

113TH CONGRESS  
1ST SESSION

# H. R. 419

To strengthen and clarify the commercial, cultural, and other relations between the people of the United States and the people of Taiwan, as codified in the Taiwan Relations Act, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 2013

Ms. ROS-LEHTINEN (for herself, Mr. SIRES, Mr. DIAZ-BALART, Mr. CONNOLLY, and Mr. CARTER) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To strengthen and clarify the commercial, cultural, and other relations between the people of the United States and the people of Taiwan, as codified in the Taiwan Relations Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taiwan Policy Act of  
5 2013”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Taiwan Relations Act (Public Law 96–  
4 8; 22 U.S.C. 3301 et seq.), enacted in 1979, has  
5 continued for 34 years to be the cornerstone of  
6 United States–Taiwan relations and has served as  
7 an anchor for peace and security in the Western Pa-  
8 cific region.

9 (2) The Taiwan Relations Act, in furthering the  
10 national interests of the United States in the West-  
11 ern Pacific region, has mandated that the United  
12 States will make available to Taiwan such defense  
13 articles and defense services in such quantity as may  
14 be necessary to enable Taiwan to maintain a suffi-  
15 cient self-defense capability, thus allowing the people  
16 of Taiwan to preserve a peaceful, democratic, and  
17 prosperous way of life.

18 (3) The future of Taiwan must be determined  
19 in a peaceful manner and with the assent of the peo-  
20 ple of Taiwan.

21 (4) The Taiwan Relations Act declares that—

22 (A) peace and stability in the Western Pa-  
23 cific area are in the political, security, and eco-  
24 nomic interests of the United States, and are  
25 matters of international concern;

1           (B) the United States decision to establish  
2           diplomatic relations with the People's Republic  
3           of China rests upon the expectation that the fu-  
4           ture of Taiwan will be determined by peaceful  
5           means;

6           (C) the United States considers any effort  
7           to determine the future of Taiwan by other  
8           than peaceful means, including by boycotts or  
9           embargoes, a threat to the peace and security  
10          of the Western Pacific area and of grave con-  
11          cern to the United States;

12          (D) the United States will maintain the ca-  
13          pacity to resist any resort to force or other  
14          forms of coercion that would jeopardize the se-  
15          curity, or the social or economic system, of the  
16          people on Taiwan; and

17          (E) the preservation and enhancement of  
18          the human rights of all the people on Taiwan  
19          are reaffirmed as objectives of the United  
20          States.

21          (5) In recent years United States–Taiwan rela-  
22          tions have suffered from inattention and lack of  
23          strategic vision, thereby requiring the Congress to  
24          both clarify United States policy toward Taiwan and

1 enhance its oversight role in the implementation of  
2 the Taiwan Relations Act.

3 (6) In its China Military Power Report for  
4 2012, Taiwan's Ministry of National Defense  
5 (MND) estimated that more than 1,600 ballistic and  
6 cruise missiles are now being aimed at Taiwan by  
7 the Second Artillery Corps of the People's Republic  
8 of China and other experts suggest that this number  
9 could increase to 1,800 in the near future.

10 (7) The anti-secession law, passed by the Na-  
11 tional People's Congress of the People's Republic of  
12 China, was found by House Concurrent Resolution  
13 98, passed in the House of Representatives on  
14 March 16, 2005, by a vote of 424-4, "to create a  
15 legal framework for possible use of force against  
16 Taiwan" and "to provide a legal justification for the  
17 use of force against Taiwan, altering the status quo  
18 in the region, and thus is of grave concern to the  
19 United States."

20 (8) The legislative requirement to make avail-  
21 able defense articles and defense services should in-  
22 clude the provision of new F-16 C/D aircraft and  
23 upgrades of existing F-16 A/B aircraft essential to  
24 Taiwan's security.

1           (9) The 2012 Department of Defense’s Annual  
2 Report to Congress on Military and Security Devel-  
3 opments Involving the People’s Republic of China  
4 noted that “preparing for contingencies in the Tai-  
5 wan Strait remains the principal focus and driver of  
6 much of China’s military investment. In this context,  
7 over the past year, the [People’s Liberation Army]  
8 continued to build the capabilities and develop the  
9 doctrine it considers necessary to deter Taiwan from  
10 declaring independence; to deter, delay, and deny ef-  
11 fective U.S. intervention in a potential cross-Strait  
12 conflict; and to defeat Taiwan forces in the event of  
13 hostilities.”.

14           (10) The language contained in the Joint  
15 Communiqué of the United States of America and  
16 the People’s Republic of China, dated August 17,  
17 1982, which states in part that “arms sales to Tai-  
18 wan will not exceed, either in qualitative or in quan-  
19 titative terms, the level of those supplied in recent  
20 years” shall not, to any degree, diminish the respon-  
21 sibility of the United States, as legislatively man-  
22 dated in the Taiwan Relations Act, to “make avail-  
23 able to Taiwan such defense articles and defense  
24 services in such quantity as may be necessary to en-

1       able Taiwan to maintain a sufficient self-defense ca-  
2       pability.”.

3           (11) The United States has sought diplomati-  
4       cally to preserve Taiwan’s international space, de-  
5       spite outside pressure and coercion, and has sought  
6       to secure Taiwan’s meaningful participation in such  
7       international organizations as the World Health Or-  
8       ganization (WHO).

9           (12) Given the critical importance of airport se-  
10      curity in a post-September 11th international envi-  
11      ronment, the United States recognizes it is crucial  
12      for Taiwan to be admitted to meaningful participa-  
13      tion in the International Civil Aviation Organization  
14      (ICAO) so that Taiwan may contribute to the suc-  
15      cess of a global strategy to address aviation security  
16      threats based on effective international cooperation.

17          (13) Recognizing that the Taiwan Relations Act  
18      stated that it is the policy of the United States “to  
19      preserve and promote extensive, close, and friendly  
20      commercial, cultural, and other relations between  
21      the people of the United States and the people on  
22      Taiwan” the Secretary of Homeland Security an-  
23      nounced on October 2, 2012, “the designation of  
24      Taiwan into the Visa Waiver Program (VWP)” with

1 eligible Taiwan passport holders able to travel on the  
2 VWP beginning November 1, 2012.

3 (14) The conclusion of the Economic Coopera-  
4 tion Framework Agreement (ECFA) between Tai-  
5 wan and the People’s Republic of China in June  
6 2010 or the adoption of any other cross-Strait eco-  
7 nomic measures shall not diminish in any degree the  
8 requirement contained in the Act to “maintain the  
9 capacity of the United States to resist any resort to  
10 force or other forms of coercion that would jeop-  
11 ardize the security, or the social or economic system,  
12 of the people on Taiwan.”.

13 (15) The theory recently put forward in certain  
14 academic circles that the United States should ac-  
15 quiesce to China’s ascendancy in Asia and put aside  
16 the commitments made in the Taiwan Relations Act  
17 is based upon a false premise that ignores the exam-  
18 ple of a democratic Taiwan, the historic ties of  
19 friendship of the peoples of the United States and  
20 Taiwan, and the determination of the United States  
21 to remain as a Pacific power.

22 (16) Total United States–Taiwan trade in 2011  
23 was \$67,200,000,000 and Taiwan was the 10th  
24 largest United States trading partner and the 6th

1 largest market for United States agricultural ex-  
2 ports.

3 (17) It is in the economic interests of the  
4 United States and the national security interests of  
5 Taiwan for the peoples of the United States and  
6 Taiwan to further strengthen and revitalize their  
7 trade and investment ties, including through an ex-  
8 panded Trans-Pacific Partnership (TPP) Agreement  
9 or similar mechanism.

10 **SEC. 3. RULE OF CONSTRUCTION.**

11 Nothing in this Act shall be construed to amend or  
12 supersede the Taiwan Relations Act.

13 **TITLE I—POLITICAL RELATIONS**

14 **SEC. 101. RELATIONS WITH THE PEOPLE OF TAIWAN.**

15 The following shall be the policies of the United  
16 States:

17 (1) Supporting Taiwan, Taiwan’s democracy,  
18 and the human rights of its people.

19 (2) As noted in the Taiwan Relations Act, “the  
20 absence of diplomatic relations or recognition shall  
21 not affect the application of the laws of the United  
22 States with respect to Taiwan, and the laws of the  
23 United States shall apply with respect to Taiwan in  
24 the manner that the laws of the United States ap-



1 plied with respect to Taiwan prior to January 1,  
2 1979.”.

3 (3) The United States Government shall respect  
4 the right of the Taipei Economic and Cultural Rep-  
5 resentative Office (TECRO) to display its flag on its  
6 premises and the American Institute in Taiwan  
7 (AIT) and the residence of its Director in Taipei  
8 shall, correspondingly, publicly display the United  
9 States flag in the same manner as United States  
10 embassies, consulates, and official residences  
11 throughout the world.

12 (4) The Taipei Economic and Cultural Rep-  
13 resentative Office and all other instrumentalities es-  
14 tablished by Taiwan, including the Twin Oaks Es-  
15 tate, may conduct official business activities, includ-  
16 ing activities which involve participation by Members  
17 of the United States Congress and other representa-  
18 tives of the Federal, State, and local governments,  
19 without any impediment from the United States  
20 Government or any foreign power.

21 **SEC. 102. VISITS BY CABINET LEVEL OFFICIALS.**

22 (a) FINDINGS.—Congress finds the following:

23 (1) Visits by United States cabinet officials and  
24 other high-ranking visitors are an indicator of the

1 breadth and depth of ties between the United States  
2 and Taiwan.

3 (2) In December 1992, United States Trade  
4 Representative Carla Hills visited Taiwan, marking  
5 the first cabinet-level visit since 1979.

6 (3) Over the next 8 years the Administrator of  
7 the Small Business Administration, the Secretary of  
8 Energy, and 2 Secretaries of Transportation visited  
9 Taiwan.

10 (4) No United States cabinet secretary has vis-  
11 ited Taiwan since July 2000.

12 (5) In March 2008, candidate Barack Obama  
13 wrote in a message congratulating Ma Ying-jeou on  
14 his election victory that “[t]he U.S. should reopen  
15 blocked channels of communication with Taiwan of-  
16 ficials”, however no Cabinet-level visits to Taiwan  
17 have yet taken place.

18 (b) POLICY OF THE UNITED STATES.—It shall be the  
19 policy of the United States to encourage visits by cabinet-  
20 level officials between the United States and Taiwan to  
21 foster commercial, technological, and people-to-people ex-  
22 changes.

1 **SEC. 103. REVISION OF GUIDELINES FOR CONTACTS WITH**  
2 **TAIWAN.**

3 Notwithstanding the 1994 Taiwan policy review and  
4 current mandatory guidance from the Department of  
5 State regarding contacts with Taiwan, it shall be the pol-  
6 icy of the United States to—

7 (1) permit senior leaders of Taiwan to enter the  
8 United States under conditions which demonstrate  
9 appropriate courtesy and respect for the dignity of  
10 such leaders;

11 (2) permit meetings between high-level Tai-  
12 wanese and United States officials in all United  
13 States executive departments;

14 (3) allow official travel to Taiwan for Depart-  
15 ment of State and Department of Defense personnel  
16 above the rank of office director or, for uniformed  
17 military personnel, above the level of 06 (Colonel,  
18 Navy Captain); and

19 (4) support a decision by Taiwan to change the  
20 name of the Taipei Economic and Cultural Rep-  
21 resentative Office to that of the Taiwan Representa-  
22 tive Office.

1 **SEC. 104. REQUIREMENT FOR SENATE CONFIRMATION OF**  
2 **AN INDIVIDUAL APPOINTED TO SERVE AS**  
3 **THE DIRECTOR OF THE AMERICAN INSTI-**  
4 **TUTE IN TAIWAN.**

5 (a) IN GENERAL.—Notwithstanding any other provi-  
6 sion of law, the President shall appoint, by and with the  
7 advice and consent of the Senate, an individual to serve  
8 as the Director of the American Institute in Taiwan.

9 (b) TRANSITION.—The individual serving as the Di-  
10 rector of the American Institute in Taiwan as of the date  
11 of the enactment of this Act may continue to serve in such  
12 capacity until such time as an individual is appointed and  
13 confirmed in accordance with subsection (a).

14 **SEC. 105. EXTRADITION AGREEMENT.**

15 (a) IN GENERAL.—It shall be the policy of the United  
16 States to enhance judicial cooperation with Taiwan, cur-  
17 rently conducted on the basis of the 2002 Agreement on  
18 Mutual Legal Assistance in Criminal Matters, by signing  
19 a comprehensive extradition agreement.

20 (b) REPORT.—Not later than 180 days after the date  
21 of enactment of this Act, the President shall transmit to  
22 Congress a report that assesses whether a comprehensive  
23 extradition agreement between the United States and Tai-  
24 wan may be submitted to the Senate for advice and con-  
25 sent as a treaty or whether, because of Taiwan's unique  
26 status, such agreement must be submitted to both the

1 House of Representatives and Senate for legislative ap-  
2 proval.

3 **SEC. 106. CONTINUATION OF THE SIX ASSURANCES AS**  
4 **GUIDELINES IN CONDUCTING UNITED**  
5 **STATES-TAIWAN RELATIONS.**

6 Notwithstanding any communiqués entered into be-  
7 tween the United States and the People's Republic of  
8 China, the United States continues to assent to the six  
9 assurances provided to Taiwan in July, 1982, including  
10 that the United States—

11 (1) has not agreed to set a date for ending  
12 arms sales to Taiwan;

13 (2) has not agreed to hold prior consultations  
14 with the People's Republic of China on arms sales  
15 to Taiwan;

16 (3) will not play any mediation role between  
17 Taipei and Beijing;

18 (4) has not agreed to revise the Taiwan Rela-  
19 tions Act;

20 (5) has not altered its position regarding sov-  
21 ereignty over Taiwan; and

22 (6) will not exert pressure on Taiwan to nego-  
23 tiate with the People's Republic of China.

1 **SEC. 107. INTERNATIONAL ORGANIZATIONS.**

2 (a) ANNUAL PROGRAM.—To provide Taiwan with the  
3 international space it requires to function effectively in the  
4 world community, the Secretary of State shall direct the  
5 Department of State to continue its annual program to  
6 ensure meaningful participation by Taiwan in the World  
7 Health Assembly in Geneva, Switzerland, as well as mean-  
8 ingful participation for Taiwan in other relevant inter-  
9 national organizations, such as the International Civil  
10 Aviation Organization (ICAO).

11 (b) MEANINGFUL PARTICIPATION BY TAIWAN.—The  
12 Secretary of State shall direct the United States Perma-  
13 nent Representative to the United Nations to use the  
14 voice, vote, and influence of the United States at the  
15 United Nations to ensure meaningful participation for  
16 Taiwan in relevant United Nations Entities in which Tai-  
17 wan has expressed an interest in participating.

18 **SEC. 108. REPORT ON TAIWAN'S PARTICIPATION IN ICAO.**

19 (a) IN GENERAL.—The Secretary of State shall ini-  
20 tiate a United States plan to endorse and obtain meaning-  
21 ful participation for Taiwan at the periodic Assemblies  
22 held by the International Civil Aviation Organization  
23 (ICAO) in Montreal, Canada, including the 38th Assembly  
24 to be held in September–October 2013, and in the meet-  
25 ings and activities of the ICAO and shall instruct the

1 United States delegation to Montreal to implement such  
2 plan.

3 (b) REPORT.—Not later than 180 days after the date  
4 of the enactment of this Act and annually thereafter, the  
5 Secretary of State shall submit to Congress a report con-  
6 taining the plan required under subsection (a).

7 (c) FORM.—The report required under subsection (b)  
8 shall be submitted in unclassified form, but may contain  
9 a classified annex if necessary.

10 (d) ANNUAL BRIEFING.—The Secretary of State  
11 should provide an annual briefing to or consult with Con-  
12 gress on any efforts conducted by the United States Gov-  
13 ernment in support of Taiwan’s progress toward meaning-  
14 ful participation in the ICAO.

## 15 **TITLE II—SECURITY RELATIONS**

### 16 **SEC. 201. STRENGTHENING THE DEFENSE OF TAIWAN.**

17 (a) MAINTENANCE OF SUFFICIENT SELF-DEFENSE  
18 CAPABILITIES OF TAIWAN.—Congress finds that any de-  
19 termination of the nature and quantity of defense articles  
20 or defense services to be made available to Taiwan that  
21 is made on any basis other than the defense needs of Tai-  
22 wan, whether pursuant to the August 17, 1982,  
23 Communiqué signed with the People’s Republic of China,  
24 or any similar executive agreement, order, or policy would

1 violate the intent of Congress specified in section 3(b) of  
2 the Taiwan Relations Act (22 U.S.C. 3302(b)).

3 (b) FOREIGN MILITARY SALES AND LICENSED DE-  
4 FENSE EXPORTS UNDER THE ARMS EXPORT CONTROL  
5 ACT.—Congress finds that, in accordance with the Taiwan  
6 Relations Act, the core purpose of foreign military sales  
7 and licensed commercial exports under the Arms Export  
8 Control Act should be to assist Taiwan in its ability to—

- 9 (1) deter coercion;
- 10 (2) defend against a strategy of coercive diplo-  
11 macy employing threats or limited force;
- 12 (3) repel an invasion; and
- 13 (4) partner with civil responders and friendly  
14 foreign militaries.

15 (c) DEFENSE TRANSFERS.—In order to accomplish  
16 the purposes of this section, the President is authorized  
17 to make available to Taiwan defense articles or defense  
18 services, including the following:

- 19 (1) Air and air defense capabilities, including—
  - 20 (A) low-cost, survivable sensors;
  - 21 (B) command and control systems;
  - 22 (C) modern surface to air missiles;
  - 23 (D) upgrades to existing modern combat  
24 aircraft as well as new combat aircraft, includ-



1 ing Vertical and Short Take-Off and Landing  
2 Aircraft (V/STOL);

3 (E) radar, electronic warfare, and jamming  
4 capabilities;

5 (F) passive defense measures (such as re-  
6 dundancy, dispersal, camouflage/deception,  
7 hardening, and rapid repair capabilities); and

8 (G) access to satellites for remote sensing  
9 and communication.

10 (2) Maritime capabilities, including—

11 (A) additional sensor capacity for com-  
12 prehensive maritime domain awareness;

13 (B) cost-effective submarines for anti-sur-  
14 face, anti-submarine warfare, and other mis-  
15 sions;

16 (C) mines and mine countermeasure ves-  
17 sels; and

18 (D) anti-ship cruise missiles.

19 (3) Ground capabilities, including—

20 (A) layers, short-range air defense;

21 (B) critical infrastructure protection to en-  
22 sure continuity of government;

23 (C) air mobility;

24 (D) unmanned air vehicles; and

1 (E) accurate, GPS-guided short-range  
2 rockets.

3 (4) Capacity for partnership with friendly for-  
4 eign militaries, including—

5 (A) command, control, communications,  
6 computers, intelligence, surveillance, and recon-  
7 naissance situational awareness systems;

8 (B) enhanced doctrine exchange; and

9 (C) enhanced senior-level training.

10 (d) **RULE OF CONSTRUCTION RELATING TO ARMS**  
11 **EXPORT CONTROL ACT.**—Nothing in this section shall be  
12 construed to supersede or modify section 36 of the Arms  
13 Export Control Act (22 U.S.C. 2776).

14 **SEC. 202. ADVANCED COMBAT AIRCRAFT FOR TAIWAN.**

15 (a) **STATEMENT OF POLICY.**—Notwithstanding the  
16 upgrade of Taiwan’s F-16 A/B aircraft, Taiwan will expe-  
17 rience a growing shortfall in fighter aircraft, particularly  
18 as its F-5 aircraft are retired from service.

19 (b) **AUTHORITY TO ACCEPT LETTER OF REQUEST.**—  
20 Pursuant to the foreign military sales program authorized  
21 by the Arms Export Control Act, the President is author-  
22 ized to accept a letter of request from Taiwan for price  
23 and availability data or for a formal sales offer with re-  
24 spect to the F-16C/D Fighting Falcon multirole fighter  
25 aircraft or other aircraft of similar capability, as may be

1 necessary to enable Taiwan to maintain a sufficient self-  
2 defense capability.

3 **SEC. 203. CONSULTATIONS ON TAIWAN ARMS SALES.**

4 (a) BRIEFINGS.—Not later than 90 days after the  
5 date of the enactment of this Act and at least annually  
6 thereafter, the Secretary of State, in consultation with the  
7 Secretary of Defense, shall provide detailed briefings to  
8 Congress on—

9 (1) any discussions conducted between any ex-  
10 ecutive branch agency and the Government of Tai-  
11 wan during a covered period; and

12 (2) any potential transfer to the Government of  
13 Taiwan of defense articles or defense services.

14 (b) DEFINITIONS.—In this section and section 201:

15 (1) COVERED PERIOD.—The term “covered pe-  
16 riod” means, with respect to—

17 (A) the initial briefing required under sub-  
18 section (a), the period beginning on the date of  
19 the enactment of this Act and ending on the  
20 date of such initial briefing; and

21 (B) subsequent briefings required under  
22 such subsection, the period beginning on the  
23 day after the date of the most recent briefing  
24 and ending on the date of any such subsequent  
25 briefing.

1           (2) EXECUTIVE BRANCH AGENCY.—The term  
2           “executive branch agency” has the meaning given  
3           the term “agency” in section 551(1) of title 5,  
4           United States Code.

5           (3) DEFENSE ARTICLE.—The term “defense ar-  
6           ticle” has the meaning given such term in section 47  
7           of the Arms Export Control Act (22 U.S.C. 2794).

8           (4) DEFENSE SERVICE.—The term “defense  
9           service” has the meaning given such term in section  
10          47 of the Arms Export Control Act (22 U.S.C.  
11          2794).

12 **SEC. 204. ANNUAL REPORT ON DEFENSE TRANSFERS TO**  
13                                   **TAIWAN.**

14          (a) IN GENERAL.—Not later than 180 days after the  
15          date of the enactment of this Act and annually thereafter,  
16          the President shall transmit to Congress a report—

17                 (1) detailing each of Taiwan’s requests for pur-  
18                 chase of defense articles and defense services during  
19                 the immediately preceding one-year period, whether  
20                 submitted through a letter of request (LOR) or con-  
21                 veyed by other authoritative means, except that the  
22                 first report under this section shall cover the period  
23                 2006 through 2011;

24                 (2) describing the defense needs asserted by  
25                 Taiwan as justification for such requests;

1           (3) describing the decisionmaking process used  
2 to reject, postpone, or modify any such request, in-  
3 cluding—

4           (A) with respect to significant military  
5 equipment, the country team assessment and  
6 recommendation as to whether the United  
7 States should sell such equipment; and

8           (B) for each request, the elapse of time be-  
9 tween the submission of such request and the  
10 completion of the interagency review process by  
11 the United States; and

12           (4) detailing those defense articles and defense  
13 services listed in the Arms Sale Proposal described  
14 in section 25 of the Arms Export Control Act (22  
15 U.S.C. 2765), including a description of the ration-  
16 ale for including or not including in such Proposal,  
17 as the case may be, all sales and licensed exports to  
18 Taiwan under such Act of major weapons or weap-  
19 ons-related defense equipment for \$7,000,000 or  
20 more, and the extent to which a decision to not in-  
21 clude in such Proposal such sales to Taiwan is con-  
22 sistent with such section.

23           (b) FORM.—The report required under subsection (a)  
24 shall be submitted in unclassified form, but may contain  
25 a classified annex if necessary.

1 **SEC. 205. REPORT ON IMPLEMENTATION OF TAIWAN RELA-**  
2 **TIONS ACT.**

3 (a) IN GENERAL.—Not later than 180 days after the  
4 date of the enactment of this Act, the President shall sub-  
5 mit to Congress a report on implementation of United  
6 States security policy under the Taiwan Relations Act.

7 (b) MATTERS TO BE INCLUDED.—The report re-  
8 quired under subsection (a) shall include, at a minimum,  
9 the following:

10 (1) A review of the operational planning, policy  
11 reviews, and other preparations of the United States  
12 since 2000 to implement section 2(b)(6) and sub-  
13 sections (a), (b), and (c) of section 3 of the Taiwan  
14 Relations Act, including the extent to which the  
15 United States retains the capacity to resist any re-  
16 sort to force or other forms of coercion that would  
17 jeopardize the security, or the social or economic  
18 system, of the people of Taiwan. Such review shall  
19 take into account whether Taiwan’s air and air de-  
20 fense forces retain the ability to effectively defend  
21 Taiwan against China’s ballistic missile and air  
22 threats, and the extent to which the absence of cred-  
23 ible Taiwanese air defense forces may complicate the  
24 ability of the United States to resist any resort to  
25 force that jeopardizes the security of Taiwan.

1           (2) An evaluation of all gaps in relevant knowl-  
2           edge about the capabilities and intentions of the  
3           People’s Republic of China as such capabilities and  
4           intentions might affect the current and future mili-  
5           tary balance between Taiwan and China, such as  
6           anti-access and area denial capabilities as well as  
7           anti-satellite and space warfare developments, in-  
8           cluding both classified United States intelligence in-  
9           formation and Chinese open source writing.

10          (c) FORM.—The report required under subsection (a)  
11         shall be submitted in unclassified form, but may contain  
12         a classified annex if necessary.

13         **SEC. 206. NAVAL VESSEL TRANSFER AUTHORITY.**

14          (a) TRANSFER BY SALE.—The President is author-  
15         ized to transfer the OLIVER HAZARD PERRY class  
16         guided missile frigates USS TAYLOR (FFG–50), USS  
17         GARY (FFG–51), USS CARR (FFG–52), and USS  
18         ELROD (FFG–55) to the Taipei Economic and Cultural  
19         Representative Office of the United States (which is the  
20         Taiwan instrumentality designated pursuant to section  
21         10(a) of the Taiwan Relations Act (22 U.S.C. 3309(a)))  
22         on a sale basis under section 21 of the Arms Export Con-  
23         trol Act (22 U.S.C. 2761).

24          (b) COSTS OF TRANSFERS.—Any expense incurred by  
25         the United States in connection with a transfer authorized

1 by this section shall be charged to the recipient notwith-  
2 standing section 516(e) of the Foreign Assistance Act of  
3 1961 (22 U.S.C. 2321j(e)).

4 (c) REPAIR AND REFURBISHMENT IN UNITED  
5 STATES SHIPYARDS.—To the maximum extent prac-  
6 ticable, the President shall require, as a condition of the  
7 transfer of a vessel under this section, that the recipient  
8 to which the vessel is transferred have such repair or re-  
9 furbishment of the vessel as is needed, before the vessel  
10 joins the naval forces of that recipient, performed at a  
11 shipyard located in the United States, including a United  
12 States Navy shipyard.

13 (d) EXPIRATION OF AUTHORITY.—The authority to  
14 transfer a vessel under this section shall expire at the end  
15 of the 3-year period beginning on the date of the enact-  
16 ment of this Act.

## 17 **TITLE III—ECONOMIC AND** 18 **TRADE RELATIONS**

### 19 **SEC. 301. TRADE AND INVESTMENT FRAMEWORK AGREE-** 20 **MENT.**

21 It is the sense of Congress that, at the earliest oppor-  
22 tunity, the United States Trade Representative should  
23 seek to resume and successfully conclude negotiations of  
24 economic issues in the Trade and Investment Framework  
25 Agreement (TIFA) talks with Taiwan.



1 **SEC. 302. FREE TRADE AGREEMENT.**

2 (a) IN GENERAL.—It is the sense of Congress that  
3 the ultimate goal of trade negotiations with Taiwan should  
4 be the negotiation of a free trade agreement with Taiwan.  
5 As building blocks toward that goal, the United States  
6 should study the feasibility of negotiating with Taiwan a  
7 bilateral—

8 (1) investment agreement; and

9 (2) tax agreement.

10 (b) REPORT.—Not later than 180 days after the date  
11 of enactment of this Act, the President shall transmit to  
12 Congress a report that assesses whether economic and  
13 trade agreements between the United States and Taiwan  
14 may be submitted to the Senate for advice and consent  
15 as a treaty or whether, because of Taiwan’s unique status,  
16 such agreements must be submitted to both the House of  
17 Representatives and Senate for legislative approval.

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