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***SPECIAL COMMENTARY:
THE TAIWAN POLICY ACT FLAMES OUT
March 7, 2023***

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On June 16, 2022, the Senate Foreign Relations Committee (SFRC) approved the Taiwan Policy Act (TPA) and sent it to the full Senate for consideration. TPA remains the most significant piece of Taiwan legislation considered by Congress since the passage of the Taiwan Relations Act in 1979. TPA sought to assess and overhaul much of America's legacy relationship with Taiwan - within the boundaries of our unofficial relationship - and to modernize engagement and support to reflect the present day instead of 1979.

TPA would have offered excellent leadership on U.S. interests with Taiwan, with significant and positive ramifications for American national security. But despite the obvious efficacy of much of the TPA, voices in Washington - including from the White House - raised concerns over aspects of the bill they saw as symbolic rather than substantive, and as unnecessarily provocative towards China.

Even as it lobbied to have the remainder of the TPA indefinitely shelved, the White House supported TPA Title II's inclusion in the 2023 National Defense Authorization Act (NDAA). This portion of the TPA served as a response to China's increasing threats toward Taiwan, and included a set of security priorities designed to expedite U.S. security assistance to the island. Additionally, it was intended to provide new resources - US\$10 billion over 5 years, funded by U.S. taxpayers - to fortify Taiwan's defenses and thereby to deter the threat of military action by China. Throughout the legislative process, the security assistance for Taiwan that Title II authorized was included.

Some of TPA's security provisions did ultimately make it into law as part of the 2023 NDAA. But when Congress finally appropriated the dollars and cents, the most significant of those Taiwan provisions went un-funded. Congress passed the fiscal 2023 omnibus spending bill that funds the operation of the government, along with supporting U.S. defense priorities and providing foreign assistance. However, the appropriations process essentially left the most important security assistance for Taiwan on the cutting room floor.

Instead, the Taiwan deliverables in the omnibus bill amounted to a US\$2 billion line of credit, along with the same amount in loan guarantees. Grant money, similar to what has been offered to Ukraine and Israel, was not forthcoming despite the provisions passed in the NDAA. This despite the Taiwan government already explaining to the U.S. that Taiwan is unable to accept such loans due to constraints on its own democratic government.

As Senator Dan Sullivan (R-AK) noted at a March 2, 2023 [Hudson Institute event](#); "*unfortunately, the Biden administration did not step up with the appropriators the way they needed to. The most critical elements of the package that we had in the NDAA remains unfunded. For as much as we seem to be on the same page, Congress and the administration with regard to Taiwan's security, the administration in my view is still not getting the support and information we need in Congress to meet Taiwan's military and defense needs.*"



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The Taiwan government is now in a quandary. It needs to maintain strong and positive relations with the United States, as the U.S. is the principal guarantor of Taiwan's security and its way of life. However, the Taiwan Ministry of National Defense, the Legislative Yuan, and Taiwan's National Security Council all have serious concerns over the narrow and limited "asymmetric" approach to defense that is currently being imposed on Taiwan out of Washington, D.C. The threat that China poses to Taiwan extends beyond a D-Day style attack, but American support for the island apparently does not.

The White House failed to advocate clearly and forcefully to ensure that funds would be appropriately allocated for security assistance to Taiwan. The White House's voice is at the core of priorities, and it was absent here. No push from the administration meant no grant money for Taiwan's defense.

That said, Republican appropriators also dismissed funding Taiwan's defense with U.S. taxpayer money. Senator Lindsey Graham's about-face on this issue is particularly perplexing, given his generally stellar support for Taiwan. He was a co-sponsor of the original version of the TPA, only to stop short of using grants for Taiwan during the appropriations phase.

U.S. warfighters, U.S. government officials, and members of Congress on both sides of the political spectrum have all expressed a sense of urgency about China's intentions towards Taiwan. But that urgency is not bridging the gap into an all-of-government response. General rhetorical support for Taiwan is not enough, nor is the narrowness of security assistance focused solely on a so-called asymmetric approach. Munitions for Taiwan's F-16s, announced in a Congressional Notifications on March 1, 2023, are important but so are the platforms that deliver them.

This entire exercise leaves our ally Taiwan in a significant predicament. It did not ask for the U.S. government to head down this road, and the outcome means that it faces a Catch-22. Taiwan cannot execute on the security assistance as provided in loan form, and yet is likely to come under criticism as 2023 unfolds if they do not capitalize on the U.S. support. There is already a constituency of voices that harp on Taiwan's under-investment in its own security, and inaction will be grist for their mill.

The end result of this legislative path is inaction, and it makes U.S. security policy toward Taiwan look both uncoordinated and unserious as Senator Sullivan notes. There is only one winner in this scenario, and that is China. Their silence on this matter to date is deafening, and it is a good indication that they're staying out of the way lest any comments end up rallying support for future grants to Taiwan. It's ironic that the Biden Administration agitated hard to kill most of the TPA on the grounds that it was mostly symbolic, only to refuse to advocate for Title II grants in the NDAA - thus pocketing the symbolism of rhetorical support, while balking at the political lift required to get it over the finish line.

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