

Director Hermsmeyer's Closing Remarks
U.S.-Taiwan Business Council Defense Industry Conference
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Good afternoon. Let me start by offering my sincere thanks to Rupert, the members of the U.S. – Taiwan Business Council, Taiwan delegates, my government colleagues, and all other conference participants for the opportunity to come together and discuss these important issues. I've certainly met several of you before, but it's wonderful to finally meet those of you whom I haven't previously had the pleasure. I'm looking forward to continuing to work with all of you.

It's no secret that 2024 is an election year, and that we will have a new administration in January. No doubt there are some among you who are concerned what this might mean for Taiwan security assistance – let me reassure you that, no matter who takes office next year, the U.S. commitment to Taiwan remains rock solid.

To that point, it's poignant that we're here in historic Philadelphia. Just under a mile and a half from here, on Chestnut Street, sits Independence Hall, where our founders wrote "We hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness..." Those are the foundational values of the United States and represent what we believe.

We are not alone in the effort to defend these values. We are all watching as the citizens of Ukraine fiercely defend their own freedom and democracy. The Ukrainians have taught us all some valuable lessons, not least of which is how powerful the human will to defend our homes can be. We've also learned how unmanned systems are now a force to be reckoned with on the battlefield and witnessed how decentralized units are able to overcome a stronger centralized force. Finally, once again, we are seeing the importance of logistics and supply lines.

In the Indo-Pacific, deterrence and diplomacy go hand-in-hand, and a credible defensive force remains the best way to discourage PRC military action. To that end we are committed to helping Taiwan maintain a sufficient self-defense capability, in line with our longstanding policy, but we need to do more, together, to build that capability.

To our Taiwan partners, we certainly recognize the continued commitment and investment Taiwan has placed on security, from increased defense budgets to prioritization of societal resilience issues. These investments are integral to bolstering deterrence. We look forward to continuing our own support for Taiwan's self-defense and contributing to the maintenance of peace and stability across the Taiwan Strait and within the region.

To my industry colleagues, we recognize that you are a vital partner in this effort, and we also recognize all your efforts thus far to help build Taiwan's self-defense capability. Finally, we recognize that you have your own constraints, shareholders to answer to, and bottom lines to meet.

Please know that the United States government seeks to support and empower your efforts. Let me know where there are roadblocks, and how we can help. If unnecessary administrative delays are hampering your ability to deliver defense articles in a timely manner, let's work to eliminate those delays together.

In that spirit, though, I ask that you also look for ways to improve your own processes and speed up production. Let me know what it will take to add another assembly line, or where the vulnerabilities are in your supply chains.

Please continue to explore realistic, viable opportunities to expand your supplier bases. In short, please find ways to eliminate delays on your end.

As you know, delays can mean insufficient readiness, and that could be the difference between war and peace. The demand for American-made defense is, for the foreseeable future, only going to grow.

I recognize that I'm asking you to take more risk. I recognize that it won't be easy, and that we owe you unambiguous requirements and clarity on what we will or won't support. We owe you timely processing and feedback

when we decide against something you're pursuing. It is fair for you to expect a willing partnership from the U.S. government.

Finally, we have noticed an increase in the frequency of PRC sanctions, and we are not blind to the effect this can have on your businesses. Please reach out any time and let us know how we can be of help.

We're in this together. Thank you very much for your time and attention. I look forward to taking your questions.