

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 419
OFFERED BY MR. CHABOT OF OHIO

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Taiwan Policy Act of
3 2013”.

4 SEC. 2. FINDINGS.

5 Congress finds the following:

6 (1) The Taiwan Relations Act (Public Law 96–
7 8; 22 U.S.C. 3301 et seq.), enacted in 1979, has
8 continued for 34 years to be the cornerstone of
9 United States–Taiwan relations and has served as
10 an anchor for peace and security in the Western Pa-
11 cific region.

12 (2) The Taiwan Relations Act, in furthering the
13 national interests of the United States in the West-
14 ern Pacific region, has mandated that the United
15 States will make available to Taiwan such defense
16 articles and defense services in such quantity as may
17 be necessary to enable Taiwan to maintain a suffi-
18 cient self-defense capability, thus allowing the people

1 of Taiwan to preserve a peaceful, democratic, and
2 prosperous way of life.

3 (3) The future of Taiwan must be determined
4 in a peaceful manner and with the assent of the peo-
5 ple of Taiwan.

6 (4) The Taiwan Relations Act declares that—

7 (A) peace and stability in the Western Pa-
8 cific area are in the political, security, and eco-
9 nomic interests of the United States, and are
10 matters of international concern;

11 (B) the United States decision to establish
12 diplomatic relations with the People's Republic
13 of China rests upon the expectation that the fu-
14 ture of Taiwan will be determined by peaceful
15 means;

16 (C) the United States considers any effort
17 to determine the future of Taiwan by other
18 than peaceful means, including by boycotts or
19 embargoes, a threat to the peace and security
20 of the Western Pacific area and of grave con-
21 cern to the United States;

22 (D) the United States will maintain the ca-
23 pacity to resist any resort to force or other
24 forms of coercion that would jeopardize the se-

1 curity, or the social or economic system, of the
2 people on Taiwan; and

3 (E) the preservation and enhancement of
4 the human rights of all the people on Taiwan
5 are reaffirmed as objectives of the United
6 States.

7 (5) In recent years United States–Taiwan rela-
8 tions have suffered from inattention and lack of
9 strategic vision, thereby requiring the Congress to
10 both clarify United States policy toward Taiwan and
11 enhance its oversight role in the implementation of
12 the Taiwan Relations Act.

13 (6) In its China Military Power Report for
14 2012, Taiwan’s Ministry of National Defense
15 (MND) estimated that more than 1,600 ballistic and
16 cruise missiles are now being aimed at Taiwan by
17 the Second Artillery Corps of the People’s Republic
18 of China and other experts suggest that this number
19 could increase to 1,800 in the near future.

20 (7) The anti-secession law, passed by the Na-
21 tional People’s Congress of the People’s Republic of
22 China, was found by House Concurrent Resolution
23 98, passed in the House of Representatives on
24 March 16, 2005, by a vote of 424–4, “to create a
25 legal framework for possible use of force against

1 Taiwan” and “to provide a legal justification for the
2 use of force against Taiwan, altering the status quo
3 in the region, and thus is of grave concern to the
4 United States.”.

5 (8) The legislative requirement to make avail-
6 able defense articles and defense services should in-
7 clude the provision of new F-16 C/D aircraft and
8 upgrades of existing F-16 A/B aircraft essential to
9 Taiwan’s security.

10 (9) The 2012 Department of Defense’s Annual
11 Report to Congress on Military and Security Devel-
12 opments Involving the People’s Republic of China
13 noted that “preparing for contingencies in the Tai-
14 wan Strait remains the principal focus and driver of
15 much of China’s military investment. In this context,
16 over the past year, the [People’s Liberation Army]
17 continued to build the capabilities and develop the
18 doctrine it considers necessary to deter Taiwan from
19 declaring independence; to deter, delay, and deny ef-
20 fective U.S. intervention in a potential cross-Strait
21 conflict; and to defeat Taiwan forces in the event of
22 hostilities.”.

23 (10) The language contained in the Joint
24 Communiqué of the United States of America and
25 the People’s Republic of China, dated August 17,

1 1982, which states in part that “arms sales to Tai-
2 wan will not exceed, either in qualitative or in quan-
3 titative terms, the level of those supplied in recent
4 years” shall not, to any degree, diminish the respon-
5 sibility of the United States, as legislatively man-
6 dated in the Taiwan Relations Act, to “make avail-
7 able to Taiwan such defense articles and defense
8 services in such quantity as may be necessary to en-
9 able Taiwan to maintain a sufficient self-defense ca-
10 pability.”.

11 (11) The United States has sought diplomati-
12 cally to preserve Taiwan’s international space, de-
13 spite outside pressure and coercion, and has sought
14 to secure Taiwan’s meaningful participation in such
15 international organizations as the World Health Or-
16 ganization (WHO).

17 (12) Given the critical importance of airport se-
18 curity in a post-September 11th international envi-
19 ronment, the United States recognizes it is crucial
20 for Taiwan to be admitted to meaningful participa-
21 tion in the International Civil Aviation Organization
22 (ICAO) so that Taiwan may contribute to the suc-
23 cess of a global strategy to address aviation security
24 threats based on effective international cooperation.

1 (13) Recognizing that the Taiwan Relations Act
2 stated that it is the policy of the United States “to
3 preserve and promote extensive, close, and friendly
4 commercial, cultural, and other relations between
5 the people of the United States and the people on
6 Taiwan” the Secretary of Homeland Security an-
7 nounced on October 2, 2012, “the designation of
8 Taiwan into the Visa Waiver Program (VWP)” with
9 eligible Taiwan passport holders able to travel on the
10 VWP beginning November 1, 2012.

11 (14) The conclusion of the Economic Coopera-
12 tion Framework Agreement (ECFA) between Tai-
13 wan and the People’s Republic of China in June
14 2010 or the adoption of any other cross-Strait eco-
15 nomic measures shall not diminish in any degree the
16 requirement contained in the Act to “maintain the
17 capacity of the United States to resist any resort to
18 force or other forms of coercion that would jeop-
19 ardize the security, or the social or economic system,
20 of the people on Taiwan.”.

21 (15) The theory recently put forward in certain
22 academic circles that the United States should ac-
23 quiesce to China’s ascendancy in Asia and put aside
24 the commitments made in the Taiwan Relations Act
25 is based upon a false premise that ignores the exam-

1 ple of a democratic Taiwan, the historic ties of
2 friendship of the peoples of the United States and
3 Taiwan, and the determination of the United States
4 to remain as a Pacific power.

5 (16) Total United States–Taiwan trade in 2012
6 was \$63,200,000,000 and Taiwan was the 11th
7 largest United States trading partner and the 7th
8 largest market for United States agricultural ex-
9 ports.

10 (17) It is in the economic interests of the
11 United States and the national security interests of
12 Taiwan for the peoples of the United States and
13 Taiwan to further strengthen and revitalize their
14 trade and investment ties, including through an ex-
15 panded Trans-Pacific Partnership (TPP) Agreement
16 or similar mechanism.

17 **SEC. 3. RULE OF CONSTRUCTION.**

18 Nothing in this Act shall be construed to amend or
19 supersede the Taiwan Relations Act.

20 **TITLE I—POLITICAL RELATIONS**

21 **SEC. 101. RELATIONS WITH THE PEOPLE OF TAIWAN.**

22 The following shall be the policies of the United
23 States:

24 (1) Supporting Taiwan, Taiwan’s democracy,
25 and the human rights of its people.

1 (2) As noted in the Taiwan Relations Act, “the
2 absence of diplomatic relations or recognition shall
3 not affect the application of the laws of the United
4 States with respect to Taiwan, and the laws of the
5 United States shall apply with respect to Taiwan in
6 the manner that the laws of the United States ap-
7 plied with respect to Taiwan prior to January 1,
8 1979.”.

9 (3) The United States Government shall respect
10 the right of the Taipei Economic and Cultural Rep-
11 resentative Office (TECRO) to display its flag on its
12 premises and the American Institute in Taiwan
13 (AIT) and the residence of its Director in Taipei
14 shall, correspondingly, publicly display the United
15 States flag in the same manner as United States
16 embassies, consulates, and official residences
17 throughout the world.

18 (4) The Taipei Economic and Cultural Rep-
19 resentative Office and all other instrumentalities es-
20 tablished by Taiwan, including the Twin Oaks Es-
21 tate, may conduct official business activities, includ-
22 ing activities which involve participation by Members
23 of the United States Congress and other representa-
24 tives of the Federal, State, and local governments,

1 without any impediment from the United States
2 Government or any foreign power.

3 **SEC. 102. VISITS BY CABINET LEVEL OFFICIALS.**

4 (a) FINDINGS.—Congress finds the following:

5 (1) Visits by United States cabinet officials and
6 other high-ranking visitors are an indicator of the
7 breadth and depth of ties between the United States
8 and Taiwan.

9 (2) In December 1992, United States Trade
10 Representative Carla Hills visited Taiwan, marking
11 the first cabinet-level visit since 1979.

12 (3) Over the next 8 years the Administrator of
13 the Small Business Administration, the Secretary of
14 Energy, and 2 Secretaries of Transportation visited
15 Taiwan.

16 (4) There have been no Cabinet level visits to
17 Taiwan since 2000.

18 (b) POLICY OF THE UNITED STATES.—It shall be the
19 policy of the United States to encourage visits by cabinet-
20 level officials between the United States and Taiwan to
21 foster commercial, technological, and people-to-people ex-
22 changes.

1 **SEC. 103. REVISION OF GUIDELINES FOR CONTACTS WITH**
2 **TAIWAN.**

3 Notwithstanding the 1994 Taiwan policy review and
4 current mandatory guidance from the Department of
5 State regarding contacts with Taiwan, it shall be the pol-
6 icy of the United States to—

7 (1) permit senior leaders of Taiwan to enter the
8 United States under conditions which demonstrate
9 appropriate courtesy and respect for the dignity of
10 such leaders;

11 (2) permit meetings between high-level Tai-
12 wanese and United States officials in all United
13 States executive departments;

14 (3) allow official travel to Taiwan for Depart-
15 ment of State and Department of Defense personnel
16 above the rank of office director or, for uniformed
17 military personnel, above the level of 06 (Colonel,
18 Navy Captain); and

19 (4) support a decision by Taiwan to change the
20 name of the Taipei Economic and Cultural Rep-
21 resentative Office to that of the Taiwan Representa-
22 tive Office.

1 **SEC. 104. REQUIREMENT FOR SENATE CONFIRMATION OF**
2 **AN INDIVIDUAL APPOINTED TO SERVE AS**
3 **THE DIRECTOR OF THE AMERICAN INSTI-**
4 **TUTE IN TAIWAN.**

5 (a) IN GENERAL.—Notwithstanding any other provi-
6 sion of law, the President shall appoint, by and with the
7 advice and consent of the Senate, an individual to serve
8 as the Director of the American Institute in Taiwan.

9 (b) TRANSITION.—The individual serving as the Di-
10 rector of the American Institute in Taiwan as of the date
11 of the enactment of this Act may continue to serve in such
12 capacity until such time as an individual is appointed and
13 confirmed in accordance with subsection (a).

14 **SEC. 105. EXTRADITION AGREEMENT.**

15 (a) IN GENERAL.—It shall be the policy of the United
16 States to enhance judicial cooperation with Taiwan, cur-
17 rently conducted on the basis of the 2002 Agreement on
18 Mutual Legal Assistance in Criminal Matters, by signing
19 a comprehensive extradition agreement.

20 (b) REPORT.—Not later than 180 days after the date
21 of enactment of this Act, the President shall transmit to
22 Congress a report that assesses whether a comprehensive
23 extradition agreement between the United States and Tai-
24 wan may be submitted to the Senate for advice and con-
25 sent as a treaty or whether, because of Taiwan's unique
26 status, such agreement must be submitted to both the

1 House of Representatives and Senate for legislative ap-
2 proval.

3 **SEC. 106. CONTINUATION OF THE SIX ASSURANCES AS**
4 **GUIDELINES IN CONDUCTING UNITED**
5 **STATES-TAIWAN RELATIONS.**

6 Notwithstanding any communiqués entered into be-
7 tween the United States and the People’s Republic of
8 China, the United States continues to assent to the six
9 assurances provided to Taiwan in July, 1982, including
10 that the United States—

11 (1) has not agreed to set a date for ending
12 arms sales to Taiwan;

13 (2) has not agreed to hold prior consultations
14 with the People’s Republic of China on arms sales
15 to Taiwan;

16 (3) will not play any mediation role between
17 Taipei and Beijing;

18 (4) has not agreed to revise the Taiwan Rela-
19 tions Act;

20 (5) has not altered its position regarding sov-
21 ereignty over Taiwan; and

22 (6) will not exert pressure on Taiwan to nego-
23 tiate with the People’s Republic of China.

1 **SEC. 107. INTERNATIONAL ORGANIZATIONS.**

2 (a) ANNUAL PROGRAM.—To provide Taiwan with the
3 international space it requires to function effectively in the
4 world community, the Secretary of State shall direct the
5 Department of State to continue its annual program to
6 ensure meaningful participation by Taiwan in the World
7 Health Assembly in Geneva, Switzerland, as well as mean-
8 ingful participation for Taiwan in other relevant inter-
9 national organizations, such as the International Civil
10 Aviation Organization (ICAO).

11 (b) MEANINGFUL PARTICIPATION BY TAIWAN.—The
12 Secretary of State shall direct the United States Perma-
13 nent Representative to the United Nations to use the
14 voice, vote, and influence of the United States at the
15 United Nations to ensure meaningful participation for
16 Taiwan in relevant United Nations Entities in which Tai-
17 wan has expressed an interest in participating.

18 **SEC. 108. REPORT ON TAIWAN'S PARTICIPATION IN ICAO.**

19 (a) IN GENERAL.—The Secretary of State shall ini-
20 tiate a United States plan to endorse and obtain meaning-
21 ful participation for Taiwan at the periodic Assemblies
22 held by the International Civil Aviation Organization
23 (ICAO) in Montreal, Canada, including the 38th Assembly
24 to be held in September–October 2013, and in the meet-
25 ings and activities of the ICAO and shall instruct the

1 United States delegation to Montreal to implement such
2 plan.

3 (b) REPORT.—Not later than 180 days after the date
4 of the enactment of this Act and annually thereafter, the
5 Secretary of State shall submit to Congress a report con-
6 taining the plan required under subsection (a).

7 (c) FORM.—The report required under subsection (b)
8 shall be submitted in unclassified form, but may contain
9 a classified annex if necessary.

10 (d) ANNUAL BRIEFING.—The Secretary of State
11 should provide an annual briefing to or consult with Con-
12 gress on any efforts conducted by the United States Gov-
13 ernment in support of Taiwan’s progress toward meaning-
14 ful participation in the ICAO.

15 **TITLE II—SECURITY RELATIONS**

16 **SEC. 201. STRENGTHENING THE DEFENSE OF TAIWAN.**

17 (a) MAINTENANCE OF SUFFICIENT SELF-DEFENSE
18 CAPABILITIES OF TAIWAN.—Congress finds that any de-
19 termination of the nature and quantity of defense articles
20 or defense services to be made available to Taiwan that
21 is made on any basis other than the defense needs of Tai-
22 wan, whether pursuant to the August 17, 1982,
23 Communiqué signed with the People’s Republic of China,
24 or any similar executive agreement, order, or policy would

1 violate the intent of Congress specified in section 3(b) of
2 the Taiwan Relations Act (22 U.S.C. 3302(b)).

3 (b) FOREIGN MILITARY SALES AND LICENSED DE-
4 FENSE EXPORTS UNDER THE ARMS EXPORT CONTROL
5 ACT.—Congress finds that, in accordance with the Taiwan
6 Relations Act, the core purpose of foreign military sales
7 and licensed commercial exports under the Arms Export
8 Control Act should be to assist Taiwan in its ability to—

- 9 (1) deter coercion;
- 10 (2) defend against a strategy of coercive diplo-
11 macy employing threats or limited force;
- 12 (3) repel an invasion; and
- 13 (4) partner with civil responders and friendly
14 foreign militaries.

15 (c) DEFENSE TRANSFERS.—In order to accomplish
16 the purposes of this section, the President is authorized
17 to make available to Taiwan defense articles or defense
18 services, including the following:

- 19 (1) Air and air defense capabilities, including—
- 20 (A) low-cost, survivable sensors;
- 21 (B) command and control systems;
- 22 (C) modern surface to air missiles;
- 23 (D) upgrades to existing modern combat
24 aircraft as well as new combat aircraft, includ-

1 ing Vertical and Short Take-Off and Landing
2 Aircraft (V/STOL);

3 (E) radar, electronic warfare, and jamming
4 capabilities;

5 (F) passive defense measures (such as re-
6 dundancy, dispersal, camouflage/deception,
7 hardening, and rapid repair capabilities); and

8 (G) access to satellites for remote sensing
9 and communication.

10 (2) Maritime capabilities, including—

11 (A) additional sensor capacity for com-
12 prehensive maritime domain awareness;

13 (B) cost-effective submarines for anti-sur-
14 face, anti-submarine warfare, and other mis-
15 sions;

16 (C) mines and mine countermeasure ves-
17 sels; and

18 (D) anti-ship cruise missiles.

19 (3) Ground capabilities, including—

20 (A) layers, short-range air defense;

21 (B) critical infrastructure protection to en-
22 sure continuity of government;

23 (C) air mobility;

24 (D) unmanned air vehicles; and

1 (E) accurate, GPS-guided short-range
2 rockets.

3 (4) Capacity for partnership with friendly for-
4 eign militaries, including—

5 (A) command, control, communications,
6 computers, intelligence, surveillance, and recon-
7 naissance situational awareness systems;

8 (B) enhanced doctrine exchange; and

9 (C) enhanced senior-level training.

10 (d) RULE OF CONSTRUCTION RELATING TO ARMS
11 EXPORT CONTROL ACT.—Nothing in this section shall be
12 construed to supersede or modify section 36 of the Arms
13 Export Control Act (22 U.S.C. 2776).

14 **SEC. 202. ADVANCED COMBAT AIRCRAFT FOR TAIWAN.**

15 (a) STATEMENT OF POLICY.—Notwithstanding the
16 upgrade of Taiwan's F-16 A/B aircraft, Taiwan will expe-
17 rience a growing shortfall in fighter aircraft, particularly
18 as its F-5 aircraft are retired from service.

19 (b) AUTHORITY TO ACCEPT LETTER OF REQUEST.—
20 Pursuant to the foreign military sales program authorized
21 by the Arms Export Control Act, the President is author-
22 ized to accept a letter of request from Taiwan for price
23 and availability data or for a formal sales offer with re-
24 spect to the F-16C/D Fighting Falcon multirole fighter
25 aircraft or other aircraft of similar capability, as may be

1 necessary to enable Taiwan to maintain a sufficient self-
2 defense capability.

3 **SEC. 203. CONSULTATIONS ON TAIWAN ARMS SALES.**

4 (a) BRIEFINGS.—Not later than 90 days after the
5 date of the enactment of this Act and at least annually
6 thereafter, the Secretary of State, in consultation with the
7 Secretary of Defense, shall provide detailed briefings to
8 Congress on—

9 (1) any discussions conducted between any ex-
10 ecutive branch agency and the Government of Tai-
11 wan during a covered period; and

12 (2) any potential transfer to the Government of
13 Taiwan of defense articles or defense services, in-
14 cluding routine upgrades to or replacements of de-
15 fense articles previously transferred by the United
16 States to the Government of Taiwan.

17 (b) DEFINITIONS.—In this section and section 201:

18 (1) COVERED PERIOD.—The term “covered pe-
19 riod” means, with respect to—

20 (A) the initial briefing required under sub-
21 section (a), the period beginning on the date of
22 the enactment of this Act and ending on the
23 date of such initial briefing; and

24 (B) subsequent briefings required under
25 such subsection, the period beginning on the

1 day after the date of the most recent briefing
2 and ending on the date of any such subsequent
3 briefing.

4 (2) EXECUTIVE BRANCH AGENCY.—The term
5 “executive branch agency” has the meaning given
6 the term “agency” in section 551(1) of title 5,
7 United States Code.

8 (3) DEFENSE ARTICLE.—The term “defense ar-
9 ticle” has the meaning given such term in section 47
10 of the Arms Export Control Act (22 U.S.C. 2794).

11 (4) DEFENSE SERVICE.—The term “defense
12 service” has the meaning given such term in section
13 47 of the Arms Export Control Act (22 U.S.C.
14 2794).

15 **SEC. 204. ANNUAL REPORT ON DEFENSE TRANSFERS TO**
16 **TAIWAN.**

17 (a) IN GENERAL.—Not later than 180 days after the
18 date of the enactment of this Act and annually thereafter,
19 the President shall transmit to Congress a report—

20 (1) detailing each of Taiwan’s requests for pur-
21 chase of defense articles and defense services during
22 the immediately preceding one-year period, whether
23 submitted through a letter of request (LOR) or con-
24 veyed by other authoritative means, except that the

1 first report under this section shall cover the period
2 2006 through 2011;

3 (2) describing the defense needs asserted by
4 Taiwan as justification for such requests;

5 (3) describing the decisionmaking process used
6 to reject, postpone, or modify any such request, in-
7 cluding—

8 (A) with respect to significant military
9 equipment, the country team assessment and
10 recommendation as to whether the United
11 States should sell such equipment; and

12 (B) for each request, the elapse of time be-
13 tween the submission of such request and the
14 completion of the interagency review process by
15 the United States; and

16 (4) detailing those defense articles and defense
17 services listed in the Arms Sale Proposal described
18 in section 25 of the Arms Export Control Act (22
19 U.S.C. 2765), including a description of the ration-
20 ale for including or not including in such Proposal,
21 as the case may be, all sales and licensed exports to
22 Taiwan under such Act of major weapons or weap-
23 ons-related defense equipment for \$7,000,000 or
24 more, and the extent to which a decision to not in-

1 clude in such Proposal such sales to Taiwan is con-
2 sistent with such section.

3 (b) FORM.—The report required under subsection (a)
4 shall be submitted in unclassified form, but may contain
5 a classified annex if necessary.

6 **SEC. 205. REPORT ON IMPLEMENTATION OF TAIWAN RELA-**
7 **TIONS ACT.**

8 (a) IN GENERAL.—Not later than 180 days after the
9 date of the enactment of this Act, the President shall sub-
10 mit to Congress a report on implementation of United
11 States security policy under the Taiwan Relations Act.

12 (b) MATTERS TO BE INCLUDED.—The report re-
13 quired under subsection (a) shall include, at a minimum,
14 the following:

15 (1) A review of the operational planning, policy
16 reviews, and other preparations of the United States
17 since 2000 to implement section 2(b)(6) and sub-
18 sections (a), (b), and (c) of section 3 of the Taiwan
19 Relations Act, including the extent to which the
20 United States retains the capacity to resist any re-
21 sort to force or other forms of coercion that would
22 jeopardize the security, or the social or economic
23 system, of the people of Taiwan. Such review shall
24 take into account whether Taiwan's air and air de-
25 fense forces retain the ability to effectively defend

1 Taiwan against China's ballistic missile and air
2 threats, and the extent to which the absence of cred-
3 ible Taiwanese air defense forces may complicate the
4 ability of the United States to resist any resort to
5 force that jeopardizes the security of Taiwan.

6 (2) An evaluation of all gaps in relevant knowl-
7 edge about the capabilities and intentions of the
8 People's Republic of China as such capabilities and
9 intentions might affect the current and future mili-
10 tary balance between Taiwan and China, such as
11 anti-access and area denial capabilities as well as
12 anti-satellite and space warfare developments, in-
13 cluding both classified United States intelligence in-
14 formation and Chinese open source writing.

15 (c) FORM.—The report required under subsection (a)
16 shall be submitted in unclassified form, but may contain
17 a classified annex if necessary.

18 **SEC. 206. NAVAL VESSEL TRANSFER AUTHORITY.**

19 (a) TRANSFER BY SALE.—The President is author-
20 ized to transfer the OLIVER HAZARD PERRY class
21 guided missile frigates USS TAYLOR (FFG-50), USS
22 GARY (FFG-51), USS CARR (FFG-52), and USS
23 ELROD (FFG-55) to the Taipei Economic and Cultural
24 Representative Office of the United States (which is the
25 Taiwan instrumentality designated pursuant to section

1 10(a) of the Taiwan Relations Act (22 U.S.C. 3309(a))
2 on a sale basis under section 21 of the Arms Export Con-
3 trol Act (22 U.S.C. 2761).

4 (b) COSTS OF TRANSFERS.—Any expense incurred by
5 the United States in connection with a transfer authorized
6 by this section shall be charged to the recipient notwith-
7 standing section 516(e) of the Foreign Assistance Act of
8 1961 (22 U.S.C. 2321j(e)).

9 (c) REPAIR AND REFURBISHMENT IN UNITED
10 STATES SHIPYARDS.—To the maximum extent prac-
11 ticable, the President shall require, as a condition of the
12 transfer of a vessel under this section, that the recipient
13 to which the vessel is transferred have such repair or re-
14 furbishment of the vessel as is needed, before the vessel
15 joins the naval forces of that recipient, performed at a
16 shipyard located in the United States, including a United
17 States Navy shipyard.

18 (d) EXPIRATION OF AUTHORITY.—The authority to
19 transfer a vessel under this section shall expire at the end
20 of the 3-year period beginning on the date of the enact-
21 ment of this Act.

1 **TITLE III—ECONOMIC AND**
2 **TRADE RELATIONS**

3 **SEC. 301. TRADE AND INVESTMENT FRAMEWORK AGREE-**
4 **MENT.**

5 It is the sense of Congress that, at the earliest oppor-
6 tunity, the United States Trade Representative should
7 successfully conclude negotiations of economic issues in
8 the Trade and Investment Framework Agreement (TIFA)
9 talks with Taiwan.

10 **SEC. 302. FREE TRADE AGREEMENT.**

11 (a) **IN GENERAL.**—It is the sense of Congress that
12 the ultimate goal of trade negotiations with Taiwan should
13 be the negotiation of a free trade agreement with Taiwan.
14 As building blocks toward that goal, the United States
15 should study the feasibility of negotiating with Taiwan a
16 bilateral—

17 (1) investment agreement; and

18 (2) tax agreement.

19 (b) **REPORT.**—Not later than 180 days after the date
20 of enactment of this Act, the President shall transmit to
21 Congress a report that assesses whether economic and
22 trade agreements between the United States and Taiwan
23 may be submitted to the Senate for advice and consent
24 as a treaty or whether, because of Taiwan’s unique status,

- 1 such agreements must be submitted to both the House of
- 2 Representatives and Senate for legislative approval.

