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Rupert J. Hammond-Chambers
President

PRESS RELEASE

FOR IMMEDIATE RELEASE

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Arlington, Virginia, USA

The Obama Administration Announces U.S. Arms Sales to Taiwan

The US-Taiwan Business Council today welcomed the decision by the U.S. Department of State to announce its approval of possible Foreign Military Sales to Taiwan. The Defense Security Cooperation Agency (DSCA) delivered the required certifications notifying Congress of the proposed Taiwan sales on December 16, 2015.

The published Congressional Notifications (transmittal numbers 15-27, 15-44, 15-45, 15-72, 15-74, 16-01, 16-05, and 16-06) were for two of the four FFG-7 Oliver Hazard Perry-class guided missile frigates that the U.S. authorized by law for transfer to Taiwan a year ago, and associated materials (at a refurbishment and upgrade cost of US\$190 million); 36 AAV-7 Assault Amphibious Vehicles (US\$375 million); 13 MK 15 Phalanx Block 1B ship defense Close-In Weapon Systems, upgrade kits, ammunition, and support (US\$416 million); 208 Javelin guided missiles, technical assistance, logistics, and program support (US\$57 million); 769 BGM-71F-series TOW 2B Aero Radio Frequency anti-armor missiles, support, and training (US\$268 million); 250 Block I-92F MANPAD Stinger missiles, related equipment and support (US\$217 million); Taiwan Advanced Tactical Data Link System (TATDLS) and Link 11 communication systems integration (US\$75 million); Follow-on support for Taiwan's MIDS/LVT-1 and JTIDS previously procured (US\$ 120 million).ⁱ

Taiwan is poised to elect a new President on January 16, 2016. The timing of this announcement is therefore useful as a modest signal to China that the U.S. has equities in the peaceful transition of power on the island, and that it supports Taiwan's democratic system. However, the Taiwan Relations Act states that "*the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.*" In light of this recent sale, the US-Taiwan Business Council poses a number of questions for the Obama Administration:

1. Why did it take over four years to prepare this arms package? The last U.S. arms sale to Taiwan took place on September 21, 2011.
2. Why isn't Taiwan being offered any new capabilities to counter changes to the Chinese threat over this period?
3. What impact are delays in consideration and execution of Taiwan arms requests having on the island's ability to maintain a sufficient self-defense capability?

The contents of the arms package announced today – along with the unprecedented four-year delay since the last arms sale - raises serious questions as to whether it serves as a response commensurate to the threat posed by China's military. The past four years has seen increased Chinese force modernization efforts, and according to the U.S. Department of Defense "*the PLA has developed and deployed military capabilities to coerce Taiwan or to attempt an invasion, if necessary.*"ⁱⁱ

The Obama Administration's focus on China military-to-military engagement and other initiatives in which China's cooperation is viewed as crucial, such as on climate change efforts, is directly and negatively impacting U.S. willingness to maintain consistent and credible support for Taiwan's self-defense. This in turn directly impacts the seriousness with which China views our intentions to assist Taiwan.



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Council President Rupert Hammond-Chambers noted that *"There have been myriad initiatives in U.S.-Taiwan bilateral security relations since the last arms sale in 2011. However, while China has deployed new fighters, submarines, and missiles during the last four years, the U.S. has consistently refused to consider providing Taiwan access to similar platforms, or even aiding their indigenous development."*

*"In addition, the process for considering, assessing, and processing Taiwan arms sales is broken. The contorted efforts to provide the minimum over an extended period has amounted to long delays and to the U.S. providing only second-hand equipment and additional munitions for systems already in Taiwan's inventory. The U.S. is placing its China priorities ahead of our legacy and legal requirement to provide for Taiwan's self-defense. We see no effort to meaningfully address China's modernization efforts with new capabilities for Taiwan - not because they are unneeded, but because the political cost to China relations is perceived as being too high. Yet that perception was roundly debunked by the Council and Project 2049 in our 2012 report on Chinese reactions to arms sales."*ⁱⁱⁱ

Hammond-Chambers also said *"The process that has seen the bundling of Taiwan arms sales into large packages has run its course. The arbitrary manner in which programs are considered, the absence of a broader strategy for providing Taiwan consistent material support, and the long delays in processing and notifying them to Congress is hampering Taiwan's ability to mount a serious defense. By bundling programs into packages, the U.S. forces Taiwan to buy all necessary equipment at once rather than in an orderly year-on-year process. If requests go unaddressed for years, or programs are long delayed, how can Taiwan reasonably maintain domestic political support for them, or develop the budget for its ongoing force modernization?"*

The US-Taiwan Business Council supports the return to a normal and regular process for assessing all Taiwan arms sales requests and sales. Additionally, the Council believes that the bilateral security relationship needs to be clear about what new capabilities should accompany ongoing training and exchanges in aid of Taiwan's self-defense - including addressing quantitative issues impacting its fighter fleet, its requirement for submarines to complicate Chinese invasion scenarios, as well as further improvements in Taiwan's missile defense capabilities.

About the US-Taiwan Business Council:

The US-Taiwan Business Council (www.us-taiwan.org) 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.

Press Contact:

Lotta Danielsson
LottaDM@us-taiwan.org

Tel: (703) 465-2930
Fax: (703) 465-2937

i As of 1:00 pm on December 16, 2015. For details, see the DSCA website at <http://www.dsca.mil/major-arms-sales>

ii See: "Military and Security Developments Involving the People's Republic of China 2015"

http://www.defense.gov/Portals/1/Documents/pubs/2015_China_Military_Power_Report.pdf

iii See: "Chinese Reactions to Taiwan Arms Sales" http://www.us-taiwan.org/reports/2012_chinese_reactions_to_taiwan_arms_sales.pdf