



Katherine Tai
U.S. Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Dear Ambassador Tai,

We are writing in support of an ambitious U.S.-Taiwan commercial initiative that would include a Trade & Investment Framework Agreement (TIFA) meeting in 2021, additional economic dialogues, and ultimately a Bilateral Trade Agreement (BTA) between the United States and Taiwan.

There is strong bipartisan support for closer U.S.-Taiwan economic relations within Congress. Additionally, your Senate Finance Committee hearing highlighted the critical role that Taiwan plays in the global supply chain and the need to bind the island economically to the United States to advance American national interest.

The U.S. business community is keen on a clear vision for our commercial relationship with Taiwan. A stable and economically vibrant Taiwan, one that is better integrated into regional networks, is in the interests of both the United States and our allies. The time is right for the U.S. to bring the economic relationship with Taiwan, our 9th largest trading partner, to this higher level.

In August 2020, Taiwan President Tsai Ing-wen met a longstanding U.S. demand that Taiwan liberalize its import rules for certain beef products and for pork containing the steroid ractopamine. The new rules took effect on January 1, 2021. By unilaterally removing technical barriers to trade - despite pressure from the domestic meat industry, local consumer groups, and the opposition party - President Tsai has clearly shown her willingness to make politically sensitive changes in support of the U.S.-Taiwan trade relationship. This demonstrates that Taiwan is ready to address the domestic reforms necessary to reach a high-standards trade agreement with the United States.

A vision for U.S.-Taiwan economic relations that include both TIFA and moving forward on a BTA recognizes that:

- TIFA talks not only remove impediments to two-way trade and investment, but also set a strategic direction for further cooperation. Their absence has left U.S.-Taiwan economic relations adrift;
- Trade and investment with Taiwan already supports an estimated 373,000 U.S. jobs. Executing on this commercial initiative would enhance the global competitiveness of U.S. industries while creating American jobs;
- Taiwan today affords its workers a high standard of labor protection, consistent with ILO conventions, and Taiwan is also a leader in environmental protection. This would allow USTR and interagency partners to focus negotiations on essential strategic trade sectors such as financial services and supply chains;

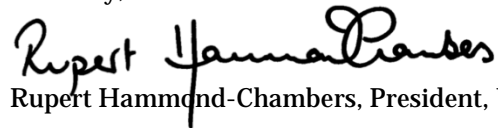
With regard to China relations, a BTA would partner the U.S. with Taiwan to rebalance our economic center of gravity. As noted in the Taiwan Relations Act (TRA), "...the United States [shall] resist any resort to...forms of coercion that would jeopardize the...economic system, of the people on Taiwan". China's effort to undermine Taiwan's economy by blocking it from participating in international bodies and agreements contravenes the TRA. Absent a BTA, Taiwan may list harder into China's economic orbit - to the detriment of U.S. business and security interests, including in critical areas such as semiconductors.

US TAIWAN

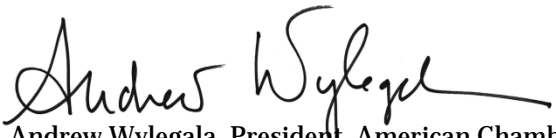
BILATERAL TRADE AGREEMENT COALITION

A U.S.-Taiwan BTA is the major prize for U.S. economic and political interests with the island and in Asia, while restarting TIFA is the indispensable first win. Our two organizations, representing American business interests in Taiwan on both sides of the Pacific, join in this letter to support the compelling case for U.S.-Taiwan TIFA talks in 2021, and to encourage you to announce your intention to initiate BTA talks as soon as feasible.

Sincerely,



Rupert Hammond-Chambers, President, US-Taiwan Business Council



Andrew Wylegala, President, American Chamber of Commerce in Taiwan

