



May 16, 2022

Mira Resnick
Deputy Assistant Secretary, Regional Security
Bureau of Political-Military Affairs
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520

Dear Ms. Resnick,

Thank you for spending time with the members of the US-Taiwan Business Council (USTBC) and the American Chamber of Commerce in Taiwan (AmCham Taiwan) on Monday, March 14, 2022.

We appreciated your request for partnership and your presentation during our call. That said, we are writing today with serious concerns about the direction in which the Biden Administration is moving on its policy for arms sales to Taiwan, and the practical application and potential consequences of that policy.

We understand that the Biden Administration wishes to end most arms sales to Taiwan that do not fall under the category of “asymmetric” – a concept that remains only broadly and subjectively defined. We further understand that there is a list of priority capabilities that the Administration will pursue for Taiwan, but that the list is currently unavailable to industry. We also understand that the Biden Administration will seek to directly deter Taiwan from submitting Letters of Request (LoRs) that do not fit this new approach, as with the effective rejection of the MH-60R and E-2D requests in March 2022.

The apparent sole focus of this new arms sales policy is to address an all-out D-Day style invasion of Taiwan. Capabilities that do not apply to this scenario will be denied, including those that address China’s ongoing coercive grey zone activities in Taiwan’s Air Defense Identification Zone (ADIZ), or a blockade scenario that would require a range of naval capabilities.

Far from accelerating Taiwan’s deterrent capabilities, we fear that the envisaged “asymmetric” focus for Taiwan security assistance will result in policy confusion and a substantial slowing of overall arms sales.

The Arms Sales Process

From 2007-2017, the Taiwan arms sales process came under heavy stress from both the Bush and Obama administrations, culminating in several long arms sales freezes. After 2017, a normal and regularized process – one that evaluated Taiwan arms sales requests on their merits – returned. That approach characterized both the Trump Administration and the first year of the Biden Administration.

With any other U.S. security partner, the acceptance of an LoR triggers a full inter-agency assessment of the efficacy of the request. This assessment includes the U.S. Department of Defense (DoD), the U.S. Department of State (State), the National Security Council (NSC), the respective Combatant Commands, and the U.S. Congress, along with independent input from the appropriate military services.



In the envisaged future for Taiwan arms sales, the new process would be “upstream” of the normal review process, and would preempt any LoRs based on Taiwan’s own independent assessment of its needs. Only the NSC and State would determine what is sold to Taiwan, creating effective gatekeepers to the Foreign Military Sales (FMS) and Direct Commercial Sales (DCS) processes.

USTBC and AmCham Taiwan do not see how this return to previous approaches – now with added hindrances to the normal review process – will improve sound or timely considerations of what arms sales would advance Taiwan’s national defense. By preempting Taiwan’s ability to submit LoRs, it also provides the Administration with plausible deniability that Taiwan had ever expressed a need for a particular capability, or that a request was ever considered. We are unaware of any other major U.S. security assistance partners where such preconditions are imposed on the LoR process.

While the existing FMS and DCS processes can surely be improved, excluding core U.S. constituencies – as well as Taiwan’s entire national defense establishment – when assessing arms sales to Taiwan is likely to cause confusion, result in poorer overall outcomes for Taiwan, and further slow the arms sales process.

What is “Asymmetric?”

Asymmetry in the military doctrine sense refers more to operations than to equipment; an action that leverages strengths against the weaknesses of an adversary. The USG definition of “asymmetric” in the Taiwan context is extremely broad and subjective, which significantly reduces its utility and leaves it prone to interpretation, rather than serving as an objective and stand-alone definition. Based on what has been briefed to industry thus far, there is also a lack of clarity on how to assess capabilities that Taiwan believes are “asymmetric,” but where the U.S. government disagrees.

The result is severe uncertainty for U.S. companies when reacting to a Taiwan request for more information, or a request for engagement on a particular capability that Taiwan believes fits the “asymmetric” parameters. When engaging with Taiwan on a specific capability, the company must proceed without clarity on if it will be worthwhile.

Wartime and Peacetime Deterrence

Taiwan’s Ministry of National Defense (MND) is charged with the full defense of the island, which includes all potential scenarios and not just any one single Chinese approach.

We fully agree that Taiwan should present a “hardened target” that will be painful for China to swallow. But Taiwan has security needs in both peacetime and wartime. Relegating Taiwan’s defense only to capabilities and systems focused on a “D-day” scenario – which the new “asymmetric” policy appears to do – leaves China free to continue its grey-zone operations without consequences, and actually simplifies its planning by reducing the number of problems they are forced to consider.

We feel that the new arms sales policy misses critical aspects of complicating PRC calculations – which would require maximizing Taiwan’s capabilities across the entire spectrum of operations and at all phases of a potential conflict. So far, the new “asymmetric” policy appears to exclude critical capabilities – including those with a material impact on anti-submarine warfare (in a blockade scenario) or on command and control of Taiwan’s air space (during incursions into the island’s ADIZ).

These new capability gaps – which, once created, are unlikely to be filled – would do immense long-term harm to Taiwan’s ability to deter and defend in all phases of conflict. This would weaken Taiwan’s defense, making it more vulnerable to a successful Chinese attack.



Taiwan Will Seek Alternate Solutions

By limiting Taiwan's access to U.S. defense equipment, we essentially push them onto other sources. If the U.S. does not provide them, Taiwan will still attempt to acquire the systems they believe they need. It may force Taiwan to procure equipment that is less expensive and less capable, but that fills the gap in some manner. Taiwan is also likely to shift some procurement into indigenous channels, which could lead to lengthened timelines – thereby working at cross purposes to our mutual goals for Taiwan's defense.

Additionally, we lose an opportunity to maintain interoperability with Taiwan, and we push them away from U.S. influence. We abrogate the ability to engage, and squander our ability to influence through conditionality (through End Use and Security Agreements), supply chain dependence, and mil-to-mil engagement (including training, exercising, and dialogue).

Democratic Agency

Taiwan's inclusion in the Biden Administration's recent Summit for Democracy highlights the central role that democracy plays in U.S. support for Taiwan. Taiwan's citizens elect their own leaders, and their legislative and executive branches work closely with the MND to determine Taiwan's national security policies and defense requirements.

Taiwan's democratically elected leaders and its military are together charged with producing a full national security policy and defense budget that is based on the entirety of the threat and the myriad scenarios it must address – which includes, but is in no way limited to, a Chinese invasion.

This new U.S. arms sales policy appears to base its evaluation about acceptable costs on a U.S. determination of what Taiwan can afford, rather than on what Taiwan prioritizes to fund. This removes agency from Taiwan – not only from their defense planning but also from the overall direction of their defense budget. They must instead now contend with the uncertainties surrounding acceptably "asymmetric" capabilities. The new policy approach may actually jeopardize the defense of the island by limiting the execution of Taiwan's own military doctrine, and by limiting their ability to develop indigenous tactics, techniques, and procedures.

The new Taiwan arms sales process and associated policy appears dismissive of Taiwan's democratic agency. It creates an impression of U.S. direction, and suggests policy paternalism rather than a mutual discussion to determine which systems and capabilities Taiwan truly needs. This also runs the risk of weakening public support in Taiwan for sustained defense spending, which would be counterproductive to U.S. goals.

Thank you again for engaging with us on this important issue. We would be happy to discuss further at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Wylegala'.

Andrew Wylegala
President

American Chamber of Commerce in Taiwan
www.amcham.com.tw

A handwritten signature in black ink, appearing to read 'Rupert Hammond-Chambers'.

Rupert Hammond-Chambers
President

US-Taiwan Business Council
www.us-taiwan.org

cc: James A. Hursch, Director, Defense Security Cooperation Agency
Daniel Kritenbrink, Assistant Secretary, Bureau of East Asian and Pacific Affairs, U.S. Department of State
Jessica Lewis, Assistant Secretary for Bureau of Political-Military Affairs, U.S. Department of State
Ely Ratner, Assistant Secretary for Indo-Pacific Security Affairs, U.S. Department of Defense



Laura Rosenberger, Senior Director for China, National Security Council

Michael McCaul, United States House of Representatives

Gregory Meeks, United States House of Representatives

Robert Menendez, United States Senate

James Risch, United States Senate

Chiu Kuo-cheng, Minister, Ministry of National Defense

Wellington Koo, Chair, National Security Council

Joseph Wu, Minister, Ministry of Foreign Affairs

Lo Chih-Cheng, Legislator, Legislative Yuan

Wang Ting-Yu, Legislator, Legislative Yuan

Yu Shyi-kun, President, Legislative Yuan

James Moriarty, Chairman, American Institute in Taiwan

Lin Chen-wei, Chief Executive Officer, Institute for National Defense and Security Research