

STRENGTHENING FREEDOM IN ASIA

A TWENTY-FIRST-CENTURY AGENDA
FOR THE U.S.-TAIWAN PARTNERSHIP

DAN BLUMENTHAL
RANDALL SCHRIVER



A REPORT OF THE
TAIWAN POLICY WORKING GROUP



A JOINT PROJECT OF THE AMERICAN ENTERPRISE INSTITUTE
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Introduction

The United States has an interest in a free, democratic, prosperous, and strong Taiwan. For decades, the United States and the Republic of China (ROC) have worked closely together to help Taiwan become a thriving democracy, a development that has advanced American interests in Asia and the Pacific Rim. The success of the U.S.-ROC partnership is evident in Taiwan's remarkable political and economic development: in mere decades, Taiwan has moved from poverty to prosperity and from autocracy to democracy.

Current trends, however, are unfavorable to Taiwan, and consequently, they pose challenges to U.S. interests. China's growing power has provided Beijing with the resources to alter the balance of military power across the Taiwan Strait, upsetting the dynamic equilibrium that has prevented the outbreak of major cross-Strait conflict for more than fifty years. Seeing Taiwan's growing national identity as a threat, the People's Republic of China (PRC) has worked to isolate Taiwan internationally. Taiwan's growing international isolation has, in turn, created pressures in Taiwan to respond by declaring its de facto sovereignty more openly, eliciting further threatening responses from China.

As this dynamic has unfolded, relations between Washington and Taipei have soured. Washington has not found the proper balance among trying to pursue common interests with Beijing, secure Taiwan's freedom and international profile, and pursue bilateral interests with Taiwan. Beijing has successfully pressured Washington to further its agenda of squeezing the island. Taipei has responded by increasing its emphasis on its sovereignty.

Allowing this dynamic to continue is inimical to U.S. interests. A broken dialogue increases the likelihood that what is now a dangerous situation will develop into an even more dangerous crisis. To break this cycle, America should reinvigorate a positive bilateral agenda with Taiwan, capitalizing on Taiwan's many strengths to expand its participation in the regional and international arenas. The United States can help Taiwan reorient its foreign policy to accentuate its role as a peaceful, vibrant member of the international community. This approach would stabilize the Taiwan Strait and help secure American interests in a prosperous, stable, and free Asia—all within the existing U.S. cross-Strait policy framework.

Why Taiwan Matters

Over the past decades, the Asia-Pacific region has been marked by rapid trade liberalization, democratization, and prosperity. Taiwan is one of the prime examples of the region's success. It is a vibrant, free society with an economy that has become central to the functioning of the global high tech market. Alongside this transformation, and particularly since 9/11, Taiwan has contributed to international security and development, including international counterproliferation and counter-narcotics efforts, the promotion of democracy, and the provision of humanitarian relief.

Taiwan's successful democratic transition demonstrates that Chinese culture is not inimical to democracy—a powerful answer to those who claim that free institutions and popularly elected governments are the sole preserve of the West.

Taiwan's valuable role in the international community remains hidden to most casual observers. Many think of Taiwan as a small place with a limited impact on our interests. But with a population of 23 million (larger than treaty ally Australia), a GDP ranking twenty-first in the world (well ahead of Asian economic powerhouses such as Hong Kong and Singapore), and geography that positions it along major commercial routes (the Port of Kaohsiung handles more containers per year than any single port in Japan or South Korea), Taiwan is, by most objective standards, a major player.¹

For the United States, the bilateral trading relationship alone argues for greater attention to the

U.S.-Taiwan relationship. Such Taiwanese companies as Asustek Computer, Quanta, Foxconn, and Taiwan Semiconductor Manufacturing Company are global industry leaders and have become crucial suppliers to U.S. titans like Apple, Dell, Hewlett-Packard, and Qualcomm. The revenues of Taiwan's top twenty-five technology companies surpass \$122 billion a year, and the production value of communications equipment made by Taiwanese companies exceeded \$30 billion in 2006. Dell and Hewlett-Packard alone source tens of billions of dollars in computer components from Taiwan. Taiwanese companies have captured over 80 percent of both the wireless and DSL modem markets and 70 percent of the PDA manufacturing market.²

Already the world's biggest producer of computer components, Taiwan is moving rapidly into the production of telecommunications equipment. Foxconn and Quanta produced millions of iPhones for Apple, building upon relationships forged by their inclusion in the production chains for Apple notebook computers and iPods.³ Taiwanese companies have proven themselves extremely adaptable in a complex market in which many firms have difficulty keeping pace with the rapid rate of product evolution. In short, Taiwan is a crossroad of the global supply chain.

But U.S. interests extend beyond commerce. Americans should take pride in Taiwan's advancement as a vibrant democracy. While the Taiwanese people themselves created the democratic institutions that flourish today, American diplomacy and aid provided key assistance. Today Taiwan gets high marks from Freedom House and the U.S. State Department for its protection of civil and political liberties and its free and fair elections. Taiwan's successful democratic transition demonstrates that Chinese culture is not inimical to democracy—a powerful answer to those who claim that free institutions and popularly elected

governments are the sole preserve of the West. Taiwan's democracy is a beacon to other societies seeking peaceful political liberalization.

Taiwan, formerly a developing economy, has become the kind of entity that Washington hopes for all developing countries to become. It is one of few countries to have graduated from American aid assistance, and it is now an international provider of aid. Taiwan has been one of the world's most successful economies over the past five decades. It has peacefully transformed from authoritarian to democratic. Indeed, among the aid it provides to other nations is democracy promotion assistance. If today there is a "backlash" against democracy promotion, Taiwan is a potentially powerful response. It has become a "responsible stakeholder," doing its best to contribute to global efforts to fight terrorism, proliferation, and infectious diseases, and to provide disaster relief.

If Taiwan is successfully coerced by the PRC into a settlement, against the wishes of Taiwan's 23 million people, Washington would not only lose a valuable international partner, but its interests and regional position would also suffer a severe blow.

Regional allies would question the credibility of America's political commitments, as would other young democracies around the world. America's favorable position in Asia is sustained by its alliances and partnerships, and it needs their assistance to keep the region peaceful, prosperous, and free.

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A coerced settlement against the wishes of the Taiwanese may carry even greater strategic significance over the long term. Chinese control of Taiwan (and, presumably, the Taiwan Strait) could effectively deny the United States and its allies access to critical sea lanes during conflict. Mainland control of Taiwan would also significantly extend the reach of the People's Liberation Army (PLA) in the Asia-Pacific region.

The Current State of U.S.-Taiwan Relations

Contemporary U.S.-Taiwan relations suffer from neglect and bitter feeling at the highest levels. For its part, since 9/11, Washington has spent the majority of its foreign policy resources and energy on the war in Iraq, Iranian nuclearization, and North Korean proliferation. The six-party talks in particular have placed further strains on U.S.-Taiwan interactions. Until 2007, Washington's approach to the North Korean threat had been to work with China in persuading Pyongyang to abandon its nuclear aspirations. One consequence of this approach has been pressure on Taipei to avoid any actions that Beijing would view as provocative. Taiwan has thus been viewed as a nuisance—or worse, as a provocateur—rather than as a successful partner. In cases in which Washington has gone so far as to “punish” Taipei, the penalties have rarely produced their intended effects. Approaches that add to Taiwan's humiliation and isolation destabilize the Strait and diminish Washington's influence with Taipei.

The United States and Taiwan currently share no common agenda, thus allowing the relationship to lurch from crisis to crisis. A common agenda could capitalize on and routinize ongoing bilateral cooperation and break the negative cycle. Examples of this negative cycle include Washington's unprecedented delay in responding to Taiwan's request for F-16s, a capability clearly needed as the cross-Strait air balance continues to favor Beijing. Washington has thus become culpable in an eroding military balance across the Strait, sacrificing long-term interests to short-term emotions. Washington must recognize that Taipei will follow policies that its people demand, and, if anything, an approach that adds to Taiwan's isolation further destabilizes the Strait.

On Taiwan's side, internal political divisions and a mixed and ambivalent popular view of the threat from the mainland have stalled military modernization,

even as Taiwan faces one of the most complex and lethal military threats in the world. Legislative deadlock has contributed to the American impression that the Taiwanese are more concerned with partisan infighting than genuine security concerns. While deep political divisions are common in young democracies, Taiwan cannot wait to improve its deterrent.

A lack of authoritative communication is dangerous because Taiwan remains a key flash point for great power conflict.

Washington needs the option of communicating at presidential and cabinet levels with counterparts in Taipei to avoid or manage a crisis.

The relationship lacks a strategic framework of the kind America has created with other partners, and it lacks high-level routine dialogue between Taipei and Washington. A lack of authoritative communication is dangerous because Taiwan remains a key flash point for great power conflict. Washington needs the option of communicating at presidential and cabinet levels with counterparts in Taipei to avoid or manage a crisis.

In addition, Taiwan is suffering from Congress's diminishing knowledge of its importance. Historically, Congress has had a deep interest in the bilateral relationship and, through the Taiwan Relations Act, could provide key oversight over Taiwan policy. There is a new generation of members and professional staff in the House and Senate committees overseeing foreign relations and military and homeland security affairs, many of whom have come to their positions as America has been fighting the war on

terrorism. Thus, their work has focused on the Middle East, and many lack deep knowledge of Asia. To make matters more complicated, Taiwan's congressional liaison office has had to compete with a variety of groups that support different interests in Taiwan. This has not helped develop the sort of support Taiwan needs to ensure continued congressional interest. The Taiwanese government can help to remedy this situation by educating a new generation at the staff and member level in the U.S. Congress, setting priorities for its personnel assigned to congressional relations, and coordinating the efforts of private groups active on Taiwan-related issues.

An ROC with a larger international role contributing to global economic prosperity, political freedom, a clean environment, international security, and public health will advance the interests of Taiwan, the United States, and the international community.

At the same time, actively working to increase Taiwan's international presence may help address the substantive concerns shared by many in Taiwan who feel that formal *de jure* independence is the only path to entry into international forums. While Taiwan's future political status is the purview of the citizens of Taiwan, Washington has an interest in seeing that the manner in which those questions are addressed is peaceful, eliciting an interest in Beijing in becoming more creative and flexible.

The overall negative atmosphere in U.S.-Taiwan relations is not solely a product of policy choices. Process matters as well. While there are understandable historical reasons for Washington's self-imposed constraints and limitations on bilateral interactions between the United States and Taiwan, these very same restrictions in the contemporary context have helped to make a bad situation worse.

Elements of a Positive Bilateral Agenda

This section describes areas in which the United States and Taiwan can improve cooperation to the benefit of both. Taipei and Washington can build on success in security cooperation, economic cooperation, international aid and development, and joint efforts at democracy promotion.

Military and Security Issues

No issue in the relationship is more important than a common defense agenda. Taiwan remains a potential international flash point for a great power war. Traditionally, from a military perspective, America has kept the cross-Strait peace by ensuring that any PRC temptations to use force were checked by a strong Taiwan and by maintaining U.S. military capacity to defeat PLA forces in case of a Taiwan contingency.

Beijing's focused military modernization program has resulted in a diverse array of advanced military capabilities, most of which have been deployed across the Strait. As a result, Taiwan faces the most daunting military challenges in the world, including the most difficult conventional ballistic and land-attack cruise missile, mine warfare, antisubmarine warfare, computer network attack, and information dominance threats.

Beijing has deployed hundreds of ballistic and cruise missiles, fourth-generation fighter aircraft, diesel/electric submarines, and advanced destroyers for use in a Taiwan conflict. In addition, the PLA has developed lethal information warfare, as well as mining, space, and air defense capabilities. The net result is that Beijing has a range of military options to use against Taiwan to coerce it into a political settlement on the mainland's terms. These deployments have shifted the military balance across the Strait in favor of the PRC. In addition, the PRC has made the costs

of a U.S. intervention high, increasing its ability to target U.S. carrier battle groups and the multilayered U.S. Command, Control, Communications, Computer, Intelligence, Surveillance and Reconnaissance (C4ISR) system to blind U.S. military forces seeking to gain access to the Strait.

While Taiwan has procured a substantial amount of military equipment such as Kidd Class Destroyers, a C4ISR system, and an air-and-missile defense system, it still has not kept up with the pace of PRC military buildup. Political leaders have not come to a consensus on how best to allocate resources to defense, and defense budgeting has become overly partisan, resulting in frequent legislative gridlock. The Taiwanese military's procurement decisions are closely scrutinized by a free press and an active legislature, and there have been greater calls for and legislation passed requiring more domestic defense production.

Taiwan's transition to democracy has required that its military change dramatically at a rapid pace. The military is now under civilian control and legislative oversight, although the legislature has almost no professional staff knowledgeable about security matters. The military has reorganized itself to become more of a joint force and has established new offices to provide civilian insight, rationalize the strategy-and policymaking processes, and be more transparent and cost-effective in procurement. The military has enacted these changes—the equivalent of America's 1947 National Security Act and 1986 Goldwater-Nichols Act—in the space of three years. Apart from some notable successes, the result has been stultification and decision-making paralysis.

Unfortunately, while in other countries such changes in civil-military relations would be celebrated as an accomplishment of democratic consolidation, neither the United States nor Taiwan has the luxury of waiting for the island to overcome its democratic

growing pains. The United States has an interest in Taiwan improving its defense capability in short order.

The United States also has an interest in an environment conducive to Taiwan's acceleration of its force modernization plans and readiness. Washington must do all it can to push Taiwan to improve its defense capability with the utmost speed. In doing so, the United States has two priorities. First, it must provide the weapons and equipment Taiwan needs to defend itself, and it must work with Taiwan's military to advance and improve its capability rapidly. Second, the United States must prepare itself to help Taiwan resist PRC coercion should U.S. leaders decide to do so.⁴ Both of these tasks require authoritative and institutionalized dialogue between top military and civilian leaders in Taipei and Washington.

While Washington has relaxed some restrictions on defense relations with Taipei and thereby improved the defense dialogue, the relationship is still too inhibited by decades-old limitations. Just as with other security partners, Washington needs to send general and flag officers and their civilian counterparts to Taiwan to assess the security situation, to speak authoritatively with Taiwan's civilian and military leadership, and to reach the highest echelons of power back in Washington. Washington can no longer afford to live by self-imposed restrictions devised in the 1970s to deal with this critical military flash point.

The absence of authoritative dialogue has contributed to the confusion and insufficient prioritization in Taiwan's defense planning. Taiwan's defense establishment has received mixed messages about what to prioritize. Given this situation, Taipei harbors lingering doubts about U.S. willingness to intervene on its behalf. Taipei seems to be planning to fight by itself should the need arise. Washington and Taipei must speak frequently and authoritatively about strategies of deterrence and defense to avoid dangerous miscommunication should a conflict arise.

Taiwan has made clear its broad defense policy: first, deterring China through defense or denial of PRC objectives at a high cost to the PRC; second, internationalizing the cross-Strait issue; and third, avoiding miscalculation and misperception across

the strait through dialogue and threat-reduction measures. Taiwan's defense establishment, however, is still debating the best ways to achieve these goals.

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Taipei and Washington should devise a joint agenda for Taiwan's defense, one that prioritizes Taiwan's defense investments and effort, leads to a division of labor between Taiwan and the United States, and sets milestones for both countries to meet. The document should be agreed upon by the top political and military leaders in both capitals and should include greater resources to civil and homeland defense in Taiwan. Furthermore, the agenda must move away from discussion of specific systems and toward the creation of specific capabilities, including ways Taiwan can fit into the U.S. military strategy for the region by increasing Taiwan's missile defense and sensor, antisubmarine warfare, and humanitarian and search-and-rescue capabilities. In addition, the United States stands to benefit a great deal from enhancing intelligence-gathering, by using Taiwan's linguistic and cultural advantages.

Taiwan's calls for greater defense-industrial cooperation can also be turned to mutual bilateral advantage. Many of the challenges Taiwan faces are similar to those currently facing the United States. These common tests provide opportunities for

cooperation between the two militaries. The cruise missile threat and the antisubmarine warfare problem, for example, have not been met satisfactorily anywhere. The two defense establishments should work together to come up with innovative ways to defend against cruise missiles.

Economics and Trade

The United States and Taiwan can strengthen their economic ties to the benefit of both economies. The two economies already share a strong partnership, but as Taiwan's leadership in computer components and next-generation telecommunications technology indicates, there is much room for further growth.

Taiwan's economic growth over the past decades provides an example for developing countries worldwide. Taiwan is called by many economic observers "a hidden center of the global economy," acting as a middleman between U.S. companies and the mainland's assembly plants in both computer components and telecommunications equipment. Taiwan's success is rooted in a deep bench of high-tech talent fostered by an entrepreneurial culture and company partnerships with leading international technological universities.

The United States thus has significant economic interests in the continued prosperity of Taiwan's high-tech sector. America must also deter any disruption to the flow of commerce through Taiwan—including deterring aggressive action by the PRC. With global computer manufacturing dependent upon Taiwanese components, a PRC attack on Taiwan—or even PRC intimidation and coercion—could potentially shut down the global information technology supply chain for months as manufacturers seek to replace their primary suppliers. It may be nearly impossible to find alternative suppliers with the same skills as Taiwanese businesses.⁵

Today, the Taiwanese economy continues to grow at a rate of 4 percent per year. The environment for foreign direct investment is attractive to foreign capital pursuing large investments in Taiwan's technology sector or other avenues of entry into the Chinese

economy. The banking industry, in particular, could prove strategically valuable as the Chinese banking sector liberalizes. Foreign investors in the banking industry thus have the opportunity to serve both the Taiwan banking sector and, potentially, many of the 70,000 Taiwanese companies doing business in the PRC.

Foreign businesses, however, still face a tough regulatory environment. Taiwan slipped in the World Economic Forum's (WEF) Global Competitiveness Index from thirteenth most competitive economy in 2006 to fourteenth in 2007.⁶ According to both the WEF and the Heritage Foundation/*Wall Street Journal* Index of Economic Freedom, Taiwan has made much progress but could benefit from more liberalization in its financial sector.⁷ The WEF also identifies bureaucratic inefficiency and "political instability"—by which it means partisan gridlock—as key weaknesses. Taiwan shines, however, in education, training, "technological readiness," business sophistication, and innovation.

Another key weakness in the economy includes the lack of awareness in the United States of even greater business opportunities in the Taiwan market. And Taiwan is missing out on major opportunities to become a launch pad into the mainland Chinese market for international businesses. Taiwan can assuage its own concerns about exporting sensitive technologies to the PRC by harmonizing its export control policies with those of the United States and by strengthening its legislative and enforcement mechanisms for safeguarding against illicit third-party tech transfers.

Most importantly, the host of proposed regional economic agreements that has emerged in recent years threatens Taiwan's continued economic health. China's activism in working to establish free trade agreements (FTAs) with a number of members of the Association of South East Asian Nations deliberately excludes Taiwan from a potential new regional supply chain. The PRC is also attempting to downgrade the importance of the Asia Pacific Economic Cooperation (APEC), the one Asia-Pacific institution of which Taiwan is a part (and another potentially useful platform for a regional FTA). Similarly, America's potential

conclusion of an FTA with South Korea puts substantial pressure on Taiwanese companies because of the complementarity of the two economies.

A U.S.-Taiwan FTA combined with liberalizing Taiwanese investment in the mainland could provide substantial benefits to the U.S. and Taiwanese economies and to mainland companies.

If Taiwan skillfully manages its economic policies, it could have an even brighter economic future. Although the current political environment in the United States is hostile to any new FTAs (and surely an FTA with Taiwan would carry additional complications), completing a U.S.-Taiwan FTA should be a shared goal. A U.S.-Taiwan FTA combined with liberalizing Taiwanese investment in the mainland could provide substantial benefits to the U.S. and Taiwanese economies and to mainland companies. Taiwan enjoys a global advantage in producing high-tech components in the computer and telecommunications sectors and has cultural and linguistic advantages in running its lower-tech assembly plants in the PRC. A U.S.-Taiwan FTA would also be consistent with America's view that Asia's economic future should be inclusive and focused on general economic welfare, not on the development of exclusive economic and political arrangements.

A U.S.-Taiwan FTA would have bilateral economic and strategic benefits, and it could also provide economic benefits to the region by fostering inter-Asian trade liberalization. U.S. action could have a positive domino effect on other countries, such as Japan, that do not want to see Taiwan excluded from Asian economic arrangements for both economic and political reasons. Some have dismissed an FTA with Taiwan by saying that Taiwan is not "ready" for an FTA, or by calling it a "political" exercise. Both arguments are tenuous. Taiwan's economy is ripe for an FTA, as it has improved upon intellectual property protection and many other issues that have caused concern in the

past. Moreover, even "political" FTAs can have merit, as the United States has demonstrated in its FTAs with Oman, Jordan, and Morocco, whose economies do not offer the United States nearly as much as does Taiwan's. Taiwan's entry into the World Trade Organization has already provided a framework for concluding a bilateral FTA. The United States would not be breaking any new political or legal ground, as Taiwan has already been designated an economic entity for trade purposes. A bilateral FTA is a win-win proposition for both parties.

Nontraditional Security

Taiwan has much to offer the international community in defeating and responding to nontraditional threats such as cyber-attacks, terrorism, weapons trafficking and proliferation, and natural disasters.

At U.S. urging, in 2004, Taiwan created a homeland security office in its Executive Yuan. The office, composed of detailees from across the government, is charged with coordinating homeland defense efforts in case of an enemy attack, including the protection of critical infrastructure and drafting and coordinating continuity-of-government and operations plans. In addition, the office is charged with coordinating Taiwan-wide efforts to deal with transnational threats like proliferation; narco- and human trafficking; and the financing of terror, proliferation, and criminal networks. The Executive Yuan is also in charge of coordinating responses to natural disasters and epidemics such as SARS and avian flu.

Since 9/11, Taiwan has been a real partner in global counterterrorism, counternarcotics, and counterproliferation efforts. Taiwan has implemented all of the counterterrorism measures called for by the post-9/11 United Nations Security Council Resolution 1373, and, though not allowed to join the Proliferation Security Initiative, Taiwan has contributed nonetheless to that regime's objectives. Taiwanese security officials have stopped the transit of weapons of mass destruction by foreign governments through Taiwan's ports. The Port of Kaohsiung is Asia's fourth-busiest and is a full participant

in the Container Security Initiative (earning high marks from the United States for its procedures), and it is becoming fully compliant in the Megaports Initiative to screen ocean-going cargo ships.

Taiwan's homeland security office currently enjoys only a modest relationship with the U.S. government and, because of Beijing's pressure, almost no relationship with regional and international players. Improving these links, particularly with the United States, would help ensure Taiwan's continued status as a center of excellence in counterterrorism, counterproliferation, and counternarcotics.

Similarly, the United States and its regional allies could benefit from a more robust Taiwanese Coast Guard Administration able to conduct the three "counter-" missions, as well as search-and-rescue missions in and around the Strait, one of the world's busiest waterways. The coast guard has been effective in fighting drug smuggling, but it could benefit from more contact with advanced coast guards and from technological improvements such as the ability to conduct persistent surveillance in its waters.

The ROC has been the most frequent target of increasing PRC cyber-attacks and has developed capabilities to defend itself. Taiwan could leverage its experience in computer network defense to improve the abilities of similarly targeted countries. As a leader in the global IT sector, Taiwan could, without much difficulty, create a rapid response team for deployment to affected countries.

Soft Power

Taiwan's other great strength is its "soft power," including its world-class public health system, generous international aid and development programs, humanitarian relief efforts, leadership in democracy promotion, and energy and environmental programs. A positive bilateral agenda would capitalize upon these strengths and assist Taiwan in contributing all it can to the international community.

A U.S.-Taiwan common agenda on public health issues would recognize that infectious diseases that originate or pass through Taiwan affect the well-

being of Americans. Since Taiwan is a major center of international commerce and travel, it is particularly vulnerable to the spread of pandemics and other diseases. In 2006 alone, 1.3 million Taiwanese visited Southeast Asia, and Taiwanese made over 4 million trips to the PRC, both original sources of pandemics. Travel to Taiwan from other parts of mainland Asia was equally high. Despite the risks of the spread of communicable diseases from and to Taiwan, the island is not a member of the World Health Organization (WHO) and its disease-surveillance systems.

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The SARS outbreak of 2003 underscored the dangers of that segregation. Taiwan had to fight the disease's outbreak largely in isolation, ignorant of what international best practices for the disease's treatment were at the time. As a result, Taiwan reported the third-largest number of deaths from SARS worldwide. As Taiwan was not linked in to the WHO response-planning system—WHO did not act on a direct request from Taiwan for assistance in 2003—it asked for and received help from the U.S. Centers for Disease Control and Prevention (CDC). The CDC reported that Taiwan's response was "swift and comprehensive," despite major gaps in knowledge about the first infectious disease epidemic of the twenty-first century. According to the CDC:

Hospitals and medical centers island-wide renovated their facilities rapidly or constructed new patient treatment facilities to contain and treat known or suspected SARS patients. Healthcare workers learned to use personal protective equipment in a far more judicious and extensive manner than they

were accustomed to. Large scale retraining and reassignment of thousands of healthcare personnel was also required.⁸

Taiwan's rapid response and its ad hoc bilateral relationship with the CDC prevented the SARS outbreak from causing more fatalities in Taiwan or elsewhere. While bilateral cooperation worked in this instance, Taiwan's public health officials were in the dark as to the severity and spread of the diseases in other locations. The world may not get off so easily the next time an infectious disease spreads. Taiwan's isolation from the international public health system, resulting solely from Beijing's political pressure, is a danger to the welfare of Americans.

Apart from the unacceptable risk it poses to global public health, Taiwan's isolation prevents it from aiding other countries in their responses to infectious diseases. Taiwan has been vigilant in preparing for a possible avian flu pandemic, designating hospitals for sampling and putting into place response plans at the national and local levels. Were it integrated into the global health community, it is likely that other countries would stand to gain much from Taiwan's help in replicating those efforts. Because of Beijing's pressure, however, the developing world is not enjoying the full benefits of Taiwan's scientific and public health expertise. Beijing uses its diplomatic power not only to keep Taiwan out of WHO, but also to exclude the island from functional meetings such as the WHO Conference on the Health Aspects of the Tsunami Disaster in Asia—held in Thailand in May 2006—and a jointly sponsored World Bank, European Union, and PRC conference on avian and other pandemic flus in January 2006.

In fact, Beijing has inserted itself into the WHO notification process, meaning that the PRC is responsible for informing Taiwan of all global health communiqués transmitted by that organization. The costs of this process, unsurprisingly, are high. As recently as September 2007, Beijing failed to inform Taiwan in a timely manner that it might be at risk of receiving a contaminated supply of Thai baby corn. The Centre for Disease Control in Taiwan reportedly received a facsimile from Beijing two weeks after the

notification had been issued by WHO. In a globalized world in which diseases can spread beyond containment efforts within hours, a communication breakdown of that magnitude places populations in unnecessary danger.

Taiwan's International Cooperation and Development Fund (TaiwanICDF) is the prime agency assigned to international development. It provides financing and aid for projects in the developing world, primarily to countries that recognize Taiwan. It also sends medical assistance missions and provides technical assistance in agriculture, industrial development, and fisheries to developing countries. While TaiwanICDF's development efforts are admirable, its reluctance to delve into good governance issues prevents closer collaboration with American and European aid institutions and frustrates Australia.

Despite its isolation, Taiwan's world-class public health system has been able to come to the aid of poorer countries. Taiwan's Ministry of Health has made international assistance a key mission area. It works in conjunction with TaiwanICDF and the International Health Action program to coordinate the work of the Ministry of Health, TaiwanICDF, emergency response agencies, nongovernmental organization (NGOs), and hospitals. Taiwan has provided health and medical assistance around the world, from Kyrgyzstan to the Philippines—and not only to countries that recognize Taiwan. In 2006 alone, the Taiwanese government delivered emergency kits to the Philippines after its February mudslide and sent emergency medical teams to Indonesia after its May earthquake and to Kenya after serious floods in December.

Under this program, Taiwan's health experts have assisted with AIDS eradication in Malawi and sent medical teams to assist with diabetes problems in the South Pacific. Taiwan has hosted major international conferences on HIV/AIDS and has opened a command center for dengue fever. Taiwan has also created an innovative program leveraging its technological skill called the E-Ambulance, which equips paramedics with the ability to transmit instantaneously images and vital statistics and receive rapid online instructions from medical centers.

Taiwanese NGOs and government agencies have also gained broad experience in responding to natural disasters, as Taiwan is one of the world's most vulnerable places to typhoons and earthquakes. The Taipei city government set up the Taipei City Urban Search and Rescue Team in 2000, which works alongside the cabinet-level National Fire Agency and National Science and Technology Center for Disaster Reduction to carry out the policies of the National Disaster Prevention and Protection Commission. Taiwan can now successfully employ technology to analyze information about the concentration of water in and routes of potential typhoons, which has already saved lives in Taiwan. Taiwan's disaster-response teams have been deployed to El Salvador, Iran, and Indonesia in times of crisis. Unfortunately, Taiwan has encountered a number of complications in its attempts to transport teams to other disaster sites, as the PRC pressures countries to prohibit official transports from Taiwan. In addition, Taiwan's relief organizations do not have proper airlift capabilities that would help them reach affected areas sooner.

Both Washington and Taipei should be enormously proud of Taiwan's peaceful transition to a democracy, and that pride should be the cornerstone of the bilateral relationship.

Some of the world's largest and most impressive aid NGOs are based in Taiwan. For example, the Tzu Chi Foundation has arranged the largest number of bone marrow transplants in Asia and has provided food, clothes, and other relief to flood victims in Bangladesh and China, drought and war victims in Ethiopia, and genocide victims in Rwanda. It has participated in earthquake relief in El Salvador and Indonesia; has built earthquake-resistant homes in India; and has provided food, shelter, and care to victims of Hurricane Katrina and relief workers at Ground Zero after the 9/11 attacks in New York City.

These successes provide a strong foundation for a common U.S.-Taiwan agenda on global public health and humanitarian relief.

A U.S.-Taiwan common agenda on energy and the environment would also be mutually beneficial. Taiwan has made great strides in mitigating the effects of its substantial carbon dioxide emissions and now ranks twenty-fourth overall in the 2006 Environmental Performance Index.⁹ Though Taiwan has not been allowed to participate in global environmental policy forums, it has modeled its own environmental action plans on such international standards as those of the World Summit for Sustainable Development in 2002.¹⁰

Taiwan is moving to reduce its carbon dioxide emissions by increasing its consumption of liquefied natural gas; employing clean coal technologies; and investing in renewable sources of energy, such as solar, wind, hydroelectric, and geothermal power. Given Taiwan's technological prowess, it is likely that it will contribute to breakthroughs in clean coal or renewable energy. Taiwan should be encouraged in these efforts and supported in its attempts to share its plans and progress with the international community.

A common agenda on democracy promotion can help advance U.S. and Taiwanese goals of helping spread and consolidate democracy in the Asia-Pacific region. In many ways, Taiwan is the regional leader in democracy promotion, having evolved from being a recipient of democracy aid to a provider. Both Washington and Taipei should be enormously proud of Taiwan's peaceful transition to a democracy, and that pride should be the cornerstone of the bilateral relationship.

The Taiwan Foundation for Democracy (TFD) is the only Asia-Pacific equivalent of the National Endowment for Democracy, sponsoring academic research and providing grants to regional NGOs. Taiwan also actively participates in and has helped to support the World Forum for Democratization in Asia, an umbrella organization through which democracy activists can share information and receive support from the international community.

The TFD is severely underfunded, however, and lacks a field-based operation that can help spread

the lessons of Taiwan's peaceful transition to young democracies. Through the TFD, and perhaps through other organizations, Taiwan could shape a generation of democracy field workers who can go to other countries to mentor their counterparts and share experiences.

Taiwan is also home to a vibrant NGO community supporting a diverse array of good-governance activities and charitable works. There is much more that Taiwan's NGOs can do, however, to become more international in focus and to share Taiwan's democratization experiences with other emerging democracies. Many of Taiwan's top NGOs do not establish international links through the burgeoning community of online democracy activists since many do not even have English-language (let alone Japanese, Bahasa, or French) websites. Internet searches thus far do not turn up information on Taiwan's flourishing democracy promotion community and the opportunities Taiwan offers in the areas of charitable work, youth programs, and grant-making. This problem, which can be easily remedied, leaves Taiwan even more isolated from international civil society.

At the governmental level, the ROC does not make democracy promotion central to its foreign policy. The Ministry of Foreign Affairs (MOFA) is understandably focused on maintaining diplomatic relations with the twenty-four countries that recognize Taiwan, and on sustaining relations with the United States and Japan. There is currently no bureau inside MOFA that could better support democracy promotion efforts or efforts to address human rights abuses around the world.

The ROC can shift its foreign policy focus toward participation in democracy forums, establishing good relations with other democracies, and engaging in public diplomacy explaining Taiwan's democratic achievements to the world. Taiwan has encountered difficulties in publicizing and letting

others fully benefit from its good works. There is little, if any, coordination among TaiwanICDF, MOFA, TFD, Taipei Economic and Cultural Representative Offices (the de facto embassies the ROC has throughout the world), the Government Information Office, and various NGOs. While NGOs and the Taiwan government should operate separately, government offices throughout the world can advertise Taiwan as the "Land of Entrepreneurship, Liberty, and Democracy."

The ROC can shift its foreign policy focus toward participation in democracy forums, establishing good relations with other democracies, and engaging in public diplomacy explaining Taiwan's democratic achievements to the world.

Shifting from competing in a losing game of "dollar diplomacy" with the PRC to a foreign policy based on relations with democracies will also improve Taiwan's relations with countries inclined to be friendly to Taiwan. For example, Australia sees the benefit to the Pacific Rim of a flourishing Taiwan, but its image of Taiwan has soured as a consequence of the ROC's dollar diplomacy in the South Pacific. A common agenda on democracy promotion can accomplish a number of bilateral goals: first, Taiwan's identity becoming synonymous with a successful Asian democracy, helping others make similar achievements; and second, a U.S. interest in Taiwan taking an even greater role in fostering and sustaining democratic institutions around the world. Taiwan can contribute resources and share its unique and laudable recent experience of rapid, peaceful democratic transformation.

U.S.-Taiwan Interaction

A U.S.-Taiwan common agenda requires better, more routine high-level contact. Given the stakes for Washington, the asymmetry of communication—relatively junior U.S. officials carrying messages to Taiwan’s president—no longer serves U.S. interests and may very well be dangerous. The current Bush administration has taken a step backward in its exchanges with the ROC. In previous administrations, the secretaries of energy and commerce and the U.S. trade representative have visited Taiwan. In the past several years, not a single cabinet member or other high-level official has visited Taiwan. Washington’s move backward in its relations with Taiwan are not only unworthy of a democratic friend, they are also dangerous. Absent frequent authoritative contact, small crises grow and misunderstandings multiply. Given the volatility of the situation in the Taiwan Strait, this does not serve the interests of the ROC, the United States, or the PRC.

While directors of the American Institute in Taiwan do the best job a de facto ambassador can do, frequent high-level contact is also needed. Better communication serves Beijing’s interest in cross-Strait stability as well. The U.S. secretary of state should be able to call his or her counterpart in Taiwan to clarify American positions, understand Taiwan’s policies firsthand, and create a climate of mutual trust.

With regard to defense, Taiwan has already been deemed a normal security partner and is to be treated as a non-NATO ally.¹¹ The Department of Defense should use all the tools at its disposal to help Taiwan improve its defense capabilities rapidly and to improve interoperability in case the two militaries ever need to operate together. Self-imposed bans on general and flag officer travel to Taiwan, a relic of the 1970s, should be removed. The United States should create an authoritative dialogue similar to those it has with other partners, complete with priorities and

milestones to achieve common objectives for Taiwan’s defense and regional security. Taiwan is a flash point for war, and the United States must use all means of communication, diplomacy, training, and exchange to avert such a catastrophic prospect.

Moreover, Washington’s recent handling of presidential transits and Taiwan’s high-level visits has created a backlash in Taiwan which could, over time, lead to a loss of U.S. leverage and influence. These restrictions are also inappropriate, given Taiwan’s political evolution and success. Taiwan’s president has been denied the ability to transit New York since 2003, despite at least four specific requests to do so. But Iranian president Mahmoud Ahmadinejad was recently received in New York to attend events at the United Nations and deliver a speech at Columbia University. Similarly, according to U.S. guidelines, Taiwanese reporters are prohibited from filing stories during a transit, a hypocritical restriction given U.S. government criticism of other governments’ limitations on press freedoms.

U.S.-imposed constraints also suffer from inconsistencies that call into question the credibility of the overall guidelines. Why are Taiwanese officials banned from the State Department altogether while representatives of the ROC government are credentialed and issued badges to roam the Pentagon freely? Why does the U.S. government allow cabinet-level visits to Taiwan from certain agencies, but not even deputy assistant secretary-level visits from others?

While there may be practical reasons to sustain a systemic and centralized method to exercise oversight with respect to the frequency, level, and manner in which the U.S. government interacts with Taiwanese officials, the downsides associated with tight constraints are apparent. The United States should move toward greater flexibility in its interactions with Taiwan.

Cross-Strait Issues: Not Zero-Sum

A common agenda with Taiwan can not only exist within the existing cross-Strait framework, but also strengthen it. If Taiwan expands its international personality and works on a positive global agenda with the United States, Washington is more likely to convince Taipei to put more intractable issues aside. Although the PRC will undoubtedly have trouble accepting a Taiwan with bigger regional and international profiles, the United States must demonstrate that such a policy serves Beijing's interest in peaceful resolution of the cross-Strait issue.

Washington must begin by ending PRC expectations that it can “deliver” Taiwan. In a December 9, 2003, statement, President George W. Bush (with PRC premier Wen Jiabao at his side) chided ROC president Chen Shui-bian for opening a door for the PRC that Washington must close again. Beijing should talk directly to Taipei about its disagreements and not pressure Washington to pressure the Taiwanese government. America should make clear to Beijing that it has interests in the continued freedom of the Taiwanese people to decide their own fate and the peaceful resolution of cross-Strait differences. More importantly, the United States must demonstrate that its agenda with Taiwan reflects these interests.

The PRC must understand that a more confident Taiwan contributing to international life serves common interests in regional stability and prosperity. Taipei will likely formulate policies that are in the interests of all three players, such as raising caps on investment in the PRC. A more integrated Taiwan that can share its successes with the rest of the world will be less inclined to force the thorniest cross-Strait disputes to the fore. Washington should not allow any country to define cross-Strait relations in

zero-sum terms. What is good for Taiwan can be good for the PRC as well.

A U.S.-Taiwan common agenda is needed now more than ever. The relationship is dangerously drifting, which carries the potential for harming U.S. interests. Beijing is using diplomatic isolation and the threat of military force to pressure Taiwan into an unfavorable settlement, and Taiwan is reacting by forcing intractable disputes to the front of the debate.

A common agenda with Taiwan can not only exist within the existing cross-Strait framework, but also strengthen it.

The United States has been reacting by trying to punish or pressure Taiwan to “stand down” at the expense of its own long-term interests. This dynamic is not sustainable. Taiwan will either cave in to pressure in ways that harm long-term U.S. interests or embark on a more dangerous course. Beijing will continue to pressure both Washington and Taipei and miscalculate that the United States has abandoned Taiwan. The way out of this cycle is a positive bilateral agenda that capitalizes on Taiwan's many strengths—economic, “soft power,” technological—to help it continue to contribute to the international community. As it embraces a common agenda, Taiwan will strengthen its international identity as a responsible stakeholder and face less temptation to press issues that cannot now be resolved. The United States—and the entire Asia-Pacific region—would benefit from more stability in the Strait and from contributions to its global agenda.

Recommendations

Recommendations for Taiwan (Unilateral)

Economics and Trade

- Undertake further deregulation policies that promote the stability of the economic environment and the liberalization of key sectors to increase foreign investment and reduce redundancy in Taiwan's critical infrastructure.
- Develop programs in centers of investment and finance, such as New York and London, to promote greater investment in Taiwan and highlight the island's favorable investment environment, as Japan and Dubai have done.
- Promote Taiwan and Taiwanese companies as responsible global actors (for example, a "terror free" investment climate and superior product quality and safety) to highlight Taiwan as an investment opportunity zone and differentiate between Taiwan and the PRC.
- Lift caps on investment in the PRC in conjunction with a U.S.-Taiwan Free Trade Agreement. This policy would be part of an economic strategy that capitalizes on Taiwan's market advantage in producing the most innovative high-tech products and on its cultural advantages in doing business in China.

Democracy Agenda

- Make democracy promotion more central to Taiwan's foreign policy and engage in public diplomacy to highlight Taiwan's greatest asset: its strong democracy.
- Translate Taiwan's experiences into a "democracy promotion agenda" with programs that send field workers abroad to work in newly democratic countries. Invite civil servants from transitioning democracies to observe Taiwan's democratic processes.
- Substantially increase funding for the Taiwan Foundation for Democracy. Avenues to promote democracy must be identified and given sufficient resources.
- Facilitate NGOs' increased connectivity with the rest of the world by encouraging the deployment of English-language websites at all key NGOs.

Public Health, Aid, and Disaster Relief

- Continue to make Taiwan a center for excellence in disease control and natural-disaster response. This requires military support for a military hospital ship and airlift capabilities to transport public health, medical, and disaster relief experts to disaster and public health emergency sites around the world quickly.

- Align development and aid programs with good governance goals now typical of respected aid institutions.

Nontraditional Security

- Build upon success in international law enforcement, counterproliferation, and counternarcotics.
 - The Taiwan Coast Guard and Navy should invest in maritime domain awareness and persistent surveillance to help plug gaps in U.S. and international counterproliferation and counternarcotics activities.
- Build a cadre of cyber-warfare and computer network defense specialists that can be rapidly deployed overseas to provide timely assistance.
- Achieve regional excellence in disaster relief and search-and-rescue operations.

Military

- Increase defense spending to improve the funding of critical mission areas such as homeland defense, antisubmarine warfare, and air and missile defense.
 - Many of these challenges can be met through low-tech means: better security at key military and civilian installations, better special-forces and counterintelligence operations against Chinese agents inside Taiwan, more robust civil defense operations to make the price of entry into Taiwan higher, and continued strides in building a professional non-commissioned officer corps.

- Improve intelligence collection and sharing with the United States and such key partners as Japan, including open-source exchanges at nongovernmental levels. Taiwanese experts have unique advantages in understanding regional challenges.

- Create and fund a professional staff of defense experts in the Legislative Yuan (LY) able to assess military acquisition, procurement, and strategy.
- Create incentives for the private sector to participate in military research and development as well as competitive procurement.
- Assign an annual percentage of the National Science Council's and the Chunghwa Institute of Science and Technology's research and development dollars to industry partnerships between Taiwanese and U.S. companies. Taiwan's technology companies have unique strengths that need to be freed and capitalized upon through full inclusion in the research and development of new security technologies.

Political and Diplomatic Issues

- Prioritize "soft power" over dollar diplomacy to improve Taiwan's image with countries inclined to friendly relations, such as Australia and New Zealand.
- Send high-caliber diplomats to deal with the U.S. Congress at the member and staff levels. Taiwan must make a combined effort to prioritize agenda items, coordinate efforts among private groups working on Taiwan-related issues, and focus delegations on issues related to a common agenda (for example, military site visits, homeland security-related visits, and visits

with democracy promotion and humanitarian agencies and groups).

- Fund and create a professional staff in the LY, particularly in the LY Defense Committee.

Recommendations for the United States (Unilateral)

Institutional Issues

- Liberalize restrictions on political interactions to improve the quality and authority of communications. Allow Taiwan's leaders to travel to Washington to communicate directly with their American counterparts, and allow more senior officials from the U.S. government to visit Taiwan.
- Expand functional interactions on the cabinet level.
 - Increase relationships with Taiwan's Office of Homeland Security to ensure that Taiwan officials have regular contact with their counterparts in the U.S. Department of Homeland Security, intelligence agencies, and the U.S. Department Health and Human Services.
 - Promote opportunities for Taiwan government personnel to spend time at U.S. agencies through a civil service exchange program.
- Create a U.S.-Taiwan defense relationship steering group headed by the secretary of defense to oversee military-to-military interactions, push Taiwan to advance its defense capabilities, improve interoperability, and push the U.S. bureaucracy to implement such agreed-upon programs as the diesel submarine program.

Economic and Trade

- Reenergize APEC as a counterweight to economic arrangements that exclude Taiwan.
- Create a roadmap to an FTA and an investment treaty, and prioritize the signing of a U.S.-Taiwan FTA.

Political and Diplomatic Issues

- Disconnect Taiwan from U.S.-PRC policy to the greatest extent possible. Rather than treating it as a subset, the U.S.-Taiwan relationship should have its own agenda.
- Implement a values-based regional organization—as announced by President Bush at the 2007 APEC summit—that Taiwan can join. Asia is notoriously lacking such an organization, despite major strides towards democratization. Such an organization can help the democracies of the region consolidate and work on common problems. Taiwan, already a leader in this area, can be a vital asset and source of knowledge.
- Increase AIT's Fulbright and visitors' program budget to make up for the unfortunate decline in opportunities for Taiwanese to engage broadly with international society.
- Encourage allied and partner countries to accept Taiwanese humanitarian aid, democracy support, and public health assistance.
- Encourage other countries to include Taiwan in international civic life on issues of environmental degradation, clean energy, public health, democracy and human rights, and economic relations.

Recommendations for a Bilateral Agenda

At the beginning of a new U.S. administration, the secretaries of state and defense and their Taiwan counterparts should announce a common agenda that will include

- Goals and priorities for the defense relationship, focusing on four capabilities to be overseen by the secretary of defense and his Taiwan counterpart:
 - Homeland defense, including resiliency, survivability, and internal security
 - Anti-submarine warfare
 - Air and missile defense
 - Search-and-rescue, disaster, and humanitarian aid
- A roadmap to investment, tax, and free trade agreements with Taiwan
- A plan for Taiwan's greater involvement in the global public health system
- Joint goals and plans for democracy promotion:
 - Taiwanese field workers in young democracies
 - Priorities for the financing of NGOs and political parties
- Cooperation on green technologies and renewable energy
- Joint planning and preparation for international disaster relief
- Joint goals and objectives for counterproliferation, counternarcotics, anti-money laundering and anti-terrorist financing efforts
- Interparliamentary exchanges and interactions using the template provided by the U.S. Congress's relationship with the PRC's National People's Congress

Notes

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About the Taiwan Policy Working Group

The Taiwan Policy Working Group first convened in January 2007 to discuss the current status of U.S.-Taiwan political, military, and economic relations. Troubled by the downward trend the relationship had taken in recent years, the group resolved to investigate areas in which a more positive and more productive agenda might be forged. To this end, the group met over the course of the next year to discuss such common interests as regional security, the environment, public health, transnational security

threats, democracy, and, of course, the cross-Strait relationship.

Members and observers of the working group traveled twice to Taiwan to interview government officials, academics, business leaders, and NGO workers to assess the current level of U.S.-Taiwan interaction and determine how it might be qualitatively improved.

This report presents the findings of those meetings and research trips.

Biographies of Members

Codirectors:

Dan Blumenthal joined AEI in November 2004 as a resident fellow in Asian studies. He has served on the U.S.-China Economic and Security Review Commission since 2005, serving as vice chairman in 2007, and as a member of the academic advisory board for the Congressional U.S.-China Working Group. Previously, Mr. Blumenthal was senior director for China, Taiwan, and Mongolia in the Office of the Secretary of Defense for International Security Affairs during the first George W. Bush administration. In addition to writing for AEI's *Asian Outlook* series, he has written articles and op-eds for the *Washington Post*, the *Wall Street Journal*, *The Weekly Standard*, *National Review*, and numerous edited volumes. He is currently working on a book that will examine divides within the China policymaking community.

Randall Schriver is a founding partner of Armitage International LLC and a senior associate at the Center for Strategic and International Studies. He served as deputy assistant secretary of state for East Asian and Pacific affairs from 2003 to 2005 and as chief of staff and senior policy advisor to then-deputy secretary of state Richard Armitage from 2001 to 2003. Prior to his work at the State Department, he was an independent consultant and a visiting fellow at the Center for Strategic and International Studies. He served in the Office of the Secretary of Defense as a presidential management fellow from 1994 to 1998. Mr. Schriver has also served as an active-duty naval intelligence officer. He was on the Bush-Cheney Defense Transition Team and was a member of the Asia policy team for the Bush-Cheney campaign in 2000. He has won numerous military and civilian awards from the U.S. government and was recently presented with the

Order of the Propitious Clouds by the president of Taiwan for promoting U.S.-Taiwan relations.

Members:

Claude Barfield is a resident scholar at AEI. He is the author or editor of a number of books on trade and science policy, including *Free Trade, Sovereignty, Democracy: The Future of the World Trade Organization* (AEI Press, 2001). In 1999, he coauthored *Tiger by the Tail: China and the World Trade Organization* (AEI Press) with Mark Groombridge. Before coming to AEI, he served in the Ford administration, on the staff of the Senate Governmental Affairs Committee, and as a co-staff director of the President's Commission for a National Agenda for the Eighties.

Derek Chollet is a senior fellow at the Center for a New American Security, where he works on a variety of issues related to U.S. foreign policy and national security strategy. He is also a nonresident fellow in the Brookings Institution's Global Economy and Development Program and an adjunct associate professor at Georgetown University. Previously, he was a foreign policy adviser to former senator John Edwards (D-N.C.), both on his legislative staff and during the 2004 Kerry/Edwards presidential campaign. During the Clinton administration, he served in the U.S. State Department in several capacities, including chief speechwriter for Richard Holbrooke (then-U.S. ambassador to the United Nations) and special adviser to Strobe Talbott (then-deputy secretary of state). Mr. Chollet has been a fellow at the Center for Strategic and International Studies, a fellow at the American Academy in Berlin, and a visiting scholar and adjunct professor at George Washington University. He is the author of *The Road to the Dayton Accords: A Study of American Statecraft* (Palgrave

Macmillan, 2005), and his commentaries and reviews on U.S. foreign policy and politics have appeared in the *Washington Post*, the *Los Angeles Times*, the *Financial Times*, *Washington Monthly*, and many other books and publications throughout the United States and Europe.

Louisa Greve is program director for East Asia at the National Endowment for Democracy, a grant-making foundation that supports democracy promotion and human rights organizations around the world. She served on the Amnesty International USA board of directors from 1993 to 1998 and as a volunteer China/Mongolia specialist from 1990 to 1999. As a term member of the Council on Foreign Relations, she was a participant in the 2001–2002 roundtable on “U.S. National Security: New Threats in a Changing World.” Ms. Greve has testified before several Congressional committees on human rights in China and democracy promotion in Asia and given numerous media interviews on human rights issues and democratic development in Asia. She has traveled, studied, and worked in China since 1980.

Christopher Griffin is a research fellow in Asian studies at AEI. Before joining the Institute in January 2005, he was a research assistant in the strategic studies department at the Johns Hopkins University School of Advanced International Studies. Since May 2006, Mr. Griffin has been an associate editor of *Armed Forces Journal*, for which he writes on defense-industrial issues and military blogs.

Rupert Hammond-Chambers was appointed president of the U.S.-Taiwan Business Council in 2000, in which capacity he has worked to develop the council's role as a partner for American businesses in Asia. Mr. Hammond-Chambers has worked for the council since October 1994, following an appointment as associate for development at the Center for Security Policy. He sits on the advisory boards of Redwood Partners International, the Sabatier Group, and the Pacific Star Fund. He is also a trustee of Fettes College and a member of the National Committee on United States–China Relations and the Council on Foreign Relations.

André Hollis is the vice president of Van Scoyoc Associates. He specializes in homeland security, homeland defense, and transnational threats. From 2001 to 2003, Mr. Hollis served as deputy assistant secretary of defense for counternarcotics. As the senior adviser to the secretary of defense for these projects, Mr. Hollis developed and managed the Pentagon's extensive domestic and international counternarcotics efforts. He was the senior Pentagon official responsible for efforts to train and equip security forces in Colombia, Afghanistan, Thailand, and throughout the United States. Prior to his appointment, Mr. Hollis was senior counsel for the House Government Reform Committee, which exercises oversight jurisdiction for all federal agencies. Before joining the committee staff, he served as a counsel to the House Commerce Committee. Prior to his service on Capitol Hill, he was in private practice as a trial attorney and lobbyist.

Michael Mitchell is a founding partner of Orion Strategies, LLC, a government relations and public advocacy firm founded in 2001. From 1988 to 1991, he served as a press secretary to Senator Mitch McConnell (R-Ky.), developing and implementing communications outreach programs to build coalitions in support of McConnell's legislative priorities. From 1991 to 1992, he was the director of legislative affairs in the Department of State's Office of International Narcotics Matters (now International Narcotics and Legal Affairs). From 1992 to 1999, he was a senior program officer at the International Republican Institute for central and Southeast Asia.

Gary J. Schmitt is a resident scholar at AEI, where he is director of the Program on Advanced Strategic Studies. Prior to coming to AEI, he helped found and served as executive director of the Project for the New American Century, a Washington-based foreign and defense policy think tank. Previously, he was a member of the professional staff of the Senate Select Committee on Intelligence and served as the committee's minority staff director. He was appointed by President Ronald Reagan to the post of executive director of the President's Foreign Intelligence Advisory Board. Mr.

Schmitt is the coeditor, with Thomas Donnelly, of *Of Men and Materiel: The Crisis in Military Resources* (AEI Press, 2007). He has written books and articles in a number of areas, including the American founding, the U.S. presidency, intelligence, and national security affairs.

Mark A. Stokes is the founder and president of Quantum Pacific Enterprises, an international consulting firm. Before founding Quantum Pacific, he served as vice president and Taiwan country manager for Raytheon International. He previously was executive vice president of Laifu Trading Company, a subsidiary of the Rehfeldt Group. Mr. Stokes also has been a senior associate at the Center for Strategic and International Studies and a member of the board of governors of the American Chamber of Commerce in Taiwan. He has been team chief and senior country director for the People's Republic of China, Taiwan, and Mongolia in the Office of the Assistant Secretary of Defense for International Security Affairs. Mr. Stokes served in the U.S. Air Force for twenty years, retiring with the grade of lieutenant colonel.

Observers:

Shirley Kan has been at the Congressional Research Service since 1990, where she writes policy analysis and provides a range of other legislative support to Congress as a specialist in Asian security affairs. She focuses on national security interests in U.S. policies toward the People's Republic of China and Taiwan. Her writings address policy concerns such as the challenges of weapons nonproliferation; counterterrorism; military-to-military contacts; the People's Liberation Army's arms acquisitions and missile buildup; U.S. security assistance for Taiwan's

self-defense; and the "one China" policy for managing cross-strait prosperity, peace, and stability. During the Taiwan Strait Crisis of 1995–1996, Ms. Kan directly supported the defense attaché at the U.S. embassy in Beijing, for which she received a Defense Department Special Achievement Award. While at the U.S. consulate in Shenyang in the summer of 1989, she reported on the pro-democracy movement and the political-military crisis.

Dana W. White is a professional staff member on the minority staff of the Senate Armed Services Committee, where she works for ranking member Senator John McCain (R-Ariz.). Ms. White joined the committee in April 2007. Her portfolio includes the U.S. Pacific Command, U.S. Africa Command, U.S. Southern Command, Pakistan, Afghanistan, and counterdrug and foreign military sales. Before joining the committee, Ms. White worked in Hong Kong as an editorial writer for the *Wall Street Journal*, where she focused on China, Taiwan, Pakistan, Thailand, and Afghanistan. Before joining the *Journal*, she was the China/Taiwan country director in the Office of the Secretary of Defense, where she managed the U.S.-Taiwan defense relationship, including arms sales, training, and bilateral discussions. Ms. White has also been the director of the Washington Roundtable for Asia-Pacific Press at the Heritage Foundation.

Rapporteur:

Laura Conniff is a research assistant in Asian studies at AEI and chair of the Asia Group of Young Professionals in Foreign Policy. She has studied in both China and Taiwan and worked as a research assistant at Academia Sinica. She graduated Phi Beta Kappa from Columbia University in East Asian studies.