## Congress of the United States

## House of Representatives

Washington, DC 20515-2210

March 22, 2021

The Honorable Joseph R. Biden President of the United States The White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear President Biden,

We write to you today requesting your administration pursue, and ultimately submit for Senate approval, a formal free trade agreement with the nation of Taiwan under the US-Taiwan Trade and Investment Framework Agreement. Ever since the passage of the *Taiwan Relations Act* in 1979, this democratic nation has been a steadfast ally in our fight against the expansion of the Chinese Communist Party's (CCP) influence and military power in South East Asia.

A formal free trade agreement with Taiwan would bring significant economic benefits for both our nations. Taiwan is already among the United States' top trading partners. In 2020 alone, the United States exported over \$68 billion<sup>1</sup> in goods to Taiwan. A free trade agreement would open even more opportunities for our manufactures and farmers. The United States would have better access to Taiwanese food and energy sectors and see improved protection for our businesses' intellectual property rights. Taiwan is the United States' 13<sup>th</sup> largest export partner and 6<sup>th</sup> largest agricultural export market. In 2019, the U.S. exported \$3.6 billion<sup>2</sup> in agriculture products and \$11 billion<sup>3</sup> overall.

Taiwan is also a fertile investment opportunity for many of our businesses in the technology sector. Taiwan has rapidly become one of the premier electronics manufacturing hubs in the world. Taiwanese firms account for at least 48 percent<sup>4</sup> of total semiconductor fabrication globally. These companies are looking to expand, invest, and utilize the untapped workforce of the United States. We applauded when Taiwan Semiconductor Manufacturing Co., one of the world's largest electronics manufacturers, announced that it would be constructing a production facility here in the United States<sup>5</sup>. The billions of dollars in investment will not only create thousands of good-paying, middle-class jobs, but significant indirect investment will follow. This

12-billion-chip-plant.

<sup>&</sup>lt;sup>1</sup> Gray, Sarah. "These Are the Biggest U.S. Trading Partners." Fortune, Fortune, 15 Jan. 2020.

<sup>&</sup>lt;sup>2</sup> "Taiwan." United States Trade Representative

<sup>3 &</sup>quot;Taiwan." United States Trade Representative

<sup>&</sup>lt;sup>4</sup> Duesterberg, Thomas. "The Economic Case For Prioritizing A U.S.-Taiwan Free Trade Agreement." *Forbes*, Forbes Magazine, 19 Feb. 2021. <sup>5</sup> Wu, Debby, and Ian King. *Bloomberg.com*, Bloomberg, www.bloomberg.com/news/articles/2020-11-19/tsmc-wins-approval-from-phoenix-for-

one example could be reproduced across our nation if the United States and Taiwan had a free trade agreement.

The security that a trade agreement would bring is as critical as the economic benefits one would foster. China has quickly become the greatest threat to not only the U.S. but all our allies around the world. For decades, Taiwan has been forced to rely on investments from China for their economic growth. More than \$185 billion<sup>6</sup> has been invested from mainland China entities over the past several years. We have seen how the CCP uses economic investment to expand its influence. The Belt and Road Initiative is one example of how the CCP plans to curry favor with poorer or weaker nations. A free trade agreement with Taiwan would allow the United States to begin countering CCP's economic influence in the Indo-Pacific region.

By enacting a trade agreement with Taiwan, the United States would demonstrate to our Indo-Pacific allies that we are invested in their security and prosperity. While China continues to harass our partners through their territorial claims, a United States economic commitment to complement our military presence would pay significant dividends. Our allies could grow emboldened and begin a multilateral effort to resist and turn back the CCP.

As your administration continues to work towards building trading relationships with nation's around the world, we implore you to begin formal negotiations on a free trade agreement with Taiwan. Our economy, national security, and our nation's future depends on it.

Sincerely,

Lisa McClain

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Member of Congress

Adam Kinzinger Member of Congress John Curtis Member of Congress

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Ralph Norman Member of Congress

Randy Feenstra Member of Congress

<sup>&</sup>lt;sup>6</sup> Duesterberg, Thomas. "The Economic Case For Prioritizing A U.S.-Taiwan Free Trade Agreement." Forbes, Forbes Magazine, 19 Feb. 2021.

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Member of Congress