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Reviewing Implementation of the Taiwan Enhanced Resilience Act and Future Opportunities for US-Taiwan Cooperation

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Statement for the Record
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Chairman Risch, Ranking Member Shaheen, distinguished members of the Committee, thank you very much for the opportunity to testify at today's hearing. The Taiwan Enhanced Resilience Act (TERA) was ground-breaking legislation and it is timely and essential to review its implementation.

Why Taiwan Matters to the United States

Public support in the United States for defending Taiwan has become stronger in recent years. A just-released Chicago Council survey found that 47% of Americans now support using the US Navy to break a blockade by the People's Republic of China (PRC) against the island (47% oppose), up 10 points from 2024. Support for sending US troops to Taiwan to help stop a PRC invasion is up 8 points over last year, from 35% to 43%, although 51% remain opposed. Positive views of Taiwan are bipartisan, with Democrats and Independents giving Taiwan an average favorability rating of 59 on a zero to 100 scale, and Republicans providing an average of 54.¹

And yet, many Americans admit to knowing little about Taiwan. A 2022 Morning Consult poll found that only 34% of respondents could correctly identify Taiwan's location on a map. Americans also remain uncertain about whether the United States should help protect Taiwan if attacked.² In a 2023 survey conducted by The Economist and YouGov, a plurality (41%) said that they did not know enough to answer a question about whether the US military should defend Taiwan. (37% said that the United States should help protect Taiwan with military force, while 22% were opposed).³

¹ "Americans Grow More Supportive of Aiding Taiwan in a China Crisis," Chicago Council on Global Affairs, November 17, 2025. [2025 CCS Taiwan Brief.pdf](#)

² "Democratic Rep: To Safeguard America's Future, We Need to Safeguard Taiwan's," Newsweek, May 22, 2025. <https://www.newsweek.com/democratic-rep-safeguard-americas-future-we-need-safeguard-taiwans-opinion-2074768>

³ Taylor Orth, "American opinion on a China-Taiwan conflict," YouGov, March 1, 2023. <https://today.yougov.com/international/articles/45329-american-opinion-china-taiwan-conflict-poll>

It is crucial that Americans have a deeper appreciation of why Taiwan is important to the United States. Robust public support for Taiwan can contribute to the important task of strengthening deterrence and help make possible US intervention if deterrence fails. In my view, Taiwan's significance to the United States and the free world is threefold:

First, as George W. Bush stated during his presidency, Taiwan is a "beacon of democracy to Asia and the world." Taiwan's peaceful transformation from authoritarianism to a vibrant democracy is one of the 20th century's most impressive success stories. Taiwan serves as a powerful alternative to the Chinese Communist Party (CCP)-led party-state political system. The ability of Taiwan's democracy to produce effective policies that deliver positive outcomes for its citizens presents a potent example to the PRC and the rest of the world about the resilience of democratic values and practices.

Second, Taiwan is one of the world's leading producers of advanced information and communications technologies (ICT), including semiconductors. Taiwan manufactures over 60% of the world's total output of all semiconductors and more than 90% of the most advanced chips, which are essential for virtually all electronic devices including computers, cars, smartphones and military equipment. This dominance is largely due to Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest contract chip manufacturer of legacy and cutting-edge semiconductors.

A disruption in Taiwan's chip production would severely impact the US and global economy. According to Bloomberg Economics, a war in the Taiwan Strait could reduce global GDP by approximately 10% or \$10 trillion.⁴ Beyond its important role in ICT supply chains, Taiwan makes key contributions to the world in many other fields, such as global health, science and technology and cyber security. Taiwan is also a leading market for US agricultural and machinery exports. In 2024 it was the United States' seventh largest trading partner; bilateral trade totaled \$158.8 billion that year.

Third, American support for Taiwan's security has become closely linked to US credibility among its allies. Failure to support Taiwan in the face of PRC coercion and aggression could prompt allies to doubt the reliability of US defense commitments to them. This is especially true for the Japanese, who worry that PRC occupation of Taiwan would put Tokyo's sea lanes at risk and hinder Japan's Self-Defense Forces from defending the country's southwest islands. Taiwan is located about 70 miles from Yonaguni Island, the westernmost inhabited island. Japanese Prime Minister Sanae Takaichi recently stated that potential PRC military action against Taiwan would likely constitute a "survival-threatening situation" for her country. A significant decline in US credibility could result in Japan's and South Korea's acquiring nuclear weapons and eventually the unravelling of a regional alliance system that has helped to preserve the Pacific Ocean as a barrier against threats to the US homeland.

⁴ David Stringer, "War Over Taiwan Would Cost World Economy \$10 Trillion," Bloomberg, January 9, 2024. <https://www.bloomberg.com/news/newsletters/2024-01-09/war-over-taiwan-would-cost-world-economy-10-trillion-big-take>

PRC Threats to Taiwan Are Increasing

Since the late 1990s, the PRC's People's Liberation Army (PLA) has been focused on developing a range of capabilities to coerce or seize control of Taiwan. These capabilities include amphibious assault; precision strikes; air and sea superiority; joint, multi-domain operations; and anti-access/area denial designed to deter US intervention. PRC leader Xi Jinping has instructed the PLA to acquire sufficient capability to take Taiwan by force by 2027. Numerous large-scale military drills over the past few years have simulated blockades and missile strikes on Taiwan, prompting Commander of United States US Indo-Pacific Command Samuel Paparo to describe them as rehearsals for a Taiwan invasion.

Although the risks of a full-scale PRC invasion or blockade are present, such scenarios are neither imminent nor inevitable. Xi must weigh the potential political gains from taking Taiwan by force against immense economic, military, social and geopolitical risks, making any major military action against Taiwan a high-stakes gamble. Beijing's preferred strategy is to coerce Taiwan to agree to unification without resorting to overt, kinetic warfare. The PRC seeks to achieve its goal by using gray zone tactics and psychological pressure to induce despair among Taiwan's people, erode their confidence in continued US support for Taiwan's security, and make unification appear as the best choice.

The PRC's strategy against Taiwan involves a multifaceted approach using military, paramilitary and civilian assets; economic pressure; information manipulation; legal, psychological and cyber warfare; and diplomatic isolation in ways that remain below the threshold of war.⁵ Richard Bush, a leading scholar on Taiwan, has dubbed this strategy "coercion without violence."⁶

Since the August 2022 visit to Taiwan by former House Speaker Nancy Pelosi, the PRC has erased the median line in the Taiwan Strait and normalized the presence of PLA military assets, coast guard vessels and other PRC government boats around Taiwan and its outlying islands. PLA Navy ships operate close to and sometimes inside Taiwan's 24nm contiguous zone to intimidate Taiwan and to assert PRC claims over the island. Chinese Coast Guard (CCG) vessels regularly breach Taiwan's "restricted" and "prohibited" waters around the Kinmen and Pratas Islands in a show of PRC "law enforcement" aimed at eroding Taiwan's control over the waters under its jurisdiction and desensitizing Taiwan and the international community to such behavior.

State-backed maritime militia boats are conducting operations around Taiwan, blurring the lines between civilian and military activity by using civilian-disguised vessels for information collection and intimidation. They act as a low-cost and low-risk force multiplier

⁵ Derek Grossman, "The Chinese Communist Party's Gray Zone Tactics Against Taiwan," Global Taiwan Institute, March 2025. https://globaltaiwan.org/wp-content/uploads/2025/03/OR_CCP-Gray-Zone-Tactics-Against-TW.pdf

⁶ Richard C. Bush, "Why does the US security partnership with Taiwan matter?," Brookings Institution, September 16, 2024. <https://www.brookings.edu/articles/why-does-the-us-security-partnership-with-taiwan-matter/>

for the PLA, supplementing the military with eyes and ears in the vast contested waters. Their activities include intelligence gathering, reconnaissance missions, tracking the movements of Taiwan's coast guard, testing Taiwan's response times and readiness, and probing Taiwan's vulnerabilities. Maritime militia boats and large PRC fishing fleets also engage in swarming activity, sometimes around the median line, complicating Taiwan's law enforcement response.

State-owned PRC entities have placed oil and gas drilling platforms and associated vessels inside Taiwan's Exclusive Economic Zone (EEZ) without Taiwan's approval, challenging Taipei's ability to protect its economic resources.

The PRC is employing legal warfare against Taiwan by enacting domestic laws to create a veneer of legitimacy for asserting control over Taiwan-claimed waters and normalizing a continuous military and law enforcement presence around Taiwan. In 2021, for example, the PRC passed a Coast Guard Law that grants its maritime forces sweeping authority to regulate, control, and use force against foreign vessels in waters it claims as its own. The law permits the coast guard to use "all necessary means," including force, to implement its regulations. This provides a potential legal justification for aggressive actions such as establishing exclusion zones, quarantines, or blockades.

Beijing is also employing legal warfare in its efforts to isolate Taiwan diplomatically. By distorting UN General Assembly Resolution 2758, which transferred the "seat" in that body and in the Security Council from the Republic of China to the PRC and did not address Taiwan's sovereignty, Beijing is seeking to persuade the world that Taiwan's status as a part of China is a settled matter in international law and is binding on all nations. Beijing is using Resolution 2758 to prevent countries from pursuing their "One China" policies and instead compel them to accept its "One China Principle."⁷ Denying Taiwan a voice at the UN and in its affiliated agencies is a high PRC priority, as is persuading Taiwan's remaining 12 diplomatic allies to switch allegiance to Beijing.

Information manipulation and disinformation are a key part of the PRC's toolbox aimed at undermining public faith in Taiwan's democratic institutions and media and promoting positive views of the CCP and its model of governance. The PRC uses misinformation campaigns, sometimes with AI-generated content, to promote pro-China narratives and exacerbate internal divisions within Taiwan, and to influence election outcomes. Ahead of Taiwan's 2024 election, AI-generated disinformation, including deepfakes and synthetic narratives, surfaced. One example is a 2023 video of then-Vice President Lai Ching-te allegedly paying people \$800 to attend his welcome party while transiting the United States. During the 2024 presidential campaign, another deepfake video showed Lai

⁷ Jacques deLisle and Bonnie S. Glaser, "Why UN General Assembly Resolution 2758 Does Not Establish Beijing's 'One China' Principle: A Legal Perspective," German Marshall Fund of the United States, April 2024. https://www.gmfus.org/sites/default/files/2024-04/GMF_UNGA%20Res.%202758_April%202024%20Report.pdf

throwing his support to a combined Kuomintang-Taiwan People's Party (KMT-TPP) presidential ticket.⁸

Subsea cables around Taiwan have reportedly been damaged at least 36 times between 2019 and 2023, with 12 of those occurring in 2023 alone. Proving intentional sabotage is challenging, but there is strong circumstantial evidence that PRC ships were involved in many of these incidents. Taiwan has detected a pattern of damage that coincides with the presence of PRC-linked vessels. By demonstrating the capacity to disrupt Taiwan's internet connectivity and global communications, Beijing seeks to demoralize Taiwan's population and prepare for potential conflict.⁹

The PRC also uses economic pressure against Taiwan with the short-term goal of weakening domestic support in Taiwan for the ruling Democratic Progressive Party (DPP) and the long-term goal of compelling unification by creating economic interdependence. Beijing's coercive economic tactics include efforts to exclude Taiwan from international trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership, restrict PRC tour groups to Taiwan, levy selective bans and restrictions on imported goods from Taiwan, pursue arbitrary regulatory enforcement against select companies considered backers of Taiwan independence, and impose targeted sanctions on individuals and organizations.¹⁰ Beijing combines its economic coercion measures with economic enticements to select Taiwanese companies. These enticements include granting preferential market access, promoting investment in specific sectors, and offering incentives to individuals from Taiwan to work or start businesses in the PRC.

Perceptions in the PRC of US Policy Toward Taiwan

The PRC is closely following developments in US policy toward Taiwan. In general, experts and officials view President Donald Trump as prioritizing relations with Beijing over Taipei and exercising caution in his policy toward Taiwan so as not to undermine prospects for reaching deals with Beijing. PRC scholars observe that there are numerous areas in which the United States has reduced support for Taiwan. Below are some observations and perceptions of PRC experts and officials that I have gleaned from private conversations and published articles by PRC scholars.¹¹

⁸ Wei-Ping Li, "Seeing Is Not Believing — Deepfakes and Cheap Fakes Spread During the 2024 Presidential Election in Taiwan," Taiwan FactCheck Center, December 25, 2023. https://en.tfc-taiwan.org.tw/en_tfc_286/

⁹ Jaime Ocon and Jonathan Walberg, "China's Undersea Cable Sabotage and Taiwan's Digital Vulnerabilities," Global Taiwan Institute, June 4, 2025. <https://globaltaiwan.org/2025/06/taiwans-digital-vulnerabilities/>

¹⁰ See, for example, Russell Hsiao and Benjamin Sando, "Chinese Communist Party Lawfare and Economic Coercion Against Taiwan," Global Taiwan Institute, April 2025. https://globaltaiwan.org/wp-content/uploads/2025/06/OR_PRC-Lawfare-and-Economic-Coercion-Against-Taiwan-V4.pdf

¹¹ Zhou Wenxing and Ge Sichen, "The Trend and Future Direction of New Trump Administration Efforts to Slow Down Internationalization of the Taiwan Question" [特朗普新政府推动台湾问题“国际化”降速态势与未来走向], *Studies on Fujian-Taiwan Relations* [闽台关系研究], No. 3, 2025, DOI:10.19357/j.cnki.35-1295/d.2025.03.002.

- Trump has emphasized interests over values in the US relationship with Taiwan and has rarely criticized PLA activity against Taiwan. He has compared the United States to an insurance company,” saying that Taiwan should pay Washington for its protection.
- Whereas President Joe Biden repeatedly declared that he would defend Taiwan militarily, Trump has maintained strategic ambiguity about American action if Taiwan is attacked. Trump has demanded that Taiwan increase its defense budget to 10% of its GDP.
- US arms sales to Taiwan in Trump’s first term in office reached a record \$18.33 billion, but so far in his second term there has only been one notification to Congress of a potential arms sale for \$330 million. The announcement of that package was delayed until after Trump’s meeting with Xi on the margins of APEC.
- “Internationalization of Taiwan” was a key policy of the Biden administration but is now being accorded lower priority. The United States no longer coordinates closely with its allies on Taiwan-related issues. This will provide opportunities for Beijing to consolidate international support for its “One China Principle.”
- During the Biden administration, the US Agency for International Development (USAID) helped Taiwan maintain its network of diplomatic allies through financial grants and regional cooperation activities focused on economic development. The shuttering of USAID by the second Trump administration has hampered Taiwan’s ability to preserve support from its remaining allies and will further restrict Taiwan’s ability to participate in international organizations.
- US concerns about Taiwan President Lai Ching-te’s pro-independence leanings and Taipei’s worries that Trump will use Taiwan as a bargaining chip in negotiations with Xi have increased distrust in US-Taiwan relations.
- Fewer Taiwan-related legislative actions have been taken in the 119th US Congress so far compared to the prior two Congresses. There were 196 Taiwan-related legislative proposals (including bills, amendments, and resolutions) in the 117th Congress and 191 in the 118th Congress, while there have only been 30 Taiwan-related legislative actions since Trump’s second term began.¹²
- Fewer Congressional delegations have visited Taiwan in 2025 than in recent years. Visits that have occurred have focused on trade and economic issues rather than political and security issues. There have been four visits to Taiwan by US lawmakers so far in 2025.

The PRC’s deterrence calculus is shaped heavily by its assessment of Washington’s support for Taiwan and its willingness to intervene to defend it. If it concludes that US support for Taiwan is waning, Beijing is likely to adopt a more coercive, risk-tolerant strategy across political, military, and gray-zone domains. The PRC would use all possible means to press Taiwan to negotiate terms of unification, which would undeniably be unfavorable to the Taiwan people.

¹² 周文星.对华战略竞争下的美国国会涉台立法及对策思考[J].亚太安全与海洋研究,2024(5):87-105.

Growing “US Skepticism” in Taiwan

The Taiwan public’s historically favorable view of the United States is declining, and doubts about American dependability to defend Taiwan if attacked is growing.¹³ There are several causes of the “US skepticism” (*yimei lun*) trend in Taiwan. One factor is PRC information operations that persistently aim to undermine Taiwan’s confidence in the United States by amplifying narratives that Washington is unreliable and ultimately unwilling to defend Taiwan in a crisis. Beijing’s state media, proxy influencers, social-media networks, and covert online assets push storylines suggesting the United States will “abandon Taiwan” to avoid war with the PRC, that Washington treats Taiwan as a bargaining chip in great-power negotiations, and that US arms sales are meant primarily to profit the American defense industry rather than ensure Taiwan’s security.

A second reason for waning confidence in the United States is the limited American response to Russia’s full-scale invasion of Ukraine in 2022 which sparked worries among the Taiwan people about counting on US support if the PRC attacked them. A third driver of Taiwan’s misgivings about Washington’s recent policy decisions regarding Taiwan. Although not an exhaustive list, these include:

- the initial “reciprocal tariff” rate of 32% for Taiwan’s products, which was subsequently provisionally lowered to 20%, but remains higher than the 15% imposed on goods from US allies Japan and South Korea
- pressure on TSMC to expand facilities to the United States, which is perceived as endangering Taiwan’s strategic importance by damaging its “silicon shield”
- a decline in visible signs of support for Taiwan such as visits by US officials, senior Members of Congress, and arms sales to Taiwan
- the US decision in July to reject Taipei’s request for Lai Ching-te to transit through New York en route to South America
- the recent spate of articles published by US scholars advocating that Washington rule out direct American military intervention in defense of Taiwan.¹⁴

Multiple public opinion polls confirm the Taiwan public’s growing negativity toward and distrust of the United States. Correspondingly, confidence in American support in the event of a Taiwan Strait conflict has also dropped.

A March 2025 survey by Academia Sinica, Taiwan’s top research institution, found that 59.6% of respondents do not consider the United States to be trustworthy, a near 10

¹³ This section is based in part on Bonnie S. Glaser and Jennifer Lan, “Taiwan’s Growing Distrust of the United States,” German Marshall Fund, August 18, 2025. <https://www.gmfus.org/news/taiwans-growing-distrust-united-states>

¹⁴ See, for example: Michael D. Swaine, “Beyond Strategic Ambiguity: Supporting Taiwan Without Commitment to War,” The Quincy Institute, September 25, 2025. <https://quincyinst.org/research/beyond-strategic-ambiguity-supporting-taiwan-without-a-commitment-to-war/#>; Jennifer Kavanagh and Stephen Wertheim, “The Taiwan Fixation,” Foreign Affairs, March/April 2025. <https://www.foreignaffairs.com/taiwan/taiwan-fixation-kavanagh-wertheim>; Lyle Goldstein, “The U.S. Must Beware of Taiwan’s Reckless Leader,” TIME, October 23, 2025. <https://time.com/7304818/us-china-taiwan-independence-lai/>

assistance could also erode support for a larger defense budget, military training, or civil defense measures.

Moreover, other regional partners, including Japan, the Philippines, and Australia closely monitor US reliability regarding Taiwan. Many people in those allied countries see it as a barometer of Washington's security commitments to their own countries. If Taiwan's public loses faith in the United States, US allies may also begin to doubt American steadfastness. The PRC could amplify such disillusionment through domestic and global propaganda, reinforcing its narrative of Washington's declining power and unwillingness or inability to defend its friends.

Policy Recommendations

Defense and Security

- Ensure that Foreign Military Sales to Taiwan, especially asymmetric systems and munitions, are approved and delivered in an expeditious manner. Encourage the executive branch to continue using Presidential Drawdown Authority and Foreign Military Financing for Taiwan to equip Taiwan's reserves as well as active-duty forces.
- Explore ways for international partners to provide equipment to the US that could then be passed along to Taiwan.
- Require the Department of Defense to prioritize Taiwan in production queues for systems already under contract such as HIMARS, Coastal Defense Cruise Missiles, and Stingers. Consider ways that Congress could incentivize defense industry to increase production of weapons that are in short supply.
- Create a statutory requirement that the Secretary of Defense in coordination with the Commander of INDOPACOM report annually on Taiwan's progress in distributed defense, reserve mobilization, and civil defense.
- Support joint programs to harden power grids, undersea cables, 5G networks, transportation and medical systems, and encourage US allies to contribute expertise.
- Mandate US-Taiwan planning for supply chain emergency rerouting (especially semiconductors), and maritime trade continuity.
- Strengthen cooperation among the United States, Taiwan, Japan, and the Philippines to counter the PRC's gray zone threats. Enhance information and real-time intelligence sharing. Authorize joint exercises with regional partners that include Taiwan participation in non-kinetic domains, including cyber, maritime domain awareness, humanitarian assistance/disaster relief (HA/DR), and medical logistics.
- Realize the Taiwan Enhanced Resilience Act's (TERA) provision for the establishment of a "regional contingency" defense article stockpile for the purposes of supporting Taiwan's defense. Prepositioned stockpiles of munitions, fuel, and

critical supplies should be created in Taiwan and elsewhere in the region specifically for a Taiwan contingency.

- Create a platform for discussion and implementation of US-Taiwan co-production and co-development of weapons. This could be modeled after the June 2025 US-Australia memorandum of understanding to establish a cooperative program for the Precision Strike Missile, including its production, sustainment, and future development.
- Send more Congressional member delegations to Taiwan to ensure up-to-date understanding of Taiwan's evolving security needs and domestic dynamics, and to reaffirm the United States' commitment to Taiwan's democracy, prosperity, and security. Engaging with opposition parties in Taiwan should be a priority. Increase appropriations for AIT staffing and authorize additional interagency detailees to AIT to support visits by CODELs, STAFFDELS, US officials and other visitors.
- Monitor closely the readiness of Taiwan's forces and ensure there is adequate funding to support training.
- Put Taiwan's security on the agenda when CODELs have engagements with their counterparts in allied and partner countries in Europe and the Indo-Pacific.

Diplomacy and Economics

- Require the Department of State to develop and submit a recurring annual report to Congress on its annual strategy for supporting Taiwan's participation in international organizations to include the World Health Assembly/World Health Organization, INTERPOL, the International Maritime Organization, the International Civil Aviation Organization (for which a reporting requirement is included in TERA), and the United Nations Framework Convention on Climate Change (side events). The report should include PRC pressure tactics and identify opportunities for making progress.
- Mandate the Department of State to counter the PRC's distortion of UN General Assembly Resolution 2758 which Beijing uses to embed its "One China Principle" in the international community and block Taiwan's participation in UN-affiliated agencies.
- Pass the Taiwan Allies Fund Act (S.1216) which includes provisions to support Taiwan's participation in international organizations and provide support to countries that have been subject to PRC coercion or pressure due to their engagement with Taiwan.
- Require Department of State bureaus to conduct regular bilateral consultations with Taiwan, including the Economic Prosperity Partnership Dialogue, the US-Taiwan Working Group on International Organizations, and the Science and Technology Cooperation Dialogue.
- Require the Department of State to coordinate closely with allies such as Japan, Australia, and the EU and promote cooperation with those allies on specific functional areas (e.g. cyber, public health, and supply chains) to assist Taiwan.
- Instruct the US Trade Representative to finalize the US-Taiwan Initiative on 21st Century Trade. An initial agreement on five areas entered into force in December

2024. A second agreement, which has yet to be reached, would cover labor rights, environmental protections, and agriculture. Mandate annual senior-level economic and trade dialogues under the US–Taiwan Initiative on 21st-Century Trade.

- Approve, by the US Senate, the US-Taiwan Expedited Double-Tax Relief Act and the US-Taiwan Tax Agreement Authorization Act (H.R. 33/ S.199) to address the double taxation of cross-border investments and encourage Taiwan investment in the United States.