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S. 770

To provide for the loan and lease of defense articles to the Government of Taiwan, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 9, 2023

Mrs. BLACKBURN (for herself, Mr. SCOTT of Florida, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To provide for the loan and lease of defense articles to the Government of Taiwan, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taiwan Democracy
5 Defense Lend-Lease Act of 2023”.

6 **SEC. 2. LOAN AND LEASE OF DEFENSE ARTICLES TO GOV-**
7 **ERNMENT OF TAIWAN.**

8 (a) **AUTHORITY TO LEND OR LEASE DEFENSE ARTI-**
9 **CLES TO GOVERNMENT OF TAIWAN.—**

1 (1) AUTHORITY.—Notwithstanding section
2 503(b)(3) of the Foreign Assistance Act of 1961 (22
3 U.S.C. 2311(b)(3)) or section 61 of the Arms Ex-
4 port Control Act (22 U.S.C. 2796), the President
5 may lend or lease defense articles to the Government
6 of Taiwan to assist in the bolstering of the defensive
7 capabilities of such Government or the protection of
8 the citizen population of Taiwan from potential ag-
9 gression carried out by the People’s Liberation Army
10 of China against Taiwan (including through one or
11 more of the means described in paragraph (2)) if, as
12 a condition of such loan or lease, the President re-
13 quires—

14 (A) the payment by the Government of
15 Taiwan of the cost of restoring or replacing the
16 defense article, in the case that the defense ar-
17 ticle is damaged; and

18 (B) the payment by the Government of
19 Taiwan of an amount equal to the replacement
20 cost (less any depreciation in the value) of the
21 defense article, in the case that the defense ar-
22 ticle is lost or destroyed.

23 (2) MEANS OF AGGRESSION BY PEOPLE’S LIB-
24 ERATION ARMY.—The means described in this para-
25 graph are the following:

1 (A) The full or partial naval blockade of
2 Taiwan.

3 (B) An amphibious assault and ground in-
4 vasion of Taiwan.

5 (C) A missile strike (whether conducted
6 alone or as a part of a broader campaign).

7 (D) Kinetic or non-kinetic operations
8 against military targets or critical infrastruc-
9 ture in Taiwan.

10 (E) A seizure, or attempted seizure, of one
11 or more of the outlying islands controlled by
12 Taiwan.

13 (3) DEFENSE SERVICES AND DEFENSE CON-
14 STRUCTION SERVICES.—

15 (A) IN GENERAL.—The President may fi-
16 nance the procurement of defense services and
17 design and construction services by the Govern-
18 ment of Taiwan in connection with a loan or
19 lease of a defense article to such Government
20 under paragraph (1), if, as a condition of such
21 financing, the President requires that, not later
22 than 12 years after the date on which the
23 agreement with the Government of Taiwan for
24 such financing is signed on behalf of the United
25 States Government, the Government of Taiwan

1 pay to the United States Government (in
2 United States dollars) an amount equal to the
3 sum of—

4 (i) the value of such services; and

5 (ii) any interest on the unpaid balance
6 of the obligation for payment under clause
7 (i), at a rate that, except as provided in
8 subparagraph (B), is equivalent to the av-
9 erage interest rate, as of the last day of
10 the month preceding the date on which
11 such agreement is signed, that the United
12 States Government pays on outstanding
13 marketable obligations of comparable ma-
14 turity.

15 (B) EXCEPTION TO INTEREST RATE RE-
16 QUIREMENT.—If the President submits to Con-
17 gress a certification containing a determination
18 that national security requires a lesser rate of
19 interest than the rate calculated pursuant to
20 clause (ii) of subparagraph (A), a justification
21 for such determination, and an identification of
22 such lesser rate, the lesser rate so identified
23 shall apply in lieu of the rate calculated pursu-
24 ant to such clause.

1 (b) DELEGATION OF AUTHORITY.—The President
2 may delegate the authority under subsection (a) only to
3 an official appointed by the President by and with the ad-
4 vice and consent of the Senate.

5 (c) PROCEDURES FOR DELIVERY OF DEFENSE ARTI-
6 CLES.—Not later than 60 days after the date of the enact-
7 ment of this Act, the President shall establish expedited
8 procedures for the delivery of any defense article loaned
9 or leased to the Government of Taiwan under subsection
10 (a) to ensure the timely delivery of the defense article to
11 such Government.

12 (d) REPORT ON DETERMINATION OF DEFENSE
13 NEEDS OF TAIWAN.—

14 (1) REPORT.—Not later than 90 days after the
15 date of the enactment of this Act, the Secretary of
16 Defense, in collaboration with the Commander of the
17 United States Indo-Pacific Command, shall submit
18 to Congress a report on the potential loan and lease
19 of defense articles to the Government of Taiwan
20 under subsection (a). The report shall include the
21 following elements:

22 (A) An initial assessment of the defense
23 articles that are appropriate for such loan or
24 lease.

1 (B) An assessment of any supply chain or
2 other logistical challenges associated with the
3 loan or lease of defense articles identified pur-
4 suant to subparagraph (A).

5 (C) A discussion of expected timeframes
6 for the provision to the Government of Taiwan
7 of defense articles identified pursuant to sub-
8 paragraph (A), including—

9 (i) expected timelines for the delivery
10 of such defense articles; and

11 (ii) expected timelines for the full in-
12 tegration of such defense articles by the
13 military of Taiwan, such that the military
14 of Taiwan is able to effectively use defense
15 articles so delivered in the event of a con-
16 flict with the People’s Republic of China.

17 (D) Such other matters as the Secretary
18 may consider appropriate.

19 (2) FORM.—The report under paragraph (1)
20 shall be submitted in unclassified form, but may in-
21 clude a classified annex.

22 (e) DEFINITIONS.—In this section, the terms “de-
23 fense article”, “defense service”, and “design and con-
24 struction services” have the meanings given those terms

1 in section 47 of the Arms Export Control Act (22 U.S.C.
2 2794).

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