

**AMENDMENT TO THE INDO-PACIFIC SECURITY
SUPPLEMENTAL APPROPRIATIONS ACT, 2024
OFFERED BY MRS. STEEL OF CALIFORNIA**

At the end of the bill (before the short title), insert
the following:

1 **SEC. ____ . TAIWAN DEMOCRACY DEFENSE LEND-LEASE ACT**
2 **OF 2024.**

3 (a) SENSE OF CONGRESS.—It is the sense of Con-
4 gress that steps taken to bolster the security relations be-
5 tween the United States and Taiwan should include the
6 following:

7 (1) The increased conduct of relevant joint mili-
8 tary training and bilateral exercises, or multilateral
9 exercises, with the armed forces of Taiwan.

10 (2) The prioritization of capacity building in
11 Taiwan, to ensure the protection of sensitive tech-
12 nology lent or leased to the Government of Taiwan
13 by the United States Government.

14 (b) AUTHORITY TO LEND OR LEASE DEFENSE ARTI-
15 CLES TO GOVERNMENT OF TAIWAN.—

16 (1) AUTHORITY.—Notwithstanding section
17 503(b)(3) of the Foreign Assistance Act of 1961 (22
18 U.S.C. 2311(b)(3)) or section 61 of the Arms Ex-

1 port Control Act (22 U.S.C. 2796), the President
2 may lend or lease defense articles to the Government
3 of Taiwan to assist in the bolstering of the defensive
4 capabilities of such Government or the protection of
5 the citizen population of Taiwan from potential ag-
6 gression carried out by the People's Liberation Army
7 of China against Taiwan (including through one or
8 more of the means described in paragraph (2)) if, as
9 a condition of such loan or lease, the President re-
10 quires—

11 (A) the payment by the Government of
12 Taiwan of the cost of restoring or replacing the
13 defense article, in the case that the defense ar-
14 ticle is damaged; and

15 (B) the payment by the Government of
16 Taiwan of an amount equal to the replacement
17 cost (less any depreciation in the value) of the
18 defense article, in the case that the defense ar-
19 ticle is lost or destroyed.

20 (2) MEANS OF AGGRESSION BY PEOPLE'S LIB-
21 ERATION ARMY.—The means described in this para-
22 graph are the following:

23 (A) The full or partial naval blockade of
24 Taiwan.

1 (B) An amphibious assault and ground in-
2 vasion of Taiwan.

3 (C) A missile strike (whether conducted
4 alone or as a part of a broader campaign).

5 (D) Kinetic or non-kinetic operations
6 against military targets or critical infrastruc-
7 ture in Taiwan.

8 (E) A seizure, or attempted seizure, of one
9 or more of the outlying islands controlled by
10 Taiwan.

11 (3) DEFENSE SERVICES AND DEFENSE CON-
12 STRUCTION SERVICES.—

13 (A) IN GENERAL.—The President may fi-
14 nance the procurement of defense services and
15 design and construction services by the Govern-
16 ment of Taiwan in connection with a loan or
17 lease of a defense article to such Government
18 under paragraph (1), if, as a condition of such
19 financing, the President requires that, not later
20 than 12 years after the date on which the
21 agreement with the Government of Taiwan for
22 such financing is signed on behalf of the United
23 States Government, the Government of Taiwan
24 pay to the United States Government (in

1 United States dollars) an amount equal to the
2 sum of—

3 (i) the value of such services; and

4 (ii) any interest on the unpaid balance
5 of the obligation for payment under clause
6 (i), at a rate that, except as provided in
7 subparagraph (B), is equivalent to the av-
8 erage interest rate, as of the last day of
9 the month preceding the date on which
10 such agreement is signed, that the United
11 States Government pays on outstanding
12 marketable obligations of comparable ma-
13 turity.

14 (B) EXCEPTION TO INTEREST RATE RE-
15 QUIREMENT.—If the President submits to Con-
16 gress a certification containing a determination
17 that national security requires a lesser rate of
18 interest than the rate calculated pursuant to
19 subparagraph (A)(ii), a justification for such
20 determination, and an identification of such
21 lesser rate, the lesser rate so identified shall
22 apply in lieu of the rate calculated pursuant to
23 subparagraph (A)(ii).

24 (c) DELEGATION OF AUTHORITY.—The President
25 may delegate the authority under subsection (b) only to

1 an official appointed by the President by and with the ad-
2 vice and consent of the Senate.

3 (d) PROCEDURES FOR DELIVERY OF DEFENSE ARTI-
4 CLES.—Not later than 60 days after the date of the enact-
5 ment of this Act, the President shall establish expedited
6 procedures for the delivery of any defense article loaned
7 or leased to the Government of Taiwan under subsection
8 (b) to ensure the timely delivery of the defense article to
9 such Government.

10 (e) REPORT ON DETERMINATION OF DEFENSE
11 NEEDS OF TAIWAN.—

12 (1) REPORT.—Not later than 90 days after the
13 date of the enactment of this Act, the Secretary of
14 Defense, in collaboration with the Commander of the
15 United States Indo-Pacific Command, shall submit
16 to Congress a report on the potential loan and lease
17 of defense articles to the Government of Taiwan
18 under subsection (b). Such report shall include the
19 following:

20 (A) An initial assessment of the defense
21 articles that are appropriate for such loan or
22 lease.

23 (B) An assessment of any supply chain or
24 other logistical challenges associated with the

1 loan or lease of defense articles identified pur-
2 suant to subparagraph (A).

3 (C) A discussion of expected timeframes
4 for the provision to the Government of Taiwan
5 of defense articles identified pursuant to sub-
6 paragraph (A), including—

7 (i) expected timelines for the delivery
8 of such defense articles; and

9 (ii) expected timelines for the full in-
10 tegration of such defense articles by the
11 military of Taiwan, such that the military
12 of Taiwan is able to effectively use defense
13 articles so delivered in the event of a con-
14 flict with the People’s Republic of China.

15 (D) Such other matters as the Secretary
16 may consider appropriate.

17 (2) FORM.—The report under paragraph (1)
18 shall be submitted in unclassified form, but may in-
19 clude a classified annex.

20 (f) DEFINITIONS.—In this section, the terms “de-
21 fense article”, “defense service”, and “design and con-
22 struction services” have the meanings given those terms
23 in section 47 of the Arms Export Control Act (22 U.S.C.
24 2794).

