

AIT Chair Laura Rosenberger
Keynote Speaker Introduction
2023 US-Taiwan Business Council Defense Industry Conference

Rupert, members of the Council, friends from Taiwan, honored guests,

Thank you for inviting me to say a few words as Chair of the American Institute in Taiwan. It is an honor to be here with you today, and to introduce the Keynote Speaker, Vice Minister of Defense General Hsu Yen-pu.

And I also greatly appreciate this opportunity, my first as AIT Chair at a Defense Industry Conference, to briefly discuss the United States' approach with those who, like I, care deeply about Taiwan's security.

The United States has a deep and abiding interest in peace and stability in the Taiwan Strait – an interest in which Taiwan is an important partner. Unfortunately, Beijing's coercive and provocative actions across the Strait are at odds with that objective. We see this on a daily basis through the PRC's intensified pressure campaign against Taiwan, with more PLA aircraft and vessels consistently pushing more and further around and closer to Taiwan, alongside increasing pressure in other non-military domains. And this comes against the backdrop of Beijing's substantial military growth and modernizations. Its goal is clear: intimidation to coerce Taiwan. This is a challenge not just to Taiwan, but to the United States' interest in cross-Strait peace and stability and to the peace and security of the Western Pacific.

In contrast, the approach of the United States has remained consistent for decades and across administrations. We remain committed to our "one China" policy guided by the Taiwan Relations Act, the Three Joint Communiques, and the Six Assurances. The United States

opposes unilateral changes to the status quo by either side, and we expect cross-Strait differences to be resolved by peaceful means, period.

To advance this approach amid Beijing's multi-pronged campaign of pressure and coercion, the United States has been redoubling our commitment to support Taiwan's self-defense capabilities, enhance its resilience, and reinforce deterrence through our own multi-pronged effort. As we have said before, our support for Taiwan is rock solid. My colleagues from the Departments of State and Defense will address the USG's efforts in more detail but let me highlight a few important elements of our work.

First, we continue to work to ensure Taiwan has the capacity to defend itself, and to do so in a manner commensurate with the threat it faces. This includes of course through over 50 billion USD in active FMS cases, almost 5.9 billion of that in more than 20 notifications during the Biden-Harris Administration alone. And my colleagues are working to accelerate our support. As part of that effort, the Administration is seizing on tools authorized by Congress, including Presidential Drawdown Authority, through which the USG announced last month the drawdown of up to 345 million in articles and services from DoD stocks for Taiwan. In addition, the USG is providing 135 million USD in Foreign Military Financing to support Taiwan's defense capability. The urgency with which the U.S. government has applied these authorities underscores its commitment to Taiwan's self-defense capabilities.

Second, Taiwan is stepping up its own efforts to enhance its ability to defend itself. Taiwan's most recently proposed defense budget is an estimated 19.1 billion USD, approximately 2.5 percent of overall GDP.

That number has only been going up the last few years. And I applaud other steps that Taiwan has taken to meet the moment, including President Tsai's announcement last year to extend Taiwan's conscription program from four months to one year beginning in January 2024. And this also means investing in people, including through International Military Education and Training, or IMET, funding; although Taiwan will receive a small dollar amount, through this program, Taiwan is eligible for reduced training rates and able to apply this to either FMS cases or schoolhouse training.

As we are undertaking these efforts, the United States recognizes that Taiwan needs the right kinds of capabilities, concepts, and doctrines to support an asymmetric defense strategy and deter a use of force by Beijing. That said, Taiwan needs to also have the capacity to address Beijing's daily pressure and coercion efforts in the grey zone through a range of military and non-military means. I want to be clear that we do not see these two imperatives as either mutually exclusive or at odds with one another. But we do believe they require prioritization, focus and creativity, including on approaches to grey zone challenges while pursuing an asymmetric defense strategy.

And so third, the challenge from Beijing today underscores the importance of defense and resilience beyond just the traditional military space to a broader whole of society effort. In the face of a broad threat, one must prepare broadly; better trained people will bolster homeland defense, protection of critical infrastructure, and humanitarian assistance and disaster relief capabilities.

The United States is working with Taiwan on this, and each of you have a role to play here, too – from cyber-defense, to the security of the power grid, to ensuring food and water for the population, to

protecting undersea cables for information and financial connectivity with the world, to the transportation networks. This means that alongside Taiwan's efforts to bolster its military, it also needs a National Fire Agency, National Police Agency, Ministry of the Interior, Ministry of Digital Affairs, Ministry of Transportation, etc., that are all fully participating in Taiwan's security and resilience. So, when we say "defense," the tendency to fixate only on military requirements must give way to the complete "security" concern of all of Taiwan, and that means hardened data systems, network security, unmanned capabilities that provide information and forewarning across society, even storage facilities...these are all areas to address. A more resilient Taiwan will be able to remain steadfast amid Beijing's coercive efforts, and I look forward to exploring ways you can support this effort.

Fourth, the United States remains focused on maintaining the capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan. This has been U.S. policy for decades and remains so today. Beijing's military growth and modernization requires the United States to innovate and evolve our own approaches to ensure that our efforts remain fit for purpose, to which my DOD colleagues are devoting substantial resources and innovation.

Finally, the Biden Administration is working with allies and partners to underscore that peace and stability is a matter of concern not just to the United States and Taiwan – but to the international community. We have seen this sentiment increasingly expressed by a growing list of partners, from the Indo-Pacific to Europe and elsewhere. This includes not just through affirmation in joint statements and international communiques, but also through actions to uphold this peace and stability, like the recent joint U.S.-Canada Taiwan Strait

Transit. And these words and actions are important for strengthening deterrence across the Strait.

The cross-Strait context is a dynamic one. We welcome the ongoing conversation with our friends from Taiwan, whose perspective is critical to focusing our resources, our time, people, and treasure, where they can best serve Taiwan's security, and with all of you, who each have a stake in ensuring peace and stability across the Taiwan Strait. So, it gives me great pleasure to introduce a critical voice in this discussion as the Keynote Speaker today: Vice Minister of Defense General Hsu. Thank you all for your time; General, the floor is yours.