117TH CONGRESS
1ST SESSION

S.

To advance a policy to ensure peace and security across the Taiwan Strait.

IN THE SENATE OF THE UNITED STATES

Mr. Risch (for himself, Mr. Crapo, Mr. Hagerty, Mr. Cornyn, and Mr. Rubio) introduced the following bill; which was read twice and referred to the Committee on __________________

A BILL

To advance a policy to ensure peace and security across the Taiwan Strait.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Taiwan Deterrence Act".

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—DETERRENCE POLICY REGARDING TAIWAN

Sec. 101. Findings.
Sec. 102. Statement of policy.
TITLE II—BOLSTERING UNITED STATES AND TAIWAN DEFENSE
AND SECURITY

Sec. 201. Report on capability development by Taiwan.
Sec. 202. Authorization of appropriations for Foreign Military Financing grant assistance to Taiwan.
Sec. 203. Eligibility of Taiwan for Foreign Military Sales and export status under the Arms Export Control Act.
Sec. 204. Report on advancing the defense of Taiwan.

SEC. 2. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Relations of the Senate; and

(B) the Committee on Foreign Affairs of the House of Representatives.

(2) PEOPLE’S LIBERATION ARMY; PLA.—The terms “People’s Liberation Army” and “PLA” mean the armed forces of the People’s Republic of China.

(3) PRC; CHINA.—The terms “PRC” and “China” mean the People’s Republic of China.

TITLE I—DETERRENCE POLICY REGARDING TAIWAN

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) Taiwan is a model democracy in the Indo-Pacific, with open and fair elections, strong market-
led economic growth, and high levels of individual freedoms.

(2) The United States and Taiwan share a robust unofficial relationship with close cooperation on a wide range of issues, including global health, economic issues, military and defense, development, and people-to-people exchanges.

(3) Taiwan is a key economic partner of the United States, serving as the 10th largest trading partner of the United States as of October 2021 and home to critical high-tech supply chains.

(4) The People’s Republic of China has greatly increased its political, diplomatic, economic, and military coercion campaigns across the Taiwan Strait, especially since 2016.

(5) The PRC seeks to annex Taiwan through whatever means may ultimately be required. The insistence by the Chinese Communist Party that so-called “reunification” is Taiwan’s only option makes that goal inherently coercive. In January 2019, President Xi stated that the PRC “make[s] no promise to renounce the use of force and reserve[s] the option of taking all necessary means”. Taiwan’s embodiment of democratic values and economic liberalism challenges President Xi’s goal of achieving
national rejuvenation. The PRC plans to exploit Taiwan’s dominant strategic position in the First Island Chain and to project power into the Second Island Chain and beyond.

(6) The People’s Liberation Army has exponentially increased its military activity in the Taiwan Strait. As of October 2021, the Ministry of National Defense of Taiwan recorded that more than 600 Chinese military sorties have flown into the Air Defense Identification Zone of Taiwan in 2021 alone. That is an increase of 50 percent compared to 2020. That same month, the PLA made its largest ever air incursion into the Air Defense Identification Zone of Taiwan, sending almost 150 planes in total over a number of days.

(7) In response, on October 3, 2021, the Department of State said it was “very concerned by the People’s Republic of China’s provocative military activity near Taiwan, which is destabilizing, risks miscalculations, and undermines regional peace and stability” and urged Beijing to “cease its military, diplomatic, and economic pressure and coercion against Taiwan”.

(8) The PRC has increased the frequency and scope of its exercises and operations targeting Tai-
wan, such as amphibious assault and live-fire exercises in the Taiwan Strait, PLA Air Force flights that encircle Taiwan, and flights across the unofficial median line in the Taiwan Strait. The destruction of Hong Kong’s autonomy by the Government of the PRC potentially accelerates the timeline of a Taiwan scenario and makes the defense of Taiwan an even more urgent priority.

(9) In October 2021, the PRC adopted export controls on Chinese goods to Taiwan in an attempt to put more economic pressure on Taiwan. That follows an increase in PRC tactics to squeeze the economy of Taiwan, including banning certain exports and adopting the “31 measures” policy to induce brain drain on the island by providing government-sponsored incentives for Taiwanese talent and businesses to move to the mainland.

(10) The PRC launches massive cyber campaigns against Taiwan. The Department of Cyber Security of Taiwan estimates that there are approximately 20,000,000 to 40,000,000 cyberattacks every month, most of which are suspected to be by the PRC. In July 2021, head of the Department of Cyber Security of Taiwan Chien Hung-wei told United States media that there was a “rather high
degree of confidence that many attacks originated from our neighbor [the PRC]” and warned that Taiwan’s “critical infrastructure, such as gas, water, and electricity are highly digitized, so [Taiwan] can easily fall victim”.

(11) The PRC continues to isolate Taiwan diplomatically. The PRC has refused to allow Taiwan to attend annual summits of international organizations such as the International Civil Aviation Organization, the International Criminal Police Organization (INTERPOL), and the World Health Organization.

(12) The PRC also uses its economic might to punish countries who seek closer ties with Taiwan. Most recently, in September 2021, the PRC denied Lithuania certain export licenses after Lithuania and Taiwan announced their intent to establish a Taiwan representative office in the city of Vilnius.

(13) The PRC uses economic incentives such as massive investment promises to try to formalize relations with Taiwan’s remaining allies. Since 2016, seven countries—the Republic of Kiribati, the Solomon Islands, the Dominican Republic, Burkina Faso, the Republic of El Salvador, the Republic of Panama, and the Democratic Republic of Sao Tome
and Principe—have shifted diplomatic recognition from Taipei to Beijing.

(14) The PRC aims to use its growing military might in concert with other instruments of its national power to displace the United States in the Indo-Pacific and establish hegemony over the region. Achieving the annexation of Taiwan is a key step for the PRC to achieve those ambitions.

(15) The defense of Taiwan is critical to—

(A) retaining the credibility of the United States as a defender of the democratic values and free-market principles embodied by the people and government of Taiwan;

(B) limiting the ability of the PLA to project power beyond the First Island Chain, including to United States territory, such as Guam and Hawaii;

(C) defending the territorial integrity of Japan; and

(D) preventing the PLA from diverting military planning, resources, and personnel to broader military ambitions.
SEC. 102. STATEMENT OF POLICY.

(a) OBJECTIVES.—It is the policy of the United States, in ensuring security in the Taiwan Strait, to pursue the following objectives:

(1) The balance of power in the Indo-Pacific remains favorable to the United States and its allies and partners. The United States and its allies and partners maintain unfettered access to the region and the PRC neither dominates the region nor coerces its neighbors, including Taiwan.

(2) The allies and partners of the United States, including Taiwan—

(A) maintain confidence in United States leadership and its commitment to the Indo-Pacific region;

(B) can withstand and combat subversion and undue influence by the PRC; and

(C) work with the United States to promote shared interests and values in the region.

(3) The combined influence of the United States and its allies and partners is strong enough to demonstrate to the PRC that the risks of attempts to annex Taiwan by coercion or force outweigh the potential benefits.

(4) The United States deters the PRC from seeking military or other aggressive unilateral action
to change the status quo on Taiwan or in the Taiwan Strait.

(b) POLICY.—It is the policy of the United States, in pursuit of the objectives set forth in subsection (a)—

(1) to prioritize the Indo-Pacific region as the most important political-military theater for United States foreign policy;

(2) to prioritize resources for achieving United States political and military objectives in that most critical region;

(3) to sustain the Taiwan Relations Act (22 U.S.C. 3301 et seq.) and the Six Assurances provided by the United States to Taiwan in July 1982 as the foundations for United States-Taiwan relations;

(4) to deepen, to the fullest extent possible, the extensive, close, and friendly relations of the United States and Taiwan, including cooperation to support the development of capable, ready, and modern forces necessary for the defense of Taiwan;

(5) to encourage and facilitate Taiwan’s accelerated acquisition of asymmetric defense capabilities, which are crucial to defending the islands of Taiwan from invasion, including long-range precision fires, anti-ship missiles, coastal defense, anti-armor, air
defense, undersea warfare, advanced command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR), and resilient command and control capabilities;

(6) to increase the conduct of relevant and practical training and exercises with the defense forces of Taiwan, including, as appropriate, the Rim of the Pacific exercise, combined training at United States Army combat training centers and the United States Marine Corps Air Ground Combat Center, United States Air Force Red Flag and Green Flag exercises, and bilateral naval exercises and training;

(7) to use, in service of the policy described in paragraphs (5) and (6), existing tools such as foreign military sales and direct commercial sales, identify new tools, including foreign military financing for Taiwan under certain conditions, and explore greater industrial cooperation and co-production or co-development opportunities;

(8) to prioritize the timely review of and response to requests from Taiwan for defense articles and services within the United States acquisition system, and to ensure that such prioritization is the top priority of relevant Cabinet officials, including the Secretary of State and the Secretary of Defense;
(9) to prioritize building the capacity of Taiwan to protect United States defense technology;

(10) to design major defense capabilities for export;

(11) to encourage Taiwan’s domestic production of certain defense capabilities;

(12) to expand professional military education and technical training opportunities in the United States for military personnel of Taiwan;

(13) to pursue a strategy of military engagement with Taiwan that fully integrates exchanges at the strategic, policy, and functional levels;

(14) to increase exchanges between senior defense officials and general officers of the United States and Taiwan consistent with the Taiwan Travel Act (Public Law 115–135; 132 Stat. 341), especially for the purpose of enhancing cooperation on defense planning and improving the interoperability of the military forces of the United States and Taiwan;

(15) to conduct exchanges with Taiwan specifically focused on improving the reserve force of Taiwan and to ensure the effectiveness of the All-Out Defense Mobilization Agency;
(16) to deter acts of aggression or coercion by the PRC against the interests of the United States and its allies, especially regarding Taiwan, by showing PRC leaders that the United States can and is willing to deny them the ability to achieve their objectives, including by—

(A) consistently demonstrating the political will of the United States to deepening existing treaty alliances and growing new partnerships as a durable, asymmetric, and unmatched strategic advantage to the growing military capabilities and reach of the PRC;

(B) maintaining a system of forward-deployed bases in the Indo-Pacific region as the most visible sign of United States resolve and commitment to the region and as platforms to ensure United States operational readiness and advance interoperability with allies and partners;

(C) adopting a more dispersed force posture throughout the region, particularly the Western Pacific, and pursuing maximum access for United States mobile and relocatable launchers for long-range cruise, ballistic, and
hypersonic weapons throughout the Indo-Pacific region;

(D) fielding long-range, precision-strike networks to United States and allied forces, including ground-launched cruise missiles, undersea and naval capabilities, and integrated air and missile defense in the First Island Chain and the Second Island Chain, in order to impose high risks on the PRC for operating in those zones and maximize the ability of the United States to operate;

(E) strengthening extended deterrence to demonstrate that escalation against key United States interests would be costly, risky, and self-defeating; and

(F) collaborating with allies and partners to accelerate their roles in more equitably sharing the burdens of mutual defense, including through the acquisition and fielding of advanced capabilities and training that will better enable them to repel PRC aggression or coercion;

(17) to strengthen and deepen United States alliances and partnerships, prioritizing the Indo-Pacific region, by pursuing greater bilateral and multilateral cooperative initiatives that ensure peace and
stability in the Taiwan Strait, advance shared interests, and bolster partner countries’ confidence that the United States is and will remain a strong, committed, and constant partner;

(18) to encourage and aid Taiwan to boost its own capabilities and resiliency to avoid and deter PRC military pressure in the Taiwan Strait;

(19) to maintain United States access to the Western Pacific, including by—

(A) increasing the qualitative advantage of United States forward-deployed forces in the Indo-Pacific region;

(B) modernizing the United States military through investments in existing and new major platforms, emerging technologies, critical in-theater force structure and enabling capabilities, operational concepts, and access agreements; and

(C) operating and conducting exercises with allies and partners—

(i) to prevent the PLA from gaining the ability to project power and establish contested zones within the First Island Chain and the Second Island Chain;
(ii) to diminish the ability of the PLA to coerce its neighbors; and

(iii) to maintain open sea and air lanes, particularly in the Taiwan Strait, the East China Sea, and the South China Sea;

(20) to deter the PRC from—

(A) coercing Taiwan, including by developing more combat-credible forces that are integrated with Indo-Pacific allies and partners of the United States in contact, blunt, and surge layers and able to defeat any PRC theory of victory in the First Island Chain or Second Island Chain and beyond, as called for in the 2018 National Defense Strategy;

(B) using gray-zone tactics below the level of armed conflict; or

(C) initiating armed conflict; and

(21) to convey to the PRC that, in the event that deterrence by denial fails, the United States, if necessary—

(A) will impose prohibitive diplomatic, economic, financial, reputational, and military costs on the PRC for its aggression; and
(B) will defend itself and its allies regardless of the point of origin of attacks against them.

TITLE II—BOLSTERING UNITED STATES AND TAIWAN DEFENSE AND SECURITY

SEC. 201. REPORT ON CAPABILITY DEVELOPMENT BY TAIWAN.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Secretary of State should expand and strengthen existing measures under the United States Conventional Arms Transfer Policy to provide capabilities to Taiwan, prioritizing Taiwan in accordance with United States strategic imperatives;

(2) the United States should design for export to Taiwan capabilities critical to maintaining a favorable military balance in the region, including long-range precision fires, air and missile defense systems, anti-ship cruise missiles, land attack cruise missiles, conventional hypersonic systems, intelligence, surveillance, and reconnaissance capabilities, and command and control systems;

(3) the United States should pursue, to the maximum extent possible, anticipatory technology
security and foreign disclosure policy on the systems described in paragraph (2); and

(4) the Secretary of State should—

(A) urge Taiwan to invest in sufficient quantities of munitions to meet contingency requirements and avoid the need for accessing United States stocks in wartime; and

(B) cooperate with Taiwan to deliver such munitions, or when necessary, to increase the capacity of Taiwan to produce such munitions.

(b) REPORT.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State, in coordination with the Secretary of Defense, shall submit to the appropriate congressional committees a report that—

(A) describes United States priorities for building more capable Taiwan security forces and organizations; and

(B) identifies statutory, regulatory, or other obstacles to advancing such priorities.

(2) MATTERS TO BE INCLUDED.—The report required by paragraph (1) shall—

(A) provide a priority list of defense and military capabilities that Taiwan must possess
for the United States to be able to achieve its military objectives in the Indo-Pacific region;

(B) identify, from the list referred to in subparagraph (A), the capabilities that are best provided, or can only be provided, by the United States;

(C) identify—

(i) actions required to prioritize United States Government resources and personnel to expedite fielding the capabilities identified under subparagraph (B); and

(ii) steps needed to fully account for and a plan to integrate all means of United States foreign military sales, direct commercial sales, security assistance, and all applicable authorities of the Department of State and the Department of Defense;

(D) assess the major obstacles to fulfilling requirements for United States security assistance for Taiwan, including resources and personnel limits, legislative and policy barriers, and factors related to specific partner countries;
(E) identify limitations on the ability of the United States to provide the capabilities described in paragraph (A), including the capabilities identified under subparagraph (B), because of existing United States treaty obligations or United States statutes, regulations, or other policies;

(F) recommend changes to existing statutes, regulations, or other policies that would reduce or eliminate limitations on providing critical capabilities to Taiwan;

(G) identify requirements to streamline the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations, that would enable more effective delivery of capabilities to Taiwan;

(H) recommend improvements to the process for developing requirements for Taiwan’s capabilities; and

(I) recommend other statutory, regulatory, or policy changes that would improve delivery timelines.

(3) FORM.—The report required by paragraph (1) shall be submitted in unclassified form, but may include a classified annex.
SEC. 202. AUTHORIZATION OF APPROPRIATIONS FOR FOREIGN MILITARY FINANCING GRANT ASSISTANCE TO TAIWAN.

(a) TAIWAN SECURITY PROGRAMS.—In addition to amounts otherwise authorized to be appropriated for Foreign Military Financing, there is authorized to be appropriated to the Department of State for Taiwan Foreign Military Finance grant assistance programs $2,000,000,000 for each of fiscal years 2023 to 2032.

(b) RESTRICTIONS ON TAIWAN FOREIGN MILITARY FINANCING.—Amounts authorized to be appropriated under subsection (a) shall be available only if—

(1) Taiwan commits to match spending on a dollar-for-dollar basis; and

(2) the United States and Taiwan formally agree—

(A) to conduct joint long-range planning for capability development; and

(B) on the expenditure of such amounts.

SEC. 203. ELIGIBILITY OF TAIWAN FOR FOREIGN MILITARY SALES AND EXPORT STATUS UNDER THE ARMS EXPORT CONTROL ACT.

The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended—

(1) in sections 3(d)(2)(B), 3(d)(3)(A)(i),

(3)(d)(5), 21(e)(2)(A), 36(b)(1), 36(b)(2), 36(b)(6),
36(c)(2)(A), 36(d)(2)(A), 62(e)(1), and 63(a)(2), by inserting “Taiwan,” before “or New Zealand” each place it appears;

(2) in section 3(b)(2), by inserting “the Government of Taiwan,” before “or the Government of New Zealand”; and

(3) in sections 21(h)(1)(A) and 21(h)(2), by inserting “Taiwan,” before “or Israel” each place it appears.

SEC. 204. REPORT ON ADVANCING THE DEFENSE OF TAIWAN.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter for a period of seven years, the Secretary of State and the Secretary of Defense shall jointly submit to the appropriate congressional committees a report on Taiwan’s enhancement of its self-defense capabilities.

(b) MATTERS TO BE INCLUDED.—Each report required by subsection (a) shall include the following:

(1) An assessment of the commitment of Taiwan to implementing the tenets of the Overall Defense Concept, and what steps Taiwan has and has not taken to implement those tenets.
(2) An assessment of the efforts of Taiwan to acquire and employ within its forces asymmetric capabilities, including—

(A) long-range precision fires;
(B) air and missile defense systems;
(C) anti-ship cruise missiles;
(D) land attack cruise missiles;
(E) conventional hypersonic systems;
(F) mining and countermining capabilities;
(G) intelligence, surveillance, and reconnaissance capabilities;
(H) command and control systems; and
(I) any other defense capabilities the Secretary of State and the Secretary of Defense jointly determine are crucial to the defense of Taiwan.

(3) An evaluation of the balance between conventional and asymmetric capabilities in the defense force of Taiwan as of the date on which the report is submitted.

(4) An assessment of steps by Taiwan to enhance the overall readiness of its defense forces, including—
(A) the extent to which Taiwan is requiring and providing regular training to such forces;

(B) the extent to which such training is realistic to the security environment Taiwan faces; and

(C) the sufficiency of the financial and budgetary resources Taiwan is putting toward readiness of such forces.

(5) An assessment of steps by Taiwan to ensure that the Taiwan Reserve Command can recruit, train, and equip its forces.

(6) An evaluation of—

(A) the severity of manpower shortages in the military of Taiwan, including in the reserve forces;

(B) the impact of such shortages in the event of a conflict scenario; and

(C) Taiwan’s efforts to address such shortages.

(7) An assessment of efforts by Taiwan to boost its civilian defenses, including any informational campaigns to make aware the risks of Taiwan’s security environment to the population of Taiwan.
(8) An assessment of efforts by Taiwan to secure its critical infrastructure, including in transportation, telecommunications networks, and energy.

(9) An assessment of efforts by Taiwan to enhance its cybersecurity, including the security of civilian government and military networks.

(10) An assessment of any significant gaps in any of the matters described in paragraphs (1) through (9) with respect to which the United States assesses that additional action is needed.

(11) A description of cooperative efforts between the United States and Taiwan on the matters described in paragraphs (1) through (10).

(12) A description of resistance within the Government of Taiwan to implementing the matters described in paragraphs (1) through (9) or to United States support or engagement with regard to those matters.

(c) FORM.—The report required by subsection (a) shall be submitted in classified form, but may include an unclassified summary.