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Taiwan: Defense and Military Issues

U.S. policy toward Taiwan has long prioritized the maintenance of peace and stability across the Taiwan Strait. To dissuade the People's Republic of China (PRC) from using force to try to gain control of self-governing Taiwan (which officially calls itself the Republic of China or ROC), the United States has supported Taiwan's military deterrence efforts. At the same time, the United States has been strengthening its ability to deter PRC military aggression in Asia. One challenge for the United States has been how to deepen military ties with Taiwan without triggering the conflict that U.S. policy seeks to prevent. See CRS In Focus IF10275, *Taiwan: Political and Security Issues*, for background on Taiwan's political status, the unofficial relationship between Taiwan and the United States, and the PRC's claim to sovereignty over Taiwan.

Taiwan's Security Situation

Advantages

Taiwan has a technologically advanced military that is tasked with deterring—and if necessary, defeating—PRC military aggression against the archipelago. Taiwan enjoys some strategic advantages, including geography and climate. The Taiwan Strait is 70 nautical miles (nm) wide at its narrowest point, and 220 nm wide at its widest. Extreme weather conditions make the Strait perilous to navigate at certain times of the year. Moreover, Taiwan's mountainous terrain and densely populated coastal areas are largely unsuitable for amphibious landing and invasion operations. Taiwan's defense budget is expanding nominally and as a share of gross domestic product; Taiwan's 2023 defense budget of around U.S. $24.6 billion represents nearly a 10% increase from 2022. To increase readiness, Taiwan's leaders are extending compulsory military service and looking to build robust civil defense capabilities. Taiwan's defense relationship with the United States (detailed below) confers political and military advantages as well.

Challenges

Taiwan faces an increasingly asymmetric power balance across the Strait. The Communist Party of China's military, the People's Liberation Army (PLA), has undergone a decades-long modernization program focused primarily on developing the capabilities needed to prevail in a conflict over Taiwan. Some observers assess that the PLA now is able, or will soon be able, to execute a range of military campaigns against Taiwan. The PLA trains for operations such as missile strikes, seizures of Taiwan's small outlying islands, blockades, and—the riskiest and most challenging campaign for the PLA—an amphibious landing and invasion of Taiwan's main island.

Taiwan also faces defense challenges at home. Civil-military relations are strained for historical, political, and bureaucratic reasons. The archipelago's energy, food, water, internet, and other critical infrastructure systems are vulnerable to external disruption. According to some observers, Taiwan's civil defense preparedness is insufficient, and Taiwan's military struggles to recruit, retain, and train personnel. At a societal level, it is not clear what costs—in terms of economic security, safety and security, and lives—Taiwan's people would be willing or able to bear in the face of possible PRC armed aggression.

In 2023, U.S. officials have said that a PRC invasion of Taiwan is "neither imminent nor inevitable." In February 2023, U.S. Central Intelligence Agency Director William J. Burns said that PRC leader Xi Jinping has instructed the PLA "to be ready by 2027 to conduct a successful invasion [of Taiwan]. Now that does not mean that he's decided to conduct an invasion in 2027 or any other year. But it's a reminder of the seriousness of his focus and his ambition." Previously, some U.S. officials had publicly cited specific years in the mid-2020s as possible target dates for a PLA attack on Taiwan, sparking alarm and reinvigorating debates among experts and policymakers about how to allocate limited time and resources to shore up Taiwan's resilience to PRC military aggression.

PRC Gray Zone Pressure Against Taiwan

Below the threshold of an all-out attack, the PLA currently is engaging in persistent, low-level, non-combat operations that analysts say are eroding Taiwan's military advantages and readiness. Such PLA "gray zone" actions include:

- large and increasingly complex exercises near Taiwan;
- near-daily PLA air operations in the vicinity of Taiwan, including frequent sorties across the so-called "median line," an informal north-south line bisecting the Strait that PLA aircraft rarely crossed prior to 2022;
- routine PLA naval patrols on Taiwan's side of the median line, some as close as 24 nm from Taiwan's main island; and
- unmanned combat aerial vehicle flights near and encircling Taiwan, and reported flights of unmanned aerial vehicles in the airspace of Kinmen, an outlying island of Taiwan located next to the PRC coast.

The PRC government often ramps up these gray zone activities following high-profile engagements between senior policymakers of the United States (including Members of Congress) and Taiwan. PRC leaders claim that these engagements are evidence that Washington uses Taiwan as a "pawn" to undermine and contain China, and often respond with large-scale military exercises simulating operations against Taiwan as "a serious warning against Taiwan separatist forces colluding with external forces."

The normalization of PLA operations ever closer to Taiwan's islands in peacetime could undermine Taipei's ability to perceive whether the PLA is using "routine" operations or exercises to obscure preparations for an attack. If the PLA were to use such operations as cover for an imminent attack, it could significantly shorten the time Taiwan would have to respond.

PRC gray zone activities provide the PLA with training and intelligence gathering opportunities. They also strain Taiwan's armed forces, which face growing operational and maintenance costs associated with responding to frequent PLA activities. Some assess that Beijing also seeks to use coercive but nonviolent military operations to sow doubt and fear in Taiwan's elites and population about Taiwan's military capabilities and create political pressure for Taipei to acquiesce to Beijing's insistence on unification.

U.S. Support for Taiwan's Defense, and Congress's Role

The United States has maintained unofficial defense ties with Taiwan since 1980, when the United States terminated a decades-old U.S.-ROC mutual defense treaty. The United States agreed to withdraw all U.S. military personnel from Taiwan the year before, following the establishment of U.S.-PRC diplomatic relations in January 1979. This unofficial but robust defense relationship—which includes arms transfers, training, information-sharing, and routine bilateral defense dialogues and planning—substantially contributed to Taiwan's ability to deter PRC military aggression in the decades since. Congress aimed to enhance U.S.-Taiwan defense ties in 2022 when it passed the Taiwan Enhanced Resilience Act (TERA; Title LV, Subtitle A of the James M. Inhofe National Defense Authorization Act [NDAA] for Fiscal Year 2023, P.L. 117-263, see below).

U.S. Strategy and Policy

The 1979 Taiwan Relations Act (TRA, P.L. 96-8; 22 U.S.C. §3301 et seq.) provides the legal basis for U.S. support for Taiwan's defense. The TRA states that it is U.S. policy to "make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability" and "to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan."

The TRA does not require the United States to defend Taiwan, but by stating it is U.S. policy to maintain the capacity to do so, the TRA creates "strategic ambiguity" about U.S. actions in the event of a PRC attack. Some observers, including some Members of Congress, have advocated making a formal commitment to defend Taiwan. Supporters of such a shift to "strategic clarity" argue that such clarity is necessary to deter an increasingly capable and assertive PRC. Supporters of maintaining strategic ambiguity argue that the long-standing policy continues to encourage restraint by both Beijing and Taipei while incentivizing Taipei to invest more in its own defense.

Taiwan and U.S. officials agree that Taiwan's strategy to deter a PRC attack needs to account for China's growing military capabilities and use of coercion. They sometimes disagree, however, on how to implement such a strategy. The U.S. government encourages Taiwan to pursue what it calls an "asymmetric" strategy that aims to make Taiwan prohibitively costly for the PRC to annex. This approach envisions Taiwan investing primarily in capabilities that would allow it to cripple an amphibious invasion through a combination of anti-ship missiles, naval mines, and other similarly small, distributable, and relatively inexpensive weapons systems. Some argue that this approach leaves Taiwan vulnerable to gray zone coercion short of an invasion. Uncertainty as to whether, how, and for how long Washington might aid Taiwan in the event of an attack informs these debates.

Arms Transfers

For decades, U.S. arms sales to Taiwan have been the most visible U.S. contribution to Taiwan's defense capabilities. In FY2020-2022 combined, Taiwan was the largest purchaser of U.S. Foreign Military Sales (FMS); it was the fourth-largest purchaser of FMS from FY1950-FY2022 combined. Some observers argue that Taiwan's military remains insufficiently equipped to defeat a possible PRC armed attack. Further, as the war in Ukraine has illuminated vulnerabilities in U.S. and partner defense industrial processes, some observers have raised concerns about obstacles to the timely delivery of U.S. defense items to Taiwan. To address this, 2022's TERA

- Authorizes for the first time **Foreign Military Financing (FMF)** for U.S. arms sales to Taiwan: up to $2 billion a year in direct loans and loan guarantees and up to $2 billion a year in grant assistance through FY2027. The Consolidated Appropriations Act, 2023 (P.L. 117-328) did not appropriate funds for Taiwan grant assistance. For FY2023, it made up to $2 billion available for FMF loans, which Taiwan declined.

- Amends the Foreign Assistance Act of 1961 (22 U.S.C. §2318(a)(3)) to make **Presidential Drawdown Authority** available to Taiwan, authorizing the drawdown from Department of Defense stocks of up to $1 billion annually in defense articles, services, and education and training for Taiwan. In July 2023, the Biden Administration notified Congress of its intent to exercise this authority to transfer $345 million in defense items to Taiwan.

- Requires the executive branch to develop a list of "pre-cleared" defense items to **"fast-track" FMS** to Taiwan.

In August and September 2023, the State Department notified Congress of its intent to obligate a total of $135 million for FMF programs for Taiwan ($80 million from the Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023 [P.L. 117-180], and $55 million from FY2022 FMF funds appropriated for Egypt but not obligated due to Egypt's human rights record).

- The House and Senate versions of an FY2024 NDAA (H.R. 2670 and S. 2226) would include several provisions aimed at facilitating weapons transfers to Taiwan.

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