



Press Note:

Senator Cornyn and Secretary Clinton Make Taiwan F-16 Deal

(Arlington, Virginia, July 21, 2011)

Secretary Clinton today informed Senator John Cornyn - who had been blocking the Senate confirmation of the Deputy Secretary of State nominee to motivate the Administration to accept Taiwan's Letter of Request for new F-16s - that the Obama Administration would make a decision on the F-16 sale, as well as deliver a long delayed Taiwan Airpower Report, by October 1, 2011. On that basis, Senator Cornyn lifted his hold on the nomination of Bill Burns, and awaits the Administration's announcement and its submission of the report.

While the US-Taiwan Business Council welcomes the Obama Administration's commitment to finally make a decision, we suspect that the outcome simply reiterates decisions already made, and therefore fails to address Taiwan's central need - new combat aircraft to meet the growing threat from China.

The timing of the planned decision - prior to October 1 - suggests that the Obama Administration has no intention of moving forward with the new F-16 C/D buy. The decision is sandwiched between Vice President Biden's trip to China in August and President Hu's trip to Hawaii in November. Xi Jin-ping, Hu's expected successor, will also visit the US in the winter. It doesn't seem plausible that the Obama Administration would stand up for Taiwan policy in the face of two such senior visits from China.

In addition, the F-16 A/B upgrade has been in the U.S. system for over a year, and a decision was made in 2010 to proceed with this program. An announcement by the Obama Administration that it is willing to proceed with the upgrade of Taiwan's F-16 A/Bs would be a reiteration of a decision that is already over one year old. It is not a new commitment.

Finally, the Taiwan Airpower Report was intended to inform Congress about the needs of Taiwan and was due by March 1, 2010. It is now fully 18+ months late, and will be delivered on the same day that a decision on the F-16s is made. This negates the original intent of the report - to inform congressional debate prior to a decision.

I urge the Administration---at all levels---to support the sale of new F-16 C/Ds to Taiwan, and to protect more than 87,000 jobs connected to the program. At a time when America needs every job it can generate, this sale will mean more than \$17 billion to the U.S. economy. Meanwhile, it would also protect peace and stability in the Taiwan Strait.

We look forward to keeping you updated on this issue. Please do not hesitate to contact me with any questions.

Sincerely,

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