

# Brief Comments on the United States' Decision on Providing Security Assistance to Taiwan through the Presidential Drawdown Authority

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## 1. News Highlights

According to media reports on May 5, 2023,<sup>1</sup> it was revealed that the US government (USG) plans to activate a “Presidential Drawdown Authority” (PDA) to provide Taiwan with an amount of US\$500 million in security assistance. Subsequently, both defense departments have publicly confirmed the assistance program and stated that it had been contacted and discussed in advance. Taiwan’s Ministry of National Defense

has also responded to the query regarding the possible assistance items for transfer during the hearing held by the Foreign Affairs and National Defense Committee of Legislative Yuan on May 25, 2023.<sup>2</sup>

## 2. Security Implications

### 2-1. “Drawdowns” is part of the USG’s overall Security Cooperation (SC) programs with Foreign Allies

The primary legal basis and

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1. Peter Martin & Anthony Capaccio, “US Prepares to Fast Track \$500 Million of Arms for Taiwan,” Bloomberg, May 5, 2023, <https://www.bloomberg.com/news/articles/2023-05-05/us-sets-500-million-for-taiwan-arms-on-ukraine-style-fast-track#xj4y7vzkg>; Mike Stone, “US Moving Ahead with \$500 Million in Arms Aid for Taiwan,” Reuters, May 5, 2023, <https://www.reuters.com/world/us-moving-ahead-with-500-million-arms-aid-taiwan-source-says-2023-05-05/>.

2. Idrees Ali, “U.S. to Send Additional Security Assistance to Taiwan Soon,” Reuters, May 16, 2023, <https://www.reuters.com/world/us-send-additional-security-assistance-taiwan-soon-pentagon-chief-2023-05-16/>; “US Defense Secretary Confirms ‘Providing Taiwan with Substantial Military Aid’,” Storm Media, May 18, 2023, <https://www.storm.mg/article/4793129>; Hong Zhezhen, “US’s 500 Million Military Aid to Taiwan is ‘Off the Shelf’ and being Delivered Soon,” UDN Online, May 25, 2023, <https://udn.com/news/story/10930/7189774>.

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authorities for the US government's overall execution of security cooperation (SC) activities, including export of defense articles and services, military training and education, armaments cooperation, and regional peacekeeping, are the Foreign Assistance Act (FAA), the Arms Export Control Act (AECA), as well as annual various authorizations and appropriations acts for fiscal years. These SC activities are approved and implemented through a comprehensive assessment of the relative security interests of foreign governments or international organizations and executed through sales, grants, leases, or financing arrangements. That indicates "Drawdown" assistance is also one of the implementation tools for the USG's security cooperation programs.

According to the Defense Security Cooperation Agency's Security Assistance Management Manual,<sup>3</sup> the "Drawdowns" are authorized by the Foreign Assistance Act for the US President to use federal resources in inventory to transfer defense articles and related services to support

foreign governments or international organizations in responding to unforeseen emergencies or meeting other security objectives authorized by law. There are two categories of drawdowns: emergency drawdowns and non-emergency drawdowns. The regulations also specifically require that resources under new federal government procurement contracts cannot be used for drawdowns, and no additional funds can be allocated to the current cases being fulfilled.

The main procedures for a drawdown decision include: "initiating crisis/policy situation", "listing valuation and availability (V&A) data of articles", "drawdown package development", "presidential determination (PD)", "the implementation agencies of different levels issue execution orders (EXORDs) for the mission", and finally, "submit reports to the Congress for the execution results and the utilization of authorized quotas after the completion of the mission". When the Department of Defense (DoD) conducts an inventory of

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3. C11.2.–Drawdowns, "Security Assistance Management Manual," Defense Security Cooperation Agency, Department of Defense, <https://samm.dsca.mil/chapter/chapter-11#C11.2>. US DoD Defense Security Cooperation Agency, "Security Assistance Management Manual," Section C11.2.

available resources, it must simultaneously submit an assessment report on “whether the transfer of those defense articles and related services will impact the US military readiness or not?” This is an important prerequisite prior to the US President's decision-making (PD) on a drawdown authorization.

## **2-2. Overview of the USG’s “Aid to Ukraine” and the Security Implications of the Drawdown Assistance to Taiwan**

In recent years, Ukraine has been the only major country targeted by the US foreign assistance actions using the Presidential Drawdown Authority (PDA). Since Russia invaded Ukraine in February 2022, the Biden administration has utilized this power for 39 times to transfer nearly \$38.3 billion of defense supplies to Ukraine.<sup>4</sup> In addition, due to restrictions set by the Foreign Assistance Act and the authorized appropriations for the

fiscal year in the Congress, the executive agencies of the federal administration have simultaneously launched different sub-programs such as the Ukraine Security Assistance Initiative (USAI) and the Foreign Military Financing (FMF) to allocate more aid funds to Ukraine and allied countries participating in the actions. Recently, the US again utilized the PDA and directed security assistance to Taiwan. The timing could have been associated with the “Ukraine Aid Model.” However, the US government’s considerations of decision-making for such security assistance to Taiwan differ greatly from the aid to Ukraine regarding overall regional situation assessment, security policy objectives, references of laws, and conditions in bills authorized by the Congress.

The US government has long been focusing on promoting its security cooperation (SC) efforts by encouraging friendly countries to procure needed

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4. The Biden Administration has announced further security assistance for Ukraine. This information came from the US Department of Defense and was released on May 31, 2023. For more details, you can visit the following link: <https://www.defense.gov/News/Releases/Release/Article/3411804/biden-administration-announces-additional-security-assistance-for-ukraine/>. The US Department of Defense has publicly released the statistical data “Fact Sheet on US Security Assistance to Ukraine” until May 31, 2023, revealing a total of 96 types of various weapons systems, equipment, ammunition, and technical services on the assistance list, along with a brief description of quantity.

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defense articles and related services through the “Foreign Military Sales” (FMS) channel. The execution of FMS programs emphasizes the achievement of mutual exchanges of defense expertises, joint exercises and observations, technical assistance, logistics support, and training for substantial, cooperative relationships, etc. Due to the continuation of the Russia-Ukrainian war and changes in the security situation in the Indo-Pacific region and the Taiwan Strait, the US government’s executive and legislative branches of the administration have reached consensus and decided to utilize the PDA to provide a grant of security assistance to Taiwan. This is a remarkable milestone in regional security cooperation in nearly 60 years

since the US ceased military aid to Taiwan in 1965.

As for the policy position and security implications of the US’s use of the PDA to assist Taiwan, Defense Secretary Lloyd J. Austin III further elaborated during his testimony before the Senate Appropriations Committee on May 16, 2023: “... provide significant additional security assistance to Taiwan through the Presidential Drawdown Authority that Congress authorized last year. This is part of our longstanding commitment to upholding our obligations under the Taiwan Relations Act (TRA) and other U.S. policy - and to doing our part to maintain peace and stability in the Taiwan Strait.”<sup>6</sup>

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5. “Congress Approved \$113 Billion of Aid to Ukraine,” Committee for a Responsible Federal Budget, January 5, 2023, <https://www.crfb.org/blogs/congress-approved-113-billion-aid-ukraine-2022>; “Budget Execution Announcements,” Office of the Under Secretary of Defense (Comptroller), Department of Defense, [https://comptroller.defense.gov/Budget-Execution/USAI\\_Announcements/](https://comptroller.defense.gov/Budget-Execution/USAI_Announcements/); The US exercised the PDA mainly to obtain the power to provide direct assistance to foreign countries using available US military inventory and related resources. Through the Ukraine Security Assistance Initiative (USAI) subprogram, funding is obtained to support new procurement contracts signed by the federal government and the defense industry beyond the limitations of allocating inventory resources under PDA (the Biden administration has used the USAI for 13 times to provide nearly US\$14.6 billion in assistance to Ukraine and participating allies). In addition, the Foreign Military Financing (FMF) subprogram is activated mainly to cover the expenses of NATO allies shipping their military equipment to Ukraine (the Biden administration has used FMF for 3 times, providing over US\$3 billion in support to allies).

6. The following is the English translation of the given traditional Chinese text: “As Delivered by Secretary of Defense Lloyd J. Austin III, “Opening Testimony by Secretary of Defense Lloyd J. Austin III before the Senate Appropriations Committee Hearing,” U. S. Department of Defense, May 16, 2023, <https://reurl.cc/OvAO39>.

### 3. Trend Observations

Given that the US foreign aid operations utilizing the PDA directly transfer inventory resources owned by the federal government, they are provided as gratuitous grants. Therefore, the overall decision-making of considerations regarding release of items and quantities depends entirely on the USG's interagency assessment and deliberation results. Before the drawdown decision is made, if the U.S. and Taiwan defense departments have already had prior contact, coordinations and consultations, it is believed that the USG should have taken into account both Taiwan's current and future requirements for the defense articles and services, the observations and conclusions of the annual military exercises of Taiwan MND, and the current performance status of major FMS programs being fulfilled. With the limited funding, consensus should be reached on the most effective assistance items to meet Taiwan's defense needs and contribute to deterrent warfare and maintaining the security of the Taiwan Strait.

Furthermore, supposing the USG's inventory items from the subsequent

assistance transfer overlap with the items to be delivered under current individual FMS programs, may slightly alleviate previous delay due to the COVID-19 and other factors that impact the US industry production progress and delivery. However, for Taiwan, such assistance obtained through the drawdown is considered as an additional "un-planned" demand, it does not have a mutually exclusive relevancy, in terms of the agreements and requirements, with the quantities and requested items procured through the "planned" FMS Letter of Offer and Acceptance (LOA) signed on the basis of Taiwan government's budgetary process. Therefore, besides the follow-up receptions and utilization plans of the US\$500 million assistance from the USG, whether the current delivery status and future deployment of defense systems and equipment acquired through FMS programs can be put into combat readiness according to the original LOA agreements? Are there any proactive improvement measures for actual planned items that do not progress as expected? These actual situations are expected to receive close attention by the public constantly.



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