R. 2810
Sec. 1268 is titled, "Sense of Congress on Strengthening the Defense of Taiwan." Its provisions include that 1) the Taiwan Relations Act "codified the basis for commercial, cultural, and other relations between the United States and Taiwan, and the Six Assurances are an important aspect in guiding bilateral relations." 2) Section 3(a) of the Taiwan Relations Act states that "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." 3.) the United States "should make available and provide timely review of requests [from Taiwan] for defense articles and defense services that may be necessary for Taiwan to maintain a sufficient self-defense capability"; 4) "Taiwan should significantly increase its defense budget to maintain a sufficient self-defense capability"; 5) "the United States should support expanded exchanges focused on practical training for Taiwan personnel by and with United States military units, including exchanges between services, to empower senior military officers to identify and develop asymmetric and innovative capabilities that strengthen Taiwan's ability to deter aggression"; 6) "the United States should seek opportunities for expanded training and exercises with Taiwan"; 7) "the United States should encourage Taiwan's continued investments in asymmetric self-defense capabilities that are mobile, survivable against threatening forces, and able to take full advantage of Taiwan's geography"; and 8) the United States should continue to "support humanitarian assistance and disaster relief exercises that increase Taiwan's resiliency and ability to respond and recover from natural disasters" and "recognize Taiwan's already valuable military contributions to such efforts."	Sec. 1270 is titled, "Defense Partnership Between the United States and Taiwan." Sec. 1270(a) states that, "It is the sense of Congress that United States should strengthen and enhance its long-standing partnership and strategic cooperation with Taiwan, and reinforce its commitment to the Taiwan Relations Act and the 'Six Assurances' as both countries work toward mutual security objectives, by— 1) "conducting regular transfers of defense articles and defense services necessary to enable Taiwan to secure common interests and objectives with the United States, based solely on the needs of Taiwan;" 2) "assisting Taiwan in building an effective air defense capability consisting of a balance of fighters and mobile air defense systems"; and 3) "inviting Taiwan to participate in multilateral training activities hosted by the United States that increase the credible deterrent capabilities of Taiwan."
Sec. 1270E would direct the Secretary of Defense to submit a report to Congress no later than September 1, 2018 assessing the feasibility and advisability of the U.S. Navy making port calls to Taiwan, and of the United States receiving port calls by the ROC navy in Hawaii, Guam, "and other appropriate locations."	Sec. 1270(b) would direct the Secretary of Defense to submit a report to Congress no later than September 1, 2018 with "an assessment and planning regarding ports of call by the United States Navy at Kaohsiung, or any other suitable port" on Taiwan, and "an assessment of the feasibility and advisability of permitting the United States Pacific Command (PACOM) to receive ports of call by the navy of Taiwan in Hawaii, Guam, and other appropriate locations."

H.R. 2810	Senate Amendment to H.R. 2810
	Sec. 1270A would direct the Secretary of Defense to "reestablish regular ports of call" by the U.S. Navy at Kaohsiung or other Taiwan ports and permit PACOM to receive Taiwan navy ports of call in "Hawaii, Guam, and other appropriate locations." Sec. 1270B would direct the Secretary of Defense to "implement a program of technical assistance and consultation to support the efforts of Taiwan to develop indigenous undersea warfare capabilities, including vehicles and sea mines, for its military forces." Sec. 1270C would direct the Secretary of Defense to invite Taiwan's military to participate in a "Red Flag" exercise at either Eielson Air Force Base in Alaska or Nellis Air Force Base in Nevada conducted within a year of enactment of the act. Sec. 1270D would direct the Secretary of Defense to submit a report by April 1, 2018 with a list of actions taken to implement and future plans to implement the recommendations in Sec. 1284 of the NDAA for FY2017 (P.L. 114-328), or reasons why no actions have been taken or no future plans made to implement the recommendations. Sec. 1284 of the NDAA for FY2017 recommended that the Secretary of Defense carry out a program of exchanges of U.S. and Taiwan senior military officers and senior officials.
Sec. 1270G(a) would state that is the sense of Congress "that any requests from the Government of Taiwan for defense articles and defense services should receive a case-by-case review by the Secretary of Defense, in consultation with the Secretary of State, that is consistent with the standard processes and procedures in an effort to normalize the arms sales process with Taiwan." Sec. 1270G(b) would direct the Secretary of Defense to submit a report to Congress on the status of each arms sale request from Taiwan within 120 days of receipt of each Letter of Request from Taiwan. Sec. 1270G(c) would direct the Secretary of Defense to brief Congress every 180 days on "the security challenges faced by Taiwan and the military cooperation between the United States and Taiwan, including a description of any requests from Taiwan for the transfer of defense articles or defense services and the status, whether signed or unsigned, of any Letters of Offer and Acceptance with respect to such requests."	

Source: http://www.congress.gov.

Table 8. Other Pending Legislation in the 115th Congress Related to Taiwan

Listed Alphabetically; for the NDAA for FY2018, see **Table 7**

Bill or Resolution No. and Sponsor	Title	Latest Action	Notes
H.R. 3354 (Calvert)	Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018	Passed the House 9/14/2017	Title I provides $30,557,000 to carry out the Taiwan Relations Act (P.L. 96-8).
S. 1780 (Graham)	Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018	Reported by the Senate Committee on Appropriations and Placed on Senate Legislative Calendar under General Orders 9/7/2017	Title I provides $31,963,000 to carry out the Taiwan Relations Act (P.L. 96-8).
H.R. 3362 (Rogers)	Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018	Reported by the House Committee on Appropriations and Placed on the Union Calendar 7/24/2017	Title I provides $30,557,000 to carry out the Taiwan Relations Act (P.L. 96-8).
S. 1620 (Cotton)	Taiwan Security Act of 2017	Referred to the Committee on Foreign Relations 7/24/2017	Sec. 3 would require that the Secretary of Defense carry out a program of exchanges of U.S. and Taiwan senior military officers and senior officials. Sec. 4 states that the Secretary of Defense and the Secretary of State "are authorized and encouraged" to send officials at the Assistant Secretary-level or above on visits to Taiwan. Sec. 5(a) requires the United States to "conduct regular transfers of defense articles to Taiwan." Sec. 5(b) requires the United States government to host senior officials of the Taiwan Ministry of National Defense for an annual dialogue on arms sales "to ensure the regular transfer of defense articles." Sec. 6 would require the Secretary of Defense to invite the Taiwan military to participate in the 2018 Rim of the Pacific Exercise (RIMPAC) and a "Red Flag" exercise at Eielson Air Force Base, Alaska or Nellis Air Force Base, Nevada, within one year of enactment of the act. Sec. 7 would require the Secretary of Defense to reestablish regular port calls by the U.S. Navy in Kaohsiung, Taiwan or any other suitable port or ports on Taiwan, and permit PACOM to receive port calls from the Taiwan navy in Hawaii, Guam, or other appropriate locations.

Bill or Resolution No. and Sponsor	Title	Latest Action	Notes
			Sec. 8 would state Congress' support for Taiwan's plan to increase its defense spending to 3% of GDP. Sec. 9 would express Congress' support for Taiwan's efforts to suspend all economic ties with North Korea, as well as U.S.-Taiwan cooperation to achieve the peaceful denuclearization of North Korea.
H.R. 2621 (Thornberry)	Strengthening Security in the Indo-Asia-Pacific Act	Referred to the Committees on Foreign Affairs Subcommittee on Asia and the Pacific 6/27/2017	Section 303 expresses the sense of Congress (1) that the United States should continue to support humanitarian assistance and disaster relief to increase Taiwan's resiliency and ability to respond to and recover from natural disasters and (2) that Taiwan's military contributions to such efforts have been valuable.
S. 1051 (Rubio)	Taiwan Travel Act	Referred to the Committee on Foreign Relations 5/4/2017	Section 3(b)(1) express that it should be the policy of the U.S. "to allow officials at all levels of the United States Government, including Cabinet-level national security officials, general officers, and other executive branch officials, to travel to Taiwan to meet their Taiwanese counterparts." Section 3(b)(2) states that it should be U.S. policy to allow high-level officials of Taiwan to enter the United States to meet with U.S. officials, including officials of the U.S. Department of State and Department of Defense. Section 3(b)(3) states that it should be U.S. policy to encourage the Taipei Economic and Cultural Representative Office and other organizations established by Taiwan to conduct business in the United States, including activities involving participation by Members of Congress, officials of Federal, State, and local governments, or high-level Taiwan officials. Section 5 states that, no later than 180 days after enactment, the Secretary of State shall submit to the Senate Foreign Relations Committee and House Foreign Affairs Committee a report on travel by executive branch officials to Taiwan.
H.R. 535 (Chabot)	Taiwan Travel Act	Reported out of the Committee on Foreign Affairs, 10/12/2017	Sec. 3(a) states that "It is the sense of Congress that the United States Government should encourage visits between officials from the United States and Taiwan at all levels." Section 3(b) states that it should be U.S. policy to 1) allow officials of all levels of the U.S. government to travel to Taiwan to meet their Taiwan counterparts; 2) to allow high-level Taiwan officials to enter the United States to meet with U.S. officials, including those from the Department of State and Department of Defense; and 3) to encourage the Taipei Economic and Cultural Representative Office and other organizations established by Taiwan to conduct business in the United States, including activities involving participation by Members of Congress, officials of Federal, State, and local governments, or high-level Taiwan officials.

Bill or Resolution No. and Sponsor	Title	Latest Action	Notes
H.R. 3320 (Yoho)	To direct the Secretary of State to develop a strategy to regain observer status for Taiwan in the World Health Organization, and for other purposes	Committee Consideration and Mark-up Session Held 9/28/2017	Sec. 1(b) would amend the requirements in P.L. 108-235 for an annual report describing the U.S. plan to endorse and obtain observer status for Taiwan at the annual meeting of the World Health Assembly. The amendment would add the requirement for "An account of the changes and improvements the Secretary of State has made to the United States plan to endorse and obtain observer status for Taiwan at the World Health Assembly, following any annual meetings of the World Health Assembly at which Taiwan did not obtain observer status."

Source: http://www.congress.gov.

Appendix A. The Six Assurances

Appearing before the House and Senate to explain the August 17, 1982, U.S.-PRC joint communiqué, then-Assistant Secretary of State John H. Holdridge wove into his prepared statement a set of assurances that corresponded to what Taiwan's Ministry of Foreign Affairs said were assurances the Reagan Administration had offered privately to Taiwan's president a month earlier.[258] A portion of Holdridge's testimony is reproduced below. CRS has used bold text to highlight the statements in the testimony that later became known as the "The Six Assurances."

Excerpt of Testimony of John H. Holdridge, Assistant Secretary, Bureau of East Asian and Pacific Affairs, Department of State, before the Senate Committee on Foreign Relations, August 17, 1982[259]

"Turning to the [August 17, 1982 U.S.-PRC joint communiqué] itself, let me recapitulate and emphasize a few key features, and then I will be happy to take your questions..... Fourth, **we did not agree to set a date certain for ending arms sales to Taiwan,** and the statements of future U.S. arms sales policy embodied in the communiqué do not provide either a timeframe for the reduction of U.S. arms sales or for their termination. The U.S. statements are fully consistent with the Taiwan Relations Act and we will continue to make appropriate arms sales to Taiwan based on our assessments of their defense needs.

"... As to our position on the resolution of the Taiwan problem, we have consistently held that it is a matter to be worked out by the Chinese themselves. Our sole and abiding concern is that any resolution be peaceful. It follows that **we see no mediation role for the United States nor will we attempt to exert pressure on Taiwan to enter into negotiations with the PRC.**

"I would also like to call your attention to the fact that **there has been no change in our longstanding position on the issue of sovereignty over Taiwan**. The communiqué, paragraph 1, in its opening paragraph simply cites that portion of the joint communiqué on the establishment of diplomatic relations between the United States and the PRC in which the United States acknowledged the Chinese position on this issue; that is, that there is but one China, and Taiwan is a part of China.

"It has been reported in the press that the Chinese at one point suggested that the Taiwan Relations Act be revised. We have no plans to seek any such revisions.

"Finally, in paragraph 9 the two sides agree to maintain contact and hold appropriate consultations on bilateral and international issues of common interest. This should be read within the context of paragraphs 8 and 9, which deal with the two sides' desire to advance their bilateral

[258] In 1982, with apparent U.S. acquiescence, the ROC's Ministry of Foreign Affairs issued a public statement that included the following language: "On July 14, 1982, the U.S. side, through appropriate channels, made it known to the Republic of China that the U.S. side: 1. Has not agreed to set a date for ending arms sales to the Republic of China; 2. Has not agreed to hold prior consultations with the Chinese communists on arms sales to the Republic of China; 3. Will not play any mediation role between Taipei and Peiping; 4. Has not agreed to revise the Taiwan Relations Act; 5. Has not altered its position regarding sovereignty over Taiwan; 6. Will not exert pressure on the Republic of China to enter into negotiations with the Chinese communists." "Statement of the Ministry of Foreign Affairs of the Republic of China [Taiwan] Regarding the U.S.-PRC Communiqué of August 18, 1982," in *Legislative History of the Taiwan Relations Act: An Analytic Compilation with Documents on Subsequent Developments*, ed. Lester L. Wolff and David L. Simon (Jamaica, NY: American Association for Chinese Studies, 1982).

[259] Testimony by Assistant Secretary of State John Holdridge, U.S. Congress, Senate Committee on Foreign Relations, *U.S. Policy Toward China and Taiwan*, 97th Cong., 2nd sess., August 17, 1982 (Washington: GPO, 1982), pp. 13-14. Holdridge used almost exactly the same wording in testimony before the House the next day. U.S. Congress, House Committee on Foreign Affairs, *China-Taiwan: United States Policy*, 97th Cong., 2nd sess., August 18, 1982 (Washington: GPO, 1982), pp. 6-7.

and strategic relations. **It should not be read to imply that we have agreed to engage in prior consultations with Beijing on arms sales to Taiwan.**

"We hope and expect that this communiqué and the step forward which it represents in the resolution of United States-Chinese differences on this issue will enhance the confidence of the people of Taiwan, whose well-being and prosperity continue to be of the utmost importance to us..... "

Appendix B. Major Arms Sales to Taiwan

Table B-1. Major Arms Sales to Taiwan, 2000-2017

Listed in Reverse Chronological Order

Date	Major Item	Value
June 29, 2017	50 AGM-88B High-Speed Anti-Radiation Missiles (HARMs), 10 AGM 88-B Training HARMs, HARM integration, LAU-118A launchers, containers, spare and repair parts, test equipment, and related support and materials	$147.5 million
	16 Standard Missile-2 (SM-2) Block IIIA All-Up Rounds (AUR), 47 MK 93 MOD 1, SM-2 Block IIIA Guidance Sections (GSs), 5 MK 45 MOD 14 SM-2 Block IIIA Target Detecting Devices (TDDs) Shrouds, 17 MK 11 MOD 6 SM-2 Block IIIA Autopilot Battery Units (APBUs) maneuverability upgrades on the GSs, 16 AUR containers, technical documentation, and related support	$125 million
	46 MK-48 Mod 6AT Heavyweight Torpedoes (HWT), HWT containers, torpedo support, torpedo spare parts, publications, training, weapon system support, engineering and technical assistance	$250 million
	MK-54 Lightweight Torpedoes (LWTs) in support of LWT program, including containers, spare parts, publications, training, weapon system support, engineering/technical assistance for the upgrade and conversion of (168) MK-46 Mod 5 Torpedoes to the MK-54 LWT configuration	$175 million
	56 AGM-154C Joint Standoff Weapons (JSOW) Air-to-Ground Missiles, flight vehicles, training missiles, containers, parts, test equipment, Joint Mission Planning System updates, training, technical services, and other related elements of program support	$185.5 million
	Upgrade of AN/SLQ-32(V)3 Electronic Warfare Systems in support of four ex-KIDD destroyers, including AN/SLQ-32(V)3 upgrade hardware, software, support equipment and parts, publications, training, engineering and technical assistance	$80 million
	Surveillance Radar Program (SRP) operations and maintenance follow-on package, including logistics support, engineering service, parts, personnel training and equipment, and related support	$400 million

Date	Major Item	Value
December 16, 2015	250 Stinger Missiles, related equipment, and support	$217 million
	TOW 2B Aero Radio Frequency Missile, support, and training	$268 million
	MK 15 Phalanx Block 1B Baseline 2 Close-in Weapons System, guns, upgrade kits, ammunition, and support	$416 million
	Sale, refurbishment, and upgrade of two Perry-Class Frigates	$190 million
	Follow on life cycle support for maintenance of the MIDS/LVT-1 and JTIDS systems	$120 million
	Link-11 Integration and Taiwan Advanced Tactical Data Link System (TATDLS)	$75 million
	36 Amphibious assault vehicles (AAVs)	$375 million
	208 Javelin Guided Missiles, technical assistance, above the line transportation costs, and other logistics and program support	$57 million
September 21, 2011	Retrofit of 145 F-16A/B aircraft and associated equipment, parts, training, and logistical support	$5.3 billion
	F-16 Pilot training at Luke Air Force Base and associated parts, equipment, training, and logistical support	$500 million
	Spare parts for F-16A/B, F-5E/F, C-130H, and (IDF) aircraft	$52 million
January 29, 2010	Two Osprey Class Mine Hunting Ships, including refurbishment, upgrade, and other related support and services	$105 million
	114 PATRIOT Advanced Capability (PAC-3) Missiles, three AN/MPQ-65 Radar Sets, firing units, and related equipment and services	$2.81 billion
	UH-60M Black Hawk helicopters, technical assistance, and related logistics support	$3.1 billion
	10 TRM-84L HARPOON Block II Telemetry Missiles, 2 ATM-84L HARPOON Block II Telemetry Missiles, and other related equipment and services	$37 million
	35 MIDS/LVT-1, 25 MIDS on Ships Terminals, and other related equipment and support	$340 million
October 3, 2008	330 Patriot Advanced Capability (PAC)-3 Missile Defense Missiles and related equipment and services	$3.1 billion
	32 UGM-84L Sub-Launched Harpoon Anti-Ship Missiles and additional equipment and services and weapons	$200 million
	Spare parts for F-5E/F, C-130H, F-16A/B, and IDF aircraft	$334 million
	182 Javelin Anti-Armor Missiles	$47 million
	Upgrade of four E-2T aircraft (Hawkeye 2000 configuration)	$250 million
	30 AH-64D Apache Longbow attack helicopters, 173 Stinger Air-to-Air Missiles, 1,000 AGM-114L Longbow Hellfire Missiles, and related materials and technical assistance	$2.532 billion

Date	Major Item	Value
November 9, 2007	Patriot-2 Missile system upgrades	$939 million
September 12, 2007	12 P-3C Sub-Hunting Planes	$1.96 billion
	144 SM-2 Air Defense Missiles, 16 Telemetry Missiles, canisters, containers, and related equipment and training	$272 million
August 8, 2007	60 Harpoon Block II Anti-Ship Missiles, 2 Harpoon guidance control units, test equipment, services, and related materials	$125 million
February 28, 2007	218 AMRAAMs, 235 Maverick Missiles for F-16 fighters, training, repair parts, software, and training	$421 million
October 25, 2005	10 AIM-9M Sidewinder, 5 AIM-7M Sparrow Air-to-Air Missiles, and continued pilot training and logistical support for F-16 fighters at Luke Air Force Base	$280 million
March 30, 2004	2 Ultra High Frequency Long-Range Early Warning Radars, communications equipment, facilities support, and training	$1.776 billion
September 24, 2003	102 Multifunctional Information Distribution Systems, support, and test equipment	$775 million
November 21, 2002	4 Kidd-Class Guided Missile Destroyers. 248 SM-2 Black IIIA Standard Missiles, 32 RGM-84L Block II Harpoon Missiles, and related support	875 million
October 11, 2002	290 TOW-2B Anti-Tank Missiles and spare parts	$18 million
September 4, 2002	54 AAV7A1 Amphibious Assault Vehicles	250 million
	Maintenance and spare parts for aircraft, radars, AMRAAMs, and other systems	$174 million
	182 AIM-9M-1/2 Sidewinder Air-to-Air Missiles	$36 million
	449 AGM-114M3 Hellfire II Anti-Armor Missiles to equip AH-1W and OH-58D helicopters	$60 million
June 4, 2002	3 AN/MPN-14 air traffic control radars, spare parts, test equipment, and related support	$108 million
October 30, 2001	Logistical support/spare parts for F-5E/F, C-130H, F-16A/B, and IDF aircraft	$288 million
October 26, 2001	40 Javelin Anti-Tank Missile Systems and 360 Javelin Missiles	$51 million
September 5, 2001	40 AGM-65G Maverick Air-to-Ground Missiles for F-16s, 48 LAU-117 launchers, and related equipment	$18 million
July 18, 2001	50 Joint Tactical Information Distribution Systems (JTIDS) terminals (a version of Link 16) for data links between aircraft, ships, and ground stations	$725 million
September 28, 2000	Improved Mobile Subscriber Equipment (IMSE) communication system	$513 million
	71 RGM-84L Harpoon Anti-Ship Missiles, 6 Harpoon Training Missiles, and 10 Harpoon Shipboard Launcher Command and Control Sets	$240 million
	200 AIM-120C AMRAAMs for F-16 fighters	$150 million
	146 M109A5 Howitzers and 152 SINCGARS radio systems	$405 million

Date	Major Item	Value
June 7, 2000	48 AN/ALQ-184 ECM pods for F-16s	$122 million
	39 Pathfinder/Sharpshooter navigation and targeting pods for F-16 fighters	$234 million
March 2, 2000	162 HAWK Intercept-Guided Air Defense Missiles and related equipment and support	$106 million
	Modernization of the TPS-43F air defense radar to TPS-75V configuration	$96 million

Sources: Compiled by CRS Research Associate Rami Blair from notifications from 2010 to 2015 posted on the website of the Defense Security Cooperation Agency (DSCA) (2010-2015), http://www.dsca.mil/major-arms-sales, and from *Federal Register* notices covering the period 2000-2009 accessed through the HeinOnline database.

Notes: Section 36(b) of the Arms Export Control Act (AECA) (P.L. 90-629) requires congressional notification of letters of offer to sell major defense equipment valued at $14 million or more, defense articles or services valued at $50 million or more, or design and construction services valued at $200 million or more. This is the definition of "major arms sales" used in this table.

Author Information

Susan V. Lawrence
Specialist in Asian Affairs

Wayne M. Morrison
Specialist in Asian Trade and Finance

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.