118th Congress 1st Session S.
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
Mrs. Blackburn introduced the following bill; which was read twice and referred to the Committee on
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:

4 vasion of Taiwan. 5 (C) A missile strike (whether condition of alone or as a part of a broader campaign). 7 (D) Kinetic or non-kinetic oper against military targets or critical infrature in Taiwan. 9 ture in Taiwan. 10 (E) A seizure, or attempted seizure, or more of the outlying islands controll Taiwan. 13 (3) DEFENSE SERVICES AND DEFENSE 14 STRUCTION SERVICES.— 15 (A) IN GENERAL.—The President mance the procurement of defense services design and construction services by the General ment of Taiwan in connection with a lease of a defense article to such Govern under paragraph (1), if, as a condition of financing, the President requires that, not than 12 years after the date on whice agreement with the Government of Taiwa such financing is signed on behalf of the I	1	(A) The full or partial naval blockade of
vasion of Taiwan. (C) A missile strike (whether conceandation of a part of a broader campaign). (D) Kinetic or non-kinetic oper against military targets or critical infrature in Taiwan. (E) A seizure, or attempted seizure, or more of the outlying islands controll Taiwan. (3) Defense services and defense services are the procurement of defense services design and construction services by the General ment of Taiwan in connection with a lease of a defense article to such Government of the paragraph (1), if, as a condition of financing, the President requires that, not than 12 years after the date on whice agreement with the Government of Taiwa such financing is signed on behalf of the I	2	Taiwan.
6 alone or as a part of a broader campaign). 7 (D) Kinetic or non-kinetic oper 8 against military targets or critical infra 9 ture in Taiwan. 10 (E) A seizure, or attempted seizure, 11 or more of the outlying islands controll 12 Taiwan. 13 (3) Defense services and defense services 14 STRUCTION SERVICES.— 15 (A) IN GENERAL.—The President mance the procurement of defense services 16 design and construction services by the General mance of a defense article to such Governation of the defense of a defense article to such Governation, the President requires that, not than 12 years after the date on which agreement with the Government of Taiwan agreement with the Government of Taiwan such financing is signed on behalf of the Identity of the Ident	3	(B) An amphibious assault and ground in-
alone or as a part of a broader campaign). (D) Kinetic or non-kinetic oper against military targets or critical infra ture in Taiwan. (E) A seizure, or attempted seizure, or more of the outlying islands controll Taiwan. (3) Defense services and defense services are the procurement of defense services design and construction services by the General ment of Taiwan in connection with a lease of a defense article to such Government of the procurement of the such Government of the procurement of the such Government of the procurement of the such Government of the president requires that, not than 12 years after the date on which agreement with the Government of Taiwan agreement with the Government of Taiwan such financing is signed on behalf of the Lease of the president of the	4	vasion of Taiwan.
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or more of the outlying islands controll Taiwan. (3) Defense services and defense Struction services.— (A) In General.—The President mance the procurement of defense services design and construction services by the General of Taiwan in connection with a local lease of a defense article to such Government of the President requires that, not than 12 years after the date on which agreement with the Government of Taiwan in signed on behalf of the Usual Such financing is signed on the Usual Such financing is	8	against military targets or critical infrastruc-
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14 STRUCTION SERVICES.— 15 (A) IN GENERAL.—The President mance the procurement of defense services design and construction services by the General mance of Taiwan in connection with a long lease of a defense article to such Govern under paragraph (1), if, as a condition of financing, the President requires that, not than 12 years after the date on which agreement with the Government of Taiwan agreement with the Government of Taiwan such financing is signed on behalf of the General control of the Gene	12	Taiwan.
15 (A) IN GENERAL.—The President mance the procurement of defense services of the Grand design and construction services by the Grand ment of Taiwan in connection with a long lease of a defense article to such Govern under paragraph (1), if, as a condition of financing, the President requires that, not than 12 years after the date on which agreement with the Government of Taiwan such financing is signed on behalf of the Grand financing is signed on th	13	(3) Defense services and defense con-
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lease of a defense article to such Govern 20 under paragraph (1), if, as a condition of 21 financing, the President requires that, not 22 than 12 years after the date on whice 23 agreement with the Government of Taiwa 24 such financing is signed on behalf of the U	17	design and construction services by the Govern-
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financing, the President requires that, not than 12 years after the date on whice agreement with the Government of Taiwa such financing is signed on behalf of the U	19	lease of a defense article to such Government
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23 agreement with the Government of Taiwa 24 such financing is signed on behalf of the U	21	financing, the President requires that, not later
such financing is signed on behalf of the U	22	than 12 years after the date on which the
	23	agreement with the Government of Taiwan for
25 States Government, the Government of T	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

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

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

2 2794).