

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—119th Cong., 2d Sess.

S. 4259

To promote the development, production, and deployment of secure and resilient Unmanned Aerial Systems (UAS) to enhance United States national security and support the defense and resilience of Taiwan in the Indo-Pacific Region.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mr. MERKLEY (for himself and Mr. CRUZ)

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Blue Skies for Taiwan
5 Act of 2026”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) APPROPRIATE CONGRESSIONAL COMMIT-
9 TEES.—The term “appropriate congressional com-
10 mittees” means—

1 (A) the Committee on Foreign Relations,
2 the Committee on Armed Services, the Com-
3 mittee on the Budget, and the Committee on
4 Appropriations of the Senate; and

5 (B) the Committee on Foreign Affairs, the
6 Committee on Armed Services, the Committee
7 on the Budget, and the Committee on Appro-
8 priations of the House of Representatives.

9 (2) BLUE UAS.—The term “Blue UAS” refer to
10 UAS components and systems that comply with De-
11 fense Contract Management Agency’s Blue UAS
12 program and its associated list.

13 **SEC. 3. FINDINGS.**

14 Congress makes the following findings:

15 (1) Taiwan is a longstanding and vital demo-
16 cratic partner whose security is central to United
17 States strategic interests and regional stability in
18 the Indo-Pacific region.

19 (2) The People’s Republic of China (PRC) is
20 increasingly employing gray-zone tactics, including
21 routine use of unmanned aerial systems and other
22 low-cost platforms, to pressure Taiwan and under-
23 mine its security.

24 (3) As set forth in the Taiwan Relations Act of
25 1979 (Public Law 96–8), it is United States policy

1 to maintain its capacity to resist any resort to force
2 or other forms of coercion against Taiwan and pro-
3 vide Taiwan with arms of a defensive nature.

4 (4) As set forth in the Taiwan Enhanced Resil-
5 ience Act (subtitle A of title XII of Public Law 117–
6 263), it is the sense of Congress that the United
7 States should support Taiwan’s acquisition and em-
8 ployment of capabilities that advance asymmetric
9 strategies.

10 (5) The vast majority of commercially available
11 UAS contain PRC-sourced components, creating sig-
12 nificant cybersecurity, supply chain, and operational
13 risks for both Taiwan and the United States.

14 (6) Taiwan is well-positioned to develop and
15 produce UAS components and systems but faces
16 challenges in competing with PRC commercial com-
17 panies, accessing capital, and meeting United States
18 certification and cybersecurity requirements.

19 (7) The United States should support UAS
20 supply chain development in Taiwan to strengthen
21 Taiwan’s asymmetric defense posture and expand
22 United States access to secure, PRC-independent
23 UAS components and systems.

24 (8) The Army Organic Industrial Base, includ-
25 ing its arsenals, depots, and ammunition plants, is

1 undergoing modernization to support emerging tech-
2 nologies and may provide opportunities to support
3 the testing and sustainment of unmanned aerial sys-
4 tems and related components in coordination with
5 allies and partners.

6 **SEC. 4. BLUE UAS WORKING GROUP.**

7 (a) ESTABLISHMENT.—Not later than 180 days after
8 the date of the enactment of this Act, the Secretary of
9 State, in coordination with the Secretary of Defense, shall
10 establish a Blue UAS working group, leveraging existing
11 workstreams and expanding scope as needed, inclusive of
12 government, industry, and academic experts, to—

13 (1) assess Taiwan’s domestic drone production
14 capacity, including research and development, legal
15 and regulatory frameworks, testing, certification,
16 and production capacities for dual-use drones;

17 (2) evaluate opportunities for public-private
18 partnerships between the United States and Taiwan
19 for co-development and co-production of UAS sys-
20 tems and components, including pilot programs;

21 (3) identify barriers to the inclusion of Taiwan-
22 manufactured components and systems manufac-
23 tured in Blue UAS programs;

1 (4) identify regulatory, export-control, and cer-
2 tification barriers that impede Taiwan's participa-
3 tion in Blue UAS programs;

4 (5) provide recommendations to expand and im-
5 prove incorporation of Taiwanese suppliers into Blue
6 UAS programs;

7 (6) identify specific UAS components or sys-
8 tems that could be integrated into Blue UAS pro-
9 grams within 12 to 24 months;

10 (7) analyze opportunities and impediments to
11 include Taiwan in the Defense Autonomous Warfare
12 Group and similar initiatives;

13 (8) assess opportunities for collaboration with
14 the Army Organic Industrial Base, including its ar-
15 senals, depots, and ammunition plants, to support
16 the testing, evaluation, production, maintenance, and
17 sustainment of Blue UAS components and systems,
18 including those co-developed or co-produced with
19 Taiwan; and

20 (9) institute lessons learned from the war in
21 Ukraine, in consultation with the United States Eu-
22 ropean Command (EUCOM) and Ukrainian officials.

23 (b) REPORTING.—Not later than one year after the
24 date of the enactment of this Act, and annually thereafter
25 for three years, the Working Group shall submit to the

1 appropriate congressional committees an unclassified re-
2 port on its activities, including findings, recommendations,
3 timelines, resource needs, and potential funding mecha-
4 nisms, with a classified appendix as necessary.

5 **SEC. 5. COOPERATIVE FRAMEWORK WITH ALLIES.**

6 (a) IN GENERAL.—The Secretary of State, in coordi-
7 nation with the Secretary of Defense, shall establish a co-
8 operative framework, drawing on the Partnership for
9 Indo-Pacific Industrial Resilience (PIPIR), among the
10 United States, Taiwan, and regional allies and global part-
11 ners to promote secure, PRC-independent UAS supply
12 chains and enhance interoperability.

13 (b) ELEMENTS.—The cooperative framework shall in-
14 clude—

15 (1) support regional allies in the acquisition of
16 Blue UAS components or systems from Taiwan in
17 lieu of PRC-sourced components; and

18 (2) fast-track Blue UAS certification for com-
19 ponents co-developed or co-produced by Taiwan and
20 regional allies.

21 **SEC. 6. FAST-TRACK CERTIFICATION.**

22 (a) IN GENERAL.—The Secretary of State, in coordi-
23 nation with the Secretary of Defense, shall develop a fast-
24 track process for Blue UAS companies in Taiwan to ob-
25 tain Blue UAS certification.

1 (b) ELEMENTS.—The fast-track certification process
2 shall include the following procedures:

3 (1) Expedited export control reviews and licens-
4 ing for Taiwan drone and drone component manu-
5 facturers, including streamlined technical reviews for
6 components with no PRC-connected subcomponents.

7 (2) A fast-track certification procedure for Tai-
8 wanese manufacturers, including reciprocal testing
9 arrangements or recognition of equivalent Taiwan
10 cybersecurity standards where appropriate.

11 **SEC. 7. RULES OF CONSTRUCTION.**

12 Nothing in this Act shall be construed—

13 (1) to alter United States policy towards Tai-
14 wan as codified in the Taiwan Relations Act of 1979
15 (Public Law 96–8);

16 (2) to alter the United States commitment to
17 the One China Policy, including commitments made
18 in the Three United States-China Communiqués and
19 the Six Assurances to Taiwan; or

20 (3) to alter the United States Government’s po-
21 sition with respect to the international status of Tai-
22 wan.