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# Reviewing Implementation of the Taiwan Enhanced Resilience Act and Future Opportunities for U.S.-Taiwan Cooperation

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## Introduction

Chairman Risch, Ranking Member Shaheen, and distinguished Members of the Committee, thank you for the opportunity to testify on the implementation of the Taiwan Enhanced Resilience Act (TERA) and the future of U.S.-Taiwan cooperation.

I previously served on the National Security Council in the Biden Administration, where I developed and coordinated U.S. government policy on cross-Strait issues, among other issues. I am currently the C.V. Starr Senior Fellow for Asia at the Council on Foreign Relations and an Assistant Professor at Georgetown University.

My testimony is divided into four parts. First, I will discuss the core pillars of the U.S. “one China” policy at a time when there is debate about changing it. Second, I will cover why Taiwan matters, particularly for American prosperity, technological leadership, and reindustrialization. Third, I will turn to the changing strategic landscape, including the PRC’s evolving coercive approach and grey zone activity as well as Taiwan’s response to these

developments. Fourth, I will discuss the progress made under the Taiwan Enhanced Resilience Act and highlight proposals where further work might help maintain deterrence.

## **I. The Core Pillars of the U.S. One China Policy**

At a time when there is ample speculation that the executive branch is considering alterations to the U.S. One China Policy, I'd like to begin by considering its foundational elements.

U.S. policy on Taiwan has been consistent across decades and administrations, with strong bipartisan input and support from Congress. The United States has long been committed to its "one China" policy, which is guided by the Taiwan Relations Act, the three U.S.-China Joint Communiques, and the Six Assurances. U.S. Taiwan policy is some of the most sensitive and carefully worded language in American foreign policy given the stakes involved. During the Biden administration, the National Security Council standardized language across departments and agencies regarding the One China policy and Taiwan policy more broadly to reduce the risk of accidental policy improvisation by departments agencies.<sup>1</sup>

Multiple administrations have consistently reiterated the following elements of U.S. Taiwan policy, key features of which are included below. The United States:

- has an abiding interest in the maintenance of peace and stability across the Taiwan Strait;
- opposes any unilateral changes to the status quo from either side;
- does not support Taiwan independence;
- expects cross-strait differences to be resolved by peaceful means;
- has commitments under the Taiwan Relations Act to assist Taiwan in maintaining a sufficient self-defense capability;
- has commitments under the Taiwan Relations Act to "maintain our capacity to resist any resort to force or other forms of coercion that would jeopardize the security or the social or economic system, of Taiwan";
- will maintain a strong, unofficial relationship with Taiwan consistent with our "one China" policy; and
- will not play a mediation role between Beijing and Taipei, but of course may engage both on cross-Strait issues in the interest of peace and stability, including encouraging cross-Strait dialogue.

This list is not exhaustive, but it does capture the core tenets of the U.S. One China policy. Stability in the Taiwan Strait is a careful balancing act that involves Washington, Beijing, and Taipei. Although the United States sometimes frames its objective as maintaining the status quo, it would be more accurate to say the overarching objective of U.S. policy is to maintain peace and stability in the Taiwan Strait, especially since the status quo is not fixed the elements that define it are often debatable. Indeed, the reason Taiwan policy language has remained consistent is to maintain peace and stability. In short, U.S. language is intended to reassure China that the United States does not support Taiwan independence, to persuade Taiwan to refrain from certain actions that might be destabilizing, to deter China from military action against Taiwan, and to enable Taiwan to take its own security seriously in order to maintain deterrence. Accordingly, symbolic provocations that alarm Beijing but do not advance Taiwan's security are not necessarily in the American interest. Across Taiwan policy language, a critical aim is to fight the emergence of fatalistic thinking by any party that could lead to a vicious spiral. Of particular

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<sup>1</sup> This comprehensive language, and the most authoritative statement of the U.S. policy on cross-Strait issues, was then included in this speech by Secretary of State Antony Blinken: Antony Blinken, "The Administration's Approach to the People's Republic of China," May 27, 2022, George Washington University, transcript, <https://au.usembassy.gov/secretary-blinken-speech-the-administrations-approach-to-the-peoples-republic-of-china/>.

importance is the fact that the United States takes no position on the resolution of cross-Strait differences, including unification, but takes a position on how those differences are resolved.<sup>2</sup> Additional recommendations on Taiwan-related policy language are provided in the final section of this testimony.

## II. Why Taiwan Matters

The way in which cross-Strait differences are resolved has enormous consequences for the United States and the world, which is why the United States has consistently opposed China's threats to use force to compel unification. A PRC seizure of Taiwan—whether through an invasion or through blockade and quarantine scenarios—would likely be the most consequential strategic reversal for the United States in decades, fundamentally altering global politics. It would likely ensure China's domination of Asia, seriously erode the U.S. geopolitical position and its economic and technological prosperity, disrupt global supply chains in ways that could trigger a global great depression, and extinguish a vibrant democracy.

### *The Risk of PRC Hegemony in Asia*

As former Deputy Secretary of State Kurt Campbell and I argued in 2021, the Indo-Pacific is a region that risks drifting into imbalance, if not Chinese hegemony, absent U.S. involvement.<sup>3</sup> Militarily, the PRC spends more on defense than the rest of the region combined, fields the world's largest navy, boasts leadership in hypersonic weapons and conventional missile technology, and is pursuing the fastest nuclear buildup in history.<sup>4</sup> Economically, China's GDP is more than the rest of Asia's combined.<sup>5</sup> Industrially, China's control over critical supply chains from rare earth minerals to batteries and pharmaceuticals gives Beijing enormous leverage over its neighbors. Technologically, China is a leader in many of the sectors its neighbors hope to master, from electric vehicles to consumer electronics.<sup>6</sup> The PRC's economic might and technological leadership create powerful incentives for states to accommodate themselves to Chinese power. Those incentives have so far been checked by the desire of Asian states to maintain their hard-won sovereignty and territorial integrity, their doubts that China will accommodate their own prosperity, and of course their faith in the United States as the external security partner of choice. But if the United States failed to deter China's use of force against Taiwan, it would demonstrate that Washington is unwilling or unable to play a balancing role. In such a situation, the regional balance would tilt decisively towards Chinese hegemony, and the structure of deterrence that has preserved peace for decades would be fundamentally weakened. Asian states and even some U.S. allies might choose to "bandwagon" with China rather than balance against it. In practical terms, this means they would accept a subordinate position to China within the region and defer to its preferences as the region's leader. The U.S. position in Asia would weaken dramatically.

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<sup>2</sup> For a useful primer on the one-China policy, see Richard Bush, "A One-China Policy Primer," East Asia Policy Paper 10, March 2017, <https://www.brookings.edu/wp-content/uploads/2017/03/one-china-policy-primer-web-final.pdf>.

<sup>3</sup> Kurt M. Campbell and Rush Doshi, "How America Can Shore Up Asia Order," *Foreign Affairs*, January 12, 2021, [https://www.foreignaffairs.com/articles/united-states/2021-01-12/how-america-can-shore-asian-order?check\\_logged\\_in=1](https://www.foreignaffairs.com/articles/united-states/2021-01-12/how-america-can-shore-asian-order?check_logged_in=1).

<sup>4</sup> For a conservative estimate of this imbalance, see "Unprecedented rise in global military expenditure as European and Middle East spending surges," Press Release, Stockholm International Peace Research Institute, April 2, 2025, <https://www.sipri.org/media/press-release/2025/unprecedented-rise-global-military-expenditure-european-and-middle-east-spending-surges>.

<sup>5</sup> The World Bank estimates China's 2024 GDP (current USD) as \$18.74 trillion with the rest of East Asia and the Pacific at \$13.14 trillion: Country official statistics, National Statistical Organizations and/or Central Banks; National Accounts data files, Organization for Economic Co-operation and Development (OECD); Staff estimates, World Bank (WB), <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=CN-Z4>.

<sup>6</sup> Kurt M. Campbell and Rush Doshi, "Underestimating China," *Foreign Affairs* 104, no. 3 (May/June 2025): 66-81, <https://www.foreignaffairs.com/china/underestimating-china>.

## *The Risk to American Reindustrialization and Technology Leadership*

If China were to achieve hegemony in Asia, the impact would be direct for Americans. For nearly two centuries, American policy towards the Indo-Pacific has sought to maintain a balance of power in Asia and prevent the emergence of a regional hegemon—whether that power was Japan, the Soviet Union, or now China. But that imperative is even more critical today.

The United States needs to reindustrialize for the sake of American prosperity, sovereignty, and technological leadership. Over the last several decades, however, the United States has offshored much of its manufacturing capability to Asia. In a Taiwan invasion scenario, that manufacturing capability would fall under China's geopolitical influence, creating even more dependency on China and those states that choose to accommodate its power. For example, if the PRC gained control over Taiwan's semiconductor industry and extended its control over Asia's supply chains, the United States could be locked out of the world's most dynamic economic region whose production networks are at the center of the American technology sector. If Beijing exercised veto power over those supply chains, or over the allies and partners that the Trump administration has rightly identified as critical partners in U.S. reindustrialization—what the United States has lost would be even more difficult to bring back. It is not an exaggeration to suggest this would be an existential problem for U.S. economic security and for the reshoring, diversification, and technological renewal that Congress has rightly sought to advance. If Beijing sets the rules in the Indo-Pacific, manages the access, and shapes the flows of innovation, capital, and talent in the world's most dynamic region to Washington's detriment, the impact will be significant.

## *The Risk of a Global Great Depression*

Chinese hegemony aside, conflict itself would be ruinous. In the most rigorous analysis of its kind, Bloomberg Research estimated that the cost of a war in the Taiwan Strait would be \$10 trillion of global GDP—about 10 percent of the global economy—while a sustained blockade might cost \$5 trillion of GDP.<sup>7</sup> This suggests an economic shock even greater than the Great Depression. Taiwan is a top-twenty-five global economy, and although Taiwan's economy is roughly \$900 billion—or nearly 1% of the world's GDP—the world is dependent on the role Taiwan plays in global supply chains.<sup>8</sup> Taiwan's semiconductor industry lies at the center of global innovation and advanced manufacturing and produces more than half of the world's chips and nearly all of its most advanced semiconductors.<sup>9</sup> These semiconductors power the artificial intelligence boom sustaining American growth, the defense industry, and the auto industry, among countless other sectors. A disruption to this production would cause immediate global shock. Moreover, the Taiwan Strait itself is one of the world's busiest and most economically significant waterways.<sup>10</sup> Disruption there would reverberate globally and immediately.

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<sup>7</sup> Jennifer Welch, Jenny Leonard, Maeva Cousin, Gerard DiPippo, and Tom Orlik, "Xi, Biden and the \$10 Trillion Cost of War Over Taiwan," *Bloomberg*, January 8, 2024, <https://www.bloomberg.com/news/features/2024-01-09/if-china-invades-taiwan-it-would-cost-world-economy-10-trillion>.

<sup>8</sup> "Taiwan Province of China," IMF Data Mapper, International Monetary Fund, last updated October 2025, accessed November 17, 2025, <https://www.imf.org/external/datamapper/profile/TWN>.

<sup>9</sup> "Taiwan's Dominance of the Chip Industry Makes it More Important," *Economist*, March 6, 2023, <https://www.economist.com/special-report/2023/03/06/taiwans-dominance-of-the-chip-industry-makes-it-more-important>.

<sup>10</sup> "Crossroads of Commerce: How the Taiwan Strait Propels the Global Economy," ChinaPower Series, Center for Strategic and International Studies, October 10, 2024, <https://features.csis.org/chinapower/china-taiwan-strait-trade/>.

Taiwan's political system amplifies its strategic and economic importance. For U.S. partners and allies, Taiwan's democratic endurance under pressure provides a model in a period of authoritarian advance. For Beijing, Taipei's democratic success represents a challenge to its narrative of governance. The PRC seeks not only to alter Taiwan's status but also to undermine its confidence and cohesion through political warfare, disinformation, and economic coercion. If Beijing succeeds, other authoritarian states will conclude that coercion is a viable tool for territorial revision or political domination.

### **III. The PRC's Evolving Strategy Toward Taiwan**

The People's Republic of China has embarked on a comprehensive pressure campaign designed to undermine Taiwan's confidence, degrade its resilience, and erode deterrence—while staying just below the threshold of open conflict.

#### *Gray-Zone and Coercive Pressure*

Beijing has dramatically increased its air and naval presence around Taiwan. In the air domain, PLA Air Force and Navy aircraft are operating in Taiwan's Air Defense Identification Zone (ADIZ) at an unprecedented pace. In 2021, Taiwan's Ministry of National Defense recorded 972 PLA aircraft entering Taiwan's ADIZ.<sup>11</sup> That number climbed to over 3,000 last year and may exceed 4,000 this year. Median line crossings—a violation of longstanding cross-Strait norms that neither side should cross the invisible middle line in the Strait—also increased from virtually none in 2020 to over 3,000 by 2024.<sup>12</sup> At sea, the PRC now maintains a near-continuous presence around Taiwan including naval vessels, coast guard vessels, and even maritime militia vessels. Taken together, these steps are intended to create fatigue and doubt in Taiwan as well as normalize the PLA's operational presence. In addition, they can support a number of "gray-zone" contingencies short of war that are intended to further erode Taiwan's resolve. These might include:

- Persistent operation within Taiwan's 24-nautical-mile contiguous zone;
- Regular overflights of Taiwan's offshore islands or its main island via drones or manned aircraft, having already overflowed islands like Kinmen with drones beginning in 2022;
- Seizure of one of Taiwan's offshore islands, possibly an uninhabited island but also inhabited ones like Kinmen, home to over 100,000 residents;
- Declaration of a quarantine or inspection regime around Taiwan enforced by coast guard or provincial law enforcement vessels for brief periods.

At the same time, the PLA is engaging in "out of area" operations relevant for Taiwan contingencies, particularly east of Taiwan in the Philippine Sea. In recent years, China has sent aircraft carriers into the Philippine Sea, often with multiple guided-missile destroyers, a frigate, and an oiler, practicing operations designed to envelop Taiwan from multiple axes and to hold U.S. and Japanese forces at risk.<sup>13</sup>

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<sup>11</sup> Gerald C. Brown and Ben Lewis, *Taiwan ADIZ Violations*, ChinaPower Project, Center for Strategic International Studies, last updated November 12, 2025, accessed November 17, 2025, <https://chinapower.csis.org/data/taiwan-adiz-violations/>.

<sup>12</sup> Cheng-kun Ma and K. Tristan Tang, "Military Implications of PLA Aircraft Incursions in Taiwan's Airspace 2024," *China Brief* 25, no. 1, <https://jamestown.org/military-implications-of-pla-aircraft-incursions-in-taiwans-airspace-2024/>.

<sup>13</sup> Dzirhan Mahadzir, "Chinese Carrier Strike Group Operating in South China Sea After Drills Surrounding Taiwan," *USNI News*, October 15, 2025, <https://news.usni.org/2024/10/15/chinese-carrier-strike-group-operating-in-south-china-sea-after-drills-surrounding-taiwan>.

## *Military Modernization and 2027 Readiness*

China is pursuing a military buildup that is arguably the greatest in modern history. Its aim is to field a military capable of seizing Taiwan even against intervention by the United States by 2027. First, with respect to the PLA Navy (PLAN), the PRC now fields the largest navy by surface combatants, and it is on track to boast 435 vessels by 2030, making it 50% larger than the U.S. Navy.<sup>14</sup> The PLAN has three aircraft carriers, including the recently-launched *Fujian* which is equipped with electromagnetic catapults, and even a new “Type 076” class amphibious assault vessel that also has catapults and can function as light carrier.<sup>15</sup> Second, the PLA Air Force (PLAARF) is the region’s largest and is rapidly modernizing with advanced fourth- and fifth-generation fighters, long-range bombers, and uncrewed systems. Third, China is pursuing the largest nuclear buildup in modern history, rapidly expanding and diversifying its nuclear forces from a few hundred a decade ago to more than 1,500 by 2035 if current trends continue.<sup>16</sup> Fourth, the PLA Rocket Force fields the world’s largest inventory of conventional ballistic and cruise missiles capable of striking Taiwan and U.S. bases in the region, including anti-ship ballistic missiles focused on American aircraft carriers.

## *Political Warfare, Cyber Attacks, and Influence Operations*

China’s military buildup is accompanied by efforts to destabilize Taiwan internally. These include economic coercion aimed at Taiwan’s key companies, cyber intrusions into Taiwan’s critical infrastructure, and a sustained human espionage campaign including in Taiwan’s government and military. In addition, China is pursuing intensive political-warfare—not only by co-opting political leaders, local officials, media figures, business elites, and civil-society groups but also through disinformation campaigns. These are intended to inflame social divisions, undermine trust in Taiwan’s democratic processes, and amplify narratives of inevitability about unification and futility about resistance. Meanwhile, PRC security services and PRC-linked front organizations engage in transnational repression of Taiwan’s citizen and supporters abroad, seeking to intimidate them and limit Taipei’s ability to mobilize international support. Together, these efforts are intended to generate fatigue in Taiwan and increase the probability of eventual capitulation.

## *Taiwan’s Response*

Taiwan has much to do given the magnitude of threat it faces. But an inaccurate and somewhat dangerous narrative has emerged that Taiwan is standing still. In fact, Taiwan has launched several efforts under the Tsai and now Lai administrations to strengthen its ability to withstand growing PRC military pressure, gray-zone coercion, cyber intrusions, and political warfare. First, Taiwan is working to expand its defense budget from roughly 2.5 percent of GDP in 2024 to more than 3 percent of GDP in 2026, representing one of the largest defense increases in

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<sup>14</sup> U.S. Library of Congress, Congressional Research Service, *China Naval Modernization: Implications for U.S. Navy Capabilities*, by Ronald O’Rourke, RL33153 (2025), <https://www.congress.gov/crs-product/RL33153>.

<sup>15</sup> Huizhong Wu, “China Launches Amphibious Assault Ship that Can Launch Fighter Jets,” *AP*, December 26, 2024, <https://apnews.com/article/china-new-amphibious-ship-596a481b3bc3b808947080005ab433c7>.

<sup>16</sup> Philip Patton Schell and Hans M. Kristensen in *SIPRI Yearbook 2015: Armaments, Disarmament and International Security*, ed. Shannon N. Kile and Hans M. Kristensen (2015), <https://www.sipri.org/sites/default/files/SIPRIYB15c11sV.pdf>; U.S. Department of Defense, 2024 Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China, 2024, <https://media.defense.gov/2024/Dec/18/2003615520/-1/-1/0/MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA-2024.PDF>.

Asia and demonstrating sustained political commitment to national defense.<sup>17</sup> With its planned special budget, Taiwan's spending may rise to 5% of GDP. Already, over the last ten years, Taiwan's defense budget has doubled in absolute terms. Notably, Taiwan uses much stricter definitions for defense spending than NATO countries, but if Taiwan were to adopt NATO standards, its defense spending may be even higher. Both budgets, however, need approval by from the legislature. Second, Taiwan has extended mandatory conscription from four months to one year, beginning in 2024, to address manpower shortages and improve readiness and reserve training.<sup>18</sup> Relatedly, Taiwan has also reformed its reserve and mobilization systems, increasing training tempo and restructuring reserve brigades to improve wartime mobilization—efforts highlighted by U.S. defense analysts for years. Admittedly, much more needs to be done, but Taiwan is moving. Third, Taiwan is accelerating procurement of asymmetric capabilities, including mobile coastal-defense cruise missiles, expanded stocks of munitions, additional air-defense platforms, and unmanned systems—defense priorities repeatedly underscored across administrations by U.S. officials all of which are consistent with a denial strategy. Where it cannot procure denial capabilities, it is building them. These efforts include a new industrial park for drone manufacturing that leverages Taiwan's supply chain advantages and takes inspiration from Ukraine's ability to mass produce drones. Fourth, Taiwan has stood up new and useful commands for cross-Strait contingencies. This includes a new Littoral Combat Command in 2026, which will integrate fast-attack craft, shore-based missile units, and unmanned maritime systems to strengthen coastal defense and counter PRC blockade or landing scenarios.<sup>19</sup> This is exactly the kind of organizational step U.S. officials have long encouraged. Fifth, to counter persistent gray-zone pressure, Taiwan has invested in maritime domain awareness, hardened key facilities, and adapted to near-daily PLA incursions by modernizing joint response procedures. Sixth, in the cyber domain, Taiwan has created a National Cyber Security Command, adopted zero-trust architectures, strengthened cooperation with U.S. Cyber Command and CISA, and bolstered defenses against tens of millions of monthly hostile cyberattacks. Seventh, to counter political warfare, Taiwan has expanded fact-checking organizations, deployed rapid-response "Civic Integrity Teams," and established a Cognitive Warfare Research Center to identify and disrupt CCP influence operations. Eighth, economically, it has endeavored to reduce dependence on the PRC by diversifying trade through its New Southbound Policy, lowering the share of outbound investment going to China, with mixed results. Ninth, Taiwan has invested heavily in what some call "whole-of-society" resilience, which convenes regularly with President Lai himself, and prepares Taiwan's people for high-end contingencies. This group just issued a handbook to each household in Taiwan with detailed instructions on how citizens can prepare for PRC invasion and blockade scenarios. Taken together, these steps—spanning military modernization, reserve reform, cyber defense, information integrity, and economic diversification—demonstrate that Taiwan is actively strengthening its resilience as Beijing intensifies its campaign of military, economic, and political coercion.

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<sup>17</sup> U.S. Library of Congress, Congressional Research Service, *Taiwan: Defense and Military Issues*, by Caitlin Campbell, IF12481 (2025), <https://www.congress.gov/crs-product/IF12481>; Teng Pei-ju, "Taiwan Defense Spending to Reach 3.32% of GDP in 2026: Premier," *Focus Taiwan*, August 21, 2025, <https://focustaiwan.tw/politics/202508210007>.

<sup>18</sup> Yimou Lee and Ann Wang, "Taiwan to Extend Conscription to One Year, Citing Rising China Threat," *Reuters*, December 27, 2022 <https://www.reuters.com/world/asia-pacific/taiwan-extend-compulsory-military-service-official-media-2022-12-27/>.

<sup>19</sup> Tso-Juei Hsu, "Taiwan to Establish Littoral Combat Command in 2026," *Naval News*, April 18, 2024, <https://www.navalnews.com/naval-news/2024/04/taiwan-to-establish-littoral-combat-command-in-2026/>.

## IV. Policy Proposals and Implementation of the Taiwan Enhanced Resilience Act (TERA)

### *TERA as Landmark Legislation*

The Taiwan Enhanced Resilience Act (TERA) is one of the most significant steps Congress has taken in decades to strengthen deterrence in the Taiwan Strait. First, TERA created new tools for security assistance for Taiwan, including authorizing up to \$2 billion annually in Foreign Military Financing (for grants and loans) and establishing a \$1 billion Presidential Drawdown Authority to move equipment directly from U.S. stockpiles, overcoming years-long delays in the traditional Foreign Military Sales system. Second, TERA directed the Department of Defense to deepen joint training, planning, and exercises and to report regularly to Congress, supporting efforts the executive branch had undertaken in this respect. Third, TERA reinforced Taiwan's own defense reforms and helped Taipei move more confidently with changes it had already initiated—encouraging improvements to its reserve and mobilization systems, investments in asymmetric capabilities, and the strengthening of critical stockpiles. In part due to shared support from Congress and the executive, Taiwan increased defense spending, extended conscription to one year, and prioritized asymmetric denial-focused capabilities.<sup>20</sup> Above all, the demonstration was a bipartisan signal that the United States is resolved to strengthen cross-Strait deterrence at a moment of growing risk.

### *Key Gaps and Recommendations*

Several obstacles continue to undermine effective deterrence. Congress might consider the following steps.

1. U.S. Political Signaling and a Taiwan Tax Treaty: Taiwan is an isolated democracy, and political shows of support for Taiwan can provide morale boosts that make its defense reform efforts more successful. Ideally, these should be calibrated in a way to avoid undue provocation to the PRC; signaling that provokes the PRC but does not materially advance Taiwan's security and is contrary to U.S. interest. Currently, the balance between these goals is shifting towards avoiding provocation and away from supporting Taiwan's democracy, which risk emboldening Beijing while discouraging Taiwan from engaging in key reforms. Several steps can help address this challenge without setting cycles of escalation. First, at a time when even low-level executive branch travel to Taiwan is likely to be severely limited, Congressional delegations are more critical than in the past. Although certain delegations may be regarded as provocative by the PRC, the vast majority are consistent with longstanding precedent and are critical shows of support for Taiwan's people. Second, given that the executive branch is considering altering Taiwan policy language—moving, for example, from “not supporting” to “opposing” Taiwan independence and even potentially negotiating Taiwan's status with the PRC—Congress may consider expressing support for the Six Assurances and accompanying “Reagan Memorandum” to remind the executive of its own commitments and Congressional prerogatives in this matter. Third, in general, Congress and the administration should emphasize U.S. objectives as maintaining “peace and stability” in the Taiwan Strait rather than upholding the status quo, particularly since the latter is ill-defined and because the former is the overwhelming preference of the international community, as statements by U.S. allies and partners attest. Fourth, Congress should support Taiwan's efforts to increase its defense spending and criticize those political groups that oppose those efforts. Presently, some in Taiwan's legislature seek to stall efforts to increase Taiwan's defense spending. Fifth, the United States should move to complete a treaty with Taiwan to eliminate double taxation, which

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<sup>20</sup> Congress.gov, “Text - H.R.7776 - 117th Congress (2021-2022): James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” December 23, 2022, <https://www.congress.gov/bill/117th-congress/house-bill/7776/text>.

would not only increase Taiwan's investment in the United States, and bolster its support for U.S. reindustrialization, but also provide a powerful statement of support for Taiwan's people.

2. Security Assistance: Taiwan still faces multi-year delays in Foreign Military Sales worth more than \$20 billion. For example, the 66 F-16V Block 70 fighters, originally expected by 2026, have slipped to 2027–2028 due to production-line relocation and supply-chain delays.<sup>21</sup> Taiwan's AGM-154C Joint Standoff Weapons, first notified in 2017, were not contracted until 2024 and now face delivery in 2027–2028.<sup>22</sup> And the Harpoon Coastal Defense System, approved in 2020 and of critical importance against PLA surface vessels, had its first deliveries this year and will not complete delivery until 2028.<sup>23</sup> To address this Congress could should consider efforts to (1) put Taiwan in a position as “first in line” for scarce funds and weapons sales; (2) work around FMS bottlenecks where applicable by using a range of instruments including FMF, Presidential Drawdown Authority, third-party procurement for capabilities that the United States cannot manufacture in a timely fashion, and pre-positioned stocks; (3) reduce some export controls on Taiwan that might inhibit the flow of cutting edge asymmetric denial weaponry; and (4) maintain Congressional oversight and even pressure to ensure key agencies like the Departments of State and Defense executive accordingly.
3. Stockpiling: Taiwan's limited stockpiles and its geography heighten the risk that military resupply during a conflict would be extraordinarily difficult, unlike for Ukraine. Accordingly, the United States and Taiwan should make pre-war stockpiling a priority by establishing a War Reserve Stocks–Taiwan (WRSA-T) program—modeled on programs in Israel and Korea—to pre-position anti-ship, anti-armor, air-defense munitions, medical supplies, and other essentials on or near the island, because such items cannot be surged once a blockade begins. This could also include critical parts and industrial components. In addition, efforts to bolster co-production or indigenization of these capabilities will be valuable so Taiwan can build its own materiel.
4. Defense Cooperation: While U.S.–Taiwan defense cooperation has deepened, joint planning and exercises still fall short of the operational integration that deterrence requires, in part due to longstanding political sensitivities. The United States can work to close gaps in joint planning and operational integration, though both Washington and Taipei should ensure classification and limited public discussion of these efforts.
5. Contingency Planning: Congress should consider requiring the administration to undertake intensive, scenario-specific interagency planning for grey-zone and high-end scenarios, ensuring that U.S. responses are credible and detailed rather than improvised at the last minute during a crisis. Congress should require classified briefings of these contingency planning efforts. Additionally, allies such as Japan, Australia, the Philippines, and key European partners must be more fully integrated into contingency planning, signaling, and crisis response if the United States is to credibly deter aggression in the Taiwan Strait.

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<sup>21</sup> Matt Yu and Sean Lin, “U.S. Contractor Working to Speed Up F-16V Delivery to Taiwan: Ministry,” *Focus Taiwan*, November 2, 2025, <https://focustaiwan.tw/politics/202511020011>.

<sup>22</sup> Eric Gomez, “Delays Mount for F-16s, Torpedoes,” Taiwan Arms Sale Backlog October 2025 Update, Taiwan Security Monitor, <https://tsm.schar.gmu.edu/taiwan-arms-sale-backlog-october-2025-update>.

<sup>23</sup> Matt Yu and Sean Lin, “Taiwan to Receive 1st Harpoon Missile Defense Systems Around New Year,” *Focus Taiwan*, October 20, 2025, <https://focustaiwan.tw/politics/202510200015>.

6. Energy Resilience and Maritime Insurance: One of Taiwan’s great vulnerabilities is its energy sector, which is 98 percent import-dependent and may have less than two weeks of LNG storage.<sup>24</sup> The United States can bolster Taiwan’s energy resilience and complicate PRC blockade or quarantine campaigns. Efforts could include U.S. support for energy diversification within Taiwan, increased storage capacity, long-term LNG contracts (including with U.S. suppliers), and diplomatic engagement with key producers to assure supply in crisis scenarios. Of particular importance would be efforts to ensure maritime trade continues flowing in a crisis, during which insurance rates for shippers may become catastrophically high, reducing energy flows to Taiwan. Accordingly, Congress could expand MARAD’s war-risk insurance authority so that coverage can be extended to foreign-flagged vessels—not just U.S. vessels—that are carrying critical energy supplies to Taiwan when commercial insurers withdraw under pressure. Enabling the United States to underwrite or even reflag critical shipments would meaningfully strengthen Taiwan’s resilience and complicate PRC coercion.
7. Cyber Resilience: Taiwan is a victim of a massive PRC campaign to preposition on its critical infrastructure. The United States should expand U.S. support for Taiwan’s cyber defenses through capacity-building, “hunt forward” operations to detect vulnerabilities in Taiwan, and regularized cooperation between Taiwan’s digital agencies and relevant U.S. agencies. In addition, the United States can work with Taiwan on resilience communications, including efforts to move from subsea cables to satellite constellations for crisis scenarios.
8. Allied Engagement: Congress can also play a critical role in encouraging greater allied and partner coordination on Taiwan. Under the Biden Administration, U.S. allies in Europe and the Indo-Pacific took unprecedented steps to affirm—often in joint statements with the United States—the importance of peace and stability in the Taiwan Strait. In the face of PRC provocations in the Strait, they also increasingly aligned publicly with the United States on cross-Strait issues. But more coordination is needed to translate these greater political alignments into an integrated diplomatic, economic, and military framework for deterring PRC coercion. Congress can encourage joint planning with key allies such as Japan, Australia, the Philippines, and European partners; support and resource multilateral mechanisms in the region that the U.S. has launched to coordinate intelligence, posture, and contingency planning; and directly engage with allies. For example, China is currently targeting Japan with military and economic threats following remarks by Japan’s prime minister on the ways in which Taiwan contingencies might affect Japan’s own security. China’s threats are so flagrant, including an online post by a senior Chinese diplomat that Japan’s prime minister should be beheaded, that a failure to rhetorically and substantively support Japan in this matter is likely to prove to Beijing coercion of U.S. allies and partners on Taiwan-related matters will be successful.
9. Economic Deterrence: The United States currently lacks an executive order that would allow the U.S. government to respond to PRC grey zone provocations or high-end contingencies with economic retaliation against the PRC, even in a limited and proportional fashion. Congress could create such an authority that would provide the United States more options on the economic escalation ladder than it presently has. Moreover, Congress can push the United States to consider multilateral economic response options—such

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<sup>24</sup> Craig Singleton, Mark Montgomery, and Benjamin Jensen, “Chinese Coercion of Taiwan’s Energy Lifelines: A Contest Taiwan and the West Can’t Afford to Lose,” Memo, Foundational for Defense of Democracies, November 17, 2025, <https://www.fdd.org/analysis/2025/11/17/chinese-coercion-of-taiwans-energy-lifelines-a-contest-taiwan-and-the-west-cant-afford-to-lose/>.

as a so-called “Economic Article V” —in which U.S. allies and partners would jointly respond to coercion against any one of them with a collective response.