United States Senate

ARMED SERVICES

HOMELAND SECURITY

COMMERCE, SCIENCE, AND TRANSPORTATION

BUDGET

SPECIAL COMMITTEE ON AGING

September 1, 2020

The Honorable Robert E. Lighthizer Ambassador Office of United States Trade Representative 600 17th Street, NW Washington, D.C. 20508

Dear Ambassador Lighthizer,

As the Administration looks to build on the tremendous growth in free and fair trade relationships around the world, I encourage you to consider negotiating a trade deal with Taiwan. We must take concrete steps to recognize the importance of the Indo-Pacific region, and a free trade agreement (FTA) with Taiwan is long overdue.

Taiwan has proven to be a reliable and productive trade partner. Goods and services trade between our nations totaled \$94.5 billion in 2018, and supports many American jobs¹. Taiwan is one of the largest foreign investors in the United States, and serves as a major recipient of U.S. investment, particularly in electronics². Critical technologies, including the semiconductor industry, have continued to surge even after Taiwan's largest manufacturer, Taiwan Semiconductor Manufacturing Co. (TSMC), parted ways with one of its largest customers, Huawei³. Recent announcements that TSMC plans to build a \$12 billion plant in Arizona has further proved that the U.S.-Taiwan partnership is strong.

I am encouraged by the outreach from Ambassador Hsaio and President Tsai of Taiwan, and steadfastly support a free trade agreement with our ally in Asia. On August 28th, Taiwan announced a proposal to lift current restrictions on U.S. beef and pork exports to Taiwan in an effort "forge a closer bond with Taiwan's strongest strategic partner and global economic leader, the United States."4 Beyond the many

¹ "Taiwan." United States Trade Representative, ustr.gov/countries-regions/china/taiwan.

² "Taiwan - International Trade and Investment Country Facts." Bureau of Economic Analysis, apps.bea.gov/international/factsheet/factsheet.cfm?Area=628&UUID=d3100a35-1631-4644-bfd6-4888a6050924#.

³ Barrett, Eamon. "Semiconductors Are a US-China Trade War Weapon. Can TSMC Serve Both Sides?" Fortune, Fortune, 10 Aug. 2020, fortune.com/2020/08/10/us-china-trade-war-semiconductors-chipstsmc-chipmakers/.

⁴ President Tsai Issues Remarks Regarding International Trade. english.president.gov.tw/NEWS/6033.

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existing and potential economic benefits, Taiwan shares our vision of democracy and open trade. The broad strategic implications that a free trade agreement with Taiwan will bring has become increasingly vital for the United States. The last United States-Taiwan Trade and Investment Framework Agreement (TIFA) Council meeting was held in October 2016⁵. I ask that you renew this high level economic dialogue as both economies look to lay the ground work for a mutually-beneficial FTA.

I urge the Trump Administration and Taiwan to lead in building Indo-Pacific relationships, and look to bridge an intercontinental bond that can only strengthen global supply chains. As you do so, the Administration should continue to work toward our shared vision of economic success and support democracy by beginning negotiations with Taiwan. Thank you for your leadership and continued attention to strengthening trade partnerships with our allies around the globe.

Sincerely,

Rick Scott

United States Senator

⁵2020 Trade Policy Agenda and 2019 Annual Report of the President of the United States on the Trade Agreements Program ,

ustr.gov/sites/default/files/2020_Trade_Policy_Agenda_and_2019_Annual_Report.pdf.