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PRESS RELEASE

FOR IMMEDIATE RELEASE

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The US-Taiwan Business Council Comments on the Proposed Foreign Military Sale of Naval Spare and Repair Parts to Taiwan

The US-Taiwan Business Council today welcomed the announcement of a possible Foreign Military Sale to Taiwan of naval spare and repair parts, at an estimated cost of US\$120 million. The Defense Security Cooperation Agency (DSCA) delivered the required certifications notifying Congress of the proposed Taiwan arms sale on June 8, 2022.

The published Congressional Notification (<u>transmittal number 22-22</u>) is for spare and repair parts for ships and ship systems, technical assistance, technical and logistical support, and other related elements of logistics support. The notification indicated that the equipment will be sourced from approved U.S. Navy vendors and/or U.S. Navy stock.

The US-Taiwan Business Council acknowledges the need for sustainment of Taiwan's military. The upkeep of the Taiwan armed forces is an essential aspect of Taiwan's overall force posture, and supports its efforts to ensure that its military operational rates are high.

Council President Rupert Hammond-Chambers said, "As the Biden Administration undertakes the most significant narrowing of U.S.-Taiwan security assistance since 1979, these types of notifications covering sustainment efforts are the most likely over the next 18-24 months. There appears to now be little to no U.S. support for substantial Taiwan force modernization efforts, so we should expect to see mostly sustainment and munitions programs through the remainder of President Biden's term (or terms) in office."

Hammond-Chambers added, "One significant impact this approach will have is to constrain force modernization for entire areas of Taiwan's military capability. We are likely to see the loss of infrastructure, hollowing out of operational experience, and the loss of decades of expertise. Once lost, that expertise will not return to the Taiwan military. This creates new vulnerabilities for the Chinese military to exploit. Far from improving Taiwan security, as time progresses this new directed approach will supply the PLA with emerging areas of military weakness, heightening – not lessening – the likelihood of attack."

Source: See the DSCA website at https://www.dsca.mil/press-media/major-arms-sales

About the US-Taiwan Business Council:

The US-Taiwan Business Council (<u>www.us-taiwan.org</u>) is a membership-based non-profit association, founded in 1976 to foster trade and business relations between the United States and Taiwan. The Council provides its members with business intelligence, offers access to an extensive network of relationships, and serves as a vital and effective representative in dealing with business, trade, and investment matters.

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