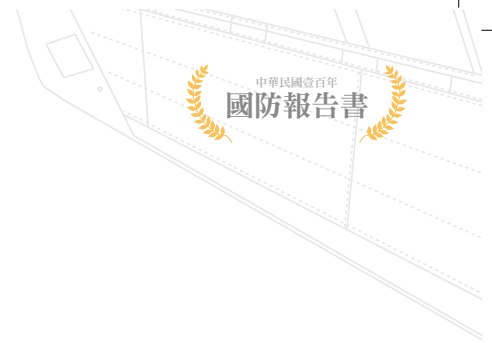




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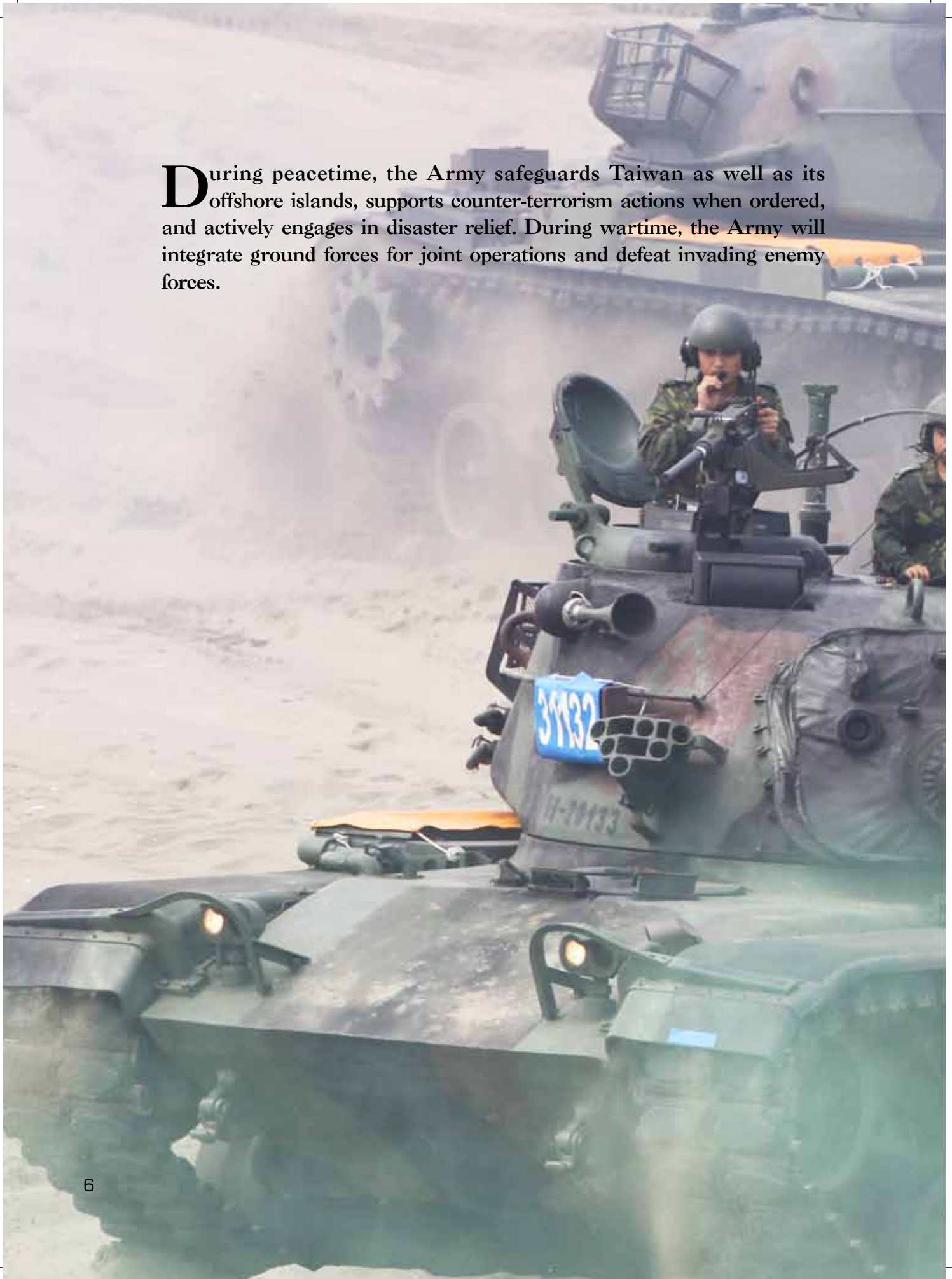


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The national defense of the Republic of China aims to build a defense force with comprehensive national strength, to provide aid to disaster relief, and thus safeguard the nation and its people and preserve world peace.

During peacetime, the Army safeguards Taiwan as well as its offshore islands, supports counter-terrorism actions when ordered, and actively engages in disaster relief. During wartime, the Army will integrate ground forces for joint operations and defeat invading enemy forces.



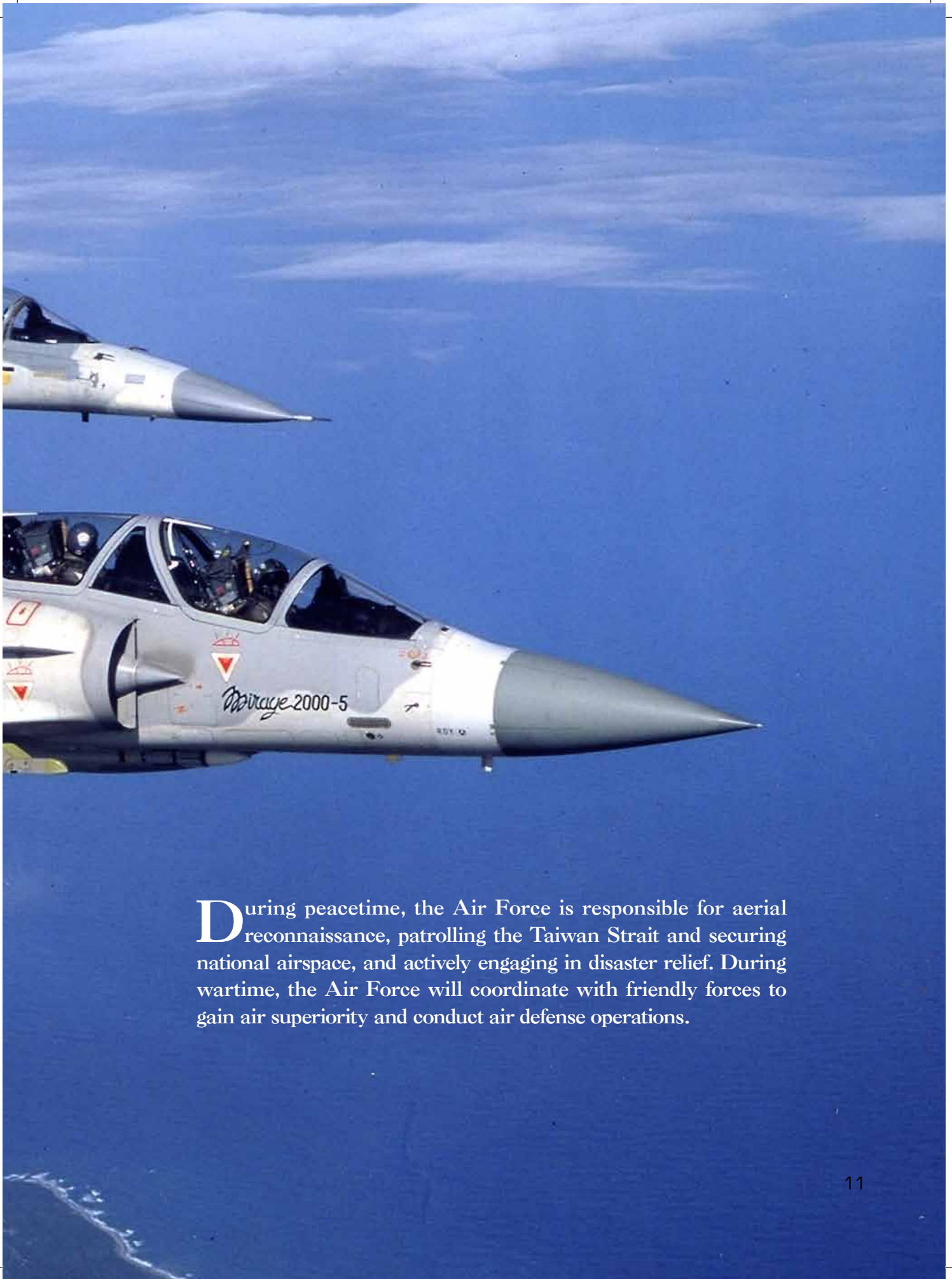


During Peacetime, the Navy is responsible for reconnaissance, patrolling and safeguarding maritime security in the Taiwan Strait, and actively engaging in disaster relief. During wartime, it will conduct sea operations with friendly forces to counter the enemy's maritime blockade or military invasion, thereby securing the sea lines of communication (SLOC).









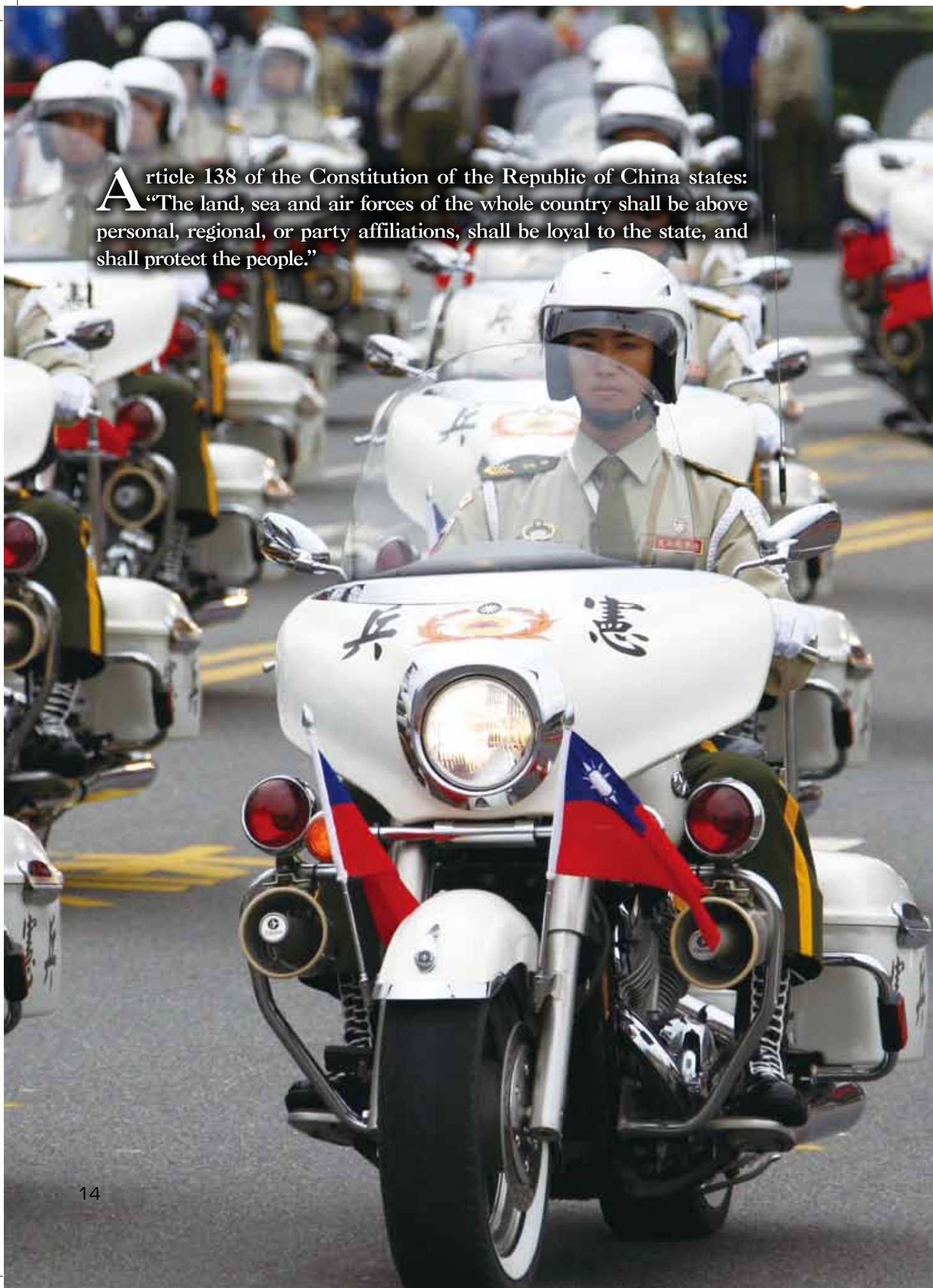
During peacetime, the Air Force is responsible for aerial reconnaissance, patrolling the Taiwan Strait and securing national airspace, and actively engaging in disaster relief. During wartime, the Air Force will coordinate with friendly forces to gain air superiority and conduct air defense operations.

Celebrations are held to arouse citizens' patriotism, and enable the all-out defense concept to strike roots in their hearts.





Article 138 of the Constitution of the Republic of China states:
“The land, sea and air forces of the whole country shall be above personal, regional, or party affiliations, shall be loyal to the state, and shall protect the people.”



Minister's Foreword

The Ministry of National Defense is obligated to periodically report “what it has done, what it is doing, what it prepares to do, why it is going to do so” to the people in accordance with Article 30 of the National Defense Act. The National Defense Report is published to give citizens a better understanding of the nation’s current security environment and national defense policy. Furthermore, the National Defense Report allows citizens to understand that the ROC Armed Forces is unbiased and must abide by the ROC Constitution, firmly maintain administrative neutrality, support government administration, and ensure national security.

As this year marks as the 100th anniversary of the Republic of China, this National Defense Report possesses the epochal significance of “inheriting from the past” and “carrying on for the future,” and thus uses “A New Epoch of National Defense” as its axis. This year’s National Defense Report conducts a comprehensive review of implementation results of national defense policy in recent years, and outlooks on future force development directions, so that citizens will understand, recognize and support national defense affairs. In addition, this Report commends the heroic deeds of the Black Cat and Black Bat Air squadrons, the martyrs in Battle of Kuningtou and Battle of Yijiangshan, as well as the selfless devotion of the Army 1st Special Forces, which have succeeded the Armed Forces honorable history.

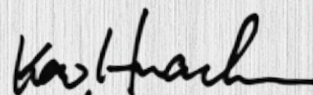
Ever since President Ma Ying-jeou assumed office in May 2008, the government has endeavored to implement a pragmatic Mainland policy with foresight, and thus improved the situation in the Taiwan Strait, significantly reducing the possibility of an armed conflict. However, peace must be established on strong self-defense capabilities, and not rely on the aid or good intentions of others. We have observed that the PRC continues to insist that articles on taking non-peaceful means for resolving the cross-Strait issue are required in the “Anti-secession Law”; the PRC has showed no signs of adjusting its military deployment opposite Taiwan. As the last line of defense of national security, the ROC Armed Forces must build a “Hard ROC” defense force to preserve peace and stability in the Taiwan Strait, so as to ensure that citizens may live in peace and enjoy their work.

In addition to force development and defense preparedness for possible enemy threat, the Ministry of National Defense attaches great importance to unconventional security issues, because the threat of terrorism, complex disasters (earthquake, tsunami, typhoon, nuclear disaster...) and pandemics to people’s lives and properties is no less

than war. Among government agencies, the military has the greatest mobilization capability and most rapid mobility. Thus, it is the most efficient. Therefore, the ROC Armed Forces has listed “disaster prevention and relief” as one of its main missions, engaging in disaster relief based on the principle of “preparing for disasters in advance, deploying troops with an eye to disaster preparedness, and ensuring readiness for rescue operations.” In the future, the Armed Forces will continue to actively strengthen its overall disaster relief capabilities, so that it will become a powerful force capable of “disaster relief during peacetime and combat during wartime,” shouldering the responsibility of protecting people’s lives, properties and safety.

With regard to recent espionage and breach of military discipline, the Ministry of National Defense bravely faces its faults and emphasizes the importance of servicemen’s military ethics as well as patriotism and loyalty. In the aftermath of the incident, the Ministry of National Defense thoroughly reviewed its system and practices, so as to maintain military discipline. Additionally, in the “Lafayette corruption case,” which has been closely followed by the public and concerns national interests and the Armed Forces’ honor, the Ministry of National Defense followed the President’s guidance of “administration according to law, implementation of arbitration,” and the “arbitration court of the International Chamber of Commerce (ICC)” ruled in our favor on May 31st, 2010. This case shows the wisdom and integrity of our military predecessors, virtues that our generation should learn from; the victory in court greatly encourages citizens, and sets a good example for the Armed Forces.

The “2011 National Defense Report” not only explains implementation results of national defense policy, but also describes the ROC Armed Forces’ active implementation of voluntarism, determination to establish self-defense capabilities and efforts to enhance disaster relief preparedness, hoping to gain the people’s trust so that they will identify and support national defense policy, thereby successfully achieve national defense transformation.



Kao, Hua-Chu
Minister of National Defense
July, 2011



Introduction

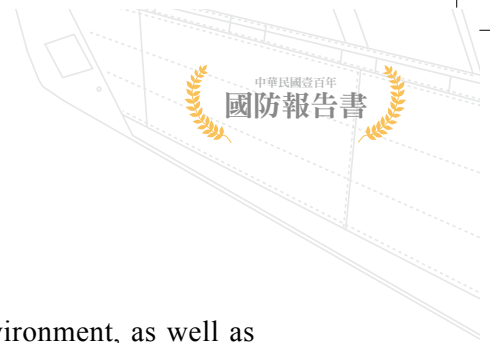
In recent years, cross-Strait relations have gradually relaxed as a result of the government's endeavors. Contact and exchanges between the two sides of the Taiwan Strait have greatly reduced the possibility of armed conflict. We believe this is a development that countries in the Asia-Pacific area and all citizens are pleased to see. Although cross-Strait relations are no longer as tense as in the past, facing the PRC's military development, the ROC Armed Forces will not and cannot rely on the PRC's good intentions for peace; strengthening defense capabilities is the fundamental way to ensuring peace in the Taiwan Strait. This year's national defense report describes how the ROC Armed Forces has actively responded to changes in the strategic environment, and is building a "small but superb, small but strong and small but smart" defense force via innovations in organizational system, force structure, project workflow, talent cultivation, resource allocation and capabilities development.

The ROC Armed Forces serves as a defender of national security and the people's welfare, and a guardian of constitutional democracy. It resolutely holds the belief to "fight for the survival and development of the ROC, and fight for the safety and welfare of people in Taiwan, Penghu, Kinmen and Matzu." It clearly understands that "there is a clear and definite line between the ROC Armed Forces and PLA," and takes suitable actions to ensure national security. The significant growth of the PRC's comprehensive national strength has become an unavoidable issue that the ROC must face and respond to. Even today the PRC has not renounced the use of military force against Taiwan, and over one thousand missiles are still deployed along the coast opposite Taiwan. Furthermore, the PRC has resorted to every conceivable means to collect intelligence on the ROC Armed Forces, and as cross-strait exchanges are becoming more and more frequent, Taiwan must confront the threat of the PRC.

"Peace must be backed by strength." Therefore, the Ministry of National Defense has not for a single moment relaxed its endeavors in force buildup and defense readiness. Force buildup continues to be guided by the military strategic concept of "resolute defense and credible deterrence," emphasizing the enhancement of the ROC Armed Forces' joint operation capabilities, and aiming to achieve war prevention and deterrence. Defense readiness is based on the principles of "smart and steadfast, and strict and arduous"; important exercises and training missions, such as the Han Kuang Exercise, are utilized to pragmatically review the Armed Forces' training results, thereby enhancing the Armed Forces' overall capabilities.

In addition to its duty to ensure peace in the Taiwan Strait, the ROC Armed Forces is also actively strengthening its disaster prevention and relief capabilities. It has become a global consensus that unconventional security issues are a threat to people's lives and properties no less than conventional security issues, such as military conflicts. Among unconventional security issues, severe climate change is the most threatening to people's survival and safety. Facing growingly frequent extreme weather disasters, countries around the world must even more sternly face the loss of lives and properties caused by natural disasters.

Facing the current strategic environment and security situation, the ROC Armed Forces is actively engaged in force buildup, hoping to become a powerful force that can "carry out disaster relief during peacetime and engage in combat during wartime." This book uses "A New Epoch of National Defense" as its axis, and consists of four parts – "Strategic Environment," "National Defense Transformation," "National Defense Capabilities" and "Bringing Peace and Stability to the Country," with a total of nine chapters. Each part is summarized below:



Part 1 Strategic Environment

This part summarizes developments of the global strategic environment, as well as possible trends of future security situations. Then, it analyzes the threat of the PRC's military development, and describes how the ROC responds to changes in the current strategic environment.

Part 2 National Defense Transformation

This part uses current defense policy and defense strategic objectives to explain the two focuses of “national defense transformation” – implementation status of “voluntarism” and organizational restructuring plans of the “Jingsui Program.”

Part 3 National Defense Capabilities

This part explains results of the ROC Armed Forces' efforts to enhance “intangible combat capabilities,” “joint operations effectiveness,” “information and electronic warfare capabilities” and “logistic support” in recent years, and how “human,” “financial” and “material” resources are utilized. Furthermore, this part also describes the promotion of all-out defense concepts and how all citizens and national resources are an integral part of national defense capabilities.

Part 4 Bringing Peace and Stability to the Country

This part elaborates on the ROC Armed Forces' efforts in disaster prevention and relief in terms of laws, equipment and training, and also describes missions executed in the past two years and how the Armed Forces will further strengthen its capabilities to safeguard people's lives and properties. Furthermore, this part describes services provided by the ROC Armed Forces to citizens, servicemen and their dependents, so that the Armed Forces gains support from the people and builds up esprit de corps.

The ROC Armed Forces safeguards the survival and development of the ROC, and is an elite force that has “restored Taiwan,” “defended Taiwan,” “constructed Taiwan” and “safeguarded Taiwan.” The “2011 National Defense Report” not only expounds the global security situation and analyzes the threat of the PRC's military development to Taiwan, but also reveals pragmatic, new concepts of force buildup of the ROC Armed Forces, and explains current defense policy and development visions, hoping to help citizens gain a clear understanding that will build the consensus that military and civilian are one. This will support the ROC Armed Forces in building a “Hard ROC” defense force that will make the enemy not dare to, become unwilling to and unable to invade Taiwan, thus protecting the country and contributing to regional peace and stability at the same time.



Part 1

Strategic Environment

Developments of the international situation are affected by the interactive effects of conventional and unconventional security issues. The complex environment of the Asia-Pacific region, as a result of military conflicts, economic cooperation and natural disasters, has become an epitome of the international situation. The ROC is located at the hinge of East Asia; its geographic location gives it strategic importance, but also the challenge of diverse natural disasters, a threat to our national security besides regional conflicts. Furthermore, from a political aspect, we must face the security challenge of the rise of the PRC, the rapid modernization of its military, as well as the threat of severe changes in the natural environment to people's lives and properties. Therefore, the ROC Armed Forces must continue to carry out its operational duties, implement military transformation, and fully understand crises and opportunities created by the current strategic environment, so that it will be able to response to internal and external challenges and ensure national security.



Chapter 1 Security Situation

The implications of the 21st century security situation is no longer limited to individual regions, nor is it confined to conventional armed conflicts, and may include extreme climate, energy competition, terrorist attacks, new infectious diseases, and hacking of critical information systems. These have all become issues that cannot be overlooked by countries when considering threats to national security. The effect of these issues becomes increasingly apparent following growing interactions between nations and regions, and bears direct impact on the process and nature of national policy, people's way of life, and interactions between nations.

Section 1 Global Security Situation

The U.S. still exerts the influence of its national strength to maintain current global and economic order. However, the influences of the E.U., Russia, PRC, India and Japan on their respective regions are gradually growing, especially the PRC, which is intensifying its intervention in regional affairs and expanding its influence on international affairs as it is gradually accumulating political, economic and military strength. From a wider perspective, the global security situation remains in a state with both “competition and cooperation,” regional powers continue to assume leadership in regional developments, while small states strive to maximize benefits by showing their core capabilities and critical roles through competitive advantages and economic interactions.

The concept of “comprehensive security” has received great attention in recent years, and equal importance has been attached to conventional and unconventional security issues. Conventional security issues are urgent issues that directly concern national security, mostly involve disputes over a nation’s sovereignty, territory, ethnicity and religion, and will easily result in regional armed conflicts. Following technological advancements, major countries are all developing and acquiring new weapon systems, establishing new strategies and tactics for new forms of warfare, and competing to gain an edge in military strength. In addition, the proliferation of weapons of mass destruction and technologies, such as missiles and nuclear weapons, remains a matter closely followed by the international society due to its high psychological intimidation and possibility of severe casualties; such matters desperately need to be controlled via international cooperation.

Due to potential damage to lives and properties and psychological shock that might result from unconventional security issues, the attention that such issues attract has surpassed that of conventional security issues; countries around the world are very serious about early warning and response measures for natural disasters, such as earthquakes, torrential rain, tsunami, landslides and volcano eruptions. Furthermore, competition over maritime rights, energy exploitation, food production and water resources could easily trigger conflicts and that impact interactions between countries.

Also, terrorist attacks by religious fanatics or political extremists are still frequent, causing severe loss of lives and properties as they are prone to select conspicuous facilities or landmarks where crowds gather. And although the international society has joined together to condemn terrorism, terrorist activities are still frequent in Southeast Asia, South Asia and the Middle East. The global counter-terrorism environment has become even more complicated after Al-Qaeda founder and leader Osama Bin Laden was taken out by U.S. forces.

I. Asia

(I) PRC

The continuous economic development of the PRC in recent years has not only strengthened its comprehensive national power but also its confidence and intention to increase its regional and international influence. Although the PRC has attempted to reduce international suspicions over its growing overall national power through measures, such as “harmonious world,” “friendly diplomacy” and “international peacekeeping,” its rapidly expanding military strength continues to constrain the development of cross-strait relations and threaten the security of relevant regions. Moreover, the PRC’s defense transparency falls far short of international expectations. The PRC will remain a challenge and threat to global security and stability if it does not raise its defense transparency, reveal clear strategic intentions, and improve its current conditions of human rights and rule of law according to the Universal Declaration of Human Rights.

(II) Korean Peninsula

The military standoff between South and North Korea has lasted for over half a century since 1950. The barriers and wide gap between ideologies cannot be removed within any short period of time. The current situation on the Korean Peninsula is complex and volatile. However, both Koreas have reinstated political dialogue under international concern, and are focusing on economic and social exchanges, interactions and developments. Moreover, recent observations of the territorial dispute over sovereignty of the Dokdo Island (referred to as Takeshima by Japan)



After Japan was devastated by a complex disaster in March 2011, the US immediately dispatched forces to assist with disaster relief; this is expected to benefit the further improvement of US-Japan relations. (Source: US Navy)

have found no signs that the issue will be successfully resolved. North Korea has long had a depressed economy and severe food shortage, and is currently undergoing a leadership succession. To ensure the continuation of its regime and to gain bargaining chips, North Korea has not ruled out the continued use of diplomatic strategies to create negotiation space, in which it will wait for opportunities to seek interests.

North Korea's development of nuclear weapons and ballistic missile technologies has always been the primary uncertainty in Northeast Asia's stability, and has been a matter of concern to the U.S., Japan and South Korea. North Korea has conducted numerous missile tests and nuclear tests in recent years, which have affected regional peace and stability. The United Nations and international society have thus condemned and imposed sanctions against North Korea. The sinking of South Korea's navy ship in March 2010 and bombardment on Yeonpyeong Island in November the same year show that the situation on the Korean Peninsula is closely related to

the security and stability of Asia. In response to North Korea's provocation, South Korea has accelerated its force development to enhance its strategic warning and contingency response capabilities. This includes strengthening defense infrastructure on offshore islands, as well as joint response capabilities of the U.S.-South Korean military alliance, so as to ensure its national security. Countries within the region have also convened Six-Party Talks to build a consensus and integrate resources in hopes of resolving regional security threats. The effectiveness of this mechanism, however, requires further observation.

(III) Japan

After Japan's leadership transferred from the Liberal Democratic Party to the Democratic Party in September 2009, the policy for relocation of the U.S. military base in Japan was changed for a while; differences in the perspectives of the parties impacted U.S.-Japan relations. Afterwards, the Japanese government adopted a cooperative stand and reiterated its intention to strengthen the U.S.-Japan alliance, hoping to mend their relations. The U.S. thus declared its determination to defend Japan, and U.S.-Japan relations gradually warmed up. On March 11th, 2011, Japan was devastated by a complex disaster (the strong earthquake caused a large tsunami that damaged a nuclear power plant and resulted in radiation leakage) that caused the most severe loss of lives and properties since World War II. The U.S. immediately dispatched its carrier strike group after the disaster to assist with disaster relief and subsequent reconstruction, fulfilling its commitment to safeguard Japan's security; this is expected to further benefit U.S.-Japan relations.

In Japan's latest "National Defense Program Guideline" released in December 2010, the PRC's military expansion and North Korea's development of nuclear weapons were listed as potential threats to the region. To respond to sudden situations in the region, Japan plans to enhance its submarine, ballistic missile defense, intelligence, surveillance and reconnaissance, and long-range delivery capabilities, and is gradually strengthening defense capabilities of offshore islands to the southwest; related organizational restructuring and armaments establishment are matters of regional strategic balance, and have raised high concern among surrounding countries. Japan could face numerous challenges in the future. Currently, Japan is still involved in a number of disputes with surrounding countries over territory and



maritime rights, including the East China Sea oil and gas fields, Takeshima (referred to as Dokdo Island by South Korea) and the northern islands (referred to as the Kuril Islands by Russia), and it has affected regional security situation. Russia's President and Minister of National Defense set foot on the Kuril Islands in November 2010 and February 2011 respectively to declare Russia's sovereignty, escalating the territorial dispute between Japan and Russia. Whether or not these disputes can be resolved via diplomatic means and a peaceful negotiation process is a key focus of the region in the future.

(IV) Southeast Asian Countries

Thanks to reviving global economy and the free trade agreement between ASEAN and the PRC taking effect in 2010, effective regional economic integration in Southeast Asia has benefited its stable political development. With regard to domestic affairs of each country, the Philippines completed its presidential election and saw a successful party alternation; Thailand's Prime Minister Abhisit Vajjajiva initiated a reconciliation between political parties, and the situation of the National United Front of Democracy Against Dictatorship was alleviated; Myanmar held the first presidential election in 1990, released the dissident Aung San Suu Kyi, who had been under house arrest since 2003, and gradually began making contact with European and American countries. After signing the Treaty of Amity and Cooperation in Southeast Asia with the U.S., ASEAN held the first "ADMM+8" in October 2010, and for the first time invited the U.S. and Russia to attend the East Asia Summit in an attempt to balance the PRC's strength. Furthermore, with regard to territorial disputes in the South China Sea, surrounding countries are reinforcing their armaments in response to the PRC's gradual expansion of its maritime rights. The U.S. advocated freedom of navigation in the South China Sea to protect its regional security interests, and proposed the use of a multilateral mechanism to resolve disputes. In the future, as major powers, such as the U.S. and Russia, start interfering with Southeast Asian affairs, whether ASEAN's status is elevated or diluted depends on whether or not it will be able to serve critical functions, create a balanced situation through participation of major powers, strengthen internal integration and expand external cooperation.

(V) South Asian Countries

In South Asia, India is the regional power in control of the Indian Ocean, and has the potential to become an international power. However, the PRC strengthening its



Following the growingly frequent interaction between states and regions, effects will show corresponding growth, directly impacting the interaction and exchanges between states, and further affecting their cooperation in the aspects of free trade, energy and national defense. (Source: US Navy)

political and military relations with Pakistan has interfered with South Asian affairs, and it is continuing to expand its influence and diluting India's leadership, impacting India's competitive advantages. In recent years, the PRC's comprehensive national power has increased, its force projection has extended to the Indian Ocean, and its influence has expanded to South Asia, impacting India's strategic visions and plans. This has affected India's execution of military missions and become a major worry of India's national security, causing India to accelerate navy and air force developments and strengthen its relations with the United States. At present, there is still a perception gap between India and the PRC on Tibet, the borderline between the two states, and its position as a permanent member of the United Nations Security Council. As the PRC's military power continues to expand, it will likely take on a tougher attitude when facing India or South Asian issues, and will become a new source of uncertainty to security situation in South Asia.

(VI) Middle East Countries

The Middle East is located at the intersection of Europe, Asia and Africa and has abundant crude oil resources; its strategic position and economic interests have been attached with great importance by powers around the world. After U.S. President Barack Obama assumed office in January 2009, he formally announced that military operations in Iraq would end on August 31st, 2010, and that U.S. troops would completely withdraw from Iraq by the end of 2011, indicating that the U.S. will gradually return the responsibility of Iraq's reconstruction to Iraq's government. Iraq's parliamentary election was held in March 2010. After negotiations between political parties, President Jalal Talabani was reelected in November. Important government officials took up their posts in December, showing that the political deadlock is gradually being resolved. Nevertheless, the timetable set by the U.S. Army might be delayed as a result of the complex distribution of power and disputes between factions in Iraq and sporadic terrorist attacks, which impact Iraq's political and military stability, as well as social harmony.

In Iran's presidential election in June 2009, opposition forces pressured the government as the legitimacy of President Mahmoud Ahmadinejad's reelection and the election process was questioned. Moreover, Iran has continued to implement its nuclear research and development project, which has been highly questioned by the Western world, and although the international society has imposed economic sanctions against Iran, whether or not it will sway Iran's determination to develop nuclear weapons requires further observation. In addition, Saudi Arabia has allocated a large budget to procure advanced armaments from the U.S. to match Iran's possible acquisition of nuclear weapons, and to further strengthen its defense capabilities after the U.S. Army withdraws from Iraq, thereby ensuring its military advantage. The development of strategic situation of the Middle East and how countries will interact would remain noteworthy matters to surrounding countries

A fundamental solution has long evaded Israel and Pakistan in their conflicts. Many countries have joined hands to help advance peace negotiations, currently focusing on the dispute over the settlement in East Jerusalem. However, the two governments are still dealing with internal disputes regarding the peace negotiations, making a concrete outcome unlikely in the near future. A democratic movement (Jasmine Revolution) erupted in the North African country Tunisia in January 2011, and influenced anti-government protests and mass conflicts of different levels in nearby countries, including Yemen, Jordan, Syria, Bahrain, Iraq, Iran, Oman and Saudi Arabia, planting seeds of democracy that will continue to affect political development and regional stability in the Middle East.



The US Armed Forces in the Asia-Pacific provides aid to military training of its allies to enhance their defense capabilities, showing its determination to ensure regional stability. (Source: US Navy)

II. Europe

(I) European Union

The “Treaty of Lisbon” took effect in December 2009, and the European Union (EU) newly established a permanent president and high representative of foreign affairs and security policy. The Treaty is a milestone for further political and economic integration of European countries. Furthermore, the EU has continued to strengthen its relations with partners to the east and Mediterranean countries, extending its influence via cooperation in free trade, energy security and defense affairs.

As the EU began accelerating the integration of member states, it was faced with global security challenges, such as the global financial crisis and climate changes. Many European countries were presented with immense fiscal deficits and high unemployment rates, forcing their governments to cut down on public expenditures and defense budgets, establish military cooperation with other states, downsize their forces, and either reduce or suspend armaments procurements. Such fiscal deficits has affected economic revitalization, and caused security risks in Europe. Additionally, international terrorist organizations, e.g. the Al-Qaeda, are using a number of



The US and Japan have strengthened security cooperation and intelligence exchange mechanisms in response to the conflict on the Korean Peninsula, so as to jointly face the growing regional threat. (Source: US DoD)

methods, e.g. parcel bombs to attack European countries, showing that terrorist activities have become a threat to the security situation and social stability in Europe, and must be handled via international cooperation.

(II) Russia

Russia's national strength has gradually been revived in recent years as it has continued to improve its economic institution and expand energy cooperation. Besides completing the establishment and reformation of military regions, Russia has also implemented numerous energy channel cooperation plans, and plans to utilize its energy resources to secure its status as a great power. In addition, after Russia proposed the "European Security Treaty," NATO announced new strategic concepts, the U.S. adjusted its missile defense system deployment plan for East Europe, and the U.S. and Russia signed "New START" and reached a consensus to reduce nuclear weapons. This has allowed Russia to successfully alleviate its tense relations with NATO and the U.S. after military conflicts with Georgia in 2008, and communication and cooperation should be restored for international security issues in the future.

III. The Americas

(I) The U.S.

The Obama Administration implemented a number of reforms after assuming office. However, the American economy's revitalization was not as expected. High unemployment rates impacted social stability, and the governing party – the Democratic Party lost control of the Senate in the mid-term election, causing even more uncertainty for future policy formulation and implementation. In terms of international counter-terrorism measures, substantial results have been obtained at the current stage. 2011 had been set to see complete withdrawal of U.S. troops from Iraq and focus will shift to Afghanistan. Exchanges with the PRC and counter-terrorism cooperation with India and Pakistan will be strengthened. The U.S. stands from a cooperation and coordination point of view in handling major international issues, and will deepen exchanges and cooperation with Japan, South Korea, India, the EU and ASEAN, as well as regional organizations. Furthermore, the U.S. is strengthening mutual trust with the PRC and Russia, and striving for cooperation in global security affairs in hopes of maintaining its international leadership.

The U.S. continues to station contingency response forces in the Asia-Pacific region based on the “Treaty of Mutual Cooperation and Security between the United States and Japan” and “U.S.-South Korea Mutual Defense Treaty,” and holds numerous joint exercises each year to verify its defense capabilities and show its determination to ensure regional stability, including “Keen Sword,” “Key Resolve,” “Foil Eagle,” “Cobra Gold,” “CARAT” and “Balikatan.” The U.S. currently has over 300 thousand troops stationed in Asia. This force plays an important role in the response to regional emergencies and the execution of humanitarian relief.

After the series of conflicts starting from the sinking of a South Korean navy ship to North Korea bombing Yeonpyeong Island, the U.S. stepped up the frequency and scale of joint military exercises with South Korea in response to North Korea's provocation. In addition to Japan sending observers to participate in U.S.-Korean exercises for the first time, the U.S., Japan and South Korea decided to strengthen intelligence exchange mechanisms and hold negotiation meetings starting in 2011, showing that cooperation measures to strengthen security have been adopted to face common threats. At present, the U.S. is adjusting its forces in the Asia-Pacific region



and strengthening missile launching capabilities of its force on Guam, protecting freedom of navigation in high sea and responding to unexpected security threats within the region (e.g. nuclear weapons of North Korea, territorial disputes and terrorist activities), so as to maintain regional peace and stability and protect its national interests.

(II) Central and South American Countries

In Central and South American Countries, frequent natural disasters, e.g. strong earthquakes in Haiti and Chile, hurricanes in Central America, and the cholera epidemic in Haiti, have resulted in losses exceeding U.S.\$100 billion and affected the overall economic development of the region. The territorial dispute over the Falkland Islands between England and Argentina, dispute over coastal areas and territorial seas between Nicaragua and Honduras, and the escalation of border issues between Nicaragua and Costa Rica are all affecting regional stability. Moreover, the agreement on military cooperation between the U.S. and Colombia was opposed by left-wing governments led by Venezuela and developed into an arms race. Illegal cross-border economic activity, gang crimes and drug trafficking continue to compromise regional security.

In addition, Chile, Uruguay, Bolivia, Costa Rica and Brazil all successfully completed their presidential elections. After the change in the political situation of Honduras, the regime of democratically-elected president Porfirio Lobo Sosa has gradually stabilized as he actively expanded diplomatic efforts. Venezuela, Bolivia and Brazil continue to strengthen their political and military interactions, exchanges and cooperation with Russia and the PRC via their energy strategy. Future developments of their active efforts to elevate their regional status are especially noteworthy.

IV. Oceania

Australia continues to dominate political, economic and military situation in Oceania. Australia experienced a change of leadership in June 2010 due to the government not meeting public expectations. Its political situation has gradually stabilized after its Parliament settled down. Australia has long been an ally of the U.S., but is trying to maintain balanced diplomatic relations with both the U.S. and PRC due to the

influence of the PRC's powerful economy. This might affect its diplomatic policy and impact the alliance and strategic relations between the U.S. and Australia. New Zealand released its national defense white paper in November 2010, and stressed that it will cooperate with Australia in jointly maintaining regional security.

South Pacific island countries mostly rely on foreign aid for economic development due to the singularity of their economic structure; unstoping internal disputes have resulted in social instability and affected overall national development. However, utilizing the strategic position of their geographic location and abundant natural resources, South Pacific island countries have been actively promoting regional cooperation via mechanisms such as international forums to attract aid from other countries. This has created increasing competition between traditional powers, such as the U.S., England and France, and emerging powers, such as Japan and the PRC, which has actively expanded aid and investments in recent years.

Global warming effects, such as extreme climate, melting of polar ice caps and frequent earthquakes, in recent years have affected countries around the world. Oceania is no exception. The once in a century flood in Australia in January 2011, major earthquake in New Zealand in February 2011, and island countries, such as Palau, Tuvalu, Vanuatu and Solomon Islands, at risk of their national soil becoming submerged, these have all severely impacted the social stability and survival of countries within the region.

V. Africa

Due to the continuous conflicts between ethnic groups, tribes and regions in Africa, political development has shown limited results compared with other areas; however, democracy has become a growing trend. In which North African countries along the Mediterranean, including Egypt, Libya, Tunisia, Algeria and Morocco, have been more significantly influenced by Europe due to their closer geographical location.

The democratic movement in Tunisia in January 2011 ignited a fire that spread through the Arabic world in North Africa. Mass movements of various scales appeared in Egypt, Libya, Algeria, Morocco and Djibouti, and challenged the authority of their government's in pursuit of democracy, producing deep effects on future political reform, human rights development, liberty and democracy in



The US and Russia are actively interfering with African affairs, hoping to drive regional development, expand economic scale, improve the people's living conditions, expand their influence and ensure their interests in the resources there. (Source: US Navy)

the region. Among them the Libya government used its military to suppress the anti-government protest, and forced the United Nations Security Council to pass a decision to intervene, in which France, England and the U.S. responded with actual military action. This shows that liberty, democracy and human rights have become universal values in the international society.

With regard to economic issues, food safety has gradually become a strategic and security issue discussed by African countries. With an eye on the rich natural and human resources in the area, large nations around the world, including the U.S., Russia, PRC, India and European countries, have been actively interfering with African affairs to protect their interests in its resources, and hoping to expand their influence. However, economic development activities involve competing interests and frequently cause disturbances, which have further affected the political stability of the countries concerned. Furthermore, low education and medical levels have resulted

in insufficient labor force and retarded economic development. The significant results of South Africa's economic development have allowed it to be listed among the "BRICS countries," and be selected as a non-permanent member of the United Nations Security Council in January 2011. Whether or not this will effectively drive overall development of Africa, expand its economic scale, and improve its people's living conditions depends on the consensus and cooperation of African regional organizations.

Section 2 Asia-Pacific Security Trends

Since the beginning of this century, conventional military security issues of the Asia-Pacific region have been replaced by the threat of the PRC's military expansion, conflicts on the Korean Peninsula, disputes over maritime rights and sovereignty in East Asia, and the proliferation of weapons of mass destruction. With regard to unconventional issues, international terrorism, food and water resources, economic security, energy security, infectious diseases, climate anomalies and major natural disasters, disputes over surrounding sea areas and maritime safety are all issues that cannot be resolved by any single country. Such issues require joint efforts of countries in the Asia-Pacific region and solutions are even more difficult to find compared with conventional security issues.

I. Conventional Security Issues

(I) Expansion of the PRC's Power

Benefiting from the rapid development of comprehensive national power and economic strength, PRC defense budget has maintained double digit growth rates for over two decades and accelerated military modernization. Following the continuous expansion of military strength, the PRC has had frequent military activity in the Asia-Pacific region in recent years, and adopted a tougher stand on its sovereignty and territorial integrity. This development has raised suspicion and alert in surrounding countries, including Japan, South Korea, Vietnam and India, and formed U.S.-PRC strategic competition on regional security issues.

PRC military development currently focuses on the development and deployment of various ballistic and cruise missiles of the Second Artillery Force, military modernization of its air force and navy, enhancement of missile launching capabilities, establishment of information and electronic warfare capabilities and joint operations capabilities. Furthermore, the PRC is actively developing "Anti-Access/Area Denial" capabilities and related tactics and techniques, attempting to deter or deny intervention by other armed forces in the Taiwan Strait. Summarizing analyses by domestic and foreign think tanks, the PRC should be able to complete

and gradually deploy aircraft carriers by 2020, coupled with the development of new generation stealth fighters and integrated development of aerospace/aerial capabilities, the balance of military strength in the Asia-Pacific region will likely shift and even turn into an arms race.

Generally speaking, from an economic perspective, Asia-Pacific countries believe the rise of the PRC to be an opportunity and challenge; however, from a security perspective, Asia-Pacific countries remain suspicious of the PRC's military expansion, and besides strengthening their own defense capabilities, they also hope that the U.S. will retain a military force to a certain extent in the Asia-Pacific region, so as to maintain regional stability.

(II) Conflicts on the Korean Peninsula

The situation on the Korean Peninsula tensed up in 2009 after North Korea's "Taepodong-2" missile test in April and second underground nuclear test in May 2009. South Korea's navy ship was sunk in March 2010, and the bombing of Yeonpyeong Island in November the same year escalated the situation on the Korean Peninsula to the brink of war, impacting regional security and stability. To warn North Korea to restrain military actions, the U.S. and South Korea stepped up joint military exercises in the Yellow Sea, which at one point stressed the relations between the U.S. and PRC.

North Korea has been developing nuclear weapons and mid-range and long-range ballistic missiles for years, and has enough plutonium to produce several nuclear warheads. In November 2010, North Korea showed visiting American scientists the gas centrifuge for uranium enrichment in its Yongbyon Nuclear Scientific Research Center, showing its determination to expand nuclear weapon capabilities. North Korea's military actions in 2010 raised international concern over its plans for developing nuclear weapons and missiles, and fear that North Korea will proliferate missile and nuclear technologies to other countries.

In response to North Korea's nuclear weapons and military threat, South Korea joined the regional "Proliferation Security Initiative (PSI)" led by the U.S., Japan is actively establishing missile defense capabilities, and both countries have strengthened their military cooperation with the United States. The PRC, U.S. and Russia hope to



The situation on the Korean Peninsula tensed in 2009, the US-South Korea joint military exercise in the Yellow Sea also caused tense relations, and impacted regional security and stability. (Source: US Navy)

restart “Six-Party Talks,” using its negotiation measures to resolve the crisis of North Korea’s nuclear weapons and military threat. To Asia-Pacific countries, conflicts on the Korean Peninsula are a major regional security issue that requires joint effort among countries.

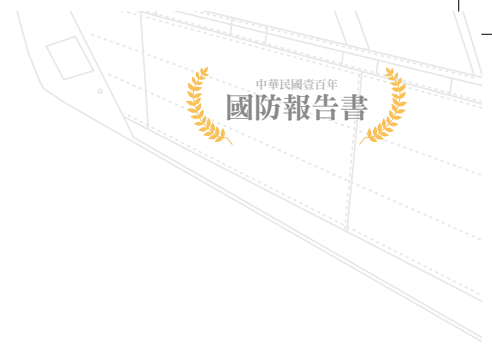
(III) Territorial Seas and Sovereignty Disputes in East Asia

After the end of the Cold War, ground territorial disputes in the Asia-Pacific region decreased as states turned their focus to sea. After the “United Nations Convention on the Law of the Sea” was announced in 1982, competition further escalated between the state parties over sea rights in continental shelf and exclusive economic zone. This has significantly affected international relations and regional interaction and developments in the Asia Pacific region as countries spare no effort in the competition for maritime resources and rights.

At present, major disputes over maritime rights and sovereignty in the Asia-Pacific region include territorial dispute over the South China Sea between the ROC, PRC and surrounding countries; territorial dispute over the Diaoyutai Islands between the ROC, PRC and Japan; territorial dispute over the Kuril Islands between Russia and Japan; territorial dispute over the Dokdo Island between South Korea and Japan, territorial dispute over “Okinotorishima” and East China Sea oil and gas fields between the PRC and Japan. Especially noteworthy is the PRC in 2010 claimed that the South China Sea was “core interests concerning the territorial integrity of China,” which made surrounding countries apprehensive and raised concern in the U.S. of freedom of navigation in this international water.

(IV) Proliferation of Weapons of Mass Destruction

The proliferation of weapons of mass destruction has always been a security issue attached with great importance in the U.S. and Russia. The immense fear and security threat created by such weapons have attracted high levels of concern in the international society. Over the years, the international society has attempted to ensure the peaceful use of nuclear energy, to prohibit the production of biological and chemical weapons, to reduce the number of existing nuclear weapons, and to prevent weapons of mass destruction and its technology from being acquired by specific countries and non-state actors. Related international treaties and organizations include the “Biological Weapons Convention (BWC),” “Chemical Weapons Convention (CWC),” “Nuclear non-Proliferation Treaty (NPT),” “Strategic Arms Reduction Treaty (START),” “New START,” “International Atomic Energy Agency (IAEA)” and “Organization for the Prohibition of Chemical Weapons (OPCW).” However, as North Korea and Iran continue to develop nuclear weapons, the Asia-Pacific region cannot free itself from the threat of weapons of mass destruction. Therefore, countries in this region must adopt more effective prevention measures and take part in international cooperation to respond to potential security situations.



II. Unconventional Security Issues

(I) Pervasion of International Terrorism

Terrorist activities have gradually become international in recent years, in which the Middle East, South Asia and Southeast Asia are among the areas where international terrorism is most prevalent. The Al Qaeda, Taliban and Hezbollah have continued to launch terrorist attacks in Iraq, Yemen, Pakistan, Afghanistan, Indonesia, Thailand and the Philippines, endangering their security and social peace. The death of Osama Bin Laden in a U.S. operation also added to the uncertainty of the regional security situation.

Asia-Pacific countries have discussed counter-terrorism measures through multi-lateral mechanisms, handling counter-terrorism issues via international cooperation. For example, 18 states participated in the first “ADMM+8” in Vietnam in 2010, and declared the strengthening of counter-terrorism cooperation in the “Hanoi Declaration.” The ROC has also strengthened counter-terrorism cooperation with Asia-Pacific countries through the platform of the Counter-Terrorism Task Force (CTTF) under the Asia Pacific Economic Cooperation (APEC).

(II) Food and Water Resources

The Food and Agriculture Organization (FAO) announced that global food prices hit a historic high in December 2010, even surpassing that of the food crisis in 2008 which caused a global disturbance. Insufficiency of food is the most serious in the Asia-Pacific region, in which 25 states face food shortages. Rice, corn and wheat output in some parts of Asia is gradually decreasing, mainly because of temperature rises, increased frequency of El Nino and water shortages caused by lower rainfall. The FAO indicated that the soaring food prices will make famine and poverty issues even more severe in developing countries and least developed countries in the Asia-Pacific region.

Developing countries in the Asia-Pacific region, such as India, Pakistan, Nepal and Bangladesh, are undergoing rapid urbanization and industrialization. Their continuous population growth has resulted in higher demand on water resources. Decreased water resources and increased droughts have produced negative effects on agriculture,

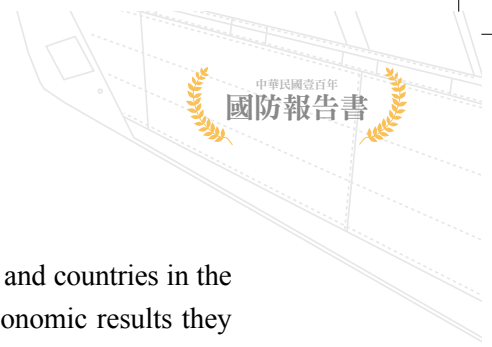
water supply, energy production and development and hygiene. Following the rise in temperatures, drop in rainfall and snowfall, and increased water demand, in some parts of Mainland China growingly water shortage has resulted in lakes, ponds and rivers drying up. In the world's second largest export country of rice – Vietnam, Mekong River delta – the “granary” will significantly reduce production due to water shortage and soil alkalization; this affects all surrounding countries, including Thailand, Laos, Vietnam and Cambodia

In view of the growingly severe food supply crisis faced by Asia-Pacific countries, the United Nations Economic and Social Commission for Asia and the Pacific published the “Report on Sustainable Agricultural Development and Food Safety in the Asia-Pacific region” in 2009, calling on governments of each state to enhance its food acquisition capabilities via the establishment of various social protection systems, basic medical systems and agriculture insurance Sustainable agriculture should be promoted to prevent food production from being severely affected by soil degradation caused by destructive farming, water sources contaminated by pesticides, and damages to the ecological environment cause by deforestation. Support should be strengthened for small scale agriculture production. Response measures should be adopted for the effect of climate changes on agriculture, while regional cooperation reinforced to jointly face food crises..

(III) Economic Security

The status of economic factors in international relations gradually rose after the Cold War. Under the influence of economic globalization, comprehensive national strength competition in the Asia-Pacific region that revolve around economy and technology has become a focus of regional powers. Economic globalization has escalated resource and market competition, and increased the risk to national economic security.

The main economic security factor that affects future security trends in the Asia-Pacific region is the change in relative economic strength of states in the region. The PRC began its economic reform in 1978, and fully utilized resources brought by global strategies of multi-national enterprises to drive rapid growth of its economy, which also allowed the rapid increase of its influence in the regional security system.



The Asia-Pacific economy is closely linked to the global market, and countries in the region are prioritizing stable economic growth to protect the economic results they have accumulated. The 2010 “Asia-Pacific Economic Cooperation (APEC)” pointed out that APEC will continue to drive Regional Economic Integration (REI) in hopes of achieving free trade and investment, and aims to establish a Free Trade Area of the Asia-Pacific (FTAAP) using a building blocks approach based on existing regional economic organizations, such as ASEAN+3, ASEAN+6 and the “Trans-Pacific Strategic Economic Partnership (TPP).”

(IV) Energy Security

A nation’s economic development relies on the stable supply and safe transportation of energy and commodities. The increase in global energy demand driven by economic development of emerging regional powers has resulted in tension in energy supply. In recent years, conflicts over the exploitation of submarine oil fields, Somali pirates on the international marine routes of the Gulf of Edin, natural disasters and international disputes all pose as threats to each country’s energy supply. For example, the flood in Queensland, Australia in January 2011 paralyzed the coal mining industry’s exports. The PRC, Japan, Vietnam and the Philippines competing for energy in their surrounding sea areas has caused Asia-Pacific countries to reevaluate the importance of energy issues in relation to national security.

The nuclear crisis in Japan that derived from the huge earthquake in March 2011 brought the issue of nuclear safety into center stage in the international society. Nuclear energy is an important source of civil energy, yet the peaceful use of nuclear energy still involves a number of issues, including highly dangerous radiation, nuclear safety, and nuclear waste disposal. Using East Asia and South Asia as an example, there are a total of over 112 commercial scale nuclear power generators in the ROC, PRC, Japan, South Korea, India and Pakistan, in which Japan with 54 generators has the most nuclear power generators in the region and is continuing to build new generators. Vietnam and Thailand, which currently are not using nuclear energy, are also planning to build two nuclear power generators each. The International Atomic Energy Agency (IAEA) is responsible for establishing international regulations on the limitations and management of nuclear energy; nuclear energy management requires

extremely high standards and self discipline to ensure its safety, and any nuclear accident will become a transnational disaster that affects regional security.

(V) Infectious Diseases

The spread of infectious disease is a major threat to the health of mankind, e.g. SARS, H1N1, aviation flu, CJD and VCJD (commonly known as mad cow disease).

Asian countries have currently established the Health Task Force (HTF) under the framework of the APEC with consideration to infectious diseases, e.g. SARS, Dengue Fever and HIV/AIDS, severely affecting regional economic activity, so as to strengthen individual and overall capabilities of Asian countries to fend off infectious diseases.

The military has rapid response and mobilization capabilities and possesses all the required equipment. Therefore, the military is obligated to support epidemic prevention, especially when a large scale outbreak occurs. The military's response, involvement and support to the government would determine the effectiveness of epidemic prevention.

(VI) Climate Anomalies and Major Natural Disasters

The frequency and intensity of extreme weather in Asia have increased since the 20th century. Sea level rise has resulted in significant change in the marine ecosystem, and caused tens of millions of people living on the coasts of South Asia and Southeast Asia to face the threat of floods. The Asian tsunami in 2004 caused severe casualties in South Asian and Southeast Asian countries, such as Sri Lanka, Indonesia and Maldives. The long droughts in Russia and Northern China threatened to create a shortage of grain and caused a rise in global wheat prices. The growingly frequent climate anomalies and major natural disasters have caused a continuous rise in casualties and losses, and will become too much of a burden to bear for most developing countries in Asia.

When Asian countries must simultaneously face earthquake, tsunami, flood, fire, cold and typhoon disasters, or "complex disasters," which is when other disasters derive from a natural disaster. Even when the initial natural disaster itself is not destructive,



The growing frequency and intensity of extreme climate in recent years has resulted in the continuous rise of casualties and asset loss, severely threatening national security and regional stability. (Source: US Navy)

the impact of food, water and energy shortages or contamination that follows might be beyond their coping and response capabilities, further threatening national security and regional stability.

To jointly face challenges brought by climate anomalies to the environment, the Asian Disaster Reduction Center (ADRC) was established in 1998 to integrate capabilities of Asian countries and build a framework for integrating disaster relief mechanisms and dialogue. At present, the ADRC has adopted a series of plans to strengthen disaster relief capabilities and talent cultivation in its member, and has constructed a tightly knit communication network for jointly facing severe challenges brought by climate changes.



The endless trouble caused by Somali pirates in recent years has turned piracy into an issue of international concern. (Source: US Navy)

(VII) Disputes over Territorial Sea

There have long been disputes between coastal countries in the Asia-Pacific region over sovereignty of islands and maritime rights. The “United Nations Convention on the Law of the Sea” passed in 1982 states that “The exclusive economic zone shall not extend beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured” (continental shelf can extend at most 350 nautical miles), thus arousing the emphasis on maritime interests and competition for maritime rights.

Disputes over resource exploitation, fishing rights and oceanographic survey have been derived from different viewpoints regarding sovereignty over islands, overlapping exclusive economic zones and the boundaries of such exclusive economic zones; some disputes have even resulted in the confrontation of law enforcement ships belonging to two states or even low intensity military conflicts.

Asia-Pacific countries that are currently involved in disputes over sovereignty and exclusive economic zones include the ROC, Japan, PRC and countries adjacent to the South China Sea. In which our current disputes with Japan include sovereignty over Diaoyutai, and fishing rights, maritime resource development and oceanographic survey disputes originating from overlapping exclusive economic zones with Japan's Sakishima Islands. Our government has conducted 16 fishery negotiations with the Japanese government since August 1996, but has not reached an agreement on related issues.

Disputes between Japan and the PRC over maritime rights include Diaoyutai and the Chunhsiao oil field. With regard to the Chunhsiao oil field, for the overlapping area of each state's exclusive economic zone in the East China Sea, both states are using the "middle line" as a temporary borderline; the ministers of diplomatic affairs of both states met in Tokyo to discuss the issue of developing oil and gas fields in the East China Sea, during which Japan requested that the PRC initiate a joint development treaty for negotiation, while the PRC indicated it will maintain informal negotiations.

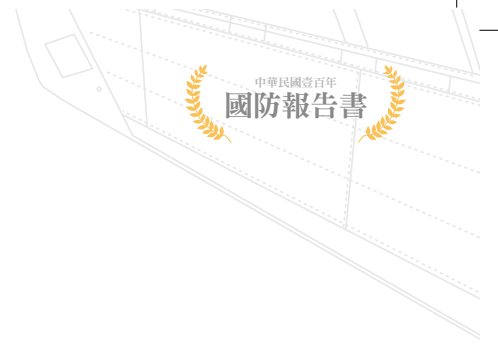
Countries surrounding the South China Sea are occupying islands to gain maritime rights and exclusive economic zone interests; currently the PRC, Philippines, Vietnam, Brunei, Malaysia and the ROC have all declared rights over a part or whole of the South China Sea. Facing such dispute, the PRC and ASEAN signed the "Declaration on the Conduct of Parties in the South China Sea" in 2002, for which each party agreed to exercise self-restraint and avoid causing tension and conflict in the South China Sea; the PRC proposed that they "put aside disputes and jointly develop" the area. Whereas our government stood to communicate with surrounding countries and peacefully resolve disputes based on the spirit of "sovereignty belongs to us, to put aside disputes, peace and mutual beneficial, and joint development." Even so, fishery, oceanographic survey and energy exploitation activities have still caused protests between different countries.

(VIII) Maritime Security

After the Cold War ended, any security threat to marine routes could become a maritime security issue, e.g. smuggling, terrorism and piracy. In recent years, piracy has raised concern in the international society, and pirates rampant in the Strait of

Malacca caused Singapore, Malaysia and Indonesia to initiate the Strait of Malacca Security Forum in October 2009, after which they formally set up the International Maritime Organization Trust Fund to finance experimental projects to protect the security of the Strait of Malacca. Furthermore, coastal countries and countries accessing the route also committed jointly protect the security and smooth navigation through the Strait of Malacca, so as to protect their collective interests. The endless trouble caused by Somali pirates cause the UN to pass a decision in June 2008 on the handling of Somali pirates, besides the U.S. and NATO sending convoys and investigating pirates, the PRC used the opportunity to extend the long distance operation and cooperation capabilities of its navy to the sea area off the Horn of Africa, and on numerous occasions sent navy ships on convoy missions in Somali waters.

Our economy relies heavily on exports, thus marine routes are the lifeline of our economic development; piracy on marine routes greatly affects our maritime security. The majority of illegal activities across the Taiwan Strait is smuggling, and has developed into a new security issue. Criminals on both sides of the Taiwan Strait smuggling firearms, narcotics or Mainland Chinese persons into Taiwan not only affects social security and causes diseases to enter Taiwan, but also gives the PRC opportunities to infiltrate and execute intelligence gathering missions, severely endangering our national security.





Chapter 2 Security Challenges

The PRC views the beginning of the 21st century to 2020 as an important “strategic opportunity period,” and is gradually shifting towards technological force developments with an emphasis on winning limited wars under conditions of informatization. Furthermore, the PRC has stepped up its defense and military modernization, and is gradually establishing “external” military developments. Although cross-strait relations have somewhat relaxed, the PRC has not slowed its military preparations against Taiwan, and even stressed that Taiwan was its “core interest” in 2010. The PRC has not abandoned military options against Taiwan; therefore, the risk of cross-strait military conflicts still exists.

Section 1 Current Status and Developments of the PLA

Following the rise of the PRC's comprehensive national strength, the domain that it wishes to dominate has expanded correspondingly, and its military strategy must satisfy demands accompanying this intention. In other words, the PRC has already made some changes to its military strategy. The "Three Step" strategy for defense and military developments announced by the PRC has apparently surpassed its existing development plans, indicating that it hopes to build a military force with an international perspective and matches its status.

I. Current Status of the PLA

Although cross-strait relations are becoming more and more stable, the PRC has not renounced the use of military force against Taiwan. The PRC's stable economic growth in recent years has effectively supported its defense development and military reform, which feature Chinese characteristics with an emphasis on information warfare. As the PRC's overall capabilities continue to grow, it is attempting to further expand its regional influence.

(I) PRC Military Strategies

Even though cross-strait relations have somewhat relaxed, the PRC has not slowed its military preparations against Taiwan. The PRC issued a white paper titled "China's National Defense in 2010" on March 31st, 2011. The white paper indicated that China's military preparations are aimed at large scale operations at its southeast coasts to "oppose the independence of Taiwan and advance the unity of China." Although the PRC claims that it will continue to promote peaceful developments across the Taiwan Strait, it remains concerned of U.S. arms sales to Taiwan, and expressed its dissatisfaction with the ROC and U.S. deepening military exchanges, believing that it will endanger future U.S.-PRC relations. This shows that even though cross-strait relations have relaxed, the PRC has not ceased its military preparations against Taiwan. Furthermore, the PRC's continuous expansion of its military force, frequent

military activities in the Asia-Pacific in recent years, and tough attitude over territorial sovereignty has raised suspicion and alert in surrounding countries, forming the strategic situation of the U.S. and PRC both competing and cooperating in regional security issues, showing that the PRC has adjusted its military strategy in response to the growth of its national strength. The PRC's military strategies are analyzed below:

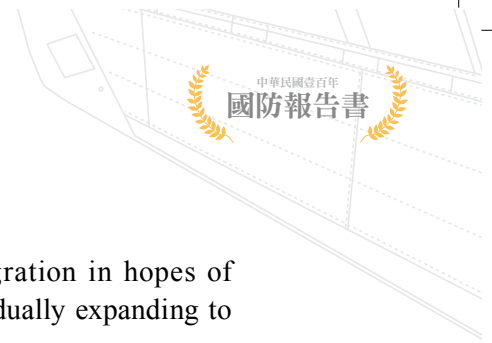
1. Military Strategy Adjustments

The PRC's military strategies are founded on "active defense," and after Hu Jintao assumed office in 2002, the PRC's strategic objectives and concepts have been adjusted in response to the growth of its national strength. Following the increasing importance of information technologies in warfare, the PLA adopted "win limited wars under conditions of informatization" as its strategic objective and "stopping wars and winning wars" as its strategic concept. Since 2008, the PLA adjusted its military strategic concept to "preventing crises and stopping wars," and enhanced the capabilities of its military for completing multifaceted military missions. In addition, the PRC stressed that its "active defense" insists on the principle of "defend, self-defense and strike only after the enemy has struck." Although it appears that the PRC will not actively provoke war, it is in fact prepared, and will be able to overcome the enemy and control the war situation once the enemy strikes; however, in essence this is a strategy to "take the initiative."

2. Military Strategic Objectives

(1) Proposal of Defense and Military Modernization Developments

The PLA is actively implementing military modernization developments to adapt to requirements of new situations. After the strategic objective of defense and military modernization was proposed in 1997, the PRC clearly indicated in 2009 that "future efforts will be to achieve development objectives of the 'Three Step' strategy, and step up defense and military modernization." In addition, in order to fundamentally achieve mechanization and achieve greater developments for information infrastructure before 2020, the PRC insists on using mechanization as a foundation and informatization as its orientation for extensively applying information technology results, driving mechanization



and informatization developments and integration in hopes of modernizing its defense and military, and gradually expanding to areas outside the Asia-Pacific.

(2) Emphasis on Talent Cultivation to Enhance Joint Operations Capabilities

To develop into an informatized armed force, the PLA proposed talent cultivation objectives and military knowledge requirements for the next two decades, planning to enhance the competencies of military personnel, as well as equip cadres with leadership skills that will enable them to meet future joint operations requirements before 2020. The “Outline of Military Training and Evaluation,” which the PLA announced in 2008, clearly states that the focus of cadre cultivation has gradually changed from the conventional “armed service” to “joint operations, joint education and joint training,” aiming to create a good talent cultivation environment to substantially improve the quality of military strategy talents, which are required for future joint operations, and also foster their joint operations command skills; this outline aims to enhance the PLA’s ability to cultivate new cadres for the future.

3. Military Strategy against Taiwan

Based on the PLA’s preparedness for taking military action against Taiwan and developments of the situation in the Taiwan Strait, high level officers of the PLA upgraded the military strategy against Taiwan at the end of 2008 from “using military force to oppose Taiwan independence” to “opposing Taiwan independence and advancing the unity of China.” At the end of 2009, the PLA was required to enhance preparation results for contingency response operations, in hopes of gaining the ability to launch large scale operations against Taiwan and prevent interference from foreign forces before 2020. It is obvious that although the possibility of military conflict has decreased after cross-strait relations relaxed, and dealing with the “Taiwan issue” might even be delayed, the PRC’s objective to unify Taiwan has not changed. As the military strength of the two sides of the Taiwan Strait becomes even more imbalanced, we are bound face growingly severe military threats.

Table 2-1 The PRC's Defense Budget from 2000 to 2011

Year	Defense Budget Total	Defense Budget Growth%	% of Overall Expenditure Total	% of Overall Expenditure%
2000	1,207.54	12.15	15,879	7.60
2001	1,442.04	19.42	18,844	7.65
2002	1,707.78	18.43	21,113	8.03
2003	1,907.87	11.70	24,649	7.74
2004	2,172.79	13.89	29,362	7.72
2005	2,474.28	13.88	33,709	7.34
2006	2,979.31	20.40	40,213	7.40
2007	3,509.21	17.80	46,789	7.50
2008	4,178.76	17.50	62,593	6.68
2009	4,951.10	18.50	76,300	6.49
2010	5,335.00	7.75	93,180	5.73
2011	6,011.00	12.70	100,220	6.00

Unit: 100 million RMB

(II) Defense Budget of the PRC

The PRC's defense budget has maintained double digit growth rates from 1989 to 2009 (20 years) to strengthen its defense and military modernization, and is equal to the military expenditures of Russia, Japan and South Korea combined, ranking first in Asia. Although the PRC has stressed over and over that its national defense is defensive in nature, it hopes to build an elite highly effective modernized force under the objective of "winning limited wars under conditions of informatization," and has implemented "military reform with Chinese characteristics." For this reason the PRC invests immense funds into the development of high-tech weapons, and is actively making foreign procurements of weapons and importing technologies. However, its accelerated development of defense modernization has gradually exceeded that required for mere defense, and its continued defense budget growth has caused other countries to feel deeply threatened.

	% of GDP Total	% of GDP %	Converted into U.S.\$100 millions	Difference between nominal and real budgt
	89,404	1.35	145.84	2.54
	95,933	1.50	176.34	32.00
	102,398	1.67	206.25	47.80
	116,694	1.63	230.70	54.90
	159,878	1.36	262.41	98.00
	182,321	1.36	302.00	28.50
	210,871	1.41	381.50	141.00
	226,160	1.55	449.40	44.69
	314,045	1.33	572.89	1.16
	340,903	1.45	702.76	144.24
	397,983	1.34	796.30	13.85
	429,822	1.40	915.06	Not Yet Disclosed

1. Budgeting Approach

The PRC's budgeting approach and purpose mainly aims to enhance the PLA's overall capabilities, conventional and unconventional weapons, aerospace, manpower and educational training. Evaluations by different sectors anticipate stable growth of China's economy until 2020, therefore its force development will continue receive adequate resources for achieve its strategic objectives. Furthermore, the PRC has held back on the disclosure of its defense budget as there is still immense hidden funding; "potential threat" grows on a daily basis, and the balance between the two sides of the Taiwan Strait is at risk of being lost (the PRC's defense budget from 2000 to 2011 is shown in Table 2-1).

2. Budget Overview

The PRC announced its 2011 defense budget at 601.1 billion RMB (equivalent to U.S.\$91.506 billion), increasing by 67.6 billion RMB compared with 2010 (the 2010 defense budget was 532.1 billion RMB) with a growth rate

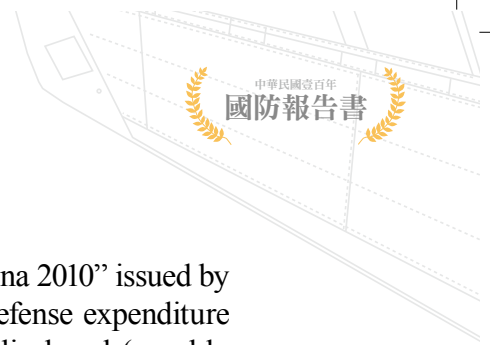
of 12.7%. The PRC claimed that the budget increase will mainly be used to support its military reform with Chinese characteristics; also, the budget will be used for armaments, military training, talent cultivation, basic infrastructure and military subsidies. The PRC hopes to enhance the PLA's capabilities for responding to multiple security threats and completing multifaceted military missions, ensuring that needs of military reform are satisfied while improving the living quality of its servicemen by an appropriate degree.

3. Structural Analysis

According to the official defense budget announced by the PRC, the budget is divided into three categories – “personnel living expenses, training maintenance expenses, and equipment expenses” and used for servicemen's salaries, equipment maintenance, procurement and research & development, each representing roughly 1/3 of the overall defense budget. As a whole, the defense budget is already somewhat inadequate for maintaining normal operations of the PLA's 2.3 million servicemen, not to mention Armed Police and those living on pension. If the PLA intends to acquire new equipment and enhance its defense capabilities, then it will require an even larger budget to support its requirements. Therefore, the PRC's actual expenditure must be hidden under non-military departments.

4. Hidden Funding

The PRC has stressed that its military force serves only to protect its sovereignty and the completeness of its territory, and does not pose a threat to any country. The PRC claims that its defense budget is in accordance with the National Defense Law and Budget Law, is included in the central budget bill and sent to the “National People's Congress” for deliberation, so the hidden funding issue is nonexistent. However, the PLA will require large amounts of funding if it is to build an elite highly effective modernized force under the objective of winning limited wars under conditions of informatization. Moreover, defense technology research, arms sales revenue, arms procurement expenses, revenue of defense industries and funding for Armed Police are all items that were not included in the PRC's defense budget. Therefore, as various funds are listed under different budgets, there is still immense funding hidden under non-military items. According to the “Military and Security



Developments Involving the People’s Republic of China 2010” issued by the Office of the Secretary of Defense, the actual defense expenditure of the PRC should be 2 to 3 times the amount it disclosed (roughly U.S.\$150~250 billion), and will cause severe imbalance of military strength in the region.

5. Effects

Based on the PRC’s national interest developments and military modernization objectives, although it claims that its defense budget is relatively low compared with large states around the world, it will be the world’s second largest military spender after considering its hidden expenses, trailing only behind the U.S.. Under the circumstances of the PRC unwilling to renounce the use of military force against Taiwan, its continuous military modernization will add pressure to our national defense, and should be followed with concern.

6. Future Developments

Faced with high tech local war, military strategy adjustments and defense infrastructure requirements under the condition of informatization of its new military reform, the PRC will have to maintain the high growth rates of its defense budget, in order to establish mechanized, informatized and integrated military infrastructure, and adapt to requirements of its military reform and new era military preparations; this development may become the start of a new arms race within the region.

(III) Current Status of PLA Armaments Research and Development

At present, the PLA is actively accelerating “mechanization” and “informatization” developments, and renovating military training, military theories, military technologies, military organizations and military management, so as to strengthen its capabilities to “win limited wars under conditions of informatization” and carry out “Military Operations Other Than War (MOOTW).” Moreover, the PLA is actively engaged in the research and development of related armaments. The PLA’s current status is analyzed below:

1. Ground Force Equipment

Equipment upgrade will be directed towards mechanization, and command and control will be developed towards informatization. Modifications of main battle tanks, multi-purpose armored vehicles, long-range MLRS and various helicopter models will be actively researched, so as to strengthen firepower suppression and strike, long distance maneuver and complex electromagnetic environment combat capabilities of ground forces, hoping to be capable of fast delivery via air and ground transport.

2. Navy Equipment

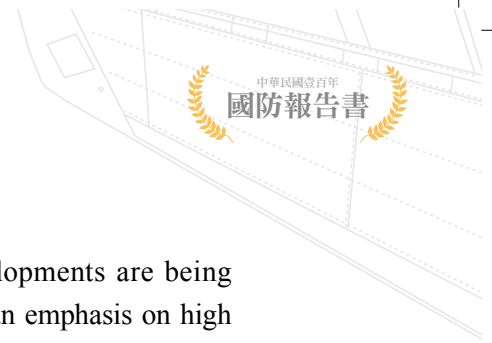
The PRC is importing and building new large combat ships, submarines and missile boats; researching and procuring various classes and variants of long-range anti-ship missiles; and, actively researching and building aircraft carriers, carrier-based fighters and intercontinental range ballistic missiles. Also, the PRC plans to develop new battleships, large amphibious assault ships and submarines with air-independent propulsion systems, hoping to gain control over the strategic domain west of the first island chain and regional operation capabilities between the second island chain.

3. Air Force Equipment

The PRC is actively developing new generation fighters, large transport aircrafts, and air-launched long-range precision weapons, and is continuing to strengthen its missile defense system and accelerate command and control information infrastructure, in hopes of gaining air superiority over the first island chain. Furthermore, its new generation fighters are gradually being equipped with various long-range precision strike weapons, and the PLA began importing foreign technologies in 2007 for the self-production of early warning and electronic warfare support aircrafts, which have significantly improved its early warning and battlefield control capabilities.

4. Second Artillery Equipment

The PRC has developed and tested numerous new variants of missiles; at the same time it is improving the quality of existing missile systems, and developing technologies with “defense penetration” capabilities to



counter missile defense systems. Furthermore, developments are being directed towards “all-purpose and multifaceted” with an emphasis on high precision, defense penetration conventional and nuclear warheads, hoping to gain nuclear intimidation and strike capabilities, as well as complete its conventional firepower strike network.

5. Aerospace Equipment

The PRC is actively developing new military reconnaissance and communication satellites, anti-satellite weapons and large carrier rockets, and focusing on enhancing image resolution, mobile communication and maximum payload. Also, the PRC is accelerating the deployment of its “Beidou” navigation satellites, and will continue to implement its manned spacecraft and moon probe plans, so as to make breakthroughs in a series of core technologies, including spacecraft rendezvous and docking and moon landing and probing.

6. Information and Electronic Equipment

This section is divided into equipment for information warfare and equipment for electronic warfare. In terms of information warfare, besides actively developing computer viruses and establishing capabilities to attack enemy computer and network systems, resources and information talents from the private sector will be integrated to gain massive network attack capabilities. In terms of electronic warfare, besides deploying new communication disruption devices and various disruption bases, the PRC has also built long-range disruption aircrafts and various anti-radiation unmanned platforms and missiles with an emphasis on operations under complex electromagnetic environments.

(IV) Current Status of PLA Capabilities and Preparations

The PLA has continued to actively enhance its capabilities in recent years according to its original plans. However, in view of its diplomatic policy “to become a good neighbor and a good partner,” its exercises are based on “contingency operations against Taiwan” and target tactics and techniques of the ROC Armed Forces. In which

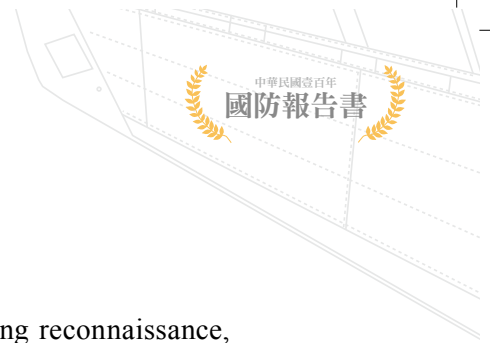
its joint landing exercises still mainly target Taiwan, and apply enhanced capabilities of area-denial, accumulating large scale operations capabilities.

1. Ground Force Capabilities

The PLA's Ground Force development focuses on "mechanization" and "informatization" according to its force restructuring plans. The PLA is actively building a ground force with Chinese characteristics, and continues to refine its organizational structure and improve training results, so as to strengthen combat and contingency response capabilities. Over the past year, guided by the transformation from "regional defense" to "global mobility," the PLA has concentrated on equipping the Nanjing and Guangzhou military regions with new amphibious assault vehicles and new MLRS, and expanding armored outfits and electronic countermeasure outfits in the Tibet and Xinjiang Autonomous Regions, implementing "mechanization" and "informatization" to enhance its capabilities of operations across the Taiwan Strait and defense operations on its western frontier.

2. Navy Capabilities

The PRC Navy's developments focus on enhancing its strategic intimidation and counter attack capabilities, gradually developing open water management and cooperation and unconventional threat response capabilities (e.g. counter-terrorism operations, right-safeguard cruise and disaster relief). The PLA Navy has sent battleships in batches to execute commercial ship convoy missions in the Gulf of Aden since 2008, besides verifying the performance and combat capabilities of new equipment, these missions serve to intensify joint operations training for multiple armed services, as well as live exercises. This shows that its strategic concept has gradually shifted from "offshore defense" to "open water defense," as it is actively building battleships and deploying long-range anti-ship missiles on its coasts, and gradually expanding the depth of maritime operations and anti-access capabilities.



3. Air Force Capabilities

The PLA's Air Force developments focus on enhancing reconnaissance, early warning, air strike, air-defense, anti-missile and strategic delivery capabilities. In recent years, the PLA Air Force has been actively acquiring new precision strike weapons and informatized command and control equipment, and has been participating in joint exercises and training, which have significantly strengthened its long-range precision strike and strategic delivery capabilities. Furthermore, it is actively improving its air force bases and battlefield protection facilities, and strengthening its logistics protection system, thereby elevating its comprehensive protection capabilities for combat equipment. In addition, guided by the change in strategy from "homeland air defense" to "balanced offense and defense," the PLA Air Force continues to upgrade its equipment to third generation fighters and new air defense missiles to strengthen its overall air defense capabilities.

4. Second Artillery Capabilities

Developments of the PLA's Second Artillery seek a balance between nuclear and conventional and use both solid and liquid. The Second Artillery has continued to improve the precision and effectiveness of its missiles; develop middle range ballistic missiles for targeting ships and independently targetable intercontinental range ballistic missiles; strengthen the penetration, precision and nuclear intimidation capabilities of its missiles; and, established a new ballistic missiles brigade outfitted with middle range ballistic missiles, so as to strengthen its overall missile strike effectiveness. The Second Artillery already has some capability of attacking aircraft carriers. Furthermore, the current quantity, accuracy and effectiveness of the Second Artillery's missiles, combined with forces of the Air Force and Navy, are already capable of launching large scale joint fire support strikes and sea and air blockades.

5. Aerospace Capabilities

Military satellites currently in orbit are capable of supporting operation command and control of PLA forces west of the first island chain,

daytime and nighttime surveillance and reconnaissance, and intelligence transmission. Furthermore, after the “Beidou” navigation satellite system consisting of 35 satellites is completed in 2020, the PRC will no longer be dependent on the U.S. GPS, and will effectively enhance the precision of its long-range precision weapons.

6. Information and Electronic Warfare Capabilities

The PLA stresses that gaining an electromagnetic advantage early in battle is a key task to ensuring the success of operations, and has thus been strengthening its “integrated network and electronic warfare” capabilities in recent years. Using electronic warfare and computer network warfare as a means, coupled with the application of hardware kills, the PLA will adopt “integrated network and electronic warfare” as a basic form of joint operations, so as to gain control over electromagnetic spectrums. If the PRC engages in a military conflict with its surrounding countries, this will help it seize “electromagnetic control” over the battlefield early in battle.

II. PRC Military Developments

The PRC’s strategic concept has changed from “defensive” to “expansion” since 1992 as a result of effects of the Gulf War and military reforms around the world. The PRC places emphasis on requirements for “determining the victory in the first battle and quick victory in distant battles,” as well as the new “Outline of Military Training and Evaluation”; its force development is focusing on operations beyond its borders, and aims to not only prevent wars, but also win wars.

(I) Showing Confidence in Military Strategies

Up to now the PRC still emphasizes its “active defense” military strategy, and added a new policy – “insisting on a defensive strategy and the principle of striking only after the enemy has struck.” “Self-defense” and “striking only after the enemy has struck” was highlighted by the PRC to controvert “The Military Power of the People’s Republic of China” issued by the U.S. Department of Defense, which stated that China’s “active defense” contained implications of initiating attacks, in hopes of

removing suspicions of the international society. In the “Three Step” development strategy for defense modernization, the PRC has advanced its timetable and changed its strategic objective to “fundamentally achieve mechanization and enable greater developments for information infrastructure before 2020, and fundamentally realize the objective of defense and force modernization by mid-21st century.” Evidently, the PLA’s force development is ahead of schedule, and it is using this opportunity to show its ambition and confidence in its military strategies.

(II) Unwillingness to Renounce the Use of Military Force against Taiwan

To this day the PLA’s force deployment against Taiwan has not changed, only that its military build-up and exercises targeting Taiwan have been more “subtle,” shifting to either the north or south. In terms of the security situation in the Taiwan Strait, evaluations show gradual improvement in cross-strait relations, and the PRC deleted its statement “Taiwan authorities taking a radical Taiwan independence route threatens regional peace.” Nevertheless, the PRC continues to stress that the “Taiwan independence” separatist force is a threat to its territorial sovereignty and security, and objected that the U.S. continuing arms sales to Taiwan was a violation of the “Three Joint Communiqués.” In recent years, the PLA has continued to outfit its Fukien and Guangdong military regions with amphibious assault vehicles, long-range MLRS, battleships, long-range anti-ship missiles, third generation fighters, air defense missiles and middle range ballistic missiles with an emphasis on the enhancement of long-range delivery capabilities. Up to now the PRC has not showed military good will towards Taiwan, making it evident that its thoughts of intimidation and unification have not changed.

(III) Following Through with Military Readiness against Taiwan

At the beginning of the 21st century, the PLA established “winning limited wars under conditions of informatization” as a basis for its military preparations, and focused on developing its Navy, Air Force and Second Artillery. In which the Air Force’s new generation fighters were dispatched to southeast coastal bases to take part in defense affairs, and were outfitted with long-range air defense missiles; the Navy



The PLA continues to outfit its third generation fighters, air defense missiles and mid-range ballistic missiles, using it to demonstrate its self-reliant defense technologies and confidence in its military (Source: Defense International)

deployed long-range anti-ship missiles and new missile boats on the coasts of Fukien and Guangdong; the Ground Force prioritized the Nanjing and Guangzhou military regions for outfitting new long-range MLRS and amphibious assault vehicles. These actions enhance the PLA's firepower for suppressing our offshore islands and its amphibious landing capabilities. Furthermore, the PLA uses garrison training and exercises to verify the performance of its new equipment and capabilities of its forces. In summary, the PLA has continued to follow through with its military readiness against Taiwan, and is stepping up the development of armed services (forces) under the guidance of its strategic goals for overall national security and defense and military modernization. At present, the PLA is already capable of blockading Taiwan and seizing our offshore islands.

(IV) Executing Multifaceted Military Missions

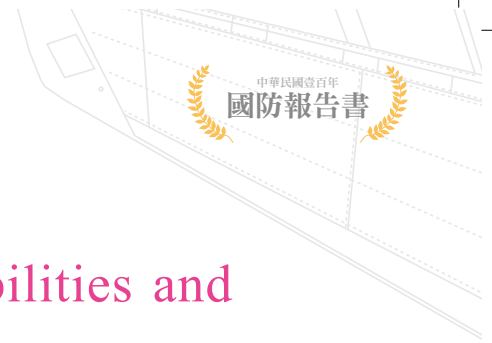
In order to successfully execute multifaceted military missions, the PRC's military diplomacy has changed towards "practicality." Utilizing the diplomatic strategies of large states, the PRC used its dissatisfaction of U.S. arms sales to Taiwan for the high-profiled reestablishment of strategic cooperation with Russia, and went into the vicinities of the U.S. in search of energy, while cozying up with anti-U.S. forces. The PRC's "earthquake diplomacy" served as a catalyst for the establishment of a multinational joint disaster relief mechanism, and it initiated its MND press release system to improve the PLA's image. Furthermore, the PRC held joint counter-terrorism exercises with numerous countries, and bilateral joint search and rescue exercises in its surrounding sea areas in the Asia-Pacific, in hopes of effectively increasing its influence on international affairs. The PRC emphasized that "military operations other than war is an important way of using national military strength," and thus stepped up its counter-terrorism, stability safeguard, contingency response, disaster relief and international peacekeeping operations, enhancing its international influence by demonstrating that the PLA is capable of responding multiple security threats and completing multifaceted military missions.

(V) Actively Absorbing Operational Concepts of Foreign Armed Forces

The PLA gained a profound understanding of the importance of modernized warfare from the Gulf War and Kosovo War, and is actively learning from battlefield experiences and operational concepts of the U.S. Army. Furthermore, the PRC in 2010 for the first time sent Air Force fighters to Turkey's "Anatolia" air force base to participate in the "Anatolian Eagle" joint exercise, hoping to use the opportunity of joint training of different fighters with the Turkey Air Force and gain related experience. The PLA Air Force was invited to Pakistan in March 2011 to take part in the joint air force exercise held for the 60th anniversary of the PRC and Pakistan establishing diplomatic relations. Due to the fact that Pakistan has the same F-16 and Mirage fighters as us, besides deepening military exchanges with Pakistan, the PLA also used to opportunity to become familiar with characteristics of western fighters and verify its counter measures, absorbing operational concepts of foreign armed forces to enhance the combat capabilities of its own forces.

(VI) Strengthening Uniform Peacetime and Wartime Protection

In response to the future trend of increasing war protection difficulty, the PLA is actively strengthening and making overall plans for military-civilian joint protection, and is devoted to the integration of force, local and defense mobilization protection capabilities. The PLA has thus carried out joint logistics exercises and training involving military transportation, maritime hygiene and air delivery, thereby gaining military-civilian contingency response capabilities. Furthermore, the PLA established large regional comprehensive protection bases, and signed joint protection agreements with private enterprises for equipment, fuel and supplies. The PLA also implemented social protection works and utilized the advantages of integrating military and civilian for logistics protection. In addition, the PLA evaluates the professional competencies of logistics protection personnel, and provides integrated combat and protection training, so as to verify the protection performance of new logistics equipment.



Section 2 PRC Military Capabilities and Threats

Based on plans for defense and military modernization in accordance with the “Three Step” development strategy, the PRC not only hopes to become a regional military power, but also plans to bring its military in-line with advanced countries, building a modernized military with Chinese characteristics. Furthermore, besides actively establishing contingency response capabilities against Taiwan, the PRC is picking up the pace of “mechanization” and “informatization” developments, and developing an integrated training mode for joint operations under conditions of informatization.

I. PRC Military Capabilities

In recent years, the PLA has attached importance to “counter-terrorism, crisis response, disaster relief and international peacekeeping” to strengthen its capabilities for “military operations other than war.” As for the PRC’s military build-up against Taiwan, it is accelerating the establishment of “area-denial” capabilities, and simultaneously implementing military modernization with an emphasis on joint operations. The PRC’s military capabilities is analyzed below:

(I) Strengthening Integrated Joint Operations Capabilities

The PRC’s “Overall Plans for Joint Training” utilizes “theater of operations joint training mechanisms” to implement training for a series of war operations and military operations other than war that are interconnected, hoping that it will allow its forces to gain joint operations capabilities.

1. Ground Operations Capabilities

Capabilities of integrated air-and-ground operations, long distance cross-region mobility, rapid assault, landing and special operations have been strengthened in coordination with the transition from “regional defense” to “global mobility.” Besides accelerating “mechanization” and “informatization” developments, the PRC is actively strengthening its

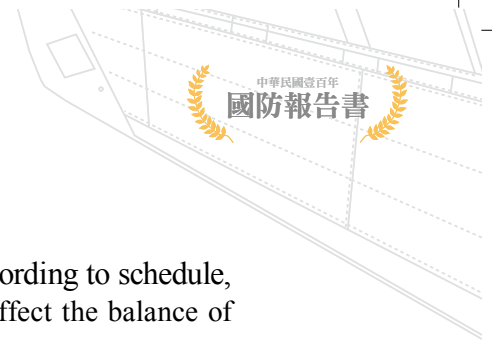
joint landing operation capabilities, and not years ago held an exercise that simulated joint operations for crossing the Taiwan Strait and landing, verifying its scenario of the full invasion of Taiwan. In addition, the PLA assembled forces from several military regions for long distance cross-region mobility live exercises in 2009 and 2010; railways, highways and civilian aircrafts were used as a means for transportation in the exercises; the exercises showed that the transition to “global mobility” had already obtained preliminary results.

2. Sea Control Operations Capabilities

In coordination with the transition from “offshore defense” to “open water defense,” besides expanding the depth of its offshore defense strategy and enhancing amphibious delivery capabilities, the PRC has increased the frequency of cross-region open water trainings implemented by its fleets. The PRC is also engaged in the construction of aircraft carriers, has commenced test flights of carrier-based aircrafts, and is devoted to the construction of large battleships and submarines, showing its ambition towards its “open water defense” strategy. Also, the PRC is actively enhancing its comprehensive combat and nuclear counter strike capabilities with an emphasis on the continued building of nuclear submarines and silent conventional submarines, and the development of submarine-launched intercontinental range ballistic missiles and long-range anti-ship missiles. It is apparent that the PLA’s will become increasingly capable of nuclear counter strike, area-denial, Taiwan Strait control and blockade operations.

3. Counter Air Operations Capabilities

Capabilities for reconnaissance and early warning, joint air control, air defense, anti-missile and long distance strategic delivery have been strengthened in coordination with the transition from “homeland air defense” to “balanced offense and defense.” In which the PLA’s number of third generation fighters has significantly increased, and most are already capable of aerial refueling and can carry newly developed air-launched cruise missiles and anti-ship missiles, enabling the PLA to gain air superiority over the sea area west of the first island chain. Furthermore, the PLA has been actively developing “fourth generation” fighters in recent years, striving to match the performance of fighters built by the U.S.; the PLA planned to outfit small quantities of the fourth generation fighter. Even though evaluations indicate that it is possible the



“fourth generation” fighter will not be completed according to schedule, the PRC’s technological capabilities are enough to affect the balance of military strength in the Asia-Pacific.

4. Second Artillery Strike Capabilities

Under the guidance to “balance nuclear and conventional,” the PLA has continued the development of independently targetable intercontinental range ballistic missiles, strengthened strategic nuclear intimidation, nuclear counter strike and conventional precision strike capabilities, and deployed anti-ship middle range ballistic missiles (DF-21D guided missile), which is a weapon developed to strike aircraft carriers; a small quantity of the missiles were produced and deployed in 2010, increasing the difficulty of military maneuvers in the region for the U.S. Army. The PRC’s training is based on professional skills and supporting measures, and aims to verify plans for operations against Taiwan; forces take turns in receiving training, and engage in joint live exercises together with the Air Force’s aviation and air defense forces, thereby strengthening joint fire support strikes.

5. Intelligence, Surveillance and Reconnaissance Capabilities

Among the various models of satellites the PRC has deployed, some possess high resolution and all weather surveillance and reconnaissance capabilities, while have significantly enhance early warning, command and control, battlefield reconnaissance, aircraft and ship navigation, communication security and weapons precision strike capabilities. Furthermore, the PLA has absorbed operational concepts of foreign armed forces, and applied beyond visual range radars in surveillance and reconnaissance equipment, such as aerial warning aircrafts and unmanned reconnaissance aircrafts. The PLA is now capable of surveillance and reconnaissance over the western Pacific, eastern Taiwan, and sea areas surrounding the Okinawa islands, satisfying its requirements on battlefield intelligence, and allowing it to carry out military command and control, intelligence transmission and intelligence gathering undetected.

6. Information and Electronic Warfare Capabilities

The PLA currently has completed a variety of electronic disruption bases and deployed various disruption devices, and Air Force and Navy combat

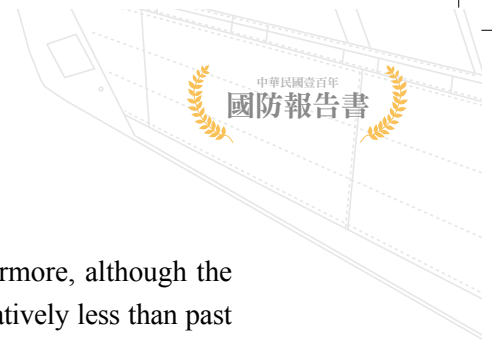
platforms are also gradually gaining electronic warfare capabilities. Determining based on the PRC's current deployments and performance of electronic warfare soft/hard kill equipment, the PRC is capable of performing electromagnetic parameter search and soft and hard kill missions. In addition, the PRC has incorporated the private sector's immense capabilities for information network warfare. This enables the PRC to employ hackers to infiltrate political, military and research institutions of other states, and effectively execute network warfare missions, thereby destroying the target area's political, economic and psychological defenses. The PRC will continue to develop new weapon concepts, such as EMP, with an emphasis on offensive applications during wartime, which will aid the PRC's efforts to seize "electromagnetic control" over the battlefield.

(II) Actively Strengthening Managing Strategies for the South China Sea

After the improvement of cross-strait relations, although the Taiwan Strait remains a strategic focus, the PRC has shifted its attention to the South China Sea. Between 2008 and 2010, the PRC sequentially strengthened exercises and maritime rights safeguard operations in the South China Sea. In March 2010, the PRC declared that the South China Sea was a "core interest" that concerned its territorial integrity, showing how much it valued islands and resources in the area. The PRC is actively managing the South China Sea, strengthening its air superiority in the direction, expanding open water contingency response forces, and building its first carrier strike group, thereby intimidating countries surrounding the South China Sea, and reducing or eliminating the U.S. Army's influence on the area.

(III) Accumulating Area-Denial Capabilities

In view of the U.S. Army's active joint air and sea operation exercises recently, and its adjustment of force deployment in the Asia-Pacific, moving its forces forward for capability preservation, the PLA has thus been actively developing "anti-access/area-denial" capabilities in recent years to enhance the effectiveness of its intimidation strategy. As of 2010 the PLA Air Force and Navy possess joint fire support strike capabilities to penetrate the first island chain, forcing the U.S. and other states in the



region to face the fact of the PRC's military expansion. Furthermore, although the quantity of new equipment outfitted by the PLA in 2010 was relatively less than past years, it is the likely result of immense defense funding invested in the development and production of long-range delivery equipment for its armed forces and second artillery. In the future, as this equipment is developed and outfitted, it will help the PLA accumulate area-denial capabilities.

In a wider perspective, the PLA's "anti-access" capabilities can be applied in all "area-denial" operations, in which the greatest threat is posed by ballistic missiles directly crippling enemy bases. Even now the PLA is further enhancing its "anti-access" and "area-denial" capabilities, reinforcing its intelligence, surveillance and reconnaissance system, deploying anti-ship ballistic missiles and advanced aircrafts and ships, developing air- and submarine-launched precision strike weapons, and extending its power projection via live exercises, thereby deterring foreign armed forces from interfering with the situation in the Taiwan Strait.

(IV) Enhancing Capabilities to Carry Out "Military Operations Other Than War"

The PRC announced the "Contingency Plan for Military Responses to Sudden Incidents" in November 2006, and stipulated that the PLA and Armed Police must participate in flood, earthquake, snow, typhoon and fire disaster relief according to the needs of local governments. In addition, the PLA has been actively taking part in international security cooperation and military exchanges in recent years, so as to enhance its capability to respond to multiple security threats and execute multifaceted military missions, thereby increasing its influence in the international society.

At present, in order to strengthen its military soft power and influence, the PLA is devoted to the application of military operations other than war, and is taking part in domestic disaster relief and epidemic prevention activities, so as to elevate the unification and inspiration of its forces. The PLA is also participating in multinational joint military exercises and peacekeeping operations, showing its power of intimidation and further improving its image. Since the PRC's involvement in peacekeeping operations of the UN, it has carried out a number of military operations related to unconventional security issues, including international peacekeeping,



(Upper) The PRC has been using diverse military exchanges, such as joint military exercises and navy ship visits, to increase its regional influence. (Source: US Navy)

(Lower) Under the guidance to “balance nuclear and conventional,” the PLA has continued the development of independently targetable intercontinental range ballistic missiles, and strengthened strategic nuclear intimidation, nuclear counter strike and conventional precision strike capabilities (Source: Defense International)



counter terrorism, convoy missions, disaster relief and humanitarian assistance. In recent years, the PRC has actively performed joint military exercises of “military operations other than war” for a number of countries, hoping to shape an international image and make its military intentions more transparent.

(V) Strengthening “Three Warfare” Capabilities against Taiwan

The PLA began actively waging non-military “three warfares” (public opinion warfare, psychological warfare and legal warfare) against Taiwan in December 2003, and formally included them in the “Regulations for the CPLA on Political Work.” Since 2008 the two sides of the Taiwan Strait have engaged in economic and cultural exchanges, and although the tense atmosphere has somewhat relaxed, the PRC is still actively using its military for intimidation and making preparations for invasion. Besides incorporating the “three warfares” as a part of military school education and force exercises, the PRC has also mobilized local governments and scientific research institutions to engage in the three warfares as well. The PRC attempts to disunite the ROC with talks of “peace,” to intimidate and pressure the ROC with talks of “war,” hoping to achieve “wage small wars and win big victories” and “win without fighting.”

At the present stage the PLA emphasizes intangible combat capability as an important means for utilizing its soft power; therefore, the “three warfares” is a means for bringing the PLA’s military soft power into full play. In recent years, besides strengthening infrastructure for the “three warfares,” the PLA is also actively building a psychological trial force, establishing training research institutes, and training dedicated psychological warfare officers; the PRC also established a Ministry of Defense news spokesperson mechanism, which will serve to breakdown psychological defenses and affect public opinion when infiltrating the enemy. In addition, seeing that the “three warfares” are among main operations of local wars, the PRC is gradually strengthening “three warfares” capabilities at each stage for future military confrontations. The PRC’s current attitude towards Taiwan still stresses that “non-peaceful measures will be adopted to resolve the Taiwan issue when Taiwan’s separation inclination is apparent,” showing that its strategic concept is still “to be softer when the enemy is soft and to be tougher when the enemy is tough.”

(VI) Actively Strengthening Military Soft Power

1. Promoting Military Science Research and Exchanges

The PRC has established numerous “Confucius Institutes” in foreign countries in recent years to promote the Chinese culture, hoping to display its soft power via the promotion of “Chinese Studies.” The PLA also uses China’s ancient military science research as an important means for promoting its military soft power. The most significant trend is the study and application of The Art of War in countries around the world, for which many international seminars were held, greatly promoting the military concept of Sun Tzu. The PRC on one hand utilizes the attraction of the cultural values of The Art of War, and on the other hand emphasizes the concept of “being cautious in war” to endorse its “peaceful rise.”

2. Stepping up Military Diplomacy and Publicity

The PRC has improved its image in recent years via military cooperation and propaganda, increasing its influence, appeal and ability to intimidate; these are important contents of military soft power. Furthermore, the PRC has taken part in a number of international military control negotiations, including the “Comprehensive Nuclear Test Ban Treaty,” “Chemical Weapons Convention,” “Biological Weapons Convention” and “Convention on Certain Conventional Weapons,” and has also sent peacekeeping personnel to take part in UN peacekeeping operations, actively participating in bilateral or multilateral defense negotiations; the PRC has also set up military hotlines with Russia, the U.S., Japan and South Korea. Since 2000, the PRC has invited other countries to observe its military exercises and vice versa, and has continuously increased the number of joint military exercise with foreign armed forces, totaling to over 70 exercises up to date; through these exercises the PRC hopes to achieve assimilation, absorption and intimidation.

3. Vitalizing Military Diplomacy Rivalry

The PRC’s relations with Western and surrounding countries have been tense in recent years due to sensitive issues, such as U.S. arms sales to

Taiwan, the Tianan Ship incident, invitations to Dalai Lama and territorial disputes (e.g. Diaoyutai Islands, South China Sea, and borderline of China and India), and its space for military exchanges has shrunk as a result. Therefore, besides relying on its political and economic strength to mend its relations of other countries, the PRC is using diverse military exchanges, e.g. joint military exercises, defense affairs negotiation, arms sales (support) and navy ship visits, to improve its relations with third world countries in Asia, Africa and Latin America, thereby increasing its regional influence to match the U.S. strategy of containment in the Asia-Pacific.

II. Military Threat of the PRC to Taiwan

With regard to the PRC's policy towards Taiwan, although evaluations of the security situation show that cross-strait relations are gradually improving, the PRC still emphasizes that "Taiwan Independence" separatist forces are a threat to its territorial sovereignty and security, and has objected to the continued U.S. arms sales to Taiwan. Up to date the PRC has not showed military good will towards Taiwan, nor has it adjusted its concepts of intimidation and unification.

(I) Opinions of High Ranking Officials Regarding Taiwan

Cross-strait relations have gradually relaxed since 2008, during which both sides signed the three major links, tourism and financial cooperation agreements. The Economic Cooperation Framework Agreement (ECFA) signed on June 29th, 2010 benefits the normalization of cross-strait economic exchanges and trade; however, its long-term effects on our participation in regional economic integration will require further evaluation. From a military perspective, the PRC's threat to Taiwan remains unabated, and it is strengthening its military readiness for possible contingencies that might arise in the Taiwan Strait, hoping to rapidly convert its defense forces into offensive forces targeting Taiwan. This shows that the PRC will take even tougher actions towards changes in the Taiwan Strait.

(II) Military Readiness of the PRC against Taiwan

Over the past year the PLA's exercises and training continues to be directed against Taiwan; combat preparations are required to be completed according to its timetable,

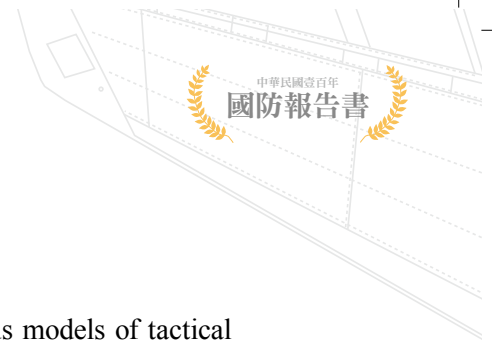
and then verified of its effectiveness in offensive operations against Taiwan. Determining based on the PLA's current capabilities, training and exercise conditions and military action plans targeting Taiwan, the PLA now has emergency mobilization and combat capabilities against Taiwan, in addition to its large scale joint fire support strike capabilities. Moreover, the continuous rise of the PLA's capabilities in both quality and quantity will enable it to elevate the intensity of its military operations and mobility for making adjustments to force deployment, showing that the PRC's determination to use military force against Taiwan and its military threat has not changed.

(III) Characteristics of the PRC's Offensive Operations against Taiwan

In terms of the PRC's military capabilities, its current primary threats against Taiwan are still military intimidation and partial blockades. However, in terms of "military modernization, strategic ideology, force structure and deployment, and weapons research and development," the PRC now possesses "diverse air-and-ground reconnaissance and surveillance methods, versatile fire support opposite Taiwan, and multiple intimidation options against Taiwan," which can be summarized as follows:

1. Diverse Air-and-Ground Reconnaissance and Surveillance Methods

Besides accelerating the establishment of infrastructure for various armed forces, the PLA is also actively incorporating military, civilian and international cooperation to gradually establish various intelligence, surveillance and reconnaissance platforms. With regard to the PRC's overall reconnaissance and surveillance force buildup and deployment, its diverse reconnaissance and surveillance methods allow it to cover air and ground throughout the entire eastern Asia. This capability enables the PRC to use military means to resolve the Taiwan Strait issue and territorial disputes over the South China Sea, posing a threat to regional security and stability, and thus increasing the difficulty for our defense preparations and readiness missions to be executed undetected.



2. Versatile Firepower opposite Taiwan

The PLA's existing land attack weapons include various models of tactical ballistic missiles, cruise missiles, air-to-ground precision missiles, and guided bombs. In particular, PRC tactical ballistic missiles can now carry warheads that can attack multiple targets. There are also air launched anti-radiation missiles and unmanned attack vehicles capable of attacking command, control, and radar systems on the ground within the PRC's arsenal of air-launched precision missiles. The PRC possesses firepower variety, large area coverage, and tactical versatility, all of which adds difficulty to Taiwan's defensive operations.

3. Multiple Intimidation Options against Taiwan

The PLA's recent exercises and training still aim to strengthen its readiness against Taiwan. The PLA formally added "Armed Police" to its array of forces for operations against Taiwan in 2007; the Armed Police can rapidly be converted into backup for contingency operations during wartime. Determining based on training and exercise conditions and related military preparations, the PLA now has multiple intimidation options against Taiwan. Moreover, the continuous rise of the PLA's capabilities will enable it to elevate the intensity of its military operations and mobility for making adjustments to force deployment.

(IV) Possible Options for Offensive Operations against Taiwan

Based on the PLA's timetable for military readiness against Taiwan, at the current stage the PLA has large scale joint fire support strike and key sea area and air space blockade capabilities, which could develop into joint military intimidation, joint blockade operations, joint fire support strike, joint landing operations and area-denial capabilities. The scope of joint blockade operations extends to the sea area west of the first island chain; joint landing operations include seizing Penghu and limited operations on Taiwan. Possible options are summarized below:

1. Joint Military Intimidation

The PRC may employ psychological warfare against ROC Armed Forces,

which may involve intensifying military activities, adjusting force deployment and using the media to publicize military risks in the Taiwan Strait, attempting to cause panic in Taiwan and lower the morale of our military and civilians.

2. Joint Blockade Operations

The PLA may use its Air Force and Navy to set up partial blockades targeting important ports in Taiwan and offshore islands, as well as external transportation routes, so as to weaken the morale of our military and civilians, sever our economic lifeline, deteriorate our living environment, and force us to seek peace agreements.

3. Joint Fire Support Strike

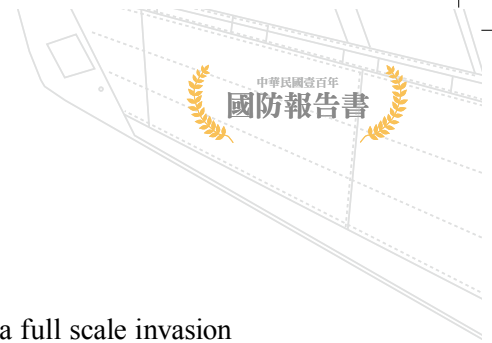
The PLA may use its Second Artillery and air-launched land attack missiles to attack our command system, political and economic centers and symbolic targets. The PLA will then gradually escalate the situation by crippling our air defense, sea control and counter strike systems, and seizing and maintaining electromagnetic control, air control and sea control, thus shattering our will to fight, forcing us to surrender, or creating a foundation for subsequent strategic operations.

4. Joint Landing Operations

The PLA may combine its ground forces, navy, air force and second artillery to launch a triphibian invasion of Taiwan in the sequence, preliminary engagement, electromagnetic control operations, air superiority operations, sea control operations and landing. The PRC will aim for a short battle and quick victory before foreign forces can intervene, thus establishing a political reality that will prevent further intervention.

5. Area-Denial

The scope of area-denial has been expanded to partial sea areas and air space west of Guam, and is directed towards the U.S. and Japan.



6. Comprehensive Analysis

At present, the PRC is not yet fully equipped to launch a full scale invasion of Taiwan as it still has insufficient amphibious transport equipment. Therefore, it is more likely that the PRC will adopt military intimidation, partial blockade (including seizing our offshore islands) and firepower strike as measures for achieving its military readiness objectives for the current stage. In the future, once the PLA is capable of invading Taiwan, or when the need arises, it considers the direct invasion of Taiwan an option for achieving its ultimate political goal.

(V) Comparison of Military Strength on the Two Sides of the Taiwan Strait

The PLA's three armed services (including the Second Artillery) has a total force of some 2.3 million personnel; the ROC's three armed services (no second artillery) has a total force of some 270 thousand personnel; the PLA has roughly 10 times the number of troops as the ROC Armed Forces. The PLA has an absolute advantage in terms of ballistic missiles and submarines. Furthermore, superiority in ground forces, navy and air force is also gradually tipping towards the PLA.

Using the 2010 defense budget of both sides for comparison, the PRC's defense budget was roughly U.S.\$78 billion, while the ROC's defense budget was roughly U.S.\$9 billion, which appears to be a difference of over 8-fold. Yet, the PRC's actual military funding is somewhere between 2 to 3 times the figure it has disclosed. Therefore, the actual difference in defense budgets on the two sides may reach up to 21-fold. The gap in terms of weapons and equipment is even wider, and should be followed with great concern (a comparison of military strength on both sides of the Taiwan Strait is shown in Table 2-2).

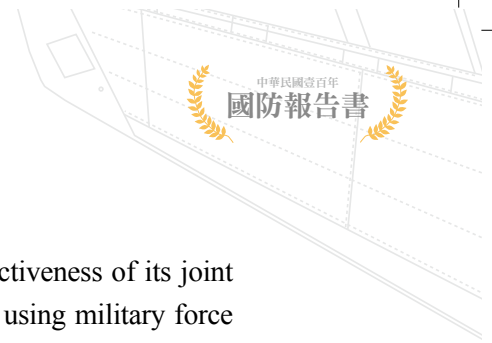
(VI) Comprehensive Analysis of Threat to Taiwan

Although the risk of military conflict has subsided in recent years as cross-strait relations improved, this development has benefitted the PRC's defense and military modernization and strengthened its military, which increases the threat to our national security and impacts regional military balance; this is truly a risk to regional and our

national security. Provided that at the current stage the PLA has not renounced the use of military force against Taiwan, the risk of cross-strait military conflicts still exists. Moreover, the PLA has deployed over one thousand missiles along its southeast coasts opposite Taiwan, established a network of air defense and anti-ship bases, and continued to outfit long-range precision strike fighters and missile boats with stealth capabilities. Furthermore, the PLA is sending navy ships to the western Pacific for

Table 2-2 Comparison of Military Strength on Both Sides of the Taiwan Strait

	ROC Armed Forces	Category	People's Liberation Army
Total Force	Over 270,000		Over 2,300,000
Ground Forces	180,000 (including central, joint logistics, military police and reserve forces)	Force	1,264,000
	Tanks and armored vehicles: Over 1,200 Helicopters: Over 200 Heavy artillery: Over 1,000	Combat Equipment	Tanks and armored vehicles: Over 7,000 Helicopters: Over 400 Heavy artillery: Over 8,000
	39,000	Force	264,000
Navy	Over 190	Battleships	Over 930
	Large battleships: Over 30 Amphibious ships: Over 10	Principal Combatants	Large battleships: Over 70 Amphibious ships: Over 40
	Submarines: 4		Submarines: Over 60
	Over 10,000	Marines	Over 8,000
Air Forces	37,000	Force	394,000
	Over 420	Fighters	Over 3,400 (including navy aviation)
	Bombers: 0 Fighters: Over 390 (F-16, M-2000, IDF and F-5E)	Principal Combatants	Bombers: Over 300 Fighters: Over 1,860 (J-7, J-8, J-10, Su-27, Su-30)
	Attack aircrafts: 0 UAV: 0		Attack aircrafts: Over 300 UAV: Over 280
	Air defense missile systems: about 30		Air defense missile systems: about 1,000
Second Artillery	N/A	Force	146,000
	N/A	Strategic Missiles	Over 180
	N/A	Tactical Missiles	Over 1,400 (including cruise missiles)
	N/A	Nuclear Warheads	450-500



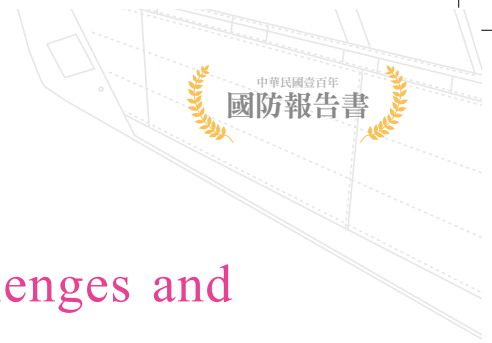
long-term voyage training, hoping to gradually improve the effectiveness of its joint fire support strikes and strengthen its force delivery capabilities, using military force to support its plans to overpower Taiwan.

In recent years, the PRC has boasted its contributions to the international society to shape its image as a peacekeeper. From a strategic point of view, the PRC has switch from a passive strategy of responding to matters of concern of the international society, to actively manipulating international military control, disarmament and proliferation prevention issues, attempting to play the role as a leader of the third world and arbitrator of regional affairs. Furthermore, although the PRC agrees that cross-strait relations have been improved, it remains discontent with developments of U.S. arms sales to Taiwan, and has continued to strengthen its military readiness against Taiwan, this includes strengthening precision strike capabilities of the Second Artillery, improving long distance target guidance and strike capabilities of the Navy and Air Force, and refining exercises of the Ground Force for (controlling) seizing nearby islands. It is apparent that the PRC's concepts of "opposing Taiwan independence and advancing the unity of China" and "using military force to advance the unity of China" have not changed. In the light of this, we must continue to solidify our force development and defense readiness, so as to meet the PRC's military challenge.

typhoons and landslides. Based on the concept of "active disaster relief," the ROC Armed Forces has adopted the approach of "preparing for disasters in advance, deploying troops with an eye to disaster preparedness, and ensuring readiness for rescue operations" for responding to the threat of major natural disasters to national security. In view of the strong earthquake that occurred in Japan on March 11th, 2011, which became a "complex" disaster as it caused a tsunami that resulted in a nuclear disaster, the ROC Armed Forces is strengthening its contingency response capabilities to meet new challenges. Our nation is engaged in frequent international exchanges, and is thus at risk of foreign infectious diseases causing an epidemic in our borders. In the light of this, the ROC Armed Forces assists with epidemic prevention in coordination with the government's health policy and medical system, so as to prevent epidemic situations from further escalating.

In addition, the ROC is a nation highly dependent on imports for energy and food. Therefore, food and energy security is a matter of the nation's overall development. With global raw material prices trending upwards, we must continue to place emphasis on the source, transportation, import and storage of energy and food; this will allow us to prevent inadequate supply for people's livelihood and economic development from becoming a threat to our national security. Furthermore, the gradual decrease in draft age men as a result of the rapid outflow of talents and trend of aging population is also a matter of national security, and also a secret worry of our national defense.

The above describes challenges to our national security. The ROC Armed Forces must implement defense transformation and build a solid defense force under the policy to "prevent war" and to "prepare for war but not provoke war," so that it may back cross-strait peaceful and positive interaction. At the same time, the Armed Forces must serve as a "guardian of national security" and remain aware that "to bring peace it must first be capable of war," establishing innovative and asymmetrical military deterrence capabilities, reinforcing disaster relief mechanisms, and actively handling major threats in our exclusive economic zone, including ground, air, marine, submarine, electromagnetic spectrum and network. The Armed Forces will thus become a contributor to peace and stability of the western Pacific, ensuring the stability of the Asia-Pacific and the continued prosperous development of the global economy.



Section 3 ROC Security Challenges and Responses

Our efforts to maintain peace in the Taiwan Strait and regional security and stability meet the expectations of people's on both sides of the Taiwan Strait, as well as the international society. With the government endeavoring to improve cross-strait relations in recent years, the once tense atmosphere has greatly relaxed after the growingly frequent exchanges and contact, and the possibility of an armed conflict has been significantly reduced. In another aspect, unconventional security issues, such as climate anomalies and major natural disasters, infectious diseases, food and energy security, and the trend of aging population, are also major threats and challenges that directly affect national security.

In the future, the ROC Armed Forces must be capable of executing conventional and unconventional military operations, and it must face integrated, complicated and versatile challenges to national security, if it is to protect homeland security and ensure our nation's survival and sustainable development.

I. Changes in the Regional Security Situation – Actively Take Part in Security Cooperation

Most countries in the Asia-Pacific prioritize economic development, and thus the region is currently actively undergoing economic integration. Conflict and war are considered to be destructive actions, for this reason the strategic environment of the Asia-Pacific is relatively peaceful and stable. The purpose of our force development and readiness is to protect our national security. We will not provoke or initiate any attacks, and avoid military conflict by participating in regional security cooperation, jointly maintaining a peaceful and stable development environment.

Yet, to this day the PRC refuses to renounce the use of military force against Taiwan, and has been actively developing intimidation and long-range precision strike capabilities in recent years, including anti-satellite weapons, stealth (unmanned) fighters, aircraft carriers, guided missiles, submarines, and large sea and air delivery

carriers. These capabilities focus on “anti-access” and “area-denial” and are far beyond that required for mere self-defense, and have therefore affected the military balance in the Asia-Pacific, becoming the main variable of regional stability. Additionally, conflicts on the Korean Peninsula have also become a major threat to regional security.

Based on the principles of preventing war, defending democracy and liberty, and promoting long-term peace in the Asia-Pacific, we must continue to expand the targets, mechanisms and channels of security exchanges and establish security cooperation relationships with other countries in the region; for example, carrying out joint search and rescue missions, humanitarian assistance and preventing the proliferation of weapons of mass destruction, so as to jointly maintain regional stability and peace.

II. Changes in the security environment of the Taiwan Strait – Make corresponding strategy adjustments

The current government has endeavored to improve cross-strait relations, and has continued to expand economic and cultural exchanges. On June 29th, 2010, the two sides of the Taiwan Strait signed the “Economic Cooperation Framework Agreement,” symbolizing the development of cross-strait interactions towards becoming more substantial and mutually beneficial. This has resulted in a subtle change in the security environment of the Taiwan Strait.

Even though the cross-strait security situation has become more relaxed, the PRC continues to implement military modernization, and is actively engaged in force deployment, development and readiness. In PRC’s white paper on national defense issued in March 2011, the PRC indicated that its peaceful rise does not pose as a threat to the world. The world was not convinced.

As the PRC’s comprehensive national strength and military strength continue to increase, the ROC Armed Forces maintains a solid defense force in order to establish even longer peace in the Taiwan Strait. In response to current developments and



following the principle of “deepening thoughts of peace and strengthening self-defense capabilities,” the ROC Armed Forces applies the concept of “asymmetry” in its development of “resolute defense and credible deterrence” capabilities, which enable it to defend our territory and protect our national security.

III. Territorial disputes in vicinities – Resolutely defend territorial sovereignty and maritime interests

Building a solid defense force to ensure national territorial security and protect national interests is the fundamental mission of the ROC Armed Forces. We are currently involved in many disputes over maritime rights with our neighboring countries as a result of overlapping economic zones, including fishing rights in our exclusive economic zone, oceanographic survey of controversial sea areas, and maritime affairs or territorial sovereignty issues deriving from such areas.

Pursuant to the “United Nations Convention on the Law of the Sea” and customary international law, we enjoy all lawful rights of our territorial sea and exclusive economic zone. The Diaoyutai Islands, Nansha Islands, Xisha Islands, Zhongsha Islands and Dongsha Islands and their surrounding sea areas are our inherent territory; the sovereignty of these islands belongs to the ROC and is undisputable; any state that claims right or occupies the abovementioned islands for any reasons shall be void in law.

Borderlines of overlapping sea areas with neighboring countries will be drawn in the form of an agreement in accordance with international law. Before an agreement is reached, our government hopes that the parties within the region will uphold the principles of maintaining regional maritime order, and jointly protect regional peace, stability and development, practically improving positive interactions within the region based on “joint development and resource sharing.” Based on its mission to protect national security bestowed upon it by the ROC Constitution, the ROC Armed Forces will abide by government policy, resolutely protect our territorial sovereignty, and thereby ensure our national interests.

IV. Developments in the trend of globalization – Respond to unconventional security threats

Continued development of the trend of globalization has deepened the interdependence between countries around the world. The rising importance of unconventional security issues puts government administration and governance capabilities to the test. Unconventional security threats that we face include climate anomalies and major natural disasters, infectious diseases, food and energy security and the trend of aging population.

The ROC is threatened by a number of natural disasters, including earthquakes, typhoons and landslides. Based on the concept of “active disaster relief,” the ROC Armed Forces has adopted the approach of “preparing for disasters in advance, deploying troops with an eye to disaster preparedness, and ensuring readiness for rescue operations” for responding to the threat of major natural disasters to national security. In view of the strong earthquake that occurred in Japan on March 11th, 2011, which became a “complex” disaster as it caused a tsunami that resulted in a nuclear disaster, the ROC Armed Forces is strengthening its contingency response capabilities to meet new challenges. Our nation is engaged in frequent international exchanges, and is thus at risk of foreign infectious diseases causing an epidemic in our borders. In the light of this, the ROC Armed Forces assists with epidemic prevention in coordination with the government’s health policy and medical system, so as to prevent epidemic situations from further escalating.

In addition, the ROC is a nation highly dependent on imports for energy and food. Therefore, food and energy security is a matter of the nation’s overall development. With global raw material prices trending upwards, we must continue to place emphasis on the source, transportation, import and storage of energy and food; this will allow us to prevent inadequate supply for people’s livelihood and economic development from becoming a threat to our national security. Furthermore, the gradual decrease in draft age men as a result of the rapid outflow of talents and trend of aging population is also a matter of national security, and also a secret worry of our national defense.



The ROC Armed Forces follows the policy guidance of “preparing for disasters in advance, deploying troops with an eye to disaster preparedness, and ensuring readiness for rescue operations,” in order to achieve quick response to emergencies and immediately provide relief to distressed civilians.

The above describes challenges to our national security. The ROC Armed Forces must implement defense transformation and build a solid defense force under the policy to “prevent war” and to “prepare for war but not provoke war,” so that it may back cross-strait peaceful and positive interaction. At the same time, the Armed Forces must serve as a “guardian of national security” and remain aware that “to bring peace it must first be capable of war,” establishing innovative and asymmetrical military deterrence capabilities, reinforcing disaster relief mechanisms, and actively handling major threats in our exclusive economic zone, including ground, air, marine, submarine, electromagnetic spectrum and network. The Armed Forces will thus become a contributor to peace and stability of the western Pacific, ensuring the stability of the Asia-Pacific and the continued prosperous development of the global economy.



The ROC Armed Forces shall abide by the Constitution, pledge loyalty to the country, love the people, fulfill its responsibilities and ensure national security.

Part 2

National Defense Transformation

National defense transformation is a continuous ongoing process. The ROC Armed Forces hopes that the active engagement of overall defense strength will allow it to respond to developments of domestic and foreign situations, and thus fulfill its missions. The scope of transformation is not limited to the tangible, such as armaments upgrade, organizational streamlining, combat training intensification and military theory research, but also includes the intangible, such as organizational culture reform, improvement of management systems and development of concepts and perspectives. The Armed Forces hopes to strengthen the momentum for transformation by adopting more flexible thinking patterns and ridding itself of old burdens and habitual thinking. Defense reformation and transformation is carried out based on concepts of innovation and asymmetry, actively procuring and upgrading weaponry and equipment to enhance joint operations capabilities. Furthermore, the Armed Forces has completed force restructuring plans for the “Jingsui Program” and planning for voluntarism, and will take on an even more practical attitude as it strives for excellence, thereby yielding better results of force development and readiness as it continues to implement defense transformation tasks, effectively enhancing the performance of defense organizations and ensuring the Armed Forces’ capabilities.



Chapter 3 National Defense Policy

Although the tense cross-Strait relations has somewhat relaxed since 2008, it does not mean that the ROC can neglect the establishment of its defense force. Therefore, the ROC Armed Forces will continue to solidify its capabilities and strengthen its readiness, so that it can become a powerful backing of national security. National security can only be ensured by establishing a “Hard ROC” defense force, and following through with the military strategic concept of “resolute defense and credible deterrence.” This will prevent any military action against our country from being easily made, thereby maintaining peace in the Taiwan Strait and regional stability. In addition, countries around the world are widely taking unconventional safety issues very seriously, especially large natural disasters, which pose the greatest threat to people’s lives and assets. Therefore, disaster prevention and relief has been included as one of the Armed Forces main missions. To achieve this mission the Armed Forces will implement force development based on the principle of “disaster relief during peacetime and combat during wartime,” and cooperate with local governments in performing periodic exercises to enhance the nation’s overall disaster relief capabilities

Section 1 Axes of National Defense Policy

In accordance with the President’s instructions to ensure national security by setting up three defense lines – “institutionalized cross-Strait reconciliation,” “increase Taiwan’s contribution to international development” and “integrate national defense with diplomacy,” the Ministry of National Defense is building up a “Hard ROC” defense force, and using it as a basis for developing defense strategies and military strategies, as well as planning defense transformation and development directions of future capabilities. Since national defense is all-out defense, the implementation of policy, such as voluntarism and military procurements, must gain recognition and support from the people. Therefore, the ROC Armed Forces must dwell in the depths of society and interact with the people, building an all-out defense consensus through diverse contact with the people, which will benefit future force development and readiness. At present, actual implementation aims to realize 7 policy axes – “Building an Elite Armed Forces,” “Promoting Voluntarism,” “Reshaping Intangible Combat Capability,” “Refining the Armaments Mechanism,” “Reinforcing Cooperation with Friendly Countries and Allies,” “Strengthening Disaster Prevention and Relief” and “Improving Care for Servicemen.”

I. Build an Elite Armed Forces

(I) Continue Implementing Defense Transformation in Response to Security Threats and Challenges

Developments of military technology and changes of warfare in the information era have continued to drive transformation and reformation of the ROC Armed Forces. Based on forward-looking plans and reformation directions of the “Quadrennial Defense Review” and concepts of “combat, equipment, arrangement and training,” the Armed Forces has continued to procure new armaments and develop information and electronic warfare, missile defense systems, joint counter air, joint sea control, joint ground defense and asymmetrical capabilities using the limited defense resources. Furthermore, the Armed Forces has reviewed its force scale and force structure to make it more reasonable. Following the guidance of a defensive strategy, an overall defense force that cannot be “intimidated, seized, devoured or crushed” will be established to achieve “war prevention” and ensure national security.



(Upper) The ROC Armed Forces holds various activities to enhance its intangible combat capabilities, aiming to cultivate servicemen's morality and turn them into men of honor, passing down proper military discipline and shaping role models.

(Lower) Only by continuously recruiting excellent talents and accumulating human resources can the Armed Forces develop into a professional and systemized force





(II) Improve Defense Organization Adjustments, Strengthen Overall Defense Capabilities

In coordination with the timetable for government organization restructuring and subsequent force structure adjustments, the MND plans to implement the “Jingsui Program” from 2011 to 2014. The program gives consideration to future warfare, enemy situation and threats and the nation’s overall resource distribution, as well as “military strategy,” “national financial resources and policy guidance” and “voluntarism,” finding a balance between “combat requirements” and “financial capabilities.” The program gathers defense resources together and utilizes them to “prevent the enemy from landing and establishing lodgment”; on this basis the program prioritizes the streamlining of high level command organizations to establish a “small but superb, strong and smart” defense force.

II. Promote Voluntarism

(I) Extensive Recruitment of Excellent Talents to Accumulate Defense Potential

Human resources are critical to the constitution of military organizations, and a key factor to the success of force buildup. Only by continuously recruiting excellent talents and accumulating human resources can the Armed Forces develop into a professional, systemized and elite force that is consistent with military strategy plans and force structure requirements. The Armed Forces consistently implements “strict evaluation and strict elimination” of personnel, and hopes to drive talent cultivation and sustainable development of human resources via law amendments, implementing voluntarism, refining military education, cultivating civilian defense officials and military-civilian cooperation, thereby consolidating defense capabilities and further ensuring national survival and development, as well as the people’s safety and welfare.

(II) Promotion of Transforming the Military Service System to Enhance the Armed Forces’ Capabilities

Changes in the social environment, sequential reduction of the compulsory military service period, and growingly frequent recruitment and discharge of servicemen, have made it difficult for forces to accumulate experience and training results. Moreover, low birth rates, aging population and decreasing ratio of the able-bodied population

have resulted in the number of draft age men gradually becoming insufficient, making it more and more difficult to maintain the current force scale, as well as a system that employs both conscription and voluntarism. Therefore, the ROC's military service system will be gradually transformed from "conscription and voluntarism" to "voluntarism," recruiting highly competent talents to serve longer periods in the military, thus establishing a professional, highly competent all-volunteer force to further solidify defense capabilities. A practical plan for voluntarism will be formulated in coordination with defense financial resources to effectively enhance the Armed Forces' capabilities, and complementary plans will be completed as well to maintain flexibility; execution and verification periods will be suitably adjusted to achieve a sustainable voluntarism policy.

III. Reshape Intangible Combat Capability

(I) Inherit Proper Military Discipline, Protect the Safety of Forces

Based on the policy objectives of "solidifying national identification, realizing nationalization of the military, shaping proper military discipline, rectification of forces' conduct, implementing military affairs reform, nurturing servicemen's morality, and building servicemen's sense of honor," the Armed Forces is dedicated to passing down proper military discipline and shaping role models. Simultaneously, measures that have been adopted to ensure the integrity of forces and enhancement of their capabilities include establishing objective management and execution methods, improving military discipline and safety assessment and risk management, implementing supervision and inspection, expanding complaint consultation services, utilizing early warning and precaution functions, and lowering security threats; these measures aim to win people's support and respect for the Armed Forces.

(II) Encourage Military Ethics, Defend the Armed Forces' Honor

"Wisdom, faith, benevolence, courage and severity" are the military ethics of the ROC Armed Forces. In order to strengthen servicemen's military ethics, the MND uses gatherings in school education, new recruit education, troops education and reserve education for propaganda to help servicemen understand the contents of military ethics. This fosters the spirit of "the wise are free from perplexities, those with faith do not have second thoughts, the benevolent have no worries, the



courageous have no fear and the severe are not selfish,” molding the Armed Forces into a combat force with belief, ethics and skills, that is devoted to its operational duties, and will fulfill its responsibility to defend our territory. In addition, to encourage integrity and loyalty among cadres, the MND will continue to deepen its education in various aspects, including “deepening basic education,” “refining troops education,” “strengthening life education,” “promoting humanistic education,” “implementing moral conduct assessment” and “cultivating cadre capacity,” in hopes of changing and influencing servicemen unobtrusively and imperceptibly.

IV. Refine the Armaments Mechanism

(I) Formulate Armaments Technology Research Strategies, Enhance Development of Defense Technologies

Defense infrastructure should be in a beneficial circulation with people’s livelihood and the economy in order for developments of defense technologies and civilian technologies to complement one another, and thus drive economic development and further achieve self-reliant national defense. At the same time, to achieve autonomous national defense and enhance the competitiveness of domestic industries, the Chung Shan Institute of Science and Technology (CSIST), Armaments Bureau has directed its efforts towards becoming an “administrative institution,” aiming to establish a defense technology team with international competitiveness. The CSIST gives its full support to the research and development of defense technologies via corporate management concepts, flexible personnel adjustment, and enhancing the innovation capability and cost effectiveness of its organization, and vitalizes the domestic economy via promoting dual-use technology sharing, stably developing towards “enhancing defense technology capabilities, establishing self-reliant national defense industries, and expanding dual-use technologies”; the CSIST has integrated scientific research capabilities nationwide and established a dual-use technology system to accumulate abundant research and development capabilities.

(II) Integrate Defense Resources, Establish Self-Reliant National Defense Capabilities

In coordination with the Executive Yuan’s policy guidance to “revitalize the economy and expand domestic demand,” the Armed Forces will gradually outsource armaments development, manufacturing and maintenance to the private sector, and develop

dual-use technologies on the basis of defense technology development capabilities and with an eye on industrial requirements. Besides effectively supporting domestic industries, this will also achieve the win-win situation of self-reliant national defense and driving economic development. In the future, the Armed Forces will expand the scope of technology transfers, and allow military and civilian to complement each other by cooperating with academic institutions. This will enhance research and development and innovation of high-tech defense weapons, causing defense industries to strike roots in the private sector and at the same time effectively integrate resources with the Armed Forces; resource sharing will allow defense technology to drive upgrade and transformation of private industries, creating a win-win situation for national defense and people's livelihood.

V. Reinforce Cooperation with Friendly Countries and Allies

(I) Expand Military Exchanges and Interaction, Establish Cooperation Platforms with Allies

Military exchanges and cooperation with different countries will continue to be implemented in coordination with the nation's overall foreign policy, jointly establishing mechanisms for maintaining peace and stability in the Taiwan Strait. Based on the concepts of mutual assistance and mutual benefit, the width and depth of military interactions will be increased via the invitation of high level officers, think tank cooperation, military procurements, educational training, military assistance and humanitarian aid. This will build good relationships with surrounding and allied countries, as well as strong capabilities, achieving community "network expansion and strong ally relations," "increasing international visibility" and "maintaining peace and stability in the Taiwan Strait and Asia-Pacific," working together to prevent regional conflict and reduce the possibility of war.

(II) Initiate Pragmatic Cooperation in International Multilateral Affairs, Solidify Mutual Trust with Regional Allies

The trend of globalization has driven the formation of a global village. In response to changes of times, besides continuing the implementation and participation in military exchanges and cooperation with other countries, the Armed Forces is using the "second track" to actively take part in a dignified, meaningful way in international seminars



The Guanghua No.6 missile motorboat is the best example of integrating military and civilian resources, and achieves win-win for self-reliant national defense and economic development.

and activities on security related issues held by domestic and foreign academia or governments. This allows the Armed Forces to establish international exchange dialogue, contribute its strengths, and utilize various channels to actively participate in multilateral cooperation and non-government organizations. By extending bilateral cooperation relationships to multilateral cooperation, the international society will better know our defense policy and Taiwan's importance to the security of the Asia-Pacific area, increasing Taiwan's international visibility and gaining vast recognition from participating states. This will acquire the most benefits for the Armed Forces and our nation, while we fulfill our mutual responsibility to maintain regional security, stability and prosperity.

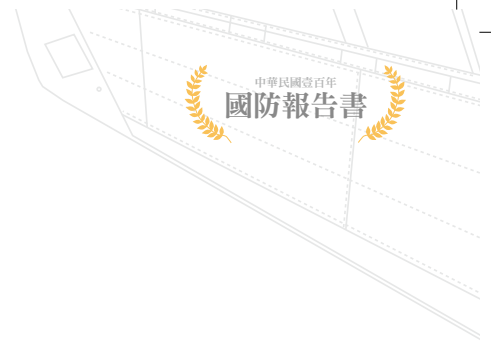
VI. Strengthen Disaster Prevention and Relief

(I) Enhance Disaster Prevention and Relief Capabilities, Refine Disaster Prevention Mechanisms

The Armed Forces is an important part of the nation's crisis management mechanism, and must be capable of executing conventional and unconventional military operations in response to complex disasters caused by large natural disasters; concepts of joint operations will serve as a basis for maximizing disaster relief capabilities. Besides abiding by regulations of the "Disaster Prevention and Protection Act" and "Regulations on the ROC Armed Forces' Assistance in Disaster Relief," the Armed Forces will actively establish disaster prevention and relief capabilities with the determination of "disaster relief is akin to fighting a battle." When a major disaster occurs, the Armed Forces will prepare for disasters in advance and deploy troops with an eye to disaster preparedness based on the principle of not affecting defense readiness, and fully engage in disaster relief missions. Furthermore, the Armed Forces will continue to refine its disaster prevention and relief preparations, including "revising administrative rules on disaster relief," "establishing a disaster prevention network," "integrating the medical system," "disaster prevention and relief training," "procuring disaster relief equipment" and "joint search and rescue exercises and training," thus solidifying the nation's overall disaster prevention framework.

(II) Utilize Military and Civilian Disaster Prevention and Relief Resources to Enhance Disaster Relief Performance

Disaster relief response mechanisms of the Armed Forces for each theater of operations has been included as a part of overall operations of the Executive Yuan's "National Science and Technology Center for Disaster Reduction"; each theater of operations has an Emergency Operations Center that together completes the disaster relief command system, allowing the rapid utilization of search and rescue resources and immediate dispatch of relief forces into disaster areas, maximizing the capabilities of minimum resources. In order to further expand disaster relief capabilities, besides integrating search and rescue capabilities of government and private sectors, the MND has established support protocols with local governments at each level and social groups, tasking them with specific relief missions, so that when a natural or man-made disaster occurs, aid can be truly and effectively provided to central and local governments, achieving "first on the scene, effective resources and efficient personnel."



VII. Improve Care for Servicemen

(I) Implement Rights Protection, Strengthen Services for Military Personnel

To protect the rights of servicemen, the Armed Forces has a fully developed complaint system that serves as an important platform for military personnel to protect their legal rights. The establishment of this complaint system and effective handling of cases allows forces and their servicemen to identify with regulations and management of life, work and training in a fair and reasonable environment, thus allowing them to serve in their units with peace of mind and high morale. In addition, the Armed Forces will continue to provide servicemen benefits and services and care for their livelihood, which will effectively bond them together, strengthen their loyalty and further unify forces.

(II) Encourage Lifelong Learning, Provide Assistance in Career Planning

Servicemen are encouraged to practice “lifelong learning,” to use their time off duty to absorb new knowledge and new technologies, so as to strengthen their own competencies and boost the Armed Forces’ capability for innovation. Furthermore, in coordination with the implementation of “voluntarism,” the Armed Forces has well-arranged personnel, budget, retirement and indemnity systems, provides servicemen with good career planning, and provides even better professional skill training, so as to attract outstanding talents to join the military, further develop their professional skills in the military, and create maximum benefits.

Section 2 Defense Strategy Objectives

Our nation’s defense strategy is to safeguard national security, maintain and realize national security interests, which directs the formulation and implementation of military strategies. Guided by the defense policy to build a “Hard ROC” defense force, objectives of the current “defense strategy” include “war prevention,” “homeland defense,” “contingency response,” “conflict avoidance” and “regional stability”. Measures to achieve the objectives are explained below:

I. War Prevention

(I) Build Up a “Hard ROC” Defense Force

Warfighting capability preservation and infrastructure protection will be enhanced to strengthen sustainment after the enemy’s first strike. Joint operations capabilities will be fully exploited and opportunities where we have an advantage in terms of force, space and time will be utilized to annihilate enemies in sea areas and airspace. In addition, reserve mobilization capabilities will be actively developed and all-out defense will be enforced to effectively defend our territory.

(II) Establish “Credible Deterrence” Capabilities

Defensive countermeasures capabilities will continue to be enhanced, asymmetrical warfare capabilities researched and developed, technological superiorities integrated, self-reliant defense realized, and IT-driven suppression capabilities established. In this way, means of “credible deterrence” will work to achieve the objective of “resolute defense”.

(III) Establish Cross-Strait Military Confidence-Building Mechanisms

Institutionalized cross-Strait negotiations have been implemented in an orderly fashion according to overall policy planning of the nation at its current stage. These negotiations are based on the ultimate guiding principles “national requirements, public support, and congress supervision” and “putting Taiwan first for the benefit of



the people,” and the procedures “economic issues before political ones, urgent issues before non-urgent ones, and easier issues before difficult ones,” using communication to benefit mutual understanding and using exchanges to remove hostility, building confidence between the two sides of the Taiwan Strait.

(IV) Promote Regional Security Exchange and Cooperation

Reciprocal exchanges with countries in the Asia-Pacific and other friendly nations will be enhanced, regional security cooperation proactively supported, and bilateral or multilateral cooperative relationships developed, so that Taiwan can play a more

Defensive countermeasures capabilities will continue to be enhanced, asymmetrical warfare capabilities researched and developed, technological superiorities integrated, self-reliant defense realized, and IT-driven suppression capabilities established. In this way, means of “credible deterrence” will work to achieve the objective of “resolute defense”.

II. Homeland Defense

(I) Strengthen Quality of Forces

In response to the demand on competent manpower for high-tech warfare, as well as changes in economic and social conditions, needs for conscripts will be sequentially reduced each year while the number of volunteers will be increased so that the Armed Forces will eventually become an “all volunteer force.” At the same time, various complementary measures, such as statute amendments, manning, equipping and organization adjustments, will be more comprehensive to effectively improve the caliber of manpower and thereby build an elite Armed Forces.

(II) Enhance Early Warning Capabilities

In response to the rapid changes in international relations and the PRC’s escalating military expansion, integration of existing intelligence, surveillance and reconnaissance (ISR) capacity will be accelerated to enhances early warning systems. Simultaneously, intelligence exchanges with neighboring and friendly nations will

be strengthened, and international military situation, possible threats and high-tech weapon and equipment developments will be closely monitored to increase strategic and tactical early warning capabilities.

(III) Strengthen Warfighting Capability Preservation

Measures for warfighting capability preservation will be strengthened to deal with the threat of enemies launching sudden and high-intensity assaults. Operational functions of all major systems will be backed up to avoid paralysis as a result of battle damage during the early stages of operations, so as to prevent compromising of the forces' subsequent operational capabilities. In addition, necessary support will be provided to ensure continued operation of critical infrastructures, such as telecommunication, transportation, energy, water supply and nuclear plants. Protection of critical military infrastructures will be enhanced in order to maintain sustained operational capabilities.

(IV) Establish Highly Efficient Joint Operations Capabilities

Aiming to elevate the efficiency of joint operations, various operations capabilities will be developed, and the joint operations command mechanism will be refined. These will create relative advantages in warfighting capabilities and enable the effective seize on operational opportunities to realize joint defense operations and deter enemy incursions.

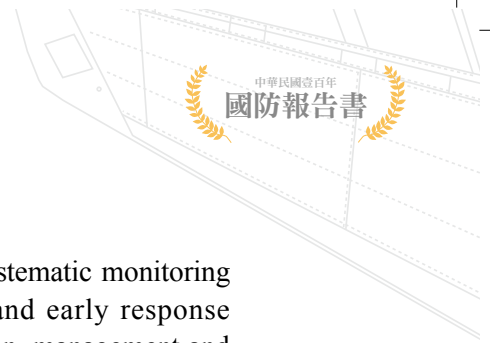
(V) Consolidate All-Out Defense Capabilities

Promotion of all-out defense education will to be continued, the people's defense consensus consolidated, inter-ministerial cooperation mechanisms enhanced, and defense mobilization realized to establish a comprehensive all-out defense system and obtain more all-out participation and support.

III. Contingency Response

(I) Enhance Surveillance, Awareness and Monitoring Capabilities

In order to deal with diverse security threats, intelligence from various ministries



and agencies will be effectively combined, a comprehensive systematic monitoring framework established, and intelligence, timely warning, and early response measures integrated so as to defuse a crisis with effective prevention, management and contingency response.

(II) Refine the Contingency Response Mechanism

When the nation faces threats of terrorist activities or sudden attacks from hidden enemies, the joint operations command mechanism will immediately deploy rapid response units to support competent authorities and local governments in quickly quelling crises to accomplish the objectives of “preventing internal jolts and external assaults.”

(III) Build Effective Disaster Relief and Response Troops

Under the existing organization and force structure, response units capable of immediate response and disaster relief capabilities will be formed. The Armed Forces will observe the guidance of “preparing for disasters in advance, deploying troops with an eye to disaster preparedness, and ensuring readiness for rescue operations,” and apply the principle of “safety, directness, and efficiency,” so that, immediately after a major disaster takes place, the Armed Forces will proactively perform rescue work and protect the people’s lives and assets.

IV. Conflict Avoidance

(I) Establish Military Conflict Avoidance Mechanisms

The joint operations command mechanism shall serve as the center of monitoring in strictly dealing with activities in Taiwan’s surrounding sea areas and airspace, and factors of dynamic and static security threats, so as to attain the goal of “crisis prevention, situational control, emergency response, rapid intervention, and escalation avoidance.”

(II) Abide by Conflict Avoidance Regulations

Forces at all levels will abide by the principle and combat readiness regulation of “not provoking incidents, not escalating conflicts, and reducing hostile actions”



The ROC Armed Forces has troops with immediately response and disaster prevention capabilities, thus achieving the training objective of “disaster relief during peacetime and combat during wartime.”

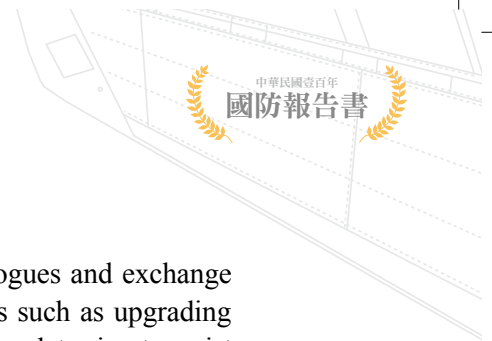
during execution of missions, thus avoiding unnecessary military conflicts caused by miscalculation or accidents.

(III) Enhance Contingency Response Capabilities of Forces

Rapid response simulations and exercises will be enhanced so that forces can become familiar with procedures of handling various contingencies. Should contingencies take place, they can be appropriately dealt with. Crises may thus be rapidly contained or defused to reduce damage.

V. Regional Stability

(I) Participate in Regional Defense and Security Dialogues



Participation in regional affairs will be active and security dialogues and exchange will be increased. More responsibilities in global security issues such as upgrading defense and security cooperation, preventing weapon proliferation, deterring terrorist activities, and enhancing humanitarian assistance will also be assumed to make positive contributions to the peace and stability of the Asia-Pacific region.

(II) Jointly Protect Regional Sea and Aerial Lines of Communication

Systematic channels for strategic communication and security cooperation with regional countries over security maintenance issues of sea and aerial lines of communication will be established, so as to ensure freedom of movement of major communication lines in the Asia Pacific region, and play a key role in facilitating regional stability.

(III) Participate in Regional Counter-terrorism and Humanitarian Relief Efforts

Unconventional security issues, e.g. terrorism, piracy, natural disasters and pandemic diseases, have become severe threats to international security and stability in recent years. Upholding the belief of peacekeeping, the ROC will fully support counter-terrorism activities and assist with regional humanitarian relief efforts to fulfill its responsibilities as a global citizen.

Section 3 Military Strategic Concepts

Military strategy is an aspect of national strategy. Its purpose is to win war, support national strategy, and achieve national objectives. The ROC's military strategy is to establish military power based on basic concepts of the Constitution, which is to "ensure the nation's livelihood and development, safeguard the people's security and welfare, and protect freedom and democracy and the people's rights." Moreover, it aims to independently and self-reliantly build up forces, with an emphasis on fostering intangible combat capabilities, utilizing the strength of all-out defense to defeat enemy and win war.

I. Military Strategic Concepts

The ROC Armed Forces has adopted "resolute defense and credible deterrence" as its military strategic concept with consideration to the security environment in surrounding regions, strategic postures of Taiwan and potential enemies and future force developments, and based on the national defense strategy. At the same time, the Armed Forces upholds the principle of "preventing war but not fearing war, and preparing for war but not provoking war" when dealing with the enemy's provocative actions. Nonetheless, when war is inevitable, the three armed services will be integrated and overall all-out defense capabilities will be combined to carry out homeland defense and ensure national security.

In order to implement the military strategic concept of "resolute defense and credible deterrence," the ROC Armed Forces needs to effectively carry out the following missions:

(I) Conduct Resolute Defense to Ensure the Security of National Territories

When conducting defensive operations, Taiwan needs to be able to survive the enemy's first strike, averting decapitation, maneuvering forces to counter strikes, and sustaining combat power so as to achieve the objectives of "strategic protraction and tactical resolution." Strategically, the Armed Forces will assume a defensive posture, strive to gain time-critical defense in depth and create favorable situations. Tactically,



The ROC Armed Forces effectively executes resolute defense, credible deterrence, counter blockade, joint interception and ground defense operations to ensure homeland security.

the Armed Forces needs to fully exploit favorable conditions on “force, space, and timing” and to utilize overall capabilities of all-out defense so as to annihilate invading enemy forces and ensure homeland security.

(II) Conduct Credible Deterrence to Maintain Strong and Reliable Warfighting Capabilities

The Armed Forces will effectively integrate the interoperability of weapon systems, upgrade performance of joint operations, enhance defensive countermeasure capabilities, and execute combat training and readiness operations. These efforts will force the enemy to rationally calculate the costs and risks of invasion, thereby deterring any hostile intention of launching an attack.

(III) Counter Blockade to Maintain Sea and Aerial Lines of Communication

Most of the ROC's major livelihood and strategic supplies and materials are imported. Thus, sea and aerial lines of communication are critical to our national survival. In peacetime, security in the surrounding airspace and sea areas will be maintained. In wartime, joint operations capabilities will be integrated to counter the enemy's blockading forces, open safe aerial and sea transportation routes and maintain communications to the outside world, thereby maintaining capabilities for subsequent operations.

(IV) Conduct Interception Jointly to Retard Enemies from Approaching our Territory

According to the guidelines of defense operations, after the enemy launches an attack, the Armed Forces shall seize favorable conditions, concentrate firepower, and precisely strike at the enemy's strategic centers. Subsequently, based on developments of the battlefield, the Armed Forces should focus on two key stages, namely "joint interdiction operations" and "joint anchorage area attack," the objective of which is to stop and destroy the enemy's amphibious vessels when they are crossing the Taiwan Strait and in anchorage areas, which is when their warfighting capabilities are relatively weak.

(V) Conduct Ground Defense to Prevent Enemies from Landing and Establishing Lodgment

The ROC Armed Forces has constructed an in-depth defensive system by applying overall capabilities of all-out defense. If the enemy attempts an amphibious landing with its superior naval forces and air support, this system will be utilized to execute multilayered interdictions to defeat the enemy's landed and airborne troops before the invading troops are secured, so as to achieve the objective of effective homeland defense.

II. Future Requirements for Defense Operations

In order to successfully execute missions defined in the military strategy and accommodate the conditions of battlefields in the Taiwan Strait, characteristics of modern warfare, and developments in military technologies and weapon systems, the Armed Forces' readiness for future defense operations needs to follow the development principles below:

- (I) Force planning, building and deployment must focus on the prevention of the enemy's surprise attack, decapitation, paralysis, or other asymmetrical operations, so as to sequentially build a modernized defense force that meets requirements of defense operations.
- (II) Warfighting capabilities of different armed services (branches), force structure, command mechanisms, military doctrinal concepts, and campaign tactics and techniques should continue to be integrated for joint operations, so that the armed forces can multiply warfighting capabilities and create local battlefield superiority.
- (III) All major weapon systems and platforms should acquire a higher level of systematic links to reduce the time required for the "detection – processing – decision – action" cycle. This aims for overall warfighting capabilities to achieve effective and rapid command and control, real-time and uninterrupted communication, and highly effective precision strike firepower.
- (IV) Capabilities that can retard the enemy offense and compromise enemy attempts to achieve quick victory should be planned and developed. This will force the enemy to practically assess the cost of launching an invasion, thereby reducing the possibility of the enemy resorting to military means.
- (V) Facing threats from the enemy's sudden and high-intensity assaults, the Armed Forces, in terms of defensive operations, should emphasize on redundant capacity and sustainability of operational functions, and enhance critical

infrastructure protection to prevent its main fighting force from being paralyzed in the initial stage of military operations, and thereafter failing to achieve strategic sustainment.

- (VI) Considering the reality of quantitative inferiority in defense operations, the ROC Armed Forces, when developing various capabilities, should focus on the effectiveness of contingency operations and force mobility for swifter response and smarter maneuver, in order to seize opportunities and reverse unfavorable situations.
- (VII) Targeting the enemy's operational center of gravity (COG) and critical vulnerabilities, the Armed Forces focuses on enhancing forces' "basic capabilities," developing low loss, highly effective, low price and easy to execute "asymmetrical warfighting capabilities," and protecting important military facilities. This is so that when conducting defense operations, advantages in time and space can be utilized to defeat or paralyze the enemy's warfighting capabilities, create local battlefield superiority, and further defeat invading enemy forces.

III. Force Buildup Plans and Objectives

The Armed Forces established force buildup policy and objectives based on considerations of future strategic situations, defense requirements and acquirable financial and human resources, drawing out specific plans for a modernized defense force. This will establish reliable warfighting capabilities required for the strategic objective of "resolute defense and credible deterrence." The acquisition and development of major weaponry and equipment are summarized as follows:

(I) Information and Electronic Warfare

The performance of airborne early warning (AEW) aircraft will continue to be upgraded, radio models will be replaced, information and electronic warfare equipment will be developed, and defense capabilities of critical C2 (command and



(Upper) Talent recruitment activities are periodically held to attract excellent talents to join the military, thus strengthening the capabilities of forces and maximizing benefits.

(Lower) Transformation of the military service system from “conscription and voluntarism” to “voluntarism” will transform the ROC Armed Forces into an elite force that can respond to enemy threats.



control) positions will be further enhanced, establishing an automated comprehensive C4ISR system and network protection and counter attack management system capabilities.

(II) Joint Counter Air Operations

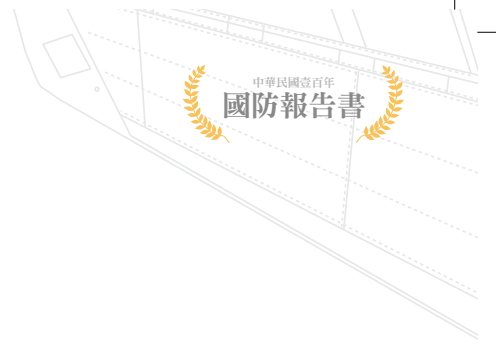
Procuring F-16C/D fighters and upgrading capabilities of Chingkuo Fighters (Indigenous Defense Fighter, IDF) will equip the Armed Forces with long-range and beyond visual range (BVR) combat, advanced electronic warfare system, and air-to-ground and air-to-sea missile capabilities. Furthermore, by procuring the Patriot III missile system, establishing long-range early warning radars and enhancing the performance of the Patriot II missile system, the Armed Forces will gain mid-range anti-missile, low altitude air defense and mobile anti-aircraft missile system capabilities.

(III) Joint Sea Control Operations

Procurement of diesel-electric submarines, P-3C long-range fixed-wing anti-submarine aircrafts, second generation II class ships, new generation missile motorboats and minehunters will enhance the Armed Forces 3 dimensional joint sea control capabilities, and strengthen counter blockade and joint interdiction capabilities. In addition, fuel and ammunition supply ships will be constructed to maintain the capabilities of surface operation groups, thus building a sea control force equipped with anti-submarine, air defense and regional ocean surveillance capabilities.

(IV) Homeland Defense

Continued production of new multiple-launch rocket systems (MLRS), tactical wheeled vehicles, armored infantry combat vehicles and unmanned aerial vehicles (UAV) will further enhance surveillance and mobile strike capabilities of ground forces. Also, new attack and utility helicopters will be procured to reinforce 3 dimension combat capabilities. In addition, in response to disaster relief becoming one of the Armed Forces' main missions, a number of disaster prevention and relief equipment will be procured, including multipurpose engineer vehicles, forklifts, NBC (nuclear, biological and chemical) protection equipment, sanitation equipment and mobile cranes.



Section 4 A New Volunteer-Based Force

With consideration to the nation's long-term development requirements and in response to the public's high expectations, the Ministry of National Defense has formulated a plan to phase out the current compulsory service system. This transformation will build an elite Armed Forces that is capable of responding to enemy threats, while resolving the issue of insufficient supply of able-bodied men as a result of low birth rates and aging population. The implementation of voluntarism has become a necessary change due to the sequential shortening of the compulsory military service period, which has resulted in loss of training results as conscripts draw near their discharge once their training is complete; voluntarism will not only maintain forces' capabilities and allow experiences to be passed down, it will also lift the burden of compulsory military service from citizens, releasing human resources for economic development, and allowing the nation's human resources to create maximum benefits.

I. Stable Growth of the Volunteer Force

Guided by the Executive Yuan's financial resources and planning of the Armed Forces' "Jingtsui Program," the number of volunteer servicemen will grow sequentially each year over a 4 year period in the pattern "slow at first and gradually pick up speed," achieving an all-volunteer force by the end of 2014, thus allowing the retention of an effective elite force capable of carrying out disaster relief missions during peace time, and confronting the enemy during wartime.

II. Strictly Amend Military Service Related Laws

(I) Provided that the regular force will become an all-volunteer force in the future, a full review should be conducted on management, cultivation, career planning, selection and elimination and indemnity with regard to the qualitative changes of military officers, NCOs and soldiers. Furthermore, laws and regulations on selection for training, military service, commission, assignment, military education, insurance and indemnity should be amended to establish a thorough military personnel system consistent with future situations.



(II) With consideration to changes in the population structure and the government’s long-term population policy, the flexibility of draft age men utilization will be increased to enhance national competitiveness. The vision and policy objectives of voluntarism were planned in the light of changes in manpower acquisition of regular forces and mobilization training requirements of reserve forces; military service related laws will be reviewed and amended to achieve the human resource utilization strategy of “voluntarism during peacetime and conscription during wartime,” and satisfy mobilization requirements for all-out defense.

III. Gradually Increase Recruitment and Retention Incentives in Coordination with Financial Resources

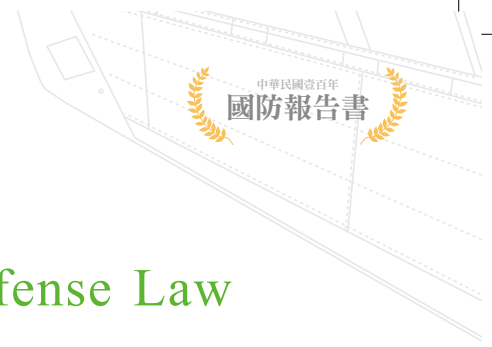
In view of experiences of countries practicing voluntarism, servicemen will be offered better remuneration compared with private enterprises, full benefits and care for their dependents, and a well-arranged diverse retirement mechanism, so as to attract suitable youth with stable personalities and strong physique to enter the military. In order to retain outstanding officers and soldiers, measures that will be gradually implemented based on the government’s financial condition include creating a high quality working environment, healthy careering planning, expanding further education and training channels, enhancing education and training quality, establishing retention (recruitment) incentive mechanisms, and strengthening care for retirees and military dependents, thus freeing servicemen from worries and allowing them to actively perform their duties; this is to achieve the objective of concentration on defense readiness and letting dependents feel at ease.

IV. Complete Essential Prerequisites for Conversion to Regular Service Military Training

Conversion to “Regular Service Military Training” is not only a matter of the people’s rights and obligations, which should be stipulated by law, but also a matter of satisfying the Armed Forces’ manpower requirements and maintaining capabilities. Therefore, regular service military training may only be implemented once the following conditions are satisfied:

- (I) The draft amendment to the “Act of Military Service System” is passed after the third reading by the Legislative Yuan, promulgated and takes effect.
- (II) Highly competent volunteer manpower grows according to plans.
- (III) Defense financial resources can satisfy requirements for conversion to voluntarism and maintain its long-term operation.

The Ministry of National Defense and Ministry of the Interior have jointly completed preliminary plans the new human resource system. Once the conditions listed above are satisfied, the plans for will by submitted to the Executive Yuan for approval and a notification will be sent to the Legislative Yuan. An announcement will be made 1 year before its implementation, allowing draft age men to make arrangements in advance for further education or employment.



Section 5 Amendments to Defense Law System

With regard to requirements of national defense policy and future force developments, the Ministry of National Defense has formulated and amended related laws based on the principle of “administration according to law,” and established an annual legislation plan to achieve legalization of the Armed Forces. The amendment of laws also drives changes in defense policy, thus one of the Armed Forces’ focuses is to establish a more thorough defense law system to achieve “legalization of national defense,” whereas shaping the legal culture of defense agencies is a direction the MND is working towards in order to improve citizen service quality and protect the rights of the people.

I. Amendments to Organization Regulations of Defense Agencies

In coordination with organizational restructuring of the Executive Yuan and force restructuring of the ROC Armed Forces, a total of 12 bills were formulated based on the principles of “thorough, flexible and effectiveness” and submitted to the Executive Yuan, including 6 organization acts – “Organization Act of the Ministry of National Defense,” “Organization Regulations of General Staff Headquarters of the Ministry of National Defense,” “Organization Regulations of the General Political Warfare Bureau of the Ministry of National Defense,” “Organization Regulations of the Armaments Bureau of the Ministry of National Defense,” “Organization Regulations of the Comptroller Bureau of the Ministry of National Defense” and “Organization Regulations of the Medical Affairs Bureau of the Ministry of National Defense,” and 6 regulations governing departmental affairs. The bills were passed on to the Legislative Yuan, and the first reading was completed on March 24th, 2011.

II. Complementary Legislation for Voluntarism

The military service system will be gradually changed from “conscription and voluntarism” to “voluntarism,” and a legislation plan has been formulated based on this process to control the completion of laws required for voluntarism.

(I) Main Bills

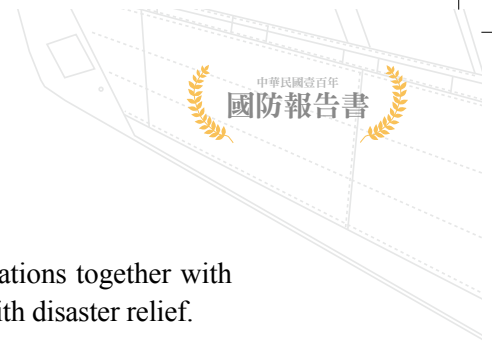
In addition to the “Act of Military Service for Volunteer Enlisted Soldiers” and “Act of Insurance for Military Personnel,” which were amended and announced on June 10th, 2009 and May 12th, 2010, respectively, four amendments have been submitted to the Legislative Yuan for Deliberation, namely the “Act of Military Service System,” “Act of Military Service for Officers and NCOs of the Armed Forces,” “Act of Commission for Officers and NCOs of the Armed Forces” and “Act of Assignment for Officers and NCOs of the Armed Forces.”

(II) Complementary Legislation

Amendment of the 16 remaining laws and regulations, namely the “Enforcement Rules of Military Service System,” “Regulations on Regular Service and Replacement Service,” “Regulations on the Implementation of Reserve Military Officer and NGO Selection and Training,” “Enforcement Rules of the Act of Commission for Officers and NCOs of the Armed Forces,” “Enforcement Rules of the Act of Assignment for Officers and NCOs of the Armed Forces,” “Pay Act of the Armed Forces,” “Indemnity Act for Military Personnel,” “Enforcement Rules of the Indemnity Act for Military Personnel,” “Enforcement Rules of the Act of Military Service for Officers and NCOs of the Armed Forces,” “Punishment Act for Violation to Military Service System,” “Regulations on the Management of Military Reservists,” “Regulations on the Implementation of Gradual Enlistment and Delayed Enlistment,” “Regulations Governing the Military Array,” “Physical Status,” “Military Personnel Handicap Status” and “Enforcement Rules of the Act of Insurance for Military Personnel,” will be implemented in coordination with the progress of amending the “Act of Military Service System.”

III. Complete Laws of the Armed Forces on Providing Assistance in Disaster Prevention and Relief

Disaster prevention and relief has been listed as a main mission of the Armed Forces, in coordination with the amendment to Paragraphs 4~6 of Article 34 of the “Disaster Prevention and Protection Act,” which states that the Armed Forces should actively engage in disaster prevention and relief and may muster reserve forces for disaster



relief operations, the MND has jointly established related regulations together with the Ministry of the Interior, so as to complete laws on assisting with disaster relief.

(I) Enactment of the “Regulations on the ROC Armed Forces’ Assistance in Disaster Prevention and Relief”

Pursuant to Paragraph 6, Article 34 of the “Disaster Prevention and Protection Act,” which was amended and promulgated on August 4th, 2010, the Ministry of National Defense and Ministry of the Interior jointly established the “Regulations on the ROC Armed Forces’ Assistance in Disaster Prevention and Relief”; the Regulations were announced on October 15th, 2010. The Regulations clearly specify procedures, advance deployment and dispatch of forces, command and dispatch, coordination and communication, education and training, time limit of disaster relief operations and other matters associated with applying for support from the Armed Forces, or with the Armed Forces actively assisting with disaster relief.

(II) Amendment to the “National Defense Act” to include Disaster Prevention and Relief

After legislators proposed that Articles 2, 3 and 14 of the “National Defense Act” be amended, the MND’s response to the proposal was approved by legislators and passed the third reading. The amendment lists disaster prevention and relief as a purpose and within the scope of national defense, and also a part of military command. The amendment was promulgated and took effect on November 24th, 2010.

IV. Complementary Legislation for Converting the Chung Shan Institute of Science and Technology into an Administrative Institution

To enhance capabilities of the Chung Shan Institute of Science and Technology (CSIST), Armaments Bureau capabilities for developing defense technology industries and thus achieve self-reliant national defense, the MND plans to convert the CSIST into an administrative institution and restructure it as the National Chung Shan Institute of Science and Technology. The MND drafted the “Regulations on the Establishment of National Chung Shan Institute of Science and Technology” and

submitted it to the Legislative Yuan; the first reading of the regulations was completed on March 24th, 2011. Furthermore, in accordance with the Executive Yuan's "Matters, Timetable and Division of Labor for Restructuring Agencies into Administrative Institutions," the MND reviewed 18 laws and regulations associated with operations of the CSIST, including the "Organization Regulations of the National Chung Shan Institute of Science and Technology," and 90 regulations on operating procedures after conversion.

V. Legislative Matters Related to the Introduction of Government Ethics Units

The MND has followed the policy guidance and brought in government ethics units, adopting a "multiple supervision dual-tracks" approach for government ethics and inspection units. There is a government ethics office in the MND directly under the minister that forms a multiple supervision mechanism along with the Inspection Office; the two offices coordinate and assist one another, and integrate functions to jointly carry out anti-corruption missions. For the legalization of this initiative, the MND coordinated with the Ministry of Justice, the competent authority of the "Act of the Establishment of the Government Employee Ethics Units and Officers," in formulating a draft amendment to specify that the Ministry of National Defense shall establish a government ethics unit, and that anti-corruption affairs of military agencies without government ethics units shall be handled by government ethics units of its superiors. Furthermore, the MND added planning and execution of government ethics affairs in the draft amendment to the "Organization Act of the Ministry of National Defense." Both amendments were submitted to the Executive Yuan and passed on to the Legislative Yuan for deliberation. In addition, the MND drafted the "Regulations for Departmental Affairs of the Ministry of National Defense" to specify the establishment of a government ethics office under the MND; the regulations were submitted to the Executive Yuan in coordination with the organizational restructuring timetable.

VI. Legalization of the Defense Think Tank

To improve the defense administration quality, the MND referred to the operations and development experiences of advanced countries and planned the establishment of a "defense think tank," drafting the "Regulations on the Establishment of the Defense Think Tank (provisional)." This defense think tank will benefit research on defense affairs, expand international exchanges and cooperation, and provide forward-looking



recommendations for decision-making, thus enhancing national competitiveness. The “preparatory office of the defense think tank” was established on March 1st, 2010 for the implementation of subsequent matters.

VII. Transfer of Retiree Affairs

To implement voluntarism and organizational restructuring of the Armed Forces, 3 affairs have been transferred to the Veterans Affairs Commission, including: pension and operating cost budgeting, pension payment, and counseling, services and care offered in quarters for single retirees; the transfer of other affairs will be based on the principle of not affecting service quality and the lawful rights of retirees, military dependents and responsible staff.



Chapter 4 National Defense Organization

The “National Defense Act” promulgated on January 29th, 2000 establishes “civilian control over military” and “centralized leadership.” Moreover, “civilian control over military” regulates the Armed Forces by subjecting it to the supervision of public opinion, ensuring its nationalization and making the implementation of defense affairs more efficient. Also, organizational restructuring has been planned since 2010 based on the concepts of streamlining the national defense organization and maximizing the effects of military investments; a suitable “force structure” was established by seeking balance between “combat requirements” and “financial capabilities,” building a modernized Armed Forces to consolidate combat capabilities and complete the mission of national defense transformation.

Section 1 National Defense System

I. National Defense System

Pursuant to Article 7 of the “National Defense Act,” the defense system of the Republic of China is structured as follows (see Figure 4-1 for the national defense system and hierarchy of authority):

- (I) President
- (II) National Security Council
- (III) Executive Yuan
- (IV) Ministry of National Defense

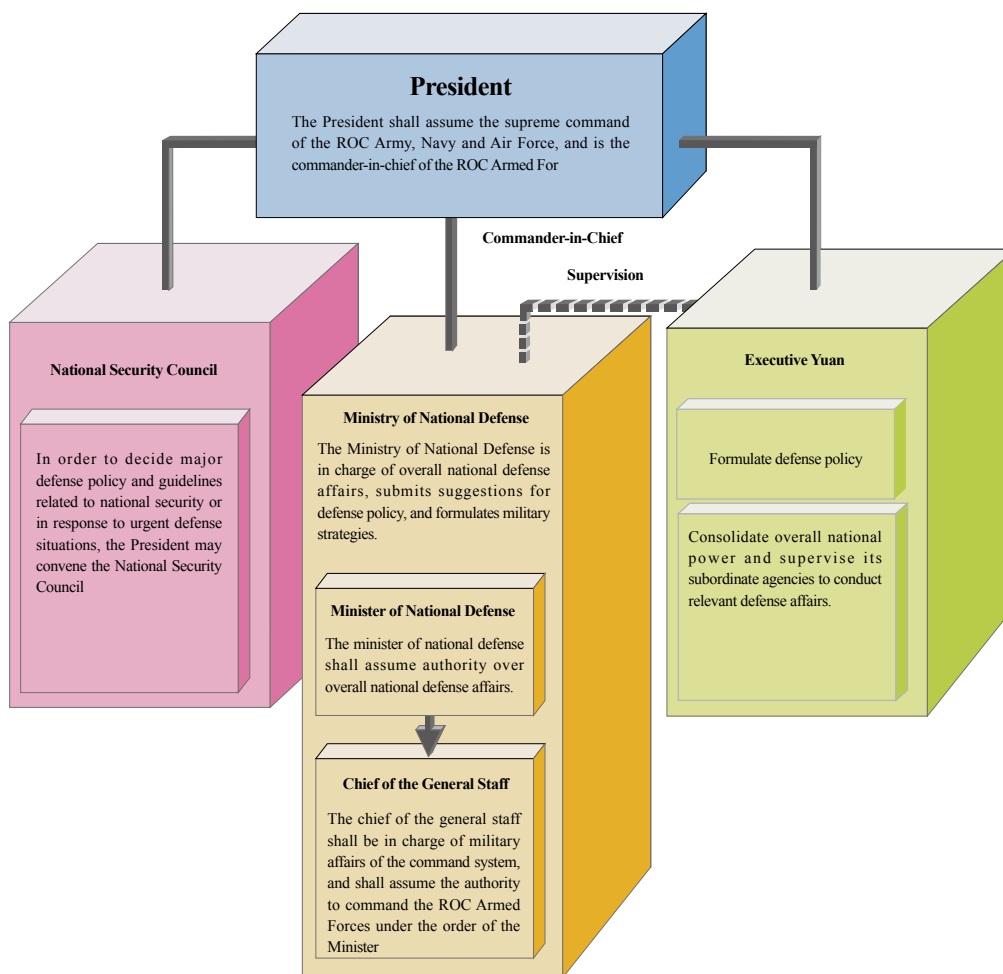


Figure 4-1 The National Defense System and Hierarchy of Authority

II. Authority

(I) President

The President shall assume the supreme command of army, navy, and air force of the ROC, and is the commander-in-chief of the ROC Armed Forces. He exerts executive authority over the Minister of National Defense, and the Chief of the General Staff (CGS) follows the command of the Minister to lead the ROC Armed Forces (Article 8 of the National Defense Act).

(II) National Security Council

In order to decide major defense policy and guidelines relating to national security or in response to urgent defense situations, the President may convene the National Security Council (Article 9 of the National Defense Act).

(III) Executive Yuan

The Executive Yuan is responsible for formulation of defense policy, consolidation of overall national power and supervision of its subordinate agencies to conduct relevant defense affairs (Article 10 of the National Defense Act).

(IV) Ministry of National Defense

1. The MND is in charge of overall national defense affairs, shall well perform its policy, command, and armament functions. Besides, it shall submit suggestions in defense policy and formulates military strategies accordingly (Article 11 of the National Defense Act).
2. The position of the Minister of National Defense is of civilian official nature, and he or 12 of the National Defense Act).
3. The MND has under it the General Staff Headquarters (GSH), serving as the staff organization of command system, and command mechanism of joint operations to the Minister. The GSH is headed by the CGS, who is in charge of military affairs of command system, and assumes the authority to command the ROC Armed Forces under the order of the Minister (Article 13 of the National Defense Act).

Section 2 Organizational Structure

I. Organizational Structure of the Ministry of National Defense

As stipulated in the “National Defense Act” and “Organization Act of the Ministry of National Defense” is one of civilian official nature and is in charge of overall national defense affairs. There are two deputy ministers, whose position shall be Special

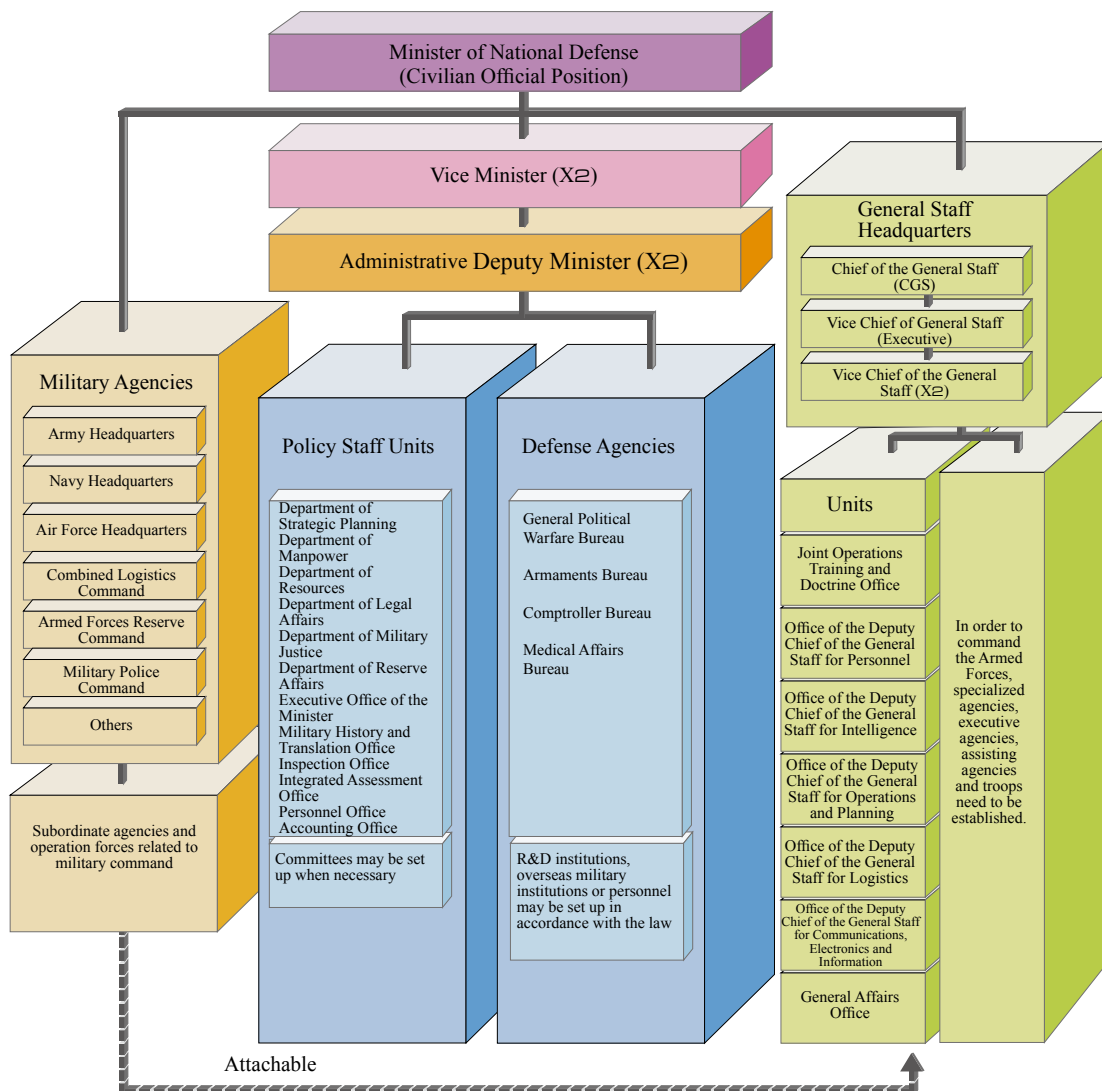


Figure 4-2 Organizational Structure of the Ministry of National Defense

Appointment Rank, or general; and two administrative deputy ministers, whose position is 14th grade of Selected Appointment Rank, or lieutenant general. They assist the Minister to direct MND Policy Staff and its subordinate agencies . The MND has also under it the General Staff Headquarters and its subordinate military agencies, thus establishing a national defense organization with “consistent authority and responsibility” and “hierarchy of expertise”; this allows the Armed Forces to focus on their operational duties and capability preparations, and become modernized Armed Forces (as shown in Figure 4-2).

II. MND Policy Staff Units and Subordinate Agencies

The Policy Staff and its subordinate agencies are directed by deputy ministers and administrative deputy ministers. The organization system is as follows:

(I) MND Policy Staff Members Units (Articles 5, 16 and 17 of the Organization Act of the Ministry of National Defense)

Department of Strategic Planning, Department of Manpower, Department of resources, Department of Legal Affairs, Department of Military Justice, Department of Reserve Affairs, Executive Office of the Minister, Military History and Translation Office, Inspection Office, Integrated Assessment Office, Personnel Office and Accounting Office.

(II) Subordinate Agencies (Articles 7, 8, 9, 9-1 and 12 of the Organization Act of the Ministry of National Defense)

General Political Warfare Bureau, Armaments Bureau, Comptroller Bureau, Medical Affairs Bureau and overseas military institutions or personnel.

III. MND Joint Staff

The MND General Staff Headquarters has a Chief of the General Staff, an executive officer for the Deputy Chief of the General Staff and two Deputy Chiefs of the General Staff. This organization consists of offices, which set up specialized agencies, executive agencies, assisting agencies, and executive agencies, assisting agencies, and

troops. Its components also involve agencies and combat troops, which are based on the directives. The detailed organizational structure is as follows: (as shown in Figure 4-3)

(I) Staff Units (Article 3 of the Organization Act of MND General Staff Headquarters)

Joint Operations Training and Doctrine Office, Office of the Deputy Chief of the General Staff for Personnel, Office of the Deputy Chief of the General Staff for Intelligence, Office of the Deputy Chief of the General Staff for Operations and

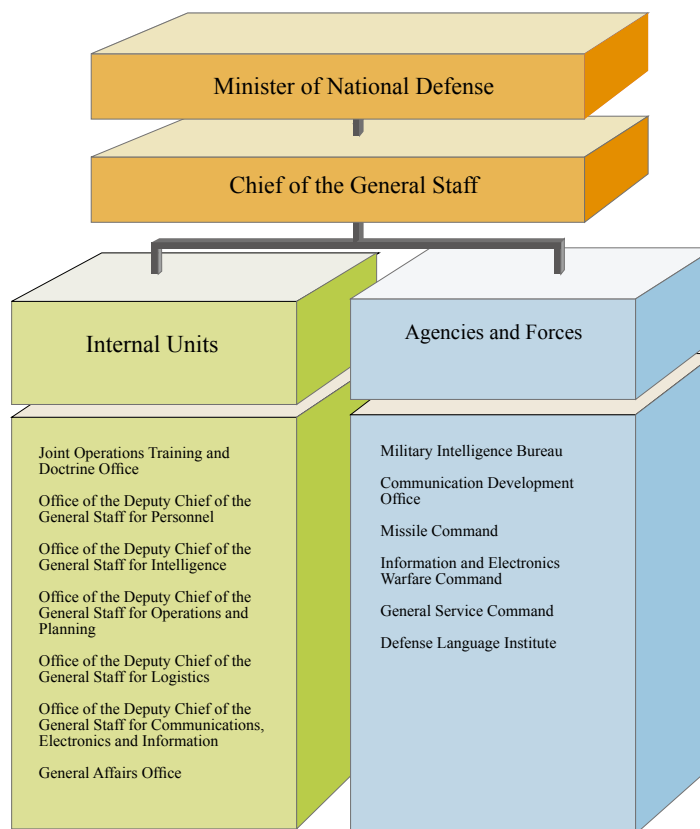


Figure 4-3 Organizational Structure of the MND General Staff Headquarters, MND

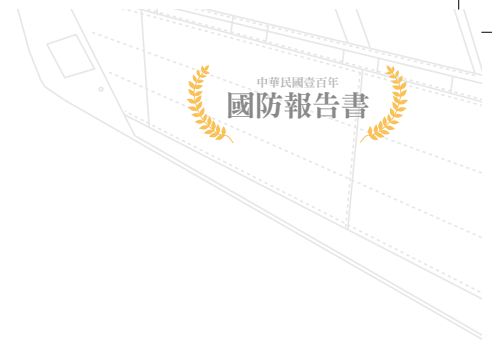
Planning, Office of the Deputy Chief of the General Staff for Logistics, Office of the Deputy Chief of the General Staff for Communications, Electronics and Information, and General Affairs Office.

(II) Agencies and Troops

Military Intelligence Bureau, Communications Development Office, Information and Electronic Warfare Command, Missile Command, General Service Command, and Defense Language Institute.

IV. Military Agencies

The MND has under it the Army Command Headquarters, Navy Command Headquarters, Air Force Command Headquarters, Combined Logistics Command, Reserve Command, Military Police Command and other military agencies. In accordance with Paragraph 2, Article 10 of the Organization Act of the Ministry of National Defense, the MND may designate the General Staff Headquarters for the command of agencies and combat units, which are originally subordinate to above military agencies.



Section 3 Force Structure

To build elite Armed Forces that can adapt to the new era, the Ministry of National Defense conducted a quantified analysis of modern warfare, military strategies, operational requirements and the nation's overall resource distribution, established related policy, and completed the "Jingtsui Program" for force restructuring; the total strength of the Armed Forces will be downsized from 275 thousand personnel to 215 thousand personnel based on the principles of "streamlining high level staff organizations," "eliminating old equipment" and "outsourcing administrative and logistics manpower."

I. Considerations of Force Restructuring

(I) Changes in the Strategic Situation

The PRC's comprehensive national power has taken great strides as a result of its reform and opening-up in recent years, as well as its concentration on economic development. Moreover, its defense budget has grown at double digit percentages almost every year for nearly two decades, widening the gap of national and military power between the two sides of the Taiwan Strait; balance of capabilities has been lost, yet the PRC will continue to expand the scale and scope of its defense budget, and gradually enhance its ability to terrorize with military force. Furthermore, the core concept of the PRC's current military strategy has been modified as "dual application" and "fusion" of offensive and defensive capabilities, with an emphasis on preventing crises and war, responding to multiple security threats and achieving diverse military missions. After analyzing the military strength of both sides of the Taiwan Strait, the Armed Forces has adjusted its strategic concept to "asymmetrical/innovative" force deployment, avoiding conventional war of attrition, which will deplete national resources.

(II) Changes in Operational Concepts

In the past, "victory" was perceived as overcoming the enemy on the battlefield. However, considering the military strength of the two sides of the Taiwan Strait,

we must use a practical attitude to reconsider the definition of “victory” if we are to achieve “resolute defense and credible deterrence.”

After studying and analyzing the current situation of the Taiwan Strait, the definition of “victory” was adjusted from “defeating the enemy in a full confrontation” to “striking the enemy half way across the Taiwan Strait and preventing the enemy from landing and establishing lodgment”; the force structure of the Armed Forces was planned with a focus on gaining a relative advantage in this critical period of war. This will not only allow a “small but superb, strong and smart” force to achieve “resolute defense,” but also avoid engaging in an “armaments race” with the PRC, which might affect the nation’s overall competitiveness.

(III) Reformation of the Military Service System

Outnumbered by the enemy, it is impossible to engage in a competition of quantity with the PRC. The best approach to making enemies feel it difficult to prevail in war over the Taiwan Strait is to strengthen the “quality” of our Armed Forces, and further solidify concrete capabilities to deter the enemy from easily waging war. It can not be denied that the reduced service period of conscribed servicemen, which has made recruitment and discharge more frequent, has become a severe load on force defense readiness and training, especially to the Navy and Air Force, which require long-term training to build reliable capabilities. Facing diverse threats and multiple objective missions, and considering that advanced armaments require professional training and thorough integration procedures in order to maintain training intensity and operational effectiveness, the Armed Forces is actively implementing “voluntarism” in hopes of building a professional, powerful force capable of immediate combat engagement, which will replace traditional forces consisting of conscripted soldiers.

(IV) Reality of Human Resources

The number of draft age men has trended downwards in recent years due to the low birth rates; statistics show that the number of draft age men each year has dropped from over 120 thousand to some 110 thousand, and this number will continue to drop in the future (anticipated number of draft age men from 2010-2015 is shown in Figure 4-4). Moreover, competition from similar agencies, such as the police and coast guard, has made talent recruitment more and more difficult. The current situation of human resources in Taiwan just isn’t enough to maintain such an immense military organization. Thus, a complementary measure – service period adjustment, for force restructuring was implemented, allowing those with the aspiration to join the military

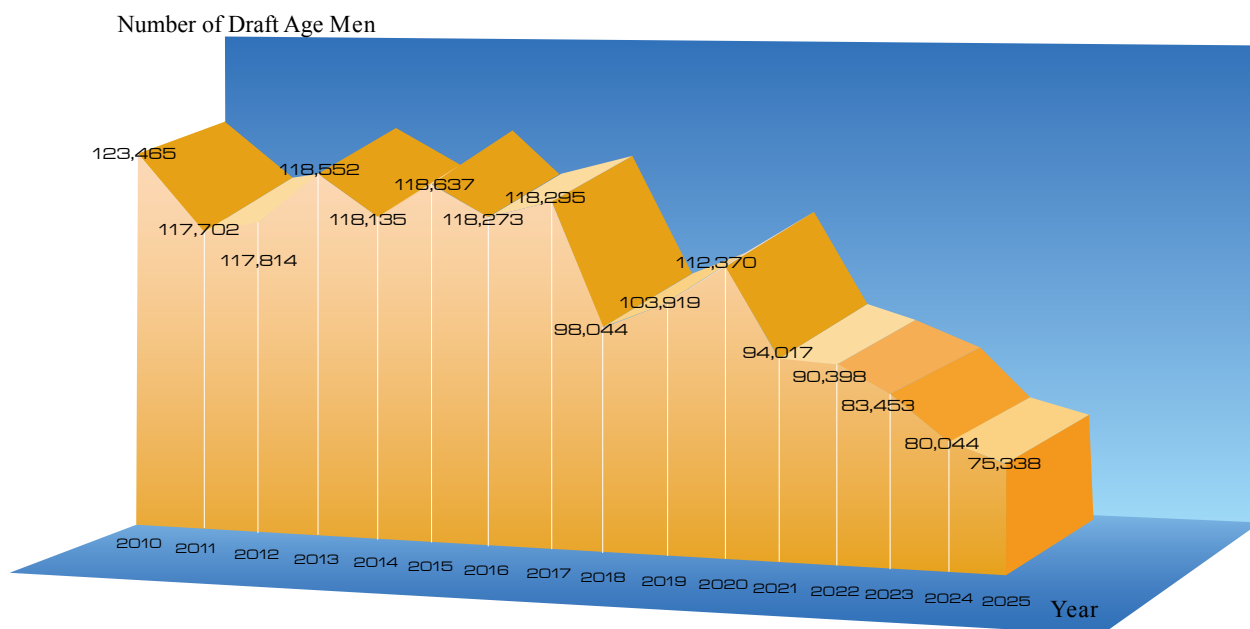


Figure 4-4 Anticipated Number of Draft Age Men from 2010 to 2025

and defend our nation; for those who hope to enter other fields, a shorter service period will allow them to make earlier plans for their futures, compulsory military service will no longer affect the plans of most men for their education, career and life, allowing the nation’s human resources to be effectively utilized.

II. Force Structure Planning

(I) Restructuring Principles

Force restructuring of the Armed Forces is based on the principle of “streamlining high level command and solidifying basic level forces,” in which priority is given to streamlining administrative and logistics manpower. In coordination with the geographic environment of Taiwan, the structure of armed services will continue to be organized in the form of combined arms brigades, flotillas and wings. A comprehensive review of organizational functions will be conducted, “commercial maintenance” and “outsourcing” will be used to replace unnecessary personnel, units with similar missions, tasks and properties will be merged, and organizations will be streamlined to reduce non-combat personnel expenditure and personnel maintenance costs. The high level command organization will be adjusted using the approach “parallel streamlining and merging and vertical integration,” thus achieving

“consistent authority and responsibility,” and creating an elite Armed Forces with streamlined organization and enhanced performance.

(II) Restructuring Direction

Based on the principle of “administration according to law,” the Executive Yuan sent 6 organization acts, including the “Organization Act of the Ministry of National Defense,” to the Legislative Yuan for deliberation, and carried out organizational restructuring based on deliberation results.

1. Ministry of National Defense: The original 6 departments and 6 offices were adjusted into 4 departments and 7 offices based on the principle of merging units with similar tasks and functions; the restructured departments and offices are namely the Department of Strategic Planning, Department of Resource Planning, Department of Legal Affairs, Department of Integrated Assessment, All-Out Defense Mobilization Office, Administrative Affairs Office, Defense Procurements Office, Inspector-General’s Office, Personnel Office, Accounting Office and Civil Service Ethics Office.
2. General Staff Headquarters: The General Affairs Office was dissolved and the original 7 staff units were merged into 6 staff units. The Military Policy Command Headquarters and Reserve Command Headquarters were made subordinate to the General Staff Headquarters as the Military Police Command and Reserve Command.
3. Subordinate Agencies: Maintained at 4 bureaus.
4. Combat Forces: The current 6 command headquarters – Army, Navy, Air Force, Combined Logistics, Reserve and Military Police will be merged into 3 command headquarters – Army, Navy and Air Force to accelerate command speed and enhance joint operation effectiveness.

III. Force Restructuring

Force restructuring will be implemented according to deliberation results of the Legislative Yuan for 6 organization acts including the “Organization Act of the Ministry of National Defense”; restructured organizations of the Army, Navy and Air



In view of future digital battlefields and environments, as well as establishment and deployment of high-tech armaments, the ROC Armed Forces requires highly professional and highly competent manpower serving long periods.

Force are as follows:

(I) Army

1. Mission

During peacetime, the Army safeguards Taiwan as well as its offshore islands, and gives priority to establishing basic combat capabilities and readiness for contingency operations, executing contingency response missions, ensuring the safety of critical targets, and supporting anti-terrorist operations and major disaster relief efforts. In wartime, areas of operations (Defense Command) and subordinate units are commanded by the “Armed Forces Joint Operations Command Center,” which will combine ground forces of the Navy and Air Force in joint operations, destroying invading enemy forces and safeguarding homeland security.

2. Restructured Organization (Figure 4-5)

The Army Command Headquarters consists of various departments, offices, and divisions and its subordinate units include the Army Command, Defense Command, Aviation and Special Forces Command, Education, Training and Doctrine Command, Logistics Command and other subordinate units.

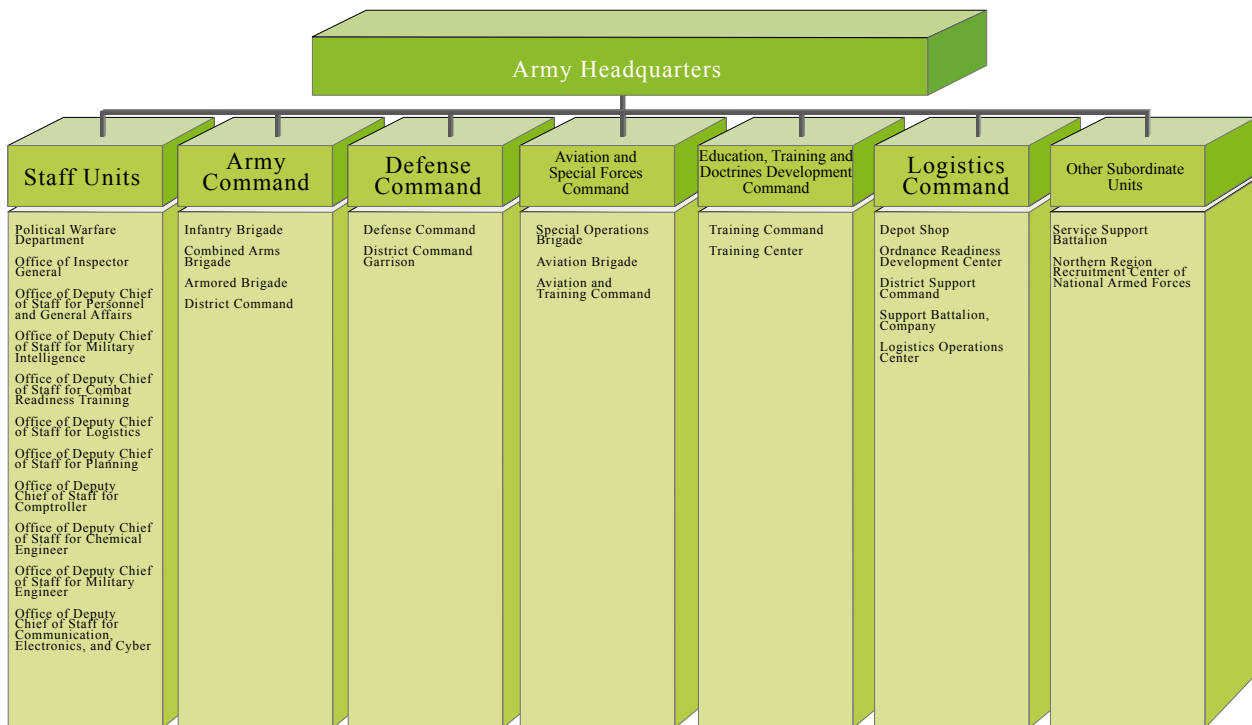


Figure 4-5 Organization of the Army Command Headquarters

(II) Navy

1. Mission

In peacetime, the Navy engages in force buildup, enhances its defense readiness and supports disaster relief in all areas. In wartime, it will conduct sea operations with allied forces to counter the enemy's maritime blockade or military invasion, thereby securing the sea lines of communication (SLOC) and ensuring national security.

2. Restructured Organization (Figure 4-6)

The Navy Command Headquarters consists of various departments, offices, and divisions and its subordinate units include the Fleet Command, Marine Corps Command, Education, Training and Doctrine Command, Maintenance Command and other subordinate units

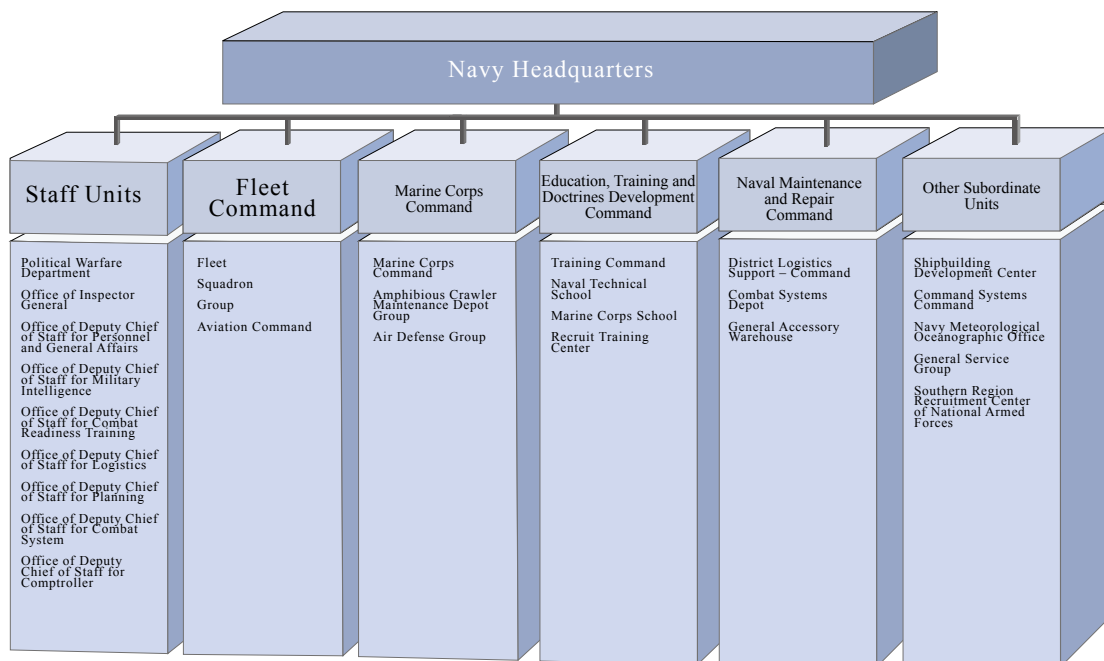


Figure 4-6 Organization of the Navy Command Headquarters

(III) Air Forces

1. Mission

In peacetime, the Air Force undertakes the responsibility for aerial reconnaissance and patrol over the Taiwan Strait, secures national airspace, strengthens readiness preparations, fulfils the forces' training missions, and pertinently supports various major disaster relief efforts. In wartime, the Air Force will endeavor to gain air dominance and coordinate with the Army and Navy to execute various forms of joint operations. This will effectively exploit the Air Force's operational performance, defeat invading enemies, and ensure homeland security.

2. Restructured Organization (Figure 4-7)

The Air Force Command Headquarters consists of various departments, offices, and divisions and its subordinate units include Air Operations Command, Air Defense Artillery Command, Education, Training and Doctrine Command, Maintenance Command and other subordinate units.

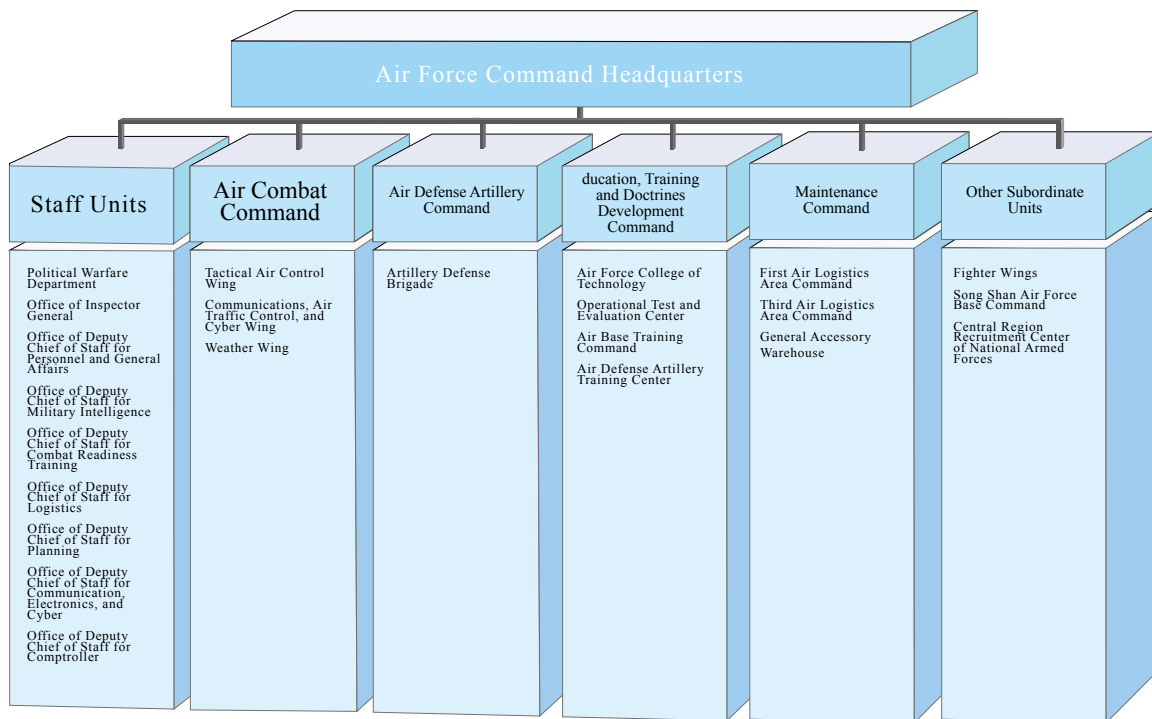


Figure 4-7 Organization of the Air Force Command Headquarters

Part 3

National Defense Capabilities

According to the Constitution of the Republic of China, the purpose of the national defense of the ROC is to safeguard national security and preserve world peace. After making a general survey of the strategic environment and evaluating future development trends, as well as considering threats and challenges faced by the nation, our national defense infrastructure follows the instructions to “deepen thoughts of peace and strengthen self-defense capabilities,” achieving the national defense policy to establish a “Hard ROC” defense force based on the concept of “preventive defense.” At the same time, modernized management knowledge and techniques are used to optimize the management of national defense personnel, material and financial resources, maximizing the effectiveness of such resources, and further supporting the successful execution of missions. Furthermore, the ROC Armed Forces have endeavored to promote all-out defense and made defense mobilization preparations so as to consolidate the nation’s overall capabilities, ensuring the survival and sustainable development of the ROC.



Chapter 5 National Defense Force

Solid capabilities are a strong and powerful backing for preserving cross-strait peace and national security. Thus, the ROC Armed Forces must continue to enhance its “intangible combat capabilities,” “joint operation effectiveness,” “information and electronic warfare capabilities” and “logistic support” based the strategy of “be on the defensive,” the military strategic concept of “resolute defense and credible deterrence” and the defensive operations guidance of “strategic protraction and tactical resolution,” crumbling any enemy’s attempt to fight a quick battle. Endeavors in each area will bring out overall effects that will create a relative advantage, and ensure the security of defense operations in Taiwan and Penghu.

Section 1 Intangible Combat Capability

Intangible combat capability is a key factor in war. The contents and spirit of the ROC Constitution are the core values of the ROC Armed Forces. In response to the policy to “build elite Armed Forces” and bring the Armed Forces’ “smart power” into full play, besides further strengthening tangible combat capabilities, the Armed Forces even more strives to establish intangible combat capabilities, so that it may become guardians of national security. In practice, morale education that changes and influences unobtrusively and imperceptibly is employed to encourage military ethics and loyalty, to solidify fundamental beliefs of military servicemen, and to harness esprit de corps. In coordination with exercises and training of the Armed Forces, this creates determination for victory and multiplies the effects of tangible and intangible combat capabilities.

I. Enhancing Military Ethics Education, Solidifying Beliefs of Military Servicemen:

To strengthen military ethics in the ROC Armed Forces, starting in military academies the weight of military ethics will be increased in basic, advanced and further education stages, cultivating competent loyal officers with moral integrity “conscientiousness, fearlessness, patriotism and compassion.” Furthermore, “patriotic education” and “workshops for military officers” offered to military academy graduates foster a correct code of conduct among officers at each level in the chain of command, and strengthens military ethics and moral principles. For active and reserve duty education, morale education themes are formulated each month, and diverse training and education courses and campaigns are employed to solidify the fundamental beliefs – “country, duty, honor” of military servicemen, inspiring enthusiasm, diligence, honor and patriotism. Diverse training and education courses in 2010 included the production of 65 episodes of the “Jyu Guang TV Program,” 74 special columns, 195 lectures given by scholars and experts, and implementation of “intangible combat capability week” project.

II. Shaping Role Models, Inheriting an Honorable History:

To promote the Huangpu spirit of “sacrifice, unity, responsibility,” the Armed Forces has strengthened its historical inheritance education in its exercise and training schedule, during important festivities and on commemoration days of historical battles, and organized commendations of role models, held the commemoration of major battles and promoted military songs, helping servicemen understand the honorable history of the Armed Forces so as to nurture unselfish patriotism. In 2009 and 2010 the Armed Forces held the “60th Anniversary of the Battle of Kuningtou,” “55th Anniversary of the Battle of Yijiangshan” and the “Armed Forces Day and 65th Anniversary of Victory of the War of Resistance,” showing the patriotic loyalty and determination of the Armed Forces to protect our nation. In addition, the Armed Forces produced a series of TV programs, including “Glory and Heritage – A Retrospection of the Founding of the Armed Forces,” “Stories of Heroic Figures in History” and “Special Report on the Black Bat Squadron,” and published over 200 articles to describe the heroic deeds and sacrifice of veterans, including “Recruitment of the Army 1st Special Forces, Recognition of Contributions of Veterans” and “Sacrifices of Members of the Black Cat and Black Bat Air Squadrons, Becoming Witnesses of History” commending role models to encourage servicemen to follow in their footsteps, so as to inherit the honorable history of the ROC Armed Forces.

III. Gaining Insight on Enemy Threats, Strengthening Patriotic Beliefs:

In response to national security threats and defense operation requirements, the ROC Armed Forces is taking active measures to expand the content of its enemy awareness education, and has established teaching and research capabilities to counter the “three warfare”; “forums” are held on a regular basis, in which 114 scholars participated in the 5 forums that were held from 2010 to May 2011, publishing papers and proposing recommendations regarding “three warfare” strategies of the PLA and countermeasures. In addition, educational programs were produced and broadcasted to help servicemen understand developments of the enemy situation, strengthening their belief in “Fight for the survival and development of the ROC and fight for the safety and welfare of the people in Taiwan, Penghu, Kinmen and Matsu,” and achieving the strategic goals of “prevent war,” “defend our territory,” “contingency response and countermeasure,” “prevent conflict” and “regional stability.” “Psychological quality,” “reasonable risk” and “battlefield pressure resistance”



In response to national security threats and defense operational requirements, the ROC Armed Forces administers “battlefield pressure resistance” training courses in its training centers, so as to fully utilize the capabilities of its servicemen.

training courses based on mission characteristics have been offered in the northern and southern training centers of the Armed Forces with 3 educational goals to “build self-confidence,” “enhance esprit de corps” and “overcome fear in the battlefield.” An audience of 9,277 people received such training till May 2011, enhancing the psychological quality of military servicemen so that their capabilities may be fully utilized.

IV. Implementing Anti-Corruption, Establishing Proper Military Discipline:

To follow through with the government’s “promoting integrity and anti-corruption” policy and to continue efforts of the “Anti-Corruption Action Plan”, the Ministry of National Defense established the “Anti-Corruption Work Meeting” hosted by the Minister, and began operations in July 2010. The work meeting focuses on the current status of “anti-corruption” and improvement measures, and organized an

“Anti-Corruption Task Force” to integrate auditing and investigations, effectively evaluate risk and provide preliminary measures for units to adopt; this allows the joint implementation of anti-corruption and rectification of conduct and discipline, achieving the goal of establishing proper military discipline.

V. Strengthening Patriotic Loyalty, Preventing Secret Leakage:

After the serious incident of a high ranking officer leaking national security secrets was recently discovered, the Ministry of National Defense reviewed its workflow for flaws and formulated measures to strengthen weaknesses with the attitude “to know shame and illness and feel pangs over a past mistake.” Force and military academy education were utilized to solidify the patriotic thoughts of “know shame, value morality and speak of honor,” so that servicemen will be able to distinguish between truth and falsehood and the loyal and treacherous. In terms of policy, system and practice, the Ministry of National Defense has reinforced its counterintelligence, raised its security awareness and adopted aggressive measures to purge all enemy spies, so as to ensure the security of the ROC Armed Forces.



Section 2 Joint Operation Effectiveness

Plans for building the ROC Armed Forces is focused on developing “joint operation capabilities.” Besides implementing the “joint operations command mechanism” and enhancing its capabilities, the Armed Forces combines concepts of “revolution in military affairs,” organizational restructuring and armaments upgrade with an emphasis on unifying the command authority of joint operations, so as to build a “joint operations force” with “accelerated command speed and convenient logistic support,” which will bring joint capabilities into full play and allow us to prevail over the enemy.

I. Concepts

The ROC Armed Forces is actively building a “Hard ROC” defense force in accordance with the military strategic concept of “resolute defense and credible deterrence,” and utilizes robust joint operations mechanisms and modernized battlefield management in coordination with diverse measures to achieve credible deterrence, counter the enemy’s missile capabilities and launch strikes in-depth against enemy, destroying, limiting and depleting the enemy’s abilities to invade Taiwan.

Joint operations of the ROC Armed Forces is focused on building “long range precision operations” and “synchronous joint engagement” capabilities, and the simultaneous application of precision strikes, multilayered interceptions, anchorage and beachhead attacks, and asymmetrical operations. When the enemy’s intention to invade is apparent or the enemy has already taken action, troops and fire support of the Armed Forces is deployed according to their effective range to “disable the enemy’s operational center of gravity,” execute “joint interception” and “anchorage and beachhead attack,” and achieve the military strategic goals of “preventing enemies from landing and disembarking on Taiwan.”

II. Command Mechanism

In order to establish mechanisms that are “consistent and accountable in peacetime and wartime” and are able to bring out the full effects of joint operations, the “ROC Armed Forces Joint Operation Command Center” directly commands “all levels of strategic execution,” creating a closely knit joint operations command network (as shown in Figure 5-1) that achieves “simplified force deployment,” “flattened command hierarchy” and “rapid and precise command.”

The key to whether the “joint operations command mechanism” is successful or not lies within the link between the “command and control system” and “battlefield management system.” In order to strengthen battlefield management functions, gain control over the battlefield situation, coordinate fire support, gain target intelligence, assess results of battle and exercise command and control, besides further enhancing command and control functions, the Armed Forces has effectively integrated C4ISR systems with weapon platforms, establishing joint operations images that are provided to each level of command for synchronous control over the battlefield. This strengthens battlefield monitoring capabilities and effectively implements battlefield management, enhancing combat command and control functions and benefitting the successfully execution of joint operations.

III. Capability Buildup

In response to the threat of the PRC’s continuous military expansion, besides actively implementing reorganization, promoting all-out defense and enhancing joint operation effectiveness, the combat capabilities of three military services have been integrated to apply precision strikes, multilayered interceptions, anchorage and beachhead attacks and asymmetrical warfare techniques, thereby achieving the objective of territorial defense. Related capability development includes joint C4ISR, joint information and electronic warfare, joint counter air, joint sea control, joint ground defense, asymmetrical warfare, reserve mobilization, joint logistics, and overall intangible combat capabilities.

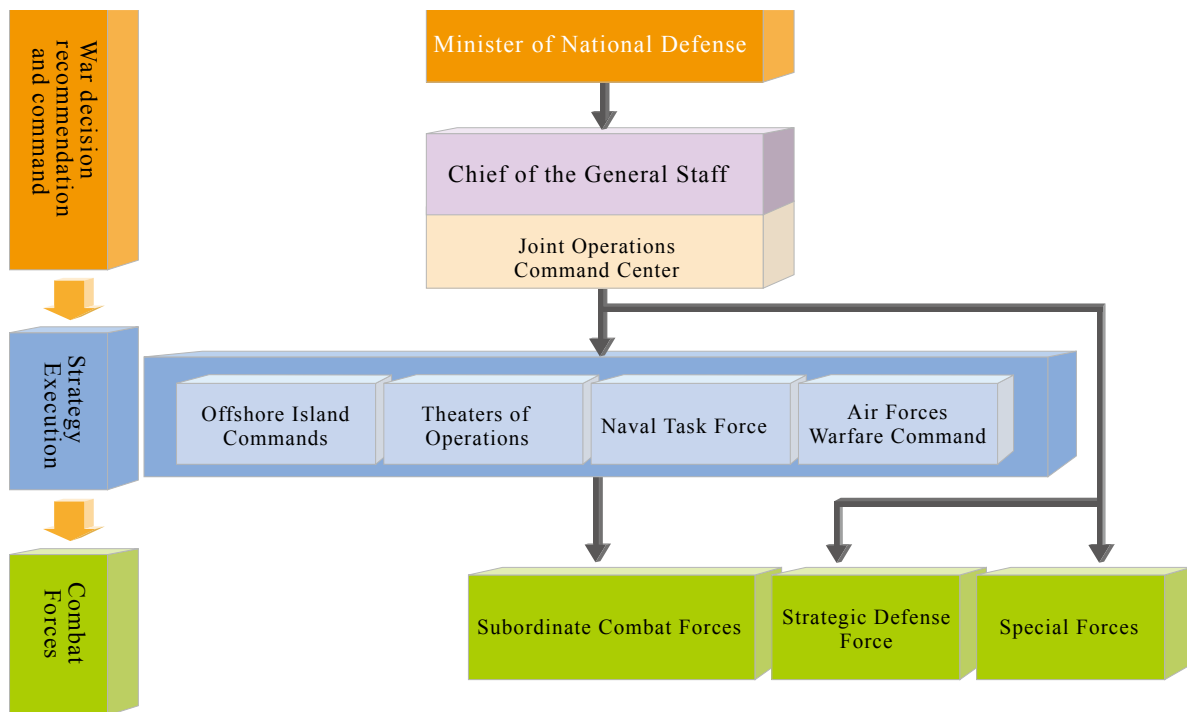


Figure 5-1 Joint Operations Command System

IV. Training and Exercise

“Joint operations and training” conducted by the ROC Armed Forces from 2010 until May 2011 include field trainings (the Lien Hsing and Lien Yun exercises were combined) and computer-aided command post exercise of the “Han Kuang Exercise,” “Lien Yung Brigade, Battalion Live Fire Exercises,” “Computer-Aided Command Post War Gaming,” “Lien Hsin Exercises” and “Lien Hsiang Exercises.” The exercises will be controlled on schedule so that they are conducted by the end of this year (2011). Results of each exercise are summarized below: (As in Table 5-1)

(I) Han Kuang Exercise

Operating procedures of joint operations command mechanisms have been streamlined and command and staff operations of military cadres have been refined to enhance joint operation effectiveness. This will allow the armed forces to become fully prepared for conducting defense operations in Taiwan and Penghu. The Han Kuang Exercise consists of field training exercises and computer-aided command post



The ROC Armed Forces is actively implementing various exercises to verify the effectiveness of joint operations, and achieve the objective of homeland defense.

exercises, both types were planned to be conducted twice. The exercises verified that fighter take off and landing using contingency runways, inter-war-zone maneuvers, airborne and anti-airborne operations, landing and anti-landing operations, reserve mobilization, disaster prevention and relief, media interaction and all-out defense have all achieved objectives.

(II) Lien Yung Exercise

Battlefield scenarios are simulated based on the enemy threat, and standardized training regulations are established for joint operations of the ROC Armed Forces at the brigade (battalion) level. Furthermore, in order to strengthen the actions and contingency response capabilities of brigades and electronic warfare troops in a “complex electromagnetic environment,” field training for electronic warfare will be added starting in 2011 to expand results of base training, and thus meet the requirement of “joint operations training, combat simulation, and capabilities evaluation,” which will enhance the ROC Armed Forces’ capabilities. The Lien Yung Exercise consists of two stages:



The objectives of exercises to defeat the enemy are achieved via live exercises and battlefield simulation directed against enemy threats.

1. Brigade and battalion command post war gaming

6 trainings were planned to be conducted; 2 brigades (including subordinates) were selected for each training

2. Brigade and battalion live fire exercises

A total of 7 brigades executed live fire exercises in the last 2 years, and the most significant improvement compared with 2009 was made in command and staff procedures and joint fire-support coordination.

(III) Lien Hsing Exercise

To strengthen the ROC Armed Forces' joint operations planning, command, control and coordination capabilities, amphibious exercises are conducted to evaluate the Navy's amphibious landing capabilities. At the same time, the Navy plays the role of invading forces to strengthen the joint defense force's anti-landing, fire support utilization, and command and control capabilities. 2 of the 3 exercises that were planned have been conducted along with the Han Kuang Exercise.

Table5-1 Joint Operations Training and Exercises Conducted by the ROC Armed Forces From 2010 to 2011

Item	Name	Number of Exercises Planned	Number of Exercises Conducted	Notes	
1	Han Kuang Exercise	Field training Exercise	2	2	Completed
		Computer-aided command post exercise	2	1	Conducted in July 2011
2	Lien Yung Exercise	Brigade and battalion command post war gaming	6	5	Will be conducted according to schedule
		Brigade and battalion live fire exercise	12	8	Will be conducted according to schedule
3	Lien Hsing Exercise	3	2	Will conducted in September 2011	
4	Lien Yun Exercise	2	2	Completed	
5	Lien Hsin Exercise	10	7	Will be conducted according to schedule	
6	Lien Hsiang Exercise	8	6	Will be conducted according to schedule	
Total	6 Items	45	33		

This exercise uses the scenario of an enemy air strike targeting important defense targets of the ROC Armed forces using non-fixed routes and different flight levels, and verifies command and control of forces at each level, utilization of the EMASS system and capability recovery. The Lien Hsiang Exercises is conducted seasonally, and up to now 6 out of 8 exercises have been completed.

(IV) Lien Yun Exercise

The airborne special force and necessary ground and air forces are combined into a “joint airborne special force.” This special force played the role of invading forces during the Han Kuang Exercise and conducted joint airborne operations in Pingtung and Taichung. In addition to the verification of the armed forces complete airborne operation procedures, as well as training results of the joint airborne special force, the Lien Yun Exercise provides training for the defense force’s anti-airborne operations. Both of the 2 exercises that were planned have been completed.



The “Contingency Runway Project” was verified in the Han Kuang exercise for future combat situations and readiness requirements.

(V) Lien Hsin Exercise

Joint operations training for ground and sea forces is periodically conducted using the scenario of offshore island supply ships encountering the enemy’s sea and air attack. This exercise verifies the command, control and coordination of joint air defense, electronic warfare, joint fire support, and rapid strike against sea targets.

(VI) Lien Hsiang Exercise

This exercise uses the scenario of an enemy air strike targeting important defense targets of the ROC Armed forces using non-fixed routes and different flight levels, and verifies command and control of forces at each level, utilization of the EMASS system and capability recovery.

Section 3 Information and Electronic Warfare Capabilities

Modern warfare has changed from the full scale confrontation of conventional forces to long range precision strikes; thus highly developed information and communication technologies, as well as information and electronic warfare capabilities have become the key to victory in modern warfare. In order to protect our national security, besides building effective information and electronic protection shield, the Armed Forces has carefully planned and prepared its information and electronic warfare capabilities in accordance with the military strategic concept of “resolute defense and credible deterrence.”

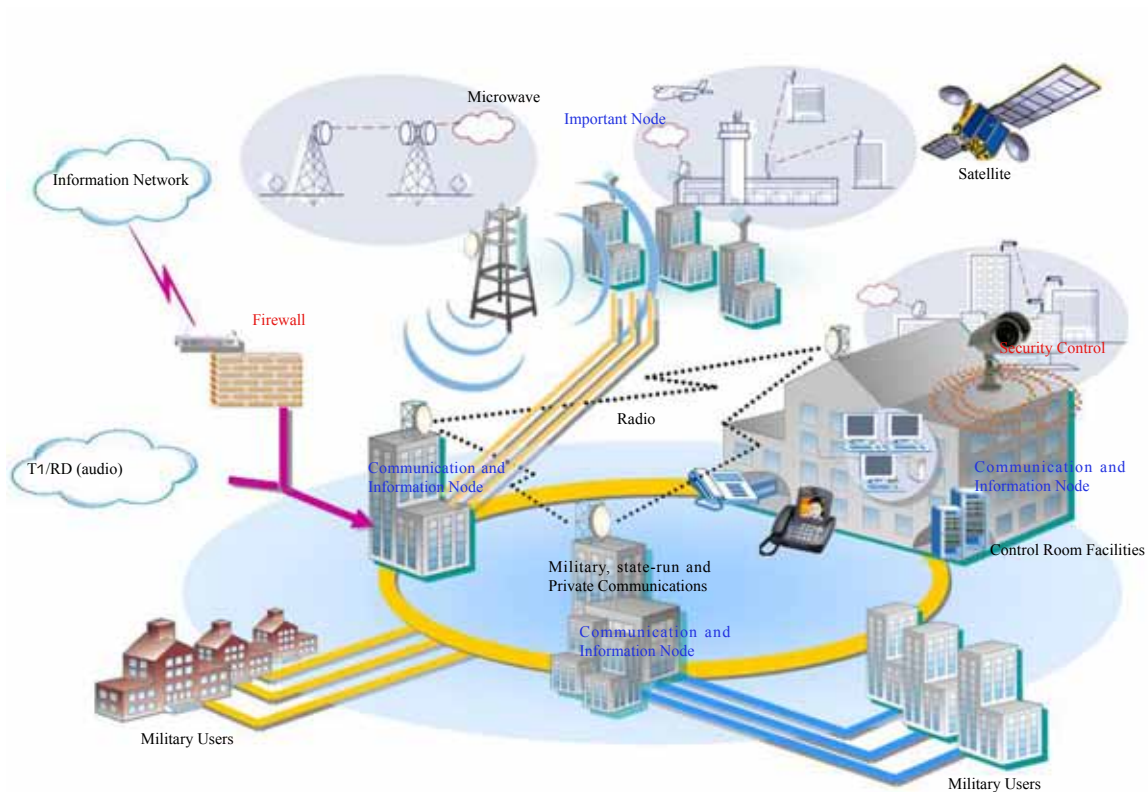
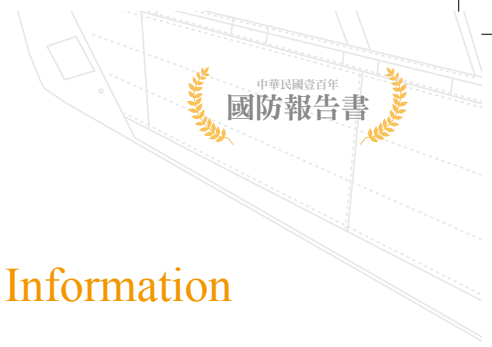


Figure 5-2 Strengthened Communication and Information Infrastructure



I. Strengthening Communication and Information Infrastructure

The Armed Forces' communication and information network utilizes public and private technologies and capabilities based on requirements of defense operations to establish a command and control communication and information platform with multiple paths, multiple backups and a high battlefield survival rate. The Armed Forces will continue to strengthen its information and communication security measures, integrate and utilize public and private resources and technologies, e.g. radio, fixed network, mobile communication, data transfer and satellite communication systems (as shown in Figure 5-2), and periodically coordinate and carry out exercises, so as to effectively support defense operations and disaster relief.

II. Integrating Joint Electronic Warfare Capabilities of the Armed Forces

In response to the enemy's development of stealth technology and threat to the electromagnetic environment of the Taiwan Strait, the Armed Forces will not only continue to enhance its maritime and air early warning, surveillance and reconnaissance capabilities, but also verify its capabilities in various trainings and exercises, making suitable additions or revisions to enhance the contingency response capabilities of its forces. Furthermore, the Armed Forces prevents enemies from carrying out reconnaissance, interference and destroy missions via the establishment of spectrum management and databases of electronic parameters and integrating reconnaissance, interference, deception and destroy measures of its electronic warfare system. The Armed Forces is also actively developing key technologies of asymmetrical warfare to ensure smooth command and control and protect the safety of combat operations; an electromagnetic shield has been established along the boundaries of our territory, and brings out the full effects of joint electronic warfare capabilities, gaining superiority in the countermeasure of electromagnetic spectrum.

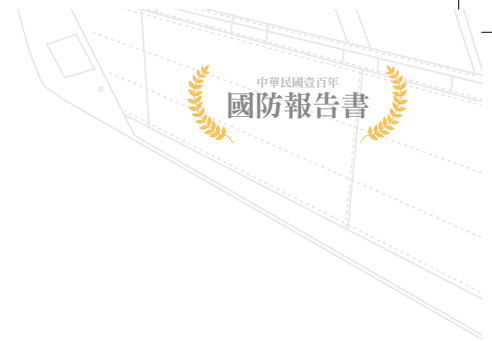
III. Enhancing Information and Assuring Capabilities

With regard to information warfare, the Armed Forces employs "early warning and rapid response" mechanisms to prevent information warfare attacks via various means, thereby achieving the objective of "information assurance." Information technology is utilized to strengthen network information security and

countermeasures; joint surveillance and intelligence sharing maintain strict control over information on the network, increasing the depth of our information defenses, and preventing our C4ISR systems from being exploited, brought down or sabotaged by the enemy. These measures ensure the information and electronic safety and advantage of joint defense operations, and support the successful execution of military operations.

IV. Innovating Armed Forces Information Services

In response to the Executive Yuan's energy conservation and carbon reduction policy, the Ministry of National Defense introduced cloud computing technologies and planned the development of cloud services that conform to characteristics of the Armed Forces' missions. Furthermore, the Ministry of National Defense integrated information services of the Armed Forces, developed a common environment for information, and reformed conventional operating procedures to provide innovative, active services, enhancing the performance of the Armed Forces' overall information operations to support the successful execution of operational readiness missions.



Section 4 Logistics Support

Based on the “Quadrennial Defense Review” and concept of joint operation, the ROC Armed Forces adopted a system that incorporates both “joint logistics” and “individual armed service logistics” on the basis of the “joint logistics” system, so as to establish “precise, rapid and effective” logistics management mechanisms. To meet requirements of forces buildup and preparation missions and to achieve the objective of supporting joint war fighting, the Armed Forces has planned development directions for logistics renovation, formulated policy objectives and administration guidelines, and enhanced its logistics support capabilities in accordance with the “Quadrennial Defense Review.”

I. Logistics System Adjustments in Coordination with Force Structure Planning

In accordance with the policy guidance “specialized logistics should be carried out by its respective armed service, general logistics of the Armed Forces should be handled by the Army,” the Combined Logistics Command on January 1st, 2011, transferred the maritime, air accessory warehouse to the navy and air force and renamed it the “General Accessory Warehouse” to complete dedicated logistics functions for each armed service. Authority over ground equipment repair and maintenance, general supplies (provisions, clothing, fuel), general parts, non-staple food supply, general ammunition, transportation and health services was given to the Army Command Headquarters. In addition, logistics operations, operating procedures and division of authority and responsibility were refined and simplified in coordination with logistics organizational restructuring, establishing robust logistics systems and mechanisms that are systematic, standardized and specialized, meeting the requirements of force buildup and combat readiness.

II. Precise Preparation of Supplies, Effective Budget Control

To cut down on maintenance expenditure and increase the precision of supplies preparation, equipment parts supply chains are thoroughly reviewed with consideration to the annual strategic commercial maintenance policy; based on “annual maintenance plans and operating procedures for preparation of supplies,” information

mechanisms and functions are utilized for the strict control of procurements and consumption, realizing planned preparation of supplies and effectively utilizing repair and maintenance budgets.

III. Ensuring Fuel Storage Safety, Enhancing Operational Efficiency

To elevate the safety and efficiency of the Armed Forces' fuel transport and supply and to ensure the safety of its fuel storage, after conducting risk assessments, the replacement of old fuel pipes was listed in the investment projects of 2012 to 2020. Each year the Armed Forces' 35 fuel storages and 434 fuel tanks are cleaned and examined. Furthermore, the project of "automatic monitoring system for fuel tank transport and storage facilities and pollution prevention" was completed, adding a level meter and soil and waste water monitoring system to ensure fuel storage safety. In addition, to prevent military refueling points from leaking fuel and causing pollution, pollution prevention facilities were built in the Armed Forces' 30 refueling points, including cathodic protection system in fuel tanks, fuel pipes with double layered casing, oil collector at the bottom of fuel dispensers, vapor recovery system in fuel tanks, vapor recovery system in fuel dispensers, leak detectors and monitoring wells.

IV. Expanding Supply Sources from Wholesalers to Enhance Supply Efficiency

The source of supplies has been expanded to wholesale markets in accordance with regulations of the Government Procurement Act and in coordination with requirements of the Armed Forces. Contracts have been signed with a total of 28 private firms, allowing the procurement of 12,729 types of supplies, effectively reducing the time for procuring supplies and lowering the storage load of military warehouses.

V. Implementing the Commercial Maintenance Policy, Enhancing Repair and Procurement Control

In order to cut down on national defense spending, outsourced maintenance of the Armed Forces' equipment must be for the purpose of independent national defense or supporting combat readiness. The maintenance of armaments and equipment that



are non-sensitive, indirect to combat readiness or non-essential is outsourced to the private sector, utilizing its capabilities in the development of defense technology industries. Furthermore, technology transfers are implemented to achieve the objective of independent national defense. Under the premise of retaining the Armed Forces' existing capabilities and execution in accordance with the law, the scope of commercial maintenance will gradually be expanded based on implementation results and capabilities of the private sector.

- (I)The “strategic commercial maintenance” contract amount supervision and control outline plan was promulgated to enhance control over repair and procurement of materials associated with commercial maintenance cases. Any materials that can be procured via military channels and provided to contractors for maintenance within the designated time period may not be outsourced. Maintenance within the capabilities of the Armed Forces and not exceeding the load of maintenance units must be executed within the Armed Forces and may not be outsourced, thereby reducing expenditures.

- (II)Continued implementation of strategic commercial maintenance operations has lowered personnel and maintenance cost. From 2003 to the end of 2010, the amount of outsourced maintenance and procurement of various models of military aircrafts, vessels and ground equipment reached NT\$28.8 billion, averaging over NT\$3.6 billion each year. Considering that the logistics organization will be facing restructuring and downsizing as a result of voluntarism, existing contracts will be reviewed for revision (extension) and plans will be made for the expansion of the scope of items that can be outsourced; during “military goods manufacturing (maintenance)” operations, qualified satellite firms will be established to expand the source of procuring military supplies and disperse risk of commercial maintenance, achieving the effect of “national defense industries striking roots in the private sector.”

VI. Refining Transportation Planning for Better Logistics Performance

In coordination with military and economic developments, old vehicles will be replaced with new ones to enhance the Armed Forces' combat readiness in terms of transportation. The Combined Logistics Command is in charge of the unified procurement of civilian vehicles; a total of 2,531 vehicles of various models will be replaced (to be acquired in 2013-2015) to maintain traffic safety. The construction of

port facilities and air delivery site preparations on Taiwan and offshore islands will be continued to support readiness exercises and training missions, as well as improve transportation for servicemen performing their duties, enhancing service quality and achieving smooth military transport.

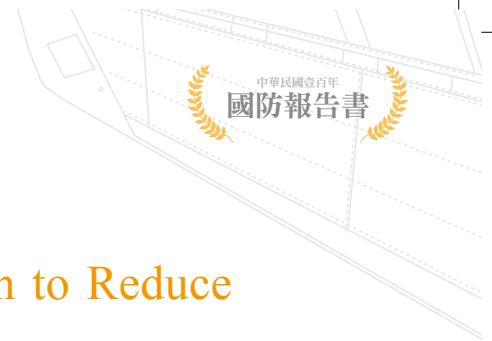
Seeing that military servicemen and civilians on offshore islands are often unable to return to their hometowns for major holidays due to weather reasons, military aircrafts (vessels) are dispatched to help them return to their hometowns under the premise of not affecting the Armed Forces' readiness exercises and training missions, as well as not affecting the business of private transport companies. To resolve the issue of travelers being held up on offshore islands, C-130 transport aircrafts were dispatched on 57 flights in 2010 to transport 4,272 person-times of military servicemen, dependents and civilians (as shown in Table 5-2).

Table 5-2 Emergency Transport of Military Servicemen and Civilians by C-130 Transport on Offshore Islands in 2010

Type	Chinese New Year		Tomb Sweeping Festival		Dragon Boat Festival		Total
Type	Military Servicemen	Civilians	Military Servicemen	Civilians	Military Servicemen	Civilians	
Persons	2,437	762	105	750	18	200	4,272

VII. Overall Arsenal Planning, Improvement of Storage Facilities

To implement ammunition storage management, effectively alleviate storage pressure, and reduce the ammunition decay rate, storage facilities have been renovated (improved) and overall plans have been made for ammunition storage. A total of 2,574 old unsuitable ammunition storages have been merged or eliminated up to now. Furthermore, a budget of over NT\$300 million was allocated for storage facility improvements, completing facility renovation for 1,153 ammunition storages (e.g. environment control, warning and monitoring system, and fire system), and planning the construction of 16 new ammunition storages. Suitable merging of ammunition storages in response to urban development and requirements of regional readiness missions not only reduces the management load of forces, but also ensure the operational safety of ammunition storages.



VIII. Consumption of Old Ammunition to Reduce Ammunition Disposal

The Armed Forces controls its ammunition by “consuming ammunition with smaller lot numbers first” and “using precision munitions for target practice before its expiration date.” These principles ensure the combat readiness of ammunition, reduce its storage load and risk, and prevent large quantities of munitions that are about to expire from affecting operations and training, reducing ammunition disposal and cutting down on defense spending. A total of 41 ammunition lots with a total of 54,998 bullets have been consumed, saving over NT\$360 million spent on waste ammunition disposal. In addition, the Armed Forces completed the disposal of 8,428 and 7,745 tons of waste ammunition in 2009 and 2010, respectively; in 2010, 3,745 tons of waste ammunition was disposed of by the Combined Logistics Command, Chung Shan Institute of Science and Technology and Ammunition Disposal Center, and disposal of the remaining 4,000 tons was outsourced to overseas; disposal of all waste ammunition will be completed by October 2011.

IX. Improving Bomb Disposal to Eliminate Safety Risks

Medium and small caliber bombs are disposed of using demolition grounds or bombing ranges as soon as possible. Disposal of large bombs is being actively outsourced to reduce storage time and lower safety risks.

X. Expansion of Logistics Outsourcing in Coordination with Organizational Restructuring

To implement the policy of self-reliant national defense, facilitating development of private industries and expanding domestic demand, the scope of outsourcing with regard to logistics will be expanded and reviewed in coordination with organizational restructuring of the “Jingtsui Program,” utilizing resources of the private sector to achieve the objective of combining national defense with economic developments. Up to now, outsourcing and evaluations of labor services include 1 case of privatization, 17 cases of strategic commercial maintenance of equipment, 16 cases of food service operations and administrative operations (environment facilities, vehicle transport); results will be reviewed between 2011 and 2012 and subsequent outsourcing cases will be gradually released, maintaining current logistics capabilities while ensuring the success of outsourcing.

XI. Integrated Logistics Information, Precise Decision-Making Support

The Armed Forces utilized cloud computing services and technologies to integrate the logistics information system and create a data sharing environment. The Armed Forces integrated armada management requirements of each armed service in 2010 and completed the development of an aircraft supply and maintenance system, integrating air logistics management via a common platform; the “military logistics management system” was modified to simplify supply and maintenance operating procedures and forms, and new functions were added, including control over transport of supplies, traffic flow control and monitoring, transportation route planning, control over supply levels and dynamic management of forces, allowing real-time control over logistics resources, current status and requirements of forces for making suitable adjustments. This effectively reduces the time required for logistics, enhances the precision and speed of management, reduces manpower load, lowers maintenance cost, and achieves the objective “precise logistics management and rapid logistics support.”

XII. Facility Improvements for Better Quality of Life

To care for active military servicemen, military dependents and retirees, the Ministry of National Defense will review its budget each year to implement facility improvements in military quarters for staffs and retirees, prioritizing based on actual requirements of each unit and urgency of each case; this will eliminate safety risks, enhance capabilities of the Armed Forces and make subordinates more devoted. A total budget of NT\$4.31724 billion was allocated for facility maintenance in 2009 and 2010, in which NT\$16.55 million was allocated for renovating and improving the living environment of 10 “retiree quarters” in 2010, including the “Fengnien Retiree Quarters” in Taipei City; with regard to “staff quarters,” NT\$8.91 million was allocated for 20 cases of the Army’s “rooftop leak prevention and wiring inspections in the Tzuguang village No.11”; a total of NT\$143.2 million will be allocated for 25 cases of the Army’s “rooftop leak prevention and renovations in Tzuguang village No.28” in 2011.



The “military logistics management system” was modified to simplify supply and maintenance operating procedures, effectively reducing the time required for logistics, and making preliminary operations and joint transportation command operations more effective.





Chapter 6 National Defense Resources

In consideration of the limited national defense resources, the Ministry of National Defense hopes to maximize the benefits of “human,” “financial” and “material” resources via scientific management and allocation, so as to support the ROC Armed Forces in performing its duties. Furthermore, the Ministry of National Defense is actively cultivating talents with leadership skills and knowledge on defense management, forces buildup and military preparations, thereby maintaining high standards of competency among military personnel. National defense policy objectives will be achieved through reasonable budgeting, the application of a financial resource supply-demand planning mechanism, the introduction of cost effectiveness and risk management functions, and the reasonable allocation of financial resources. To achieve the objective of “all-out defense,” armaments management mechanisms will be consolidated to implement the 3 axis – “acquisition strategy, technology strategy and logistics strategy” so that they may be combined with national economic and livelihood developments.

Section 1 National Defense Human Resources

The quality of defense human resources is the key to force development, combat readiness and mission execution of the Armed Forces. Facing a volatile strategic environment with new technologies and armaments being developed on a daily basis, the Armed Forces has adopted a number of measures to maintain its advantage in high quality human resources, including diverse officer and NCO recruitment program, continued enhancement of curriculums of military academies, the creation of a good learning environment, and encouraging cadres to pursue further degrees and participate in various exchange and training courses; such measures have cultivated excellent human resources to serve our nation.

I. Extensive Recruitment of Excellent Talents

Measures that have been adopted to recruit excellent youth to serve our nation include flexible recruitment strategies, expanding recruitment channels, and strengthening evaluation and control measures; overall planning of government and private resources, propaganda via media, and uniting efforts of different departments; suitable adjusting recruitment methods in coordination with trends of the employment market; and improving recruitment quality and customer services via the implementation of evaluations, so as to achieve talent recruitment goals of each stage.

(I) Expanding Recruitment Channels

Market surveys are conducted to analyze and learn how civilians gain recruitment information of the Armed Forces, and existing resources of the Armed Forces is utilized to increase the visibility of recruitment information via diverse channels, both public and private, e.g. setting up links on job bank websites.

(II) Flexible Recruitment Strategies

In addition to the Elite Program and base visits, recruitment campaigns will be extended into campuses and career fairs. Flyers and brochures of each armed force will be produced for the public to become acquainted with the Armed Forces, understand the Armed Forces, and thereby become willing to join the Armed Forces.

(III) Strengthening Evaluation and Control Measures

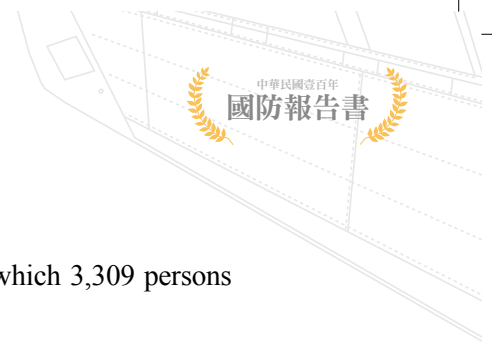
Work performance evaluations and service satisfaction surveys are conducted on an annual basis for recruitment units to use as reference, allowing them to refine their recruitment methods and actively improve their service quality, thereby attracting excellent talents to join the Armed Forces and satisfy requirements on basic level forces.

II. Proper Military Education

Military education is a link in the nation's overall education and aims to "edify and cultivate" cadres of armed forces. Military education on one hand cultivates cadres with independent thinking, judgment and problem solving abilities by systematically passing on basic knowledge and skills, and on the other hand fosters servicemen with military ethics and strong physical ability, turning them into modern servicemen who are loyal to the country, willing to take responsibility and value honor. Future endeavors to highlight features and advantages of military education include enhancing teaching equipment and facilities in military academies, implementing reasonably strict management and training, and offering excellent instructors and instruction quality.

(I) Expanding Education Channels

In order to establish a comprehensive education environment, the Ministry of National Defense will continue to strengthen courses, curriculums, instructors and instructions of basic, advanced and further education in response to domestic and foreign changes and the nation's strategic goals; in addition to education equipment and facilities of military academies, matching measures will also be gradually strengthened. Furthermore, channels for further education will also be expanded: in terms of full-time master's and doctoral programs, the number of military personnel that enrolled in the National Defense University, National Defense Medical Center, domestic and foreign universities in 2009 and 2010 are shown in Table 6-1; in terms of further education, 9 types of courses were offered, including the National Defense University War College, Management College Strategy Course, Command and Staff Colleges of the three armed services, and the Management College Command and Staff Course, as shown in Table 6-2. Furthermore, with regard to on-the-job degree courses, 5,096 seats were approved in 2010. Subsidies totaling to NT\$94.59 million were granted in 2010 to help cadres to gain ROC technician certificates from public



training institutions and military vocational training centers, in which 3,309 persons received technician certificates.

Table 6-1 Number of Military Personnel that Enrolled in Full-time Master's and Doctoral Programs

National Defense University								
Year	FHK College		Institute of Strategic Studies		Management College		Institute of Technology	
	Master	Doctoral	Master	Doctoral	Master	Doctoral	Master	Doctoral
2010	67	2	8		79		109	9

Year	National Defense Medical Center		Domestic University		Foreign University		
	Master	Doctoral	Master	Doctoral	Master	Doctoral	
2010	14	6	0		9	1	3

Table 6-2 Number of Military Officers that Enrolled in Further Education Courses

Year	Type		National Defense University					Military Intelligence School		Total
	War College		Army Command and Staff College		Navy Command and Staff College		Air Force Command and Staff College		Special Intelligence Studies Course	
	School Training	On-the-job	School Training	On-the-job	School Training	On-the-job	Strategy Course	Command and Staff Course		
2010	96	58	188	122	13	142	66	114	28	827

Notes:

1. School Training Course: Officers study full-time at school.
2. On-the-job Courses: Officers attend class when they are off duty.
3. Admission channels for on-the-job courses include examination and recommendation channels; on-the-job courses are offered by the War College and Command and Staff Colleges of the three armed services. The examination channel is for those who cannot apply for school training due to special training missions; the recommendation channel is for those "studying full time in domestic doctoral programs," "have a master's or doctorate degree," or those were sent abroad to foreign think tanks or War Colleges in Central and South America and do not have a domestic strategy education backgrounds.

(II) Enhancing Instruction Capabilities

The Armed Forces hopes to expand the use of military academy teaching capabilities to strengthen the link between education and training with practices, expand training opportunities for cadres, and train personnel with regard to e-learning methods. At the same time, to strengthen the professional competencies of volunteer soldiers, the Armed Forces will utilize existing skill certification and training mechanisms to help military servicemen gain civilian expertise, thus cultivating military servicemen with high levels of techniques. In recent years, the Armed Forces has enhanced the certification training capabilities of its Vocational Training Center, which offered 126 training courses with admission quotas totaling to 2,664 persons 2010. In addition, the Air Force Institute of Technology completed the nation's first technical subject testing site for "aircraft maintenance class B certification," which was found as a qualified testing site after evaluation; besides meeting requirements for aircraft maintenance training, the testing site has complete functions from education, training to usage, and also supports the Council of Labor Affairs' promotions of professional certification.

(III) Establishment of an Evaluation System

To verify the performance of military academies under the Ministry of National Defense, all military academies accepted the Ministry of Education's evaluation and accreditation in 2010; all departments and institutes of the military academies passed the evaluation. Furthermore, 26 departments and institutes of the Military Academy, Naval Academy, National Defense University Institute of Technology and National Defense Medical Center passed certifications of professional civilian institutions, including the Institute of Engineering Education Taiwan, Taiwan Medical Accreditation Council and Taiwan Nursing Accreditation Council, showing that the departments have reached considerably high levels in terms of teaching, research, service and administrative support. To continue the improvement of education quality, each military academy has established annual self-evaluation mechanisms for the school and each department, benefitting the enhancement of cadres' job skills.

(IV) Continuous Education Reformation

To better the quality of military education and develop innovative contents, measures that have been adopted include strengthening curriculum design, cultivating excellent instructors, and using the ISO9001 certification as a standard for education



and administration quality of military academies, enhancing their administrative efficiency. Furthermore, military academies will enter into strategic alliances with civilian universities and research institutions based on the concept of teaching resource sharing, building an interactive platform to create a robust military education environment.

(V) Implementing Education Exchanges

To foster cadres with an international perspective, the Ministry of National Defense in 2010 selected outstanding personnel to receive basic education, military sales, and military further education training overseas. To maintain friendly relations with our allies, international trainees were accepted from ally countries to receive basic education and further education; a national development course for allies was offered to help personnel of allies understand our political, military and economic developments and current situation, as shown in Table 6-3.

III Precise Preparation of Supplies, Effective Budget Control

NCOs are the backbone of basic level units, guardians of forces, and an important key to the success of “voluntarism.” In order to fully utilize the functions of NCOs so that they gain full authorization from commissioned officers, who will then be enabled to focus on planning and leadership, NCOs dedicate themselves to management, education and training; NCOs manage NCOs to establish a sense of responsibility and honor. Therefore, the current status of measures implemented to improve the NCO system on its current basis and in coordination with plans for an all-volunteer force is as follows:

(I) Significant Change in Ratio of Volunteers to Conscripts

The ratio of volunteers to conscripts in NCOs significantly increased from 70:30 in 2009 to the current 90:10; the number of volunteer NCOs grew to over 10 thousand, while the number of conscripted NCOs dropped significantly, gradually changing the structure of the NCO system in coordination with the timetable for an all-volunteer force.

Table 6-3 Overview of Military Education Exchanges

Year	Personnel Sent Abroad for Training			Trainees from Friendly Countries			Total
	Basic Education	Military Sales Training	Military Further Education and Exchanges	Basic Education	Further Education	Course for Friendly Countries	
2010	15	184	27	5	14	297	542

Notes:

1. Basic education: Refers to the four year bachelor’s degree education in military academies.
2. Military sales training: To learn and acquire the latest military strategies, tactics, logistics, technologies, doctrines and teaching materials, personnel must be sent abroad for training on the operation and maintenance of armaments acquired from military sales because such training is not offered domestically.
3. Military further education: Refers to command and staff courses offered by military academies and courses of the War College on military and national strategies and international relations.
4. Course for friendly countries: Trainees from friendly countries are invited to help them understand our political and economic developments and status quo.

(II) Strengthening International Exchanges of NCOs

To strengthen the practical abilities and combat skills of NCOs, over 20 outstanding NCOs were selected and sent abroad for exchanges, visits and to attend leadership training and combat training courses. After the NCOs returned to Taiwan they became seed instructors and significantly enhanced management capabilities and force training results.

(III) Establishing High Level Sergeant Major Positions

To implement and perfect the parallel development system of commissioned officers and NCOs, NCO supervisors and staff positions are placed at the command, corps, brigade, battalion, and company levels according to the “Guidelines on Establishing NCO Supervisors at Different Levels.”

(IV) Division of Authority and Responsibility between Commissioned Officers and NCOs

“NCO review meetings” are held at the company level to the command level as a means of division of authority and responsibility between commissioned officers and NCOs. Authority over promotions, transfers, position assignments, trainings, punishments and rewards, and performance reviews associated with NCOs and soldiers trickle down to NCOs at each level.



(V) Academy Instructor and Cadre Positions for NCOs

Instructor, umpire and cadre positions for NCOs have been established in coordination with organizational restructuring, and will be further adjusted along with force restructuring of the “Jingsui Program,” so as to strengthen the expertise and leadership of NCOs.

(VI) Establishing Career Planning Sergeants

To help active servicemen understand their future developments in the military, the Armed Forces began offering “career planning sergeant courses,” which referred to retention counselor training courses of the U.S. Army, to train professionals in the military. At present, there are a total of over 700 “career planning sergeants” in each command of the Armed Forces, and they are supported with various retention measures to achieve the objective of retaining excellent human resources.

(VII) Building an NCO Service Record System

In response to the “voluntarism” policy and NCO system developments, the “Training and Promotion Ranking Chart for Army, Navy and Air Force NCOs” was formulated based on the training and promotion ranking chart for commissioned officers, setting standards for NCOs to benefit talent selection, cultivation and utilization.

(VIII) Guidelines on Staying Overnight off Base

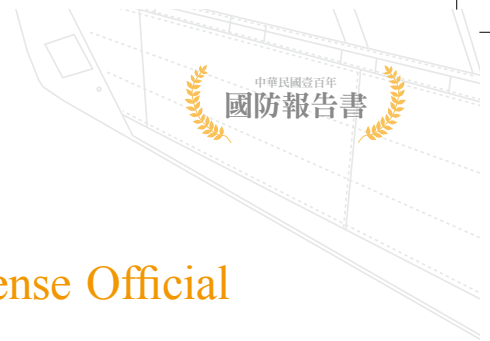
In response to the policy to maintain the peace of mind of forces, to help soldiers settle down, and to let their dependents feel at ease, reducing the difference between military life and family life, the Ministry of National Defense drafted “Guidelines on Volunteer Servicemen Staying Overnight off Base,” hoping to let volunteer servicemen care for their families, dependents, or pursue further education when they are off duty; each service completed detailed plans based on the characteristics of their missions, so as to boost morale among troops.



NCOs are the backbone of forces. Authority over daily training will be gradually delegated by improving the NCO system, and thus achieve professionalized NCOs.

(IX) Follow-up Plans

1. The “Guidelines on Reenlistment Bonuses,” “Guidelines on Additional Pay for Combat Forces” and “Supervisory Differential Pay for Sergeant Majors” will be amended in coordination with the “voluntarism” policy, and an additional NT\$1 billion will be allocated each year for 2012 to 2015.
2. Implementation of “Improving the NCO System” and force restructuring of the “Jingsui Program” place emphasis on career planning of NCOs, delegation of authority, and parallel development of commissioned officers and NCOs, turning NCOs into the backbone of forces; further results will be obtained as the measures progress to subsequent stages.



IV Implementation of the Civilian Defense Official Policy

The two defense acts establish a national defense system with civilian control over military and centralized leadership. In order to help civilian defense officials gain visionary, thorough decision-making ability with regard to national defense policy and resources, and to integrate military and civilian perspectives, improve communication and negotiation, and enhance the effectiveness of military-civilian cooperation, the Ministry of National Defense's organization of civilian defense officials, cultivation policy and reformation and improvement methods are as follows:

(I) Organization of Civilian Defense Officials

Since the promulgation of the Two Defense Acts on March 1st, 2002, no less than one-third of the 611-member staff of the MND, as dictated by the Organization Act of the Ministry of National Defense, will be civilian official positions, as required by Paragraph 2, Article 15. 204 civilian positions have been established, with two specially commissioned officials, 84 senior officials, 84 associate officials, and 34 junior officials. Suitable professional civilian officials are employed through “national examinations” and “open selection” methods as required by relevant legislations such as the Examination Act, Employment Act, and Promotion Act for Civil Servants, in according to the nature and volume of work in various units and personnel quotas. There are currently 168 personnel as of April 30th, 2011, which has reached 82.35% of total staff size, as shown in Tables 6-4 to 6-6.

(II) Civilian Defense Official Cultivation

Training for civilian defense officials is based on the policy of “training for deployment.” Regulations, such as the “Guidelines for the Training, Advanced Education, and Lifelong Learning of Civilian Personnel in the Ministry of National Defense” and “Staff Training Implementation Plan for Military and Civilian Officials of the Ministry of National Defense,” were formulated and enacted in accordance with the “Civil Servant Training and Further Education Act” and its enforcement rules and the “Regulations on Civil Servants Training and Development in the Executive Yuan and Subordinate Agencies and Schools.” Training for civilian defense officials was incorporated in military training courses, so that civilian officials who enter the Ministry of National Defense may rapidly become familiar with defense affairs, thus enhancing the professional defense expertise of civilian officials, strengthening the competencies of current personnel and cultivating excellent talents.

Table 6-4 Ratio of Stipulated to Current Staff Numbers and Gender Statistics of MND Civilian Officials

Category	Specially Commissioned		Senior		Associate		Junior		Total	
Stipulated Personnel	2		84		84		34		204	
Current Personnel	2		70		69		28		169	
Ratio (Percentage)	100		83.33		82.14		82.35		82.84	
Male	2	1.2%	54	32.1%	36	21.3%	4	2.4%	96	56.8%
Female			16	9.5%	33	19.5%	24	14.2%	73	43.2%

Table 6-5 Types of Employment of MND Civilian Official

Type of Employment	Persons	Percentage of Current Personnel	
Existing Personnel	9	5.33	Personnel employed before the promulgation of the two defense acts
Administrative Personnel	2	1.18	Minister of National Defense and Deputy Minister of Military Policy
Confidential Personnel	1	0.59	Employed for confidential work and serves the same tenure as their supervisors
Type of Examination	Transfer from Colonel or Above	18	10.65
	Civilian Official Examination	27	15.98
	Level 2 Examination	1	0.59
	Level 3 Examination	2	1.18
	Junior Examination	2	1.18
	Primary Examination	11	6.51
	Examination for Handicapped Persons	5	2.96
Open Selection	91	53.85	
Total	169	100	A total of 66 persons took the national examination , accounting for 39.05%

Table 6-6 Education Levels of MND Civilian Officials

Education	Number of Persons	Percentage
Doctorate	4	2.37
Master	100	59.17
Bachelor	54	31.95
Vocational School	8	4.73
High School	3	1.78
Total	169	100

(III) Civilian Defense Official Reformation and Improvement Methods

1. All work in the MND is organized with joint military and civilian participation to obtain benefits from complementary military and civilian perspectives. “Professional core competency” training has emphasized on “defense strategy planning,” “defense resource planning,” “reserve affairs,” “historical and administrative archives” and “integrated assessments” since 2006; a total of 237 persons received training in 2010, and related training will continue to be provided in 2011.
2. In accordance with the five core values “integrity, loyalty, professionalism, performance, and compassion” advocated by the Executive Yuan on November 3rd, 2009, in terms of educational training and work, various occasions will be used to provide information and training to military and civilian personnel, thus increasing their interaction and establishing positive military-civilian relationships; a total of 192,032 persons participated in 2010, and related training will continue to be provided in 2011.
3. In accordance with the “Jingsui Program” implemented by the MND, civilian defense officials are appointed as supervisors of the Department of Strategic Planning, Department of Resources, Integrated Assessment Office, All-out Defense Mobilization Office, Civil Service Ethics Office, Department of Manpower and Comptroller Bureau.

4. Positions that can be held by both military and civilian officials have been planned in the General Political Warfare Bureau and Comptroller Bureau. However, due to restrictions of the “Central Government Agency Personnel Quota Law,” the quota of 282 civilian officials of the MND can only be employed within the MND, Armaments Bureau and Medical Affairs Bureau, for this reason there is no sufficient quota for the General Political Warfare Bureau and Comptroller Bureau to recruit civilian defense officials; the positions may be held by civilian officials if the quota is increased in the future.
5. In response to the draft amendment to Article 17 of the “Public Functionaries Appointment Act,” which states that civil servants must currently hold a 9th grade associate position or equal position before they get promoted to a senior official position, a section chief position was established to protect the rights of associate officials to attend training, liquidifying their channels for promotion.
6. Rely on the participation of civilian defense officials, and provide them with a well planned system for training, further education, promotion and transfer, performance evaluation, disciplinary actions and rewards, and benefits, so that they will be satisfied with their work, glad to remain in their positions, and devote even more effort to national defense affairs.



Section 2 National Defense Financial Resources

Financial resources are properly allocated for national defense with consideration of the nation's overall economic development, the government's financial burdens, national security, enemy threats and current national defense policy. Furthermore, budgeting and execution are based on the principle to economize, hoping to allocate a reasonable, suitable and feasible budget under the supervision of public opinion, and to maximize the benefits obtained from this budget.

I. Defense Financial Resource Acquisition

The central government must properly and cautiously allocate its overall budget after evaluating the international situation, national policy and its financial condition. The national defense budget is a part of the government's overall budget, and must operate in coordination with the nation's budgetary system and financial authority. The MND strives to acquire a reasonable portion of financial resources via administrative communication and legislative negotiation based on its national defense administration and the priority of its projects.

(I) Analysis of Financial Resource Acquisition

1. Comparison of the Overall Central Government Budget and Defense Budget over the Past Decade

The scale of our defense budget in the past decade (from 2002 to 2011) was between NT\$250 billion and NT\$330 billion, representing between 15.52% and 19.51% of the overall central government budget. This shows that although our national finance was impacted by the global financial crisis and adjustments were made to administration priority, the defense budget will continue to represent a substantial proportion of the overall central government budget, because national defense is the cornerstone of national security. The Ministry of National Defense will continue to make appropriate plans for resources within its budget based on the concept of "effective utilization and maximizing benefits," so as to ensure that the Armed Forces' capabilities do not fall, while it continues to complete overall force build-up plans.

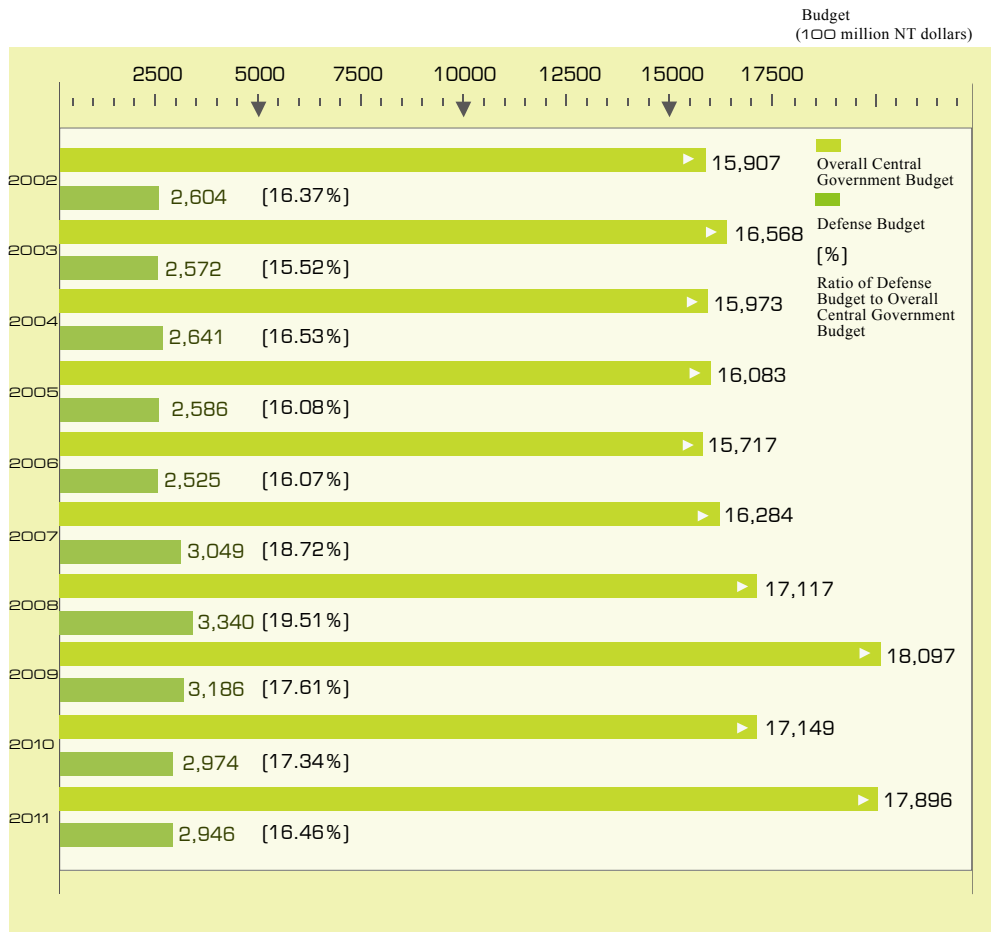


Figure 6-1 Relationship between the Defense Budget and Overall Central Government Budget from 2002 to 2011

2. Ratio of Confidential to Non-confidential Budgets over the Past Decade

Giving consideration to both national security and the public’s right to know, and in accordance with the “Classified National Security Information Protection Act,” “Enforcement Rules of the Classified National Security Information Protection Act” and “Guidelines for Categorization and Ranking of Military and National Defense Classified Information,” the Ministry of National Defense draws a clear line between “non-confidential” and “confidential” budgets based on the principle of “minimizing the scope of confidentiality and maximizing information disclosure” according to project contents and characteristics, hoping to protect the public’s right to know by meeting requirements of the “Freedom of Government Information Law.” Figure 6-2 shows a gradual decrease in the percentage of confidential budgets from 17.72% to 8.25% in the past decade, illustrating the substantial

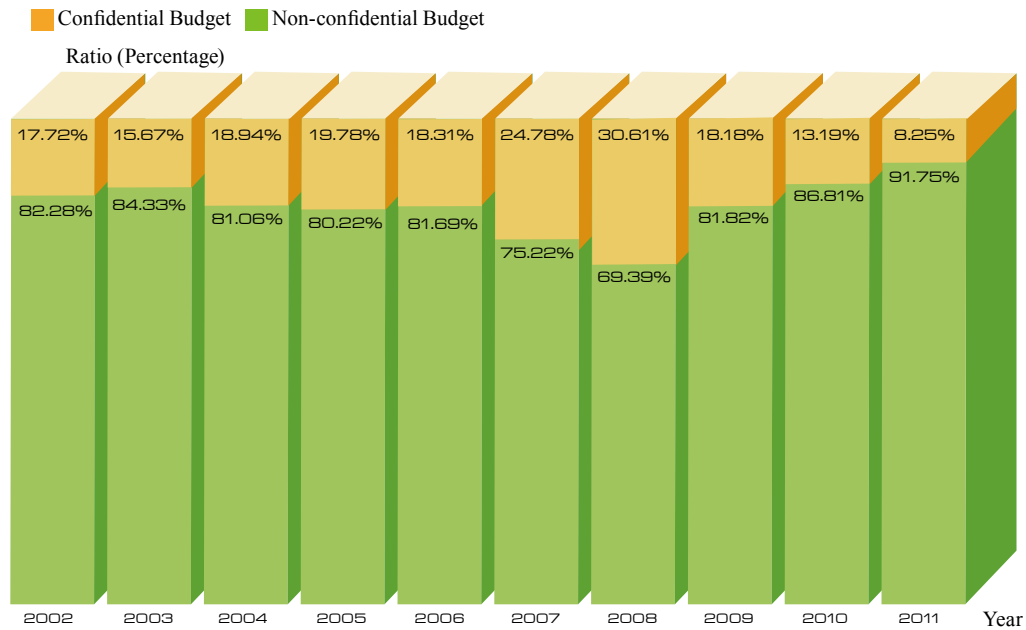


Figure 6-2 Percentage of Non-confidential and Confidential Budgets from 2002 to 2011

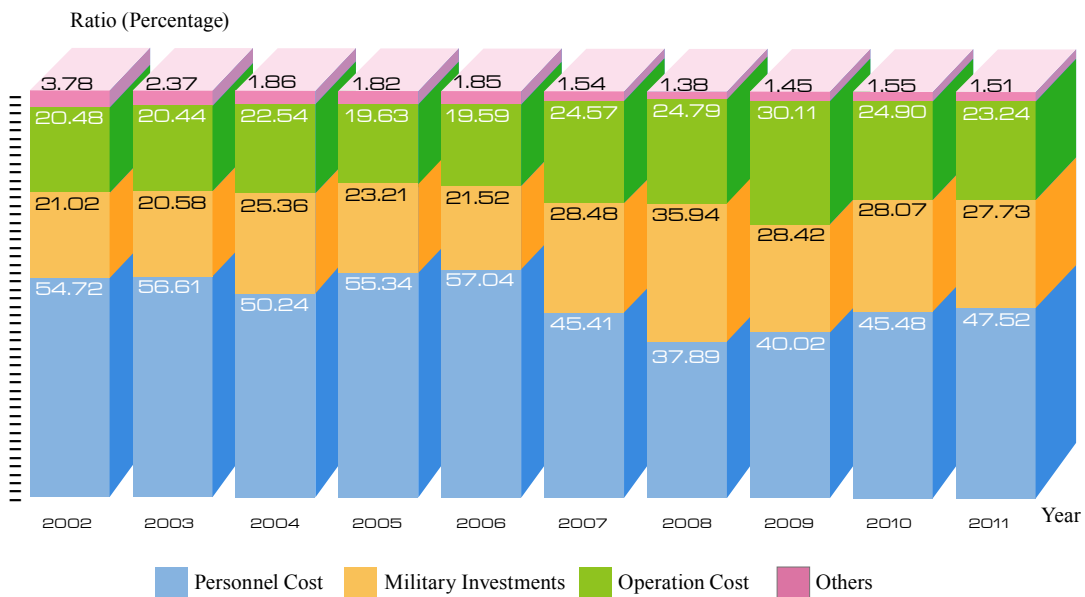


Figure 6-3 Defense Budget Allocations from 2002 to 2011

effectiveness of making national defense budgets transparent.

3. Structural Analysis of the Defense Budget over the Past Decade

Priorities of defense budget allocations over the past decade in accordance with policy guidance (defense budget allocations in three categories over the past decade are as shown in Figure 6-3) include legally required for active personnel, proper maintenance of combat equipment, and continued acquisition of main armaments. Other requirements are satisfied based on the national defense administration when there are remaining resources from the priorities. This arrangement enables the proper allocation of limited financial resources for the effective support of defense readiness preparations. Regular expenditure cut down and practical planning have been adopted in response to the policy for an all volunteer force; budgets will be gradually increased as the Armed Forces takes further steps towards voluntarism.

(II) Rational Budgeting and Allocation

1. Utilizing Financial Management Functions to Properly Allocate Resources

(1) Financial Supply Forecast

The Ministry of National Defense's financial supply forecasts were based on a conventional single variable linear model before 2006. After making continuous improvements, a systematic dynamic model was adopted in 2007 for subsequent financial supply forecasts; the model refers to mid-term budgets approved by the Executive Yuan and considers the nation's overall economic situation, the government's financial condition, debt and administrative priorities for the forecast of mid- to long-term financial resources that can be acquired. Results of the model focus on trends and patterns of long-term forecasts, which are consistent with characteristics of force building – long-term, comprehensive and continual. Data of the model is revised along with trends of the economy, financial structure and government policy; favorable results have been obtained from forecasts as they were verified by actual financial supply over the years.

(2) Defense Financial Resource Allocation

The main objective of defense financial resource allocation and



utilization is to satisfy requirements of force development and defense readiness missions. Considering the limitation of defense financial resources, the Ministry of National Defense first allocates its budget to satisfy personnel overheads in coordination with the Executive Yuan's mid-term budget preparing principles and guidance, followed by basic operational requirements of its units, project funding and maintaining current capabilities. Finally, based on the flexibility of its budget, the MND adds new administrative requirements. Furthermore, to strengthen the consistency of budgeting and execution and to bring out maximum effects of resource utilization, financial audits and joint reviews are regularly conducted to gain an in-depth understanding of budgeting and actual execution in its subordinate units, to review the appropriateness of implementation results and budgets of its investment projects, to reduce inappropriate resource investment, and to increase the flexibility of its budget; this information is fed back as reference for budgeting of target years and allows the suitable adjustment of budget allocation on an annual basis.

2. Defense Budget and Administrative Priorities of 2011

The defense budget in 2011 was NT\$294.58 billion, in which NT\$139.98 billion was allocated for personnel maintenance, NT\$68.45 billion was allocated for operational maintenance, NT\$81.67 billion was allocated for military investments, while other expenses accounted for the remaining NT\$4.46 billion. Allocation ratios are shown in Figure 6-5. Administrative priorities are briefly described as follows:

(1) Strengthening both Joint Operation Capabilities and Disaster Relief Performance:

A total of 13 types of joint operation exercises and training, including the "Han Kuang Exercise," will be implemented in 2011, and all disaster relief missions will be carried out in all seriousness, thus building armed forces that can "carry out disaster relief during peacetime and engage in combat during wartime."

(2) Enhancing Logistics Support Capacity, Ensuring Armaments Serviceability:

A "precise, rapid and effective" logistic management mechanism was established to integrate logistics information of the Armed

Forces, and utilize overall planning, control and readiness functions to effectively support operational requirements

(3) Integrating Technology Research and Development to Realize Self-Reliant National Defense:

To drive development of defense technology industries, the “Executive Committee for the Development and Promotion of Defense Science and Technology” coordinated the Ministry of Economic Affairs and National Science Council in planning the “Defense Technology Development Plan.” In addition, industrial cooperation mechanisms are utilized to integrate national defense and industrial cooperation requirements, thereby achieving the objectives to support force buildup and defense readiness, as well as industrial development.

(4) Continuous Development of New Weapons to Demonstrate Determination for Self-Defense:

In accordance with the Force Buildup Program of the Armed Forces, which focuses on enhancing joint operation capabilities, major military investments projects implemented in 2011 include “Patriot Missile System,” “New Attack Helicopter,” “P-3C Long Range Fixed Wing Anti-Submarine Aircraft,” “E-2T Performance Enhancement,” “IDF Fighter Performance Enhancement” and “New Generation Missile Boat Mass Production.”

(5) Emphasis on Defense Talent Cultivation, Creating a High Quality Education Environment:

Military servicemen are encouraged to further their education either full-time or on-the-job. Military academies participate in international military academic seminars and exchanges to enhance their teaching quality and performance; these endeavors supported with certification and evaluation mechanisms allow the further improvement of overall human resource quality.

(6) Planning Force Restructuring, Promoting Voluntarism:

To build a national defense force that is “small but superb, strong and smart,” plans were made for force restructuring (Jingtsui Program). Furthermore, a gradual approach was adopted for the transition of military service systems, so that the volunteer force will grow



Technological research and development is integrated with industrial cooperation requirements to support force buildup and combat readiness, as well as industrial development.

sequentially each year and finally achieve the policy objective of “voluntarism.”

(7) Reshaping Intangible Combat Capabilities, Establishing Proper Military Ethics:

Emphasis is placed on encouraging military ethics, the inheritance of proper military ethics and encouraging patriotism. In addition, a tightly knit mechanism for preventing misconduct was established in response to the policy to “eliminate corruption and prevent misconduct,” establishing proper military ethics in the Armed Forces.

(8) Providing Full Benefits for Servicemen and their Dependents, Bettering Service and Care Quality:

The legalization of benefits for military servicemen was implemented to protect the rights and benefits of servicemen and their dependents;

the rebuilding of old quarters for military dependents have been completed as scheduled and cultural preservation works have been actively executed in accordance with the “Act for Rebuilding Old Quarters for Military Dependents,” showing the diverse spirits of ethnic groups .

II. Defense Financial Resource Management

Due to the immense size and complexity of the national defense system, units at each level often face many uncertainties from annual budget compilation to actual budget execution, resulting in fluctuations between budgeting and execution. Facing potential risks, the Armed Forces has made great efforts to strengthen its financial management abilities, measures adopted include establishing control mechanisms, redeveloping workflows, on-site investigation and statistics analysis.

(I) Establishing Control Mechanisms to Enhance Budgeting and Execution Performance:

National resources are limited, but the needs of political, economic, military and psychological developments are limitless. In order to effectively utilize financial resources, from an active perspective, this means integrating administrative capabilities and budget management capabilities so that the administration can produce conclusive effects; from a passive perspective, this means preventing waste, inefficient or ineffective use of resources. Therefore, defense budgets requirements are based on force buildup plans, after which a reasonable budget is allocated, executed according to administrative priorities and project timetables, which is implemented at different levels according to division of authority and responsibility. A budget control mechanism is established for comparing current progress to past budget execution situations, conducting reviews, making adjustments and feeding back budgeting information, so as to effectively enhance resource utilization and achieve the objective of “coherent budgeting and execution.”

(II) Redeveloping the Accounting Workflow to Increase Fund Utilization Benefits:

Impacts of global financial crisis and economic recession resulted in a government deficit. As a part of the administrative system, the Armed Forces gives full support to the effective distribution of government resources and flexible fund allocation



and utilization. Thus, the Armed Forces actively cooperated with the Ministry of Finance in putting funds held in custody into the treasury for centralized payment, and reviewed its accounting procedures; in principle, payments are made directly to the accounts of creditors by the Taipei Disbursement Office, Ministry of Finance, taking the responsibility of holding cash off the hands of military units and reducing payment risks, thereby enhancing the government's financial resource utilization effectiveness. Furthermore, "Government Budget Accounting (GBA)" was gradually adopted in accordance with the "Accounting System of Ordinary Government Activities for Central Government General Fund" promulgated by the Directorate-General of Budget, Accounting and Statistics; accounting affairs reform projects will be implemented in the future based on missions and characteristics of military units, so as to perfect the accounting system, strengthen accounting management, and further improve the government's accounting quality.

(III) Establishing a Cost System to Fully Utilize Management Functions:

The Armed Forces' various administrative affairs are realized via the execution of annual budgets, besides compiling accounting records and financial statements required for external reports, and producing cost records required for internal management functions, proper utilization of the data can provide references for costs of each stage of the "Armed Forces Plans Budgeting System." Therefore, the establishment of a cost system has always been an emphasis of the Ministry of National Defense; for example, using education and training cost reports of military academies to improve the positioning of military education and gain competitive advantages. With regard to maintenance cost analysis, accounting information of maintenance factories in military bases are analyzed, including manpower allocation, maintenance capacity, cost control and resource integration, to increase the reference value of decision-making and management. In the future, on-site surveys will be conducted to gather actual costs and further establish standard costs, fully utilizing financial resource management functions for national defense.

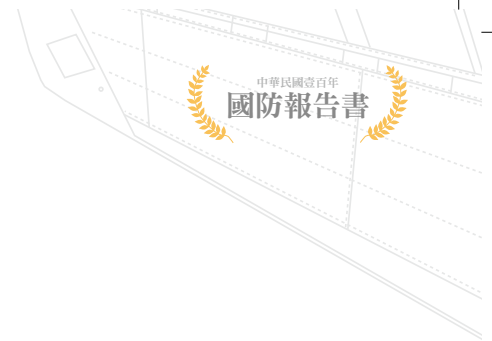
(IV) Consolidating Internal Control Mechanisms, Reforming Established Practices

The Armed Forces currently has as many as 243 units executing budgets. To utilize the early warning function of financial management, the Armed Forces has established a strict and effective "auditing network" to integrate internal audits of

its subordinate units; the “internal auditing network” consists of mechanisms in four aspects: “internal audit,” “cash inspection,” “self-examination” and “education and training,” and emphasizes on the establishment of internal control and preventive auditing functions. Furthermore, an efficient, effective and economic internal auditing mechanism was created via work simplification, authority delegation and hierarchical responsibilities to help units utilize internal control functions, strengthen preventive and continuous auditing, and prevent mistakes from reoccurring. In the future, national defense policy will continue to be the basis on which better services will be developed, providing useful information to decision-making associated with national defense, and bringing out the full effects of defense financial resource management.

(V) Utilizing Statistics Functions, Implementing Administrative Affairs

Defense statistics and analysis will be carried out in coordination with requirements of military affairs, with “administrative affairs” as its core and driven by “management.” The “National Defense Statistical Information Service Network” was established to assist the “gathering and management of statistics,” “compilation, report and utilization of statistics,” “special statistics analysis,” “official duties statistics,” “annual statistical reports” and “statistical indicators,” showing variables that affect results of the Armed Forces’ policy, analyzing strengths and weaknesses of each policy and predicting future trends, thus generating valuable quantified information. In addition, in terms of enhancing the precision of defense budgeting, the analysis report “personnel maintenance cost estimation model establishment” was completed, and utilizes the estimation model for calculation and scenario analysis to evaluate a reasonable budget scale for personnel maintenance. With regard to the “voluntarism” policy, questionnaire surveys were conducted to understand its effect on recruitment, training and retention; basic information of volunteer soldiers, important statistics and survey parameters will be used as reference for the implementation of an all-volunteer force.



Section 3 Armament Readiness

The armaments system management mechanism is utilized to import advanced technologies and optimize investments based on requirements of force development, so as to satisfy requirements of the Armed Forces' defense operations. To integrate national economic development with livelihood industries, "acquisition strategy, technology strategy and logistics strategy" are supported with procurement, construction and facility, human resource and financial resource strategies, thereby achieving the objective of "all-out defense".

I. Acquisition Strategy Planning

Utilizing advanced management techniques and a robust acquisition management system, the acquisition strategy is to gain maximum benefits using the most appropriate cost and shortest amount of time, under the premise that armaments acquisition of the Armed Forces satisfies its operational requirements and that policy guidance is observed.

(I) Military Investment Projects

In accordance with operating procedures of military investment projects, departments for command compile "requirement reports," departments for policy compile "analysis reports" and departments for armament formulate "investment outline plans" based on policy guidance for innovation and asymmetry, results of the "Quadrennial Defense Review" and future combat requirements for short-, mid- and long-range joint capabilities. Military investment projects aim to maximize force building benefits with limited defense resources so as to ensure national security.

A total of 90 major military investment proposals for 2012 were completed in 2010; the proposals are reviewed in 2011 and accepted based on the priority of capability requirements and anticipated financial resource acquisition in 2012, continuing the buildup of high quality forces.

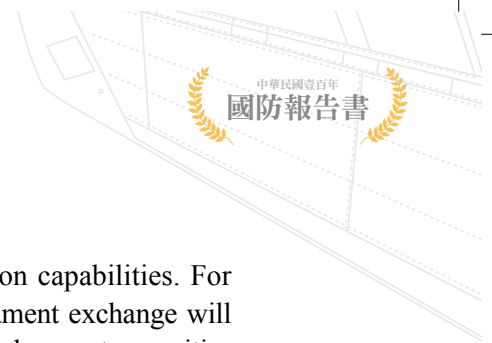
(II) Transformation of the Chung Shan Institute of Science and Technology (CSIST)

In order to enhance defense technology research capabilities, expand the transfer of dual-use technologies to the private sectors, and achieve the win-win situation of “strengthening self-reliant national defense” and “vitalizing the economy,” the MND plans to transform the CSIST into an “administrative legal person,” with the MND acting as its supervisory agency, and hopes to recruit outstanding talents and enhance organizational performance via the adoption of corporate management and relaxation of various systems; benefits that can be obtained from this transformation are as follows:

1. The CSIST’s main mission remains to develop national defense technologies, with the MND acting as its supervisory agency and a board of directors to oversee its operations. Priorities of the CSIST are to support combat readiness, exercises and training missions of the Armed Forces, so as to bring out the full effects of national defense investments.
2. Enhanced defense technology research capabilities, operational flexibility and implementation efficiency of the CSIST reduces system development time and satisfies operational requirements of the Armed Forces.
3. Benefits the Armed Forces and forward-looking technological research, and enhances response capabilities of technological research by establishing flexible human resources, budget and procurement systems.
4. Expanded transfer of dual-use technologies to the private sector drives development of national defense technology industries, while giving consideration to self-reliant national defense and economic and livelihood developments.

(III) International Armament Exchange

By attending academic symposiums, seminars and conferences, engaging in academic exchanges and visits, and taking part in technology forums and exhibitions, exchange and cooperation projects have been actively negotiated with foreign institutions (units or laboratories) based on the principles of “equality,” “mutually beneficial” and “resource sharing,” hoping to jointly expand information exchange and cooperation opportunities associated with defense technology research, development, testing and evaluation. Operation modes will be gradually transformed to meet requirements of our national situation, thereby establishing a professional, international armaments



organization that can enhance the Armed Forces' joint operation capabilities. For advanced weapons that cannot be domestically developed, armament exchange will be enhanced with advanced nations. Weapons research and development capacities of the ROC Armed Forces will be gradually developed through prioritization of technological cooperation and transfers, complemented by off-the-shelf procurement as a secondary option.

The "US-Taiwan Defense Industry Conference" was held on September 27th~29th, 2009 and October 3rd~5th, 2010 in Charlottesville, Virginia and Cambridge, Maryland, respectively. The conferences yielded concrete results to US-Taiwan relations, the mutual trust mechanism, acquiring major procurements, absorbing international disaster relief experiences, and enhancing the disaster relief capabilities of the Armed Forces.

(IV) Research and Development

Development of weapon systems is based on the principle of "adequate, good and better," and emphasize on "innovative and asymmetrical" capabilities, establishing precise, rapidly responsive, mobile and effective deterrence capabilities. Joint platforms, either common or interoperable, are built based on the systematic concept of "one equipment, applicable to tri-services, and multiple effects," benefiting joint operations and logistics. Furthermore, capabilities of domestic industries, government, academia and research institutions are integrated for the development of key technologies and weapon systems, such as strategic unmanned aircraft, long range precision guidance missiles and EMP, gradually building modern armed forces that satisfy defense requirements of our nation.

Establishment of a strategic alliance and division of labor, in which dual-use technologies are transferred to the private sector, further developed by the private sector and contributed back to the military; this model supports components development, joint development, and fully utilizes resources of the private sector. Technology transfers or the enhancement of key technology development capabilities speed up the process that cutting-edge armaments are developed and acquired. In 2010, 15 basic and key technology research and development projects were completed and 25 armament development projects were implemented, actively enhancing defense technology research and development capabilities, developing defense technology industries, and fully satisfying the operational requirements of the Armed Forces.

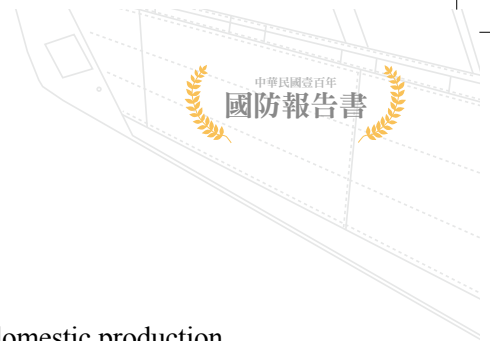


The enhanced performance of the IDF demonstrates self-reliance of defense technologies, which satisfies operational requirements and effectively enhances the Armed Forces' air defense capabilities.

(V) Production and Manufacturing

Production and manufacturing are based on the principles “core establishment, capacity integration, strategic alliances, and division of labor.” Cooperative production, technology transfer, and outsourced production are used to establish or enhance key production capabilities, and fully utilize private resources for division of labor. This elevates the quality of military goods and accelerates the production and deployment of armaments.

Some 11 thousand categories of weapon systems, equipment, missiles, artillery and ammunition were produced in 2010, total output value worth over NT\$24.7 billion. Up to May 2011, production of over 2,500 categories of military goods has been completed according to schedule, and some 12 thousand categories are estimated to be produced for the entire year, output value reaching over NT\$32.8 billion. This demonstrates the active enhancement of autonomous production capacity and effectively strengthens the Armed Forces' overall capabilities.



(VI) Armament Acquisition

Armaments acquisition is based on the principle of “prioritizing domestic production, and using foreign procurement for support.” Foreign procurements are made along with requests for industrial cooperation and technology transfer, so as to enhance the Armed Forces’ technology research and production capabilities, support defense industries, and achieve self-reliant national defense.

The principle “unified procurement of common equipment of the tri-services” aims to achieve economies of scale, gaining better prices via purchases in larger quantities. Military requirements, military goods and services, such as general facility construction, transportation and military base cleaning are either procured, rented or constructed domestically in accordance with the “Government Procurement Act,” using the resource outsourcing policy to vitalize domestic industries. In addition, resource outsourcing is expanded via private operation of public establishments and military goods repair and maintenance, fostering domestic military industries, strengthening self-reliant national defense, and vitalizing the economy.

II. Technology Strategy Planning

In consideration of future combat requirements and after evaluating existing technological capabilities, core capabilities are established, armaments resources are integrated, and a blueprint of defense technology developments is laid out to support force buildup and defense readiness missions.

(I) Development of Defense Technologies

In response to future combat requirements, an integrated evaluation is conducted on defense technology development capabilities, a blueprint of short-, mid- and long-term defense technology developments is drawn out, and international technology cooperation and exchanges are expanded to establish technical capacities and cultivate defense technology talents.

With academic cooperation, 84 projects worth a total of NT\$116 million for developing advanced weaponry and key technologies, including “advanced information and electronic technology,” were contracted to domestic technology research institutions in 2010. In 2011, 77 academic cooperation projects with an estimated amount of NT\$115 million, including “sensor imaging system development,” were approved. Besides planning 7 major fields, including “high



Armaments acquisition is based on the principle of “prioritizing domestic production, and using foreign procurement for support,” thereby achieving self-reliant national defense and supporting defense industries.

frequency microwave technology,” “energy conservation and carbon reduction (alternative energy)” will also be included as a focus of the Armed Forces’ forward-looking research, so as to conform to future research trends. Research results will not only be provided as a basis for developing key technologies of weapon systems, but also expand the scope of domestic defense technology developments, benefiting the elevation of overall technology levels in Taiwan.

(II) Development of Defense Industries

National defense and industrial cooperation requirements are integrated via operations of the “MOEA MND Industrial Cooperation Policy Guidance Council” and “Executive Committee for Industrial Cooperation,” and focus on overall logistics and maintenance capabilities for armaments. Industrial cooperation projects acquired via foreign procurements of military investments over the years have accumulated to over US\$7.3 billion.

The “Ministry of National Defense Regulations on Industrial Cooperation” amended on November 10th, 2010 stipulates “operating procedures of industrial cooperation,”



In consideration of future operational requirements, the ROC Armed Forces is establishing unmanned battlefield reconnaissance technologies and capabilities, and is also expanding the development aspects of domestic defense technologies, benefitting the elevation of overall technology levels.

and added a “list of requirements of industrial cooperation,” effectively integrating defense requirements and enhancing the effectiveness of industrial cooperation funds. Ongoing major industrial cooperation projects include the Navy’s “P-3C Anti-submarine Aircraft Depot Level Logistics and Maintenance Plan” and the Army’s “Apache Logistics and Maintenance Technology Transfer,” effectively enhancing armaments maintenance capabilities and strengthening self-reliant national defense.

To establish a domestic supply system for military factories and develop defense industries, as of May 2011, 372 satellite factories were established and provide over 11,000 types of key components for armaments. This initiative improves the availability of military equipment and creates market opportunities for industries; total amount of outsourcing was NT\$9.2 billion in 2009, NT\$8.3 billion in 2010, and is expected to reach NT\$9 billion in 2011.

(III) Civil-Military Interoperational Technology Development

Developments focus on “key technologies,” “revitalizing traditional industries,” “outsourcing military goods” and “technical services,” tightly linking defense and livelihood technologies together to enhance industrial competitiveness and achieve self-reliant national defense.

In the last 5 years the Chung Shan Institute of Science and Technology (CSIST) carried out 690 dual-use technology product development projects and technology transfers to domestic firms under the MOEA Technology Development Program, in which projects acquired and applied patents come to 292, driving investments of over NT\$19.1 billion from the industrial sector, and creating an output value of over NT\$86.4 billion. In addition, the CSIST undertook international technical service projects in coordination with the National Space Organization and Academia Sinica, and made significant contributions to international cooperation and academic exchanges, benefiting the improvement of our national image.

III. Logistics Strategy Planning

In accordance with the policy of self-reliant national defense, “full life cycle system management” is adopted as a framework and supports with “supply chain management” and “strategic alliances with industries” under the premise of satisfying operational requirements and maintaining reliable defense capabilities. An optimal corporate operation mode is applied in coordination with capabilities of domestic industries, so as to reduce investment cost, enhance logistics support efficiency, increase overall investment benefits, suitably support combat forces, and satisfy requirements for maintaining capabilities.

(I) Full Life Cycle System Management

A complete management system and process has been established with regard to the research, development, production, procurement and deployment stages of armaments, so as to strengthen modeled management. Planning, maintenance, and management mechanisms will be developed, and logistical support capacities will be established to enable effective management and cost control throughout the full life cycles of weapon systems, thereby achieving maximum availability.

Based on cost considerations over the full life cycle of weapon systems and in coordination with resource outsourcing plans, supervision and evaluation of the



“planning, development, production, deployment, maintenance and retirement” stages of operation will be executed with weapon system specific management methods. Furthermore, regulations on weapon acquisition project control, progress authentication, acceptance and payment and supervision of contract performance is promulgated; controlled armaments projects worth over NT\$1 billion between 2009 and 2011 reached 41 projects, effectively managing implementation results of military investment (technology research) projects.

(II) Supply Chain Management

“Logistics management” and “supply chain management” concepts of private industries and foreign arms sales mechanisms will be applied to effectively undertake resource planning, resource acquisition, production, maintenance, transportation and allocation operations, in which modeled management and modeled data will be utilized to establish acquisition plans for different materials.

Long-term supply and demand channels will be established with suppliers in the form of military sales, commercial sales, basic order agreements, and order contracts for the spare parts of assembly and accessories for weapons systems. General supplies and expendable materials will be jointly contracted or bulk purchases made to simultaneously simplify contractual management personnel, reduce inventory size, and improve maintenance and repair efficiency.

(III) Strategic Alliances with Industries

In accordance with plans to establish defense technologies and industrial technologies, the Armed Forces will expand domestic and foreign industry cooperation and catalyze the integration of strategic alliances, technology transfers and funding between contractors, manufacturers, and domestic public and private sector entities (including military units). As a result, the ROC Armed Forces will be able to enhance the industry foundation of defense self-reliance, establish interconnected industry cooperation support networks, lower life cycle costs, and improve logistical operation efficiency.

Research projects adopt “performance-based logistics” and apply best practices of corporate operations; pilot projects include the Army’s TH-67 helicopter, the Navy’s P-3C anti-submarine aircraft, the Air Force’s aircraft tires, and Combined Logistics Command’s medium tactical vehicles. Non-core maintenance work will be gradually

contracted out to the private sector to act as integrated contractors for weapon system support, which will undertake various logistical maintenance and support operations. Domestic industry participation in defense affairs will be fully encouraged to lower weapon maintenance costs, increasing weapon readiness, and enhancing economic benefits of domestic industries.

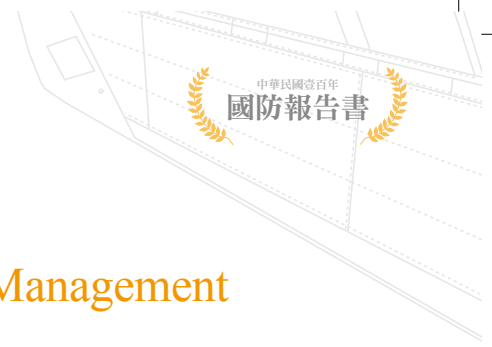
IV. Procurement Management and Planning

(I) Transparent Procurements, Promoting Integrity

Defense procurement is an important means for supporting the Armed Forces' defense readiness and preparations, and also a part of government procurements. Management of such procurements must therefore abide by the government's policy of anti-corruption and integrity; an "open, transparent" procurement environment must be established with an emphasis on enhancing administrative efficiency. Furthermore, under the Government Procurement Act's requirements on the professional competencies of procurement personnel, the Ministry of National Defense will continue to offer professional training courses, and implement the procurement personnel background management system and incentive measures, thus enhancing the professional competencies of procurement personnel and quality of procurement related decision-making.

(II) Statistics of Procurements

The Armed Forces' procurement is based on the principles of "establishing self-reliant national defense," "supporting domestic industries" and "prioritizing domestic firms"; for goods that must be procured from overseas, the manufacturer will be required to engage in industrial cooperation, thereby elevating technology levels of domestic industries. A total of over 10,100 procurements were carried out by the Armed Forces in 2010, total amount exceeding NT\$200 billion; in which over 10,000 procurement is domestic and over 100 purchases were foreign (including military sales). Up to May 2011 a total of over 4,600 procurements had been completed by the Armed Forces, total amount exceeding NT\$19 billion; in which over 4,600 purchases were domestic and 8 procurements were foreign (including military sales).



V. Construction and Military Property Management

(I) Improving Living Facilities, Implementing Energy Conservation and Environmental Protection

To implement the policy of “voluntarism,” the Ministry of National Defense surveyed old military camps awaiting renovation (138 bases) and has begun rebuilding 10 camps since 2010; the bases will be completed in 2017. Subsequent projects will be implemented based on the financial condition of the Fund for Rebuilding Old Military Camps and the principle of “overall planning, yearly execution,” so as to better the living quality of servicemen.

The rebuilding of old military camps is outsourced in accordance with the resource outsourcing policy. Also, the MND is actively building military camps with green buildings in coordination with the nation’s environmental protection policy, applying energy conservation techniques to protect the ecological environment, reducing the impact on earth’s environment and waste of resources. The “Construction Auditing Implementation Plan” was promulgated by the Ministry of National Defense for after constructions are contracted in accordance with relevant regulations, including the Public Construction Commissions “Operating Rules for Construction Surveillance Units,” so as to refine and execute operations according to law, and effectively supervise and strengthen the Armed Forces’ construction quality management.

Safety inspections were conducted in military camps, Navy and Air Force Bases, and fuel and ammunition storages in coordination with the “Geology Act” promulgated on December 8th, 2010. Experts and scholars are invited to assist with on-site evaluations for any sites that are found with safety risks. Under the premise of not affecting defense readiness, reinforcement measures are taken or relocation is considered to protect the safety of personnel deployed there.

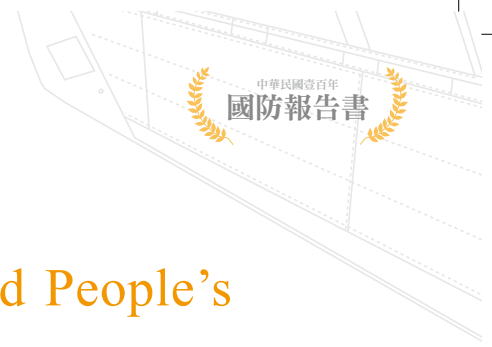
(II) Continuing the Release of Military Bases, Vitalizing National Land Utilization

Transfer and release of land occupied by the Armed Forces are carried out in coordination with the government’s major policy and national land planning, tourism development requirements on Kinmen, Matsu and Penghu, and implementation concepts of the Jingstui Program. Reviews are conducted based on the principle of “merging small military camps into large ones, and Army, Navy and Air Force

encamped in one military camp,” and land is transferred to the National Property Administration or other government agencies according to operating procedures for Armed Forces base transfer (release) inspections. A total of over 2,500ha of land was released as of May 2011, and greatly contributes to the expansion of domestic demand and vitalization of economic development.

In consideration of land requirements of local development, environment protection parks and disaster relief missions, military camps with low utilization were reviewed and provided for use by local governments, achieving the full utilization of national property. At present, 18 sites (roughly 152.1ha) are being reviewed for being lent to local governments for greening, providing recreational facilities, and settling community residents.

The Ministry of National Defense completed surveys of military camps in all 25 counties (cities) according to the timetable set by the Executive Yuan’s “Plan for Sorting Out and Vitalizing State-owned Real Estate,” and will handle subsequent matters according to review results of the Executive Yuan’s supervision group after being reported by the National Property Administration.



Section 4 National Defense and People's Livelihood

In consideration of both defense technology and economic development, the Ministry of National Defense has driven upgrades of domestic industries and macroeconomic development based on the government's policy to "outsource defense resources"; by encouraging the private sector to participate in public constructions; private capital and energy have been utilized along with government budgets to effectively drive economic development. Additionally, in response to the government's energy conservation and carbon reduction policy, the ROC Armed Forces conducted full reviews of policy, budgets and operations, hoping to encourage servicemen to develop the habit of energy conservation under the premise that it does not affect defense readiness and their normal lives, jointly protecting the environment so as to achieve the objective that defense developments can also look after people's livelihood.

I. Resource Outsourcing

The defense budget comes from tax payments by citizens; thus, defense constructions are obligated to be combined with economic constructions. By outsourcing defense resources armaments can be domestically developed, produced and maintained; the procurement of general military supplies can be outsourced to private firms or acquired from the private sector; the direct investment of defense resources encourages domestic firms to engage in defense affairs, thereby establishing self-reliant national defense, elevating domestic technology levels, vitalizing market economics, and creating employment opportunities.

(I) Concept and Planning

Plans for outsourcing defense resources are based on the fact that increasing the ratio of defense budgets used domestically will effectively increase the private sector's willingness and ability to participate in defense affairs, and that it will assist with the nation's industrial and economic development. Besides outsourcing general military supplies to domestic firms, non-essential maintenance capacity of current armaments will also be entirely outsourced. Requirements of new armaments that can be satisfied domestically will not be outsourced to foreign countries, and the Armed Forces will not establish such capacity as well. Defense resource allocation adjustments are based on 3 principles – reducing military affairs, reducing foreign procurements and

expanding resource outsourcing, thereby boosting economic development.

(II) Implementation Results

Resource outsourcing was planned and began implementation in 2002. Statistics of the amount of military goods outsourced grew sequentially each year from the NT\$55.8 billion in 2003 to NT\$87.6 billion in 2010, execution rate reaching 101.14% (as shown in Table 6-8). Major long-term outsourcing projects are as follows:

1. Large missile boat construction
2. Small and medium tactical vehicles
3. Frequency-hopping radio production and maintenance
4. Eight-wheel armored vehicle production and maintenance
5. Strategic commercial maintenance
6. Private operation of publicly owned military factories

Table 6-8 Resource Outsourcing Amount in 2010~2011

Year	Target	Actual Outsourcing Amount
2010	NT\$86.4 billion	NT\$87.6 billion
2011	NT\$90.6 billion	Ongoing

(III) Future Developments

1. Implementation of strategic commercial maintenance:

The Armed Forces will pick up the pace of commercial maintenance of Army equipment according to its overall plans for strategic commercial maintenance of military aircrafts and vessels, and establish long-term partnerships with domestic contractors.

2. Prioritizing domestic procurement over foreign procurement and expanding outsourcing of military goods production and maintenance:

The achievement and growth of resource outsourcing goals depend on



The direct investment of defense resources encourages domestic firms to engage in defense affairs, thereby achieving self-reliant national defense.

the domestic acquisition and maintenance of armaments. The MND has ordered that the Army, Navy, Air Force, Combine Logistics Command and Armaments Bureau set maximum foreign procurement amounts and minimum domestic maintenance and procurement amounts based on current implementation results, using this as a means to control and encourage domestic procurements among subordinate units.

II. Promoting Private Participation Infrastructure

In recent years, private investments in infrastructure, corporate management concepts, and improvement of public service quality have developed into international trends. In response to future organizational functions and requirements of force buildup, the MND has reviewed and evaluated the effectiveness of encouragement measures, reducing unnecessary consumption of human, material and financial resources for logistics, and vitalizing the utilization and maintenance of property and military

camps via civilian emerging (professional) technologies or management concepts, thereby enhancing overall public performance and mutually benefiting public and private sectors.

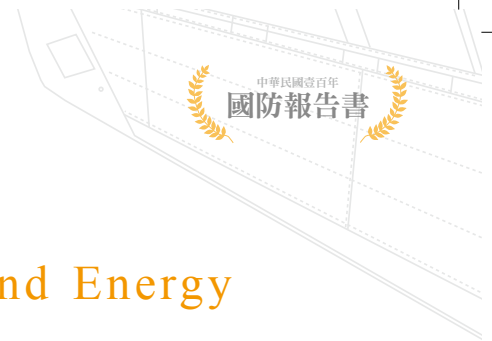
(I) Promotion of Private Participation Policy and Objectives

According to the “Ministry of National Defense Implementation Plan for Promotion of Private Participation,” which was formulated based on guidance provided by the “Executive Yuan Committee for the Promotion of Private Participation in Infrastructure Projects”: the Ministry of National Defense and its subordinate agencies (units) should outsource the operation of items stipulated in the “Statute for Promoting Private Participation in Public Construction” to private institutions, so as to reduce operation costs, boost social and economic development, and thus achieve a win-win situation for the military and civilians.

(II) Implementation Status and Results

Three operation outsourcing contracts were signed in 2010, including the “Tri-service General Hospital Shopping Street ROT,” in which private investments increased by NT\$130 million, implementation results are as follows:

1. Projects implemented in coordination with the Executive Yuan’s policy to promote private participation are divided into “medical and health care” and “tourism and recreation”; there are currently 27 ongoing projects including the “Tri-service General Hospital Chinese Medicine Pharmacy Outsourced Operation,” private investment amount accumulated to roughly NT\$900 million.
2. With regard to promoting private participation, to enhance the competencies and experience sharing of personnel in the Ministry of National Defense and subordinate units, 2 batches of educational training and lectures were offered for a total of 168 participants.
3. The National Defense Medical Center and Tri-service General Hospital took part in ratings of the Executive Yuan’s 8th Golden Thumb Awards, and won excellence awards under “government agencies and teams.”
4. The 27 projects that have completed contract signing will continue to be implemented and controlled in 2011; items that can be released to private enterprises will be planned in accordance with policy.



III. Environmental Protection and Energy Conservation

In response to the increasing awareness of environmental protection issues in Taiwan and overseas, the Armed Forces is actively promoting various sustainable energy and carbon reduction activities provided that they do not affect national security and military operations. In addition to achieving “negative growth” in fuel, electricity and water usage, the Armed Forces reviewed over 400ha of military land and provided them to the government for forestation and building rainwater recycling systems, so as to effectively utilize water resources; these endeavors have made the Armed Forces a role model in promoting the environmental protection campaign. In the future, the Armed Forces will focus on environmental protection and energy conservation benchmark plans to enhance results of environmental protection, and carry through the energy conservation and carbon reduction policy.

(I) Environmental Protection Policy and Results

In coordination with environment protection policy of the Environmental Protection Administration, the Armed Forces utilizes a number of channels to raise the environmental protection awareness of servicemen, including Jyu Guang TV program, policy propaganda and the internet. Also, the Armed Forces is actively engaged in the “National Exercise of Clean Homeland,” and has been promoting clean homeland, green procurement, green consumption and green forestation, related results are as follows:

1. The Environmental Protection Administration conducted surveys and evaluations of environment cleaning work carried out by central government agencies and subordinate units (36 central government agencies entered in the competition) in response to the 2010 “National Exercise of Clean Homeland,” in which the Ministry of National Defense was rated as “Excellent.”
2. The Environmental Protection Administration conducted surveys and evaluations of 36 level 1 central government agencies with regard to “green procurements” in 2010, in which the Ministry of National Defense’s achievement rate in designated procurement items was 95.5% and overall performance was 92.74%, and won the Excellent Award for agencies directly subordinate to the Executive Yuan.



The Ministry of National Defense is promoting energy conservation and carbon reduction in military camps, and also implementing greening and environmental conservation, so as to make resources sustainable and benefit future generations. (Current status of wetland preservation at the Armaments Bureau Material Production Center 205th Arsenal)

3. In the Fourth Green Marketing Awards (green consumption propaganda) held by the Environmental Protection Administration, cooperative stores of the General Welfare Service Ministry, General Political Warfare Bureau won second and fifth places in the green store award.
4. Providing over 400ha of usable military land to governments for forestation in coordination with the Council of Agriculture's greening activity.
5. To enhance the professional expertise of green procurement personnel, the National Defense University Management College was delegated to hold four batches of "2011 Armed Forces Procurement Information System Upgrade Educational Training" on April 19th and 26th, 2011; a total of 90 people attended the training.



(II) Control of Non-native Species

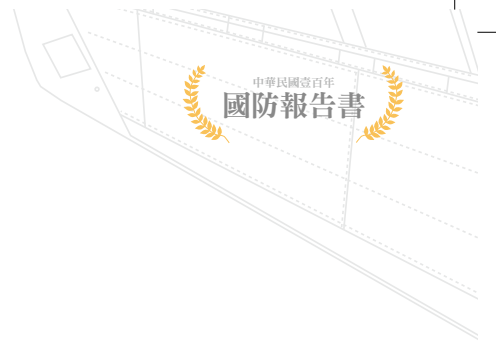
1. Red imported fire ant control: Military barracks that were deregulated after passing secondary examinations of the National Red Imported Fire Ant Control Center, Council of Agriculture in 2010 include Nan Chang Military Post, Lung You Military Post, Ta Kang Military Post, Chang An Military Post, System Manufacturing Center, CSIST, Armaments Bureau, Combined Logistics Gueishan Petroleum Depot, Pu Ting Military Post, Repair and Maintenance Plant, the Military Police's Lung Sheng Military Post and Navy's Hsia Hu Military Base; 21 military facilities with roughly 657ha of land in Taipei, Taoyuan and Tainan are still being controlled.
2. Biting midge control: Lectures on biting midge control organized by the Armed Forces in 2010 were divided into 4 batches in north, central, south and east Taiwan, participants totaled to 216 persons.
3. Litchi stink bug control: The Armed Forces organized 1 lecture on litchi stink bug control in 2010, participants totaled to 66 persons.
4. Mile-a-minute weed: Lectures on mile-a-minute weed control organized by the Armed Forces in 2010 were divided into 4 batches in north, central, south and east Taiwan, participants totaled to 196 persons.
5. Foreign Species Control License Course: To strengthen the Armed Forces' expertise in controlling foreign species, the "Foreign Species Prevention, Extermination and Control Course" was jointly offered with the Council of Agriculture in 2 batches from March 15th~24th, 2011; a total of 80 people received licenses.

(III) Energy Conservation and Carbon Reduction and Results

1. In accordance with the "Sustainable Energy Policy Guidelines" and "Energy Conservation and Carbon Reduction Measures for Government Agencies and Schools" ratified by the Executive Yuan, the Ministry of National Defense promulgated the amended "The Outline for Energy Conservation and Carbon Reduction in the Armed Forces Plan," "The Outline for Water Conservation Ratings of the Armed Forces Plan" and "The Outline for Summer Electricity Conservation Competitions in the Armed Forces Plan" in 2010, hoping to reduce energy consumption and pollution by implementing various control measures in coordination with the nation's sustainable energy and

environmental protection policy, thus achieving better environmental quality and sustainable energy.

2. In the evaluation of overall implementation results of level 1 agencies under the Executive Yuan and their subordinate units, the Ministry of National Defense was rated as Grade A with a score of 57.33 (the MND rated 19th in the 66 units that were evaluated).
3. In the 2010 water conservation performance unit/individual commendation activity held by the Water Resources Agency, Ministry of Economic Affairs, units of the MND that received awards include in the school group – the Army Infantry School and Army Engineering School, and in the agency group – the 6th Army Corps 532 Engineering Group and Hualien Defense Command.
4. Continued requirements on energy conservation in subordinate units in 2010 reduced fuel consumption by 7%, water consumption by 1.6% and electricity consumption by 3.4%, all achieving the objective of “negative growth.”





Chapter 7 All-Out Defense

The Armed Forces has been dedicated to the promotion of all-out defense education in recent years to realize the all-out defense concept of “all-purpose, all-united, all-defensive and all-trusted,” acquainting the public with national defense and security concepts to strengthen their self-defense consciousness, effectively gain public support, and encourage the public to participate in defense infrastructure. Furthermore, with regard to the policy of “incorporating mobilization in policy implementation and assimilating combat readiness in economic infrastructures,” related agencies and all-level governments have been integrated for assisting all-out defense mobilization preparations, fully utilizing the nation’s overall resources to strengthen mobilization capabilities during peacetime and wartime, thereby driving defense development and ensuring national security.

Section 1 National Defense Education

I. All-Out Defense Education

The “All-Out Defense Education Act” consists of five education axes – “international situation,” “national defense policy,” “all-out defense,” “defense mobilization” and “defense technology.” “Inter-departmental coordination mechanisms” are used to integrate resources and capabilities of government agencies and the society, and implement in-depth school education, teacher cultivation, defense relic preservation, and diverse support activities. The purpose is to make national security concepts a part of everyday life, to popularize national defense knowledge, and to build mutual trust and common views of “all-out defense.”

(I) Deepening Defense Concepts via School Education:

The Ministry of National Defense together with the Ministry of Education completed and announced the “Implementation Regulations for All-Out Defense Education Curriculum for All Levels of Schools” on May 25th, 2010, using it as a basis for promoting all-out defense education in all levels of schools. Starting in the 2010 academic year, all-out defense education courses in high (vocational) schools have provided 2 credits; “aptitude workshops for middle and elementary school teachers” have been implemented as a means for enhancing teacher cultivation and training. In order to let our youth experience the importance of defense to national security, 8 summer camps including the “Kinmen Summer Camp” were held in 3 batches, in which there were more than 2,900 participants. Furthermore, support was provided to the “live-fire experience activity for high (vocational) school students” in hopes of building a national defense consensus and developing defense skills.

(II) Improving On-the-job Education to Drive Defense Developments

In accordance with the “Regulations on the Implementation of All-Out Defense Education in Government Agencies (Institutions),” 95 qualified teachers of the National Defense University were selected to provide on-the-job education for staffs of the 63 central government agencies, municipalities and county (city) governments; a total of 469 lessons were offered in 2010 to 2011, and participants reached 43,995

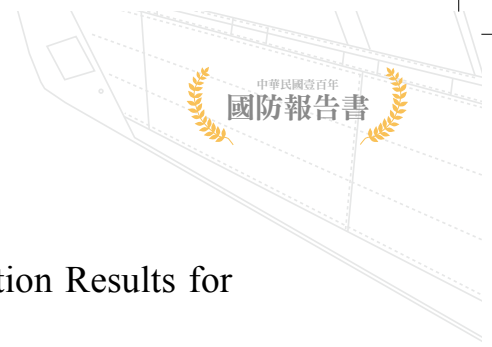
persons. Additionally, e-learning courses were offered on the “e-learning network” in cooperation with the Civil Service Development Institute to accelerate on-the-job education results of civil servants.

(III) Promoting Social Education to Strengthen Danger Awareness

To let the public gain an extensive understanding of force buildup and defense preparation results of the Armed Forces, “Defense Journey of Discovery” activities are held in coordination with military camp open days based on the principle of not affecting operational duties and mission execution. The “Defense Journey of Discovery” was held 14 times in 2010 with a total of 237,644 participants, effectively enhancing positive interaction with the public, arousing patriotic thoughts and establishing national identification. Furthermore, invitations for articles, posters, animations and teaching plans and online Q&A activities related to all-out defense education will be further expanded, and support was given to Hualien County’s “2010 Pacific International Tourism Festival,” Taitung County’s “National High School Games,” Taipei City’s “2010 5-in-1 Campaign” and Tamkang University’s “All-Out Defense and Military Weapons Exhibition,” planting the concept of all-out defense deep to people’s hearts. (See Appendices 7-1 and 7-2)

(IV) Utilizing Defense Relics to Promote Education Visions

The MND will continue to amend the “Regulations on the Management of National Defense Heritage and Military Remains” together with the Council for Cultural Affairs, so as to strengthen the management, protection, investigation, research, explanation, promotion and education of national defense heritage and military remains implemented by local governments and military units. These will be included in travel route planning of tourism development departments of local governments, thereby increasing the output value of local tourism while promoting historic heritage. In addition, the Armed Forces Museum is open to the public, and the professional guides inside allow visitors to understand the importance of supporting national defense; the promotional film “National Defense Heritage and Military Remains – Armed Forces History Museum Series (Army, Navy, Air Force, Combined Logistics, Reserve and Military Police)” was produced and put on the “All-Out Defense Education Network” along with information on military history parks, museums and memorials gathered from all over the nation, allowing visitors to browse online and download.



(V) Commending Units with Excellent Evaluation Results for their Outstanding Contribution:

In accordance with regulations of the “All-Out Defense Education Act” personnel from related departments and agencies were assembled to assess all-out defense education implementation results of the 22 municipal, county and city governments around the nation; the top 3 units and responsible staff were commended, and assessments were used as a basis for making improvements. Furthermore, in accordance with the “Regulations on Rewards for Extraordinary Contribution to All-Out Defense Education,” each year 16 units and 24 individuals are selected for their contribution to all-out defense education, and publicly praised on September 3rd, 2010 “All-Out Defense Education Day.” This incentive encourages agencies, groups and individuals to enthusiastically participate in the promotion of all-out defense, and establish a solid foundation for national security.

II. Compiling Historical Military Records to Pass on Glorious Traditions

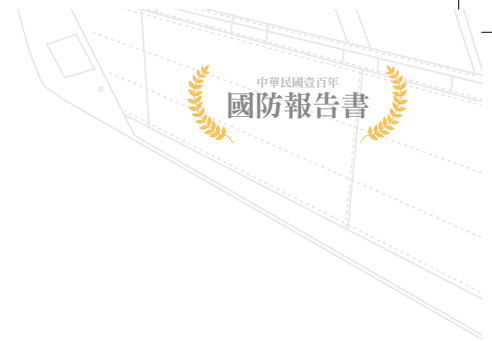
To truthfully record and permanently preserve the force development history of the Armed Forces, which can be provided as reference for future defense infrastructure, the Military History and Translation Office and military history departments of each armed service command has continued the gathering and recording of force buildup, defense readiness and developments of the Ministry of National Defense and its subordinate agencies and forces, so as to commend the Armed Forces’ meritorious service and to honor its glorious history. Results of all-out defense are further enhanced via interviews with veterans for the publication of oral history, translations of foreign military books, and planning exhibitions in the Armed Forces Museum, simultaneously achieving the objectives of strengthening military ethics, and establishing role models for servicemen to learn from. Annual publications of historical records, translations of foreign military books and exhibition results are as follows:

- (I) Periodic historical records: yearbooks and major events (journals) of the Ministry of National Defense and armed service commands from 2010 to May 2011, History of the Ministry of National Defense Volume 8 and History of the National Revolutionary Army.

- (II) Non-periodic historical records: records of important projects and oral history, and 6 historical records published from 2010 to May 2011. (See Appendix 7-3 for details on publications)

- (III) Translations of foreign books on military theories and practices: Translated books are divided into 10 categories, including national security, international and regional security, military theories, military education and military management, military maneuvers, strategies and tactics, politics and strategies, public opinion and the media, crisis response and risk control and technology weapons. These books benefit the absorption of new knowledge, expand international perspectives, and enhance the military competencies of cadres; a total of 13 translated books were published from 2010 to May 2011 (See Appendix 7-4 for details on publications).

- (IV) Exhibitions of military historical relics: The Armed Forces Museum has 5 permanent exhibitions – “From establishment of Whampoa Army to reunion after the Northern Expedition,” “The 8-Year War of Resistance – Time of Tribulation,” “Counterinsurgency Campaign and Battle of the Taiwan Strait,” “The Modernized R.O.C Armed Forces” and “Arms Showroom” and 1 special exhibition room; 4 special exhibitions were held in 2009 and 2010, including “Foresight, Vision – Air Force of the New Century,” “The 60th Anniversary of Gunningtou Battle,” “The Great Wall At Sea – Naval Command Special Exhibition” and “The Brave in the Upper Air – Special Exhibition of Black Cat Squadron.” The elaborately planned exhibitions and propaganda help citizens gain a better understanding of military history and national defense affairs, expanding results of all-out defense education; the exhibitions were visited by over 75 thousand visitors.



Section 2 Defense Mobilization

The Ministry of National Defense acts as a secretary for the “Executive Yuan Mobilization Meeting,” and integrates related agencies and all level governments in the joint implementation of psychological, manpower, material and economic, financial, transportation, hygiene, technological and military mobilization preparations in accordance with the “Act of All-Out Defense Mobilization Preparation.” These preparations are for supporting disaster relief during peacetime in accordance with the Disaster Prevention and Protection Act, and military operations and contingency response during mobilization stages. Furthermore, mobilization preparations are propagated in different level schools, social organizations and government agencies (institutions) according to the “All-Out Defense Education Act,” building an all-out defense consensus and allowing all-out defense to become a reality.

I. Strengthening the Defense Mobilization Mechanism

The Ministry of National Defense established a three-level mobilization system in accordance with Article 8 of the “Act of All-Out Defense Mobilization Preparation”; the system consists of “meetings” and “plans.” The three levels of the mobilization system are namely the Executive Yuan All-Out Defense Mobilization Preparation Meeting, Mobilization Preparation Meetings in each aspect, and municipality and county/city government mobilization preparation meetings. Each meeting adopts a cross-departmental, cross-committee collegiate system, one level guiding operations of another. Municipal, county and city governments periodically hold three in one meetings (mobilization preparation, capability integration and disaster relief) to establish a coordination, communication and cooperation mode.

To strengthen the functions of each meeting and to solidify the legal foundation, the “Regulations on Disaster Relief Preparations and Contingency Response in Coordination with the Civil Defense and All-Out Defense Mobilization Preparation System” amended on January 31st, 2011 specifies joint operation mechanisms of the three in one meeting, so as to gain accurate control over resources within jurisdiction, strengthen coordination and communication performance between the government and military, and accelerate disaster response; as shown in Figures 7-1 and 7-2.

II. Controlling Defense Mobilization Capabilities:

Acting as the secretary of the Executive Yuan Mobilization Meeting and with full support from central mobilization agencies, municipalities, county/city governments, and public and private enterprises, the Ministry of National Defense supervises periodic surveys conducted by municipalities and county/city governments on human and material resources that can be mobilized within their jurisdiction, compiling statistics on mobilization and support capacities of the entire nation, and utilizing information systems to accurately, rapidly integrate and dispatch mobilization capabilities.

In order to effectively integrate capabilities of areas of operations, capability integration meetings at each level request statistics of human and material resources within their jurisdiction from competent authorities every six months, and conduct random inspections and re-inspections, validating the completion of military and transportation mobilization preparations via preliminary supply-demand verification, periodic requisition exercises, wartime budgeting procedures, and coordinating requisition enforcement agencies. The total manpower mobilization capability is 1.13 million persons, and requisition of military supplies by purchase include 240 items under 8 categories, including minerals, basic metals, machinery, fibers, leather, plastic, cotton, chemical products, medical supplies, construction materials, transportation tools and communication equipment; furthermore, requisition of 24

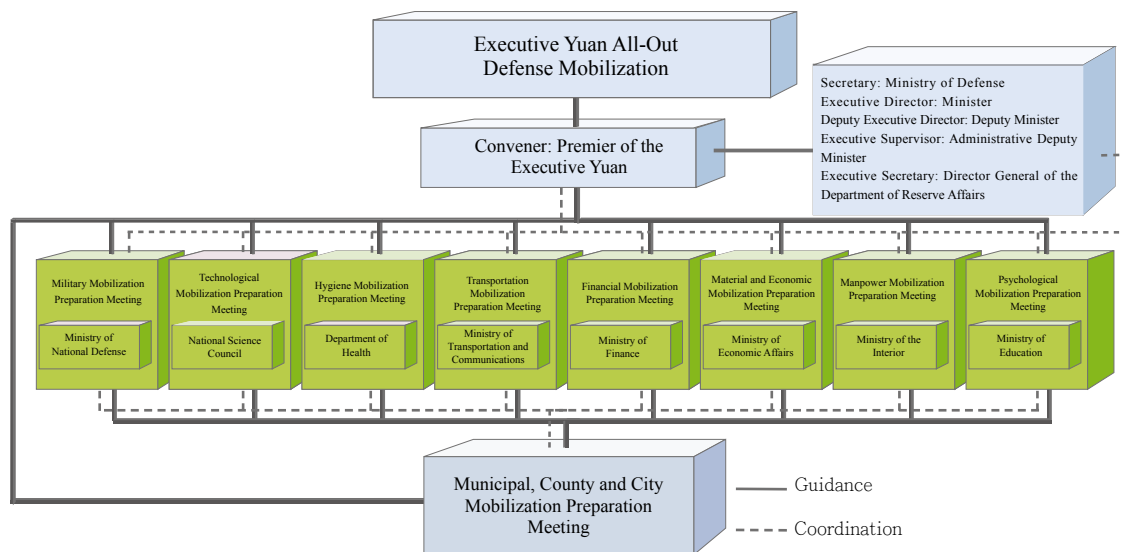


Figure 7-1 All-out Defense Mobilization System

thousand fixed facilities has also been included in the annual plan, assisting with disaster relief during peacetime and supporting military maneuvers during wartime.

III. Validating Mobilization Preparations via Exercises:

Exercises and training are performed in accordance with the “National Defense Act” and “Act for All-Out Defense Mobilization Preparation” to validate the appropriateness of mobilization combat capabilities and annual mobilization preparations plans, and enhance contingency response capabilities.

(I) All-Out Defense Mobilization (Wan An) Exercises

All-out defense mobilization mechanisms of 2010 and 2011 are all focusing on supporting the relief of major complex disasters, and have been included in disaster

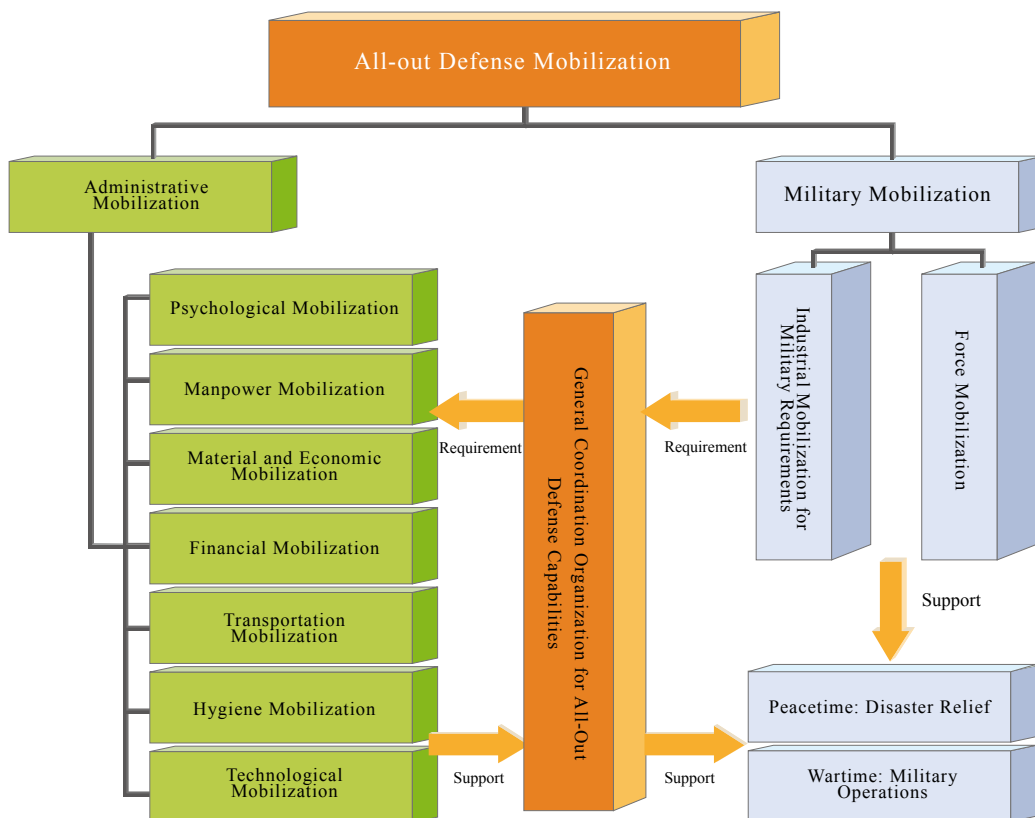


Figure 7-2 All-out Defense Mobilization Mechanisms



Based on the principle of “on-site mobilization and engagement,” educational training for reserve forces will be intensified to gain accurate control over the whereabouts and combat skills of reserve servicemen.



relief exercises for directors of central government agencies, which are led by county magistrates and city mayors. The exercises validate joint operation mechanisms of the three in one meeting (mobilization preparation, capability integration and disaster relief), and topics include mobilization, civil defense, disaster relief, emergency medical care, infectious disease prevention and emergency response mechanisms to nuclear accidents; compared with past exercises, significant progress was made in all exercises of 2011.

(II) Military Mobilization (Tung Hsin) Exercises

The “Tung Hsin No.22” and “Tung Hsin No.23” mobilization exercises were implemented in 2010 and 2011, and each was an improvement over its predecessor. Various types of reserve forces and auxiliary military service troops are mobilized across all districts of Taiwan, training topics include “issuing and delivering mobilization orders”, “manpower and material mobilization”, “reserve troop mobilization organization, recovery of combat capabilities, and execution of homeland defense operations” and “production conversion for the mobilization of the military supply industry,” and aim to validate the mobilization mechanism and the results of reserve troop training.

IV. Improving Reserve Force Training

Personnel selection will be based on the principle of “on-site mobilization and engagement,” as well as the expertise, age, physical condition and tactical force positions. Educational training for reserve forces will be intensified to gain accurate control over the whereabouts and combat skills of reserve servicemen. With consideration to the organization and characteristics of various forces and annual manpower requirements, reserve forces by battalion (or independent company) are mustered for 5 to 7 days of training every other year for the “Tung Hsin Exercise” and “general muster-calls.” A total of 662 batches of training for a total of 117,334 military reservists were implemented; the objective to secure force capabilities has been achieved.

After the transition to “voluntarism” is complete, draft age men will receive 4 months military training instead of serving 1 year compulsory military service, thus there will be no lack of manpower for mobilization. Plans are for the 4 months of military training to be combined with reserve force expertise, and divided into two stages – “basic training” and “expertise training.” Trainees will become qualified combatants once they complete training, and be added to the reserve force or the military



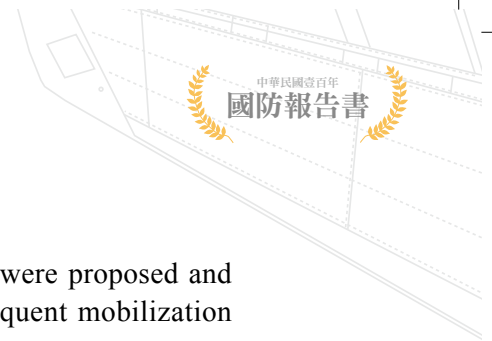
Military reservists are distributed throughout all townships and neighborhoods, not only are they able to assist with the implementation of “all-out defense affairs” and facilitate social stability, after they are mobilized, they are a powerful backing for military operations and safeguarding national security.

assisting duty corps. These forces will be periodically mustered for training to restore their combat skills, and at the same time continue disaster relief practical training, so as to meet requirements of disaster relief missions of reserve forces.

V . Building Consensus on All-Out Defense

(I) Holding Academic Seminars

The Executive Yuan Mobilization Meeting held the academic seminar on “New Concepts and Prospects of All-Out Defense Mobilization” for the first time in August 2010 to strengthen the public’s understanding of all-out defense mobilization, and review current all-out defense mobilization methods and future directions. Attendees of the seminar reached over 300 persons and included personnel from the Executive Yuan, National Security Council and competent authorities of different mobilization plans, directors of mobilization and disaster relief units in county/city governments,



and experts and scholars of related fields; recommendations were proposed and deliberated on during the seminar, and greatly benefit subsequent mobilization preparations.

(II) Annual Workshops for Mobilization Directors and Cadres

To enhance the coordination and cooperation between central government agencies and county/city government mobilization systems, 4 workshops were offered for “executive directors” and “mobilization cadres” of all-out defense mobilization affairs in November 2010; over 700 persons participated in the workshops, including directors and responsible staff of competent authorities of the central government’s mobilization preparation plans, county/city mobilization meetings, and capability integration meetings at different levels; for 2011 the workshops will be held in October as scheduled. Policy explanations, special topic speeches, experience sharing and visits during the workshops allowed mobilization directors and staffs to understand laws and policy, benefiting the horizontal and vertical communication between meetings at each level, further improving all-out defense mobilization and contingency response mechanism, implementing all-out defense mobilization preparations, and enhancing contingency response capabilities and the performance of military maneuvers.

The ROC Armed Forces “feels the people’s pain and worries for the people’s needs,” and always stands side by side with the people. When a disaster occurs, the Armed Forces never hesitates to engage in disaster relief, and plays the role of the nation’s most trustworthy “guardian.”



Part 4

Bringing Peace and Stability to the Country

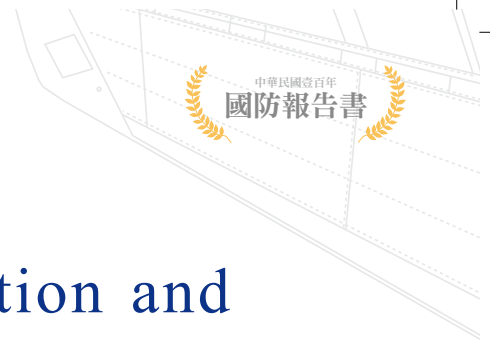
Natural disasters in recent years often result in a series of disaster situations, “complex disasters” appearing one after another pose a severe threat to homeland security. The ROC Armed Forces follows the instructions to “emphasize disaster prevention over disaster relief, and prioritize disaster avoidance over disaster prevention,” and has listed “disaster prevention and relief” as one of its main missions. When a disaster occurs, the ROC Armed Forces immediately engages in disaster relief missions, providing its powerful disaster relief capabilities to serve as guardians of the society and people and protect their lives and assets. In addition to combat and defense preparations and training, the ROC Armed Forces will continue to strengthen its citizen services with a practical attitude, so as to make national defense policy closer to public opinions and achieve the goal to serve all citizens. Citizen services include civil service, reconstruction of villages for military personnel and their dependents, medical and health care, protection of social security, land mine removal on offshore islands, release of national defense files for public access, and military reservist services. Moreover, the ROC Armed Forces is actively implementing military personnel complaint channels, rights and benefits protection, legal services, public appeals, and state compensation. By helping citizens handle and resolve issues and protecting the rights of military personnel and civilians, the ROC Armed Forces can make the public feel its enthusiasm for citizen services, and jointly drive overall development of communities. This will turn the ROC Armed Forces into a supporter of social stability and national security, and thus achieve the goals of sustaining national development and maintaining regional peace.



Chapter 8

Disaster Prevention and Relief

In response to the dramatic climate changes in recent years, which placed homeland security under the threat of natural disasters, the ROC government amended the “Disaster Prevention and Protection Act” to establish a legal foundation for the ROC Armed Forces to actively carry out disaster relief operations. To execute disaster prevention and relief and combat training missions, the ROC Armed Forces coordinated with the Ministry of the Interior in formulating the “Regulations on the ROC Armed Forces’ Assistance in Disaster Prevention and Relief,” established a disaster prevention and relief resource system and strengthened its disaster prevention and relief organization. Surveys are conducted on current military facilities and medical resources to prepare for disaster prevention and relief operations. War gaming and professional disaster relief training are utilized to effectively enhance disaster prevention and relief capabilities, so as to demonstrate that the ROC Armed Forces’ disaster relief mobilization has kept pace with the times, and to raise public awareness of disaster prevention.



Section 1 Disaster Prevention and Preparedness

To carry out disaster prevention and relief and combat training operations, the ROC Armed Forces has cooperated with the competent authority in drafting amendments to related laws and regulations, deployed personnel and equipment in coordination with disaster prevention requirements, and modified the disaster prevention and relief resource system to establish integrated disaster relief resources. Other measures adopted to effectively strengthen disaster relief and protection capacity include war gaming, professional disaster relief training, reviewing current facilities, utilizing medical resources to aid community residents, reviewing the utilization of military reservists for disaster relief, and continuing to carry out disaster prevention and relief preparations.

I. Policy Guidance

The ROC Armed Forces has abided by the policy “disaster relief is akin to fighting a battle,” “prepare for disasters in advance, deploy troops with an eye to disaster preparedness, and ensure readiness for rescue operations” and “emphasize disaster prevention over disaster relief, and prioritize disaster avoidance over disaster prevention,” and revised action standards for disaster preparations and operations. Each armed force has orders to actively coordinate and communicate with local governments, to make disaster prevention and relief preparations, and immediately engage in disaster relief whenever the need arises, so as to protect the lives and assets of the people. The organizational structure of the ROC Armed Forces’ disaster relief mechanisms and task forces is as shown in Figure 8-1.

II. Current Status

(I) Solid Legal Foundation and Thoroughly Review Action Standards

The amendment to the “Disaster Prevention and Protection Act” on August 4th, 2010

added in Article 34 that the ROC Armed Forces may actively assist with disaster prevention and relief, and that it may call military reservists to assist with disaster prevention and relief operations. On this basis the ROC Armed Forces established or revised the “Regulations on the ROC Armed Forces’ Assistance in Disaster Prevention and Relief,” “Regulations of the Ministry of National Defense Emergency Operations Center” and “Regulations on the ROC. Armed Forces’ Combat Readiness and Contingency Plan,” listing disaster prevention and relief as a main mission, and creating a solid legal foundation for the ROC Armed Forces to actively engage in disaster relief. Each theater of operations is required to jointly hold a review meeting

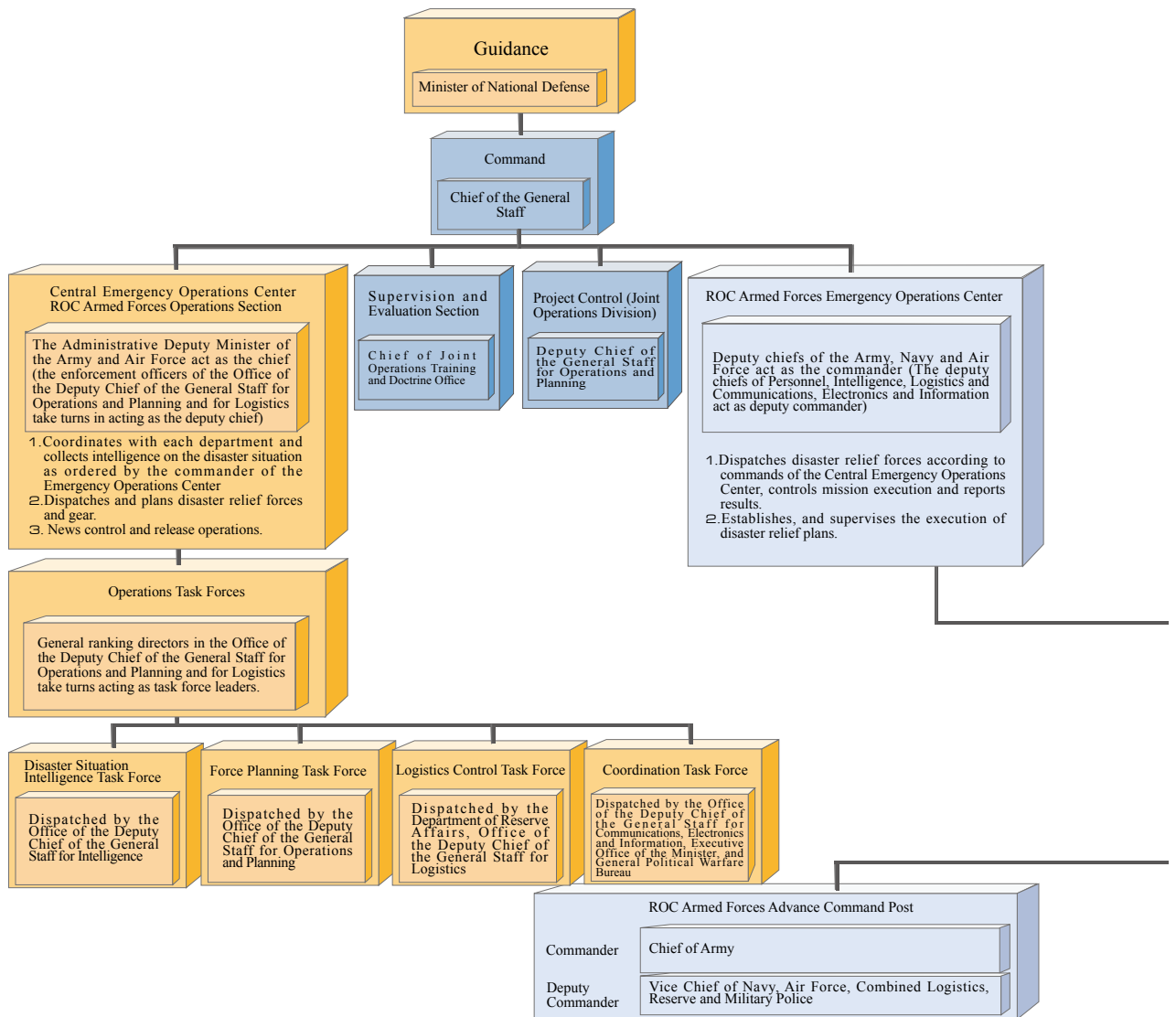


Figure 8-1 Organizational Structure of the ROC Armed Forces' Disaster Rescue Mechanisms and Task Forces

with the local government; during the meeting the experiences of disaster prevention and relief preparations as well as execution will be used as a basis for revising action standards, which will further strengthen coordination with local governments and disaster prevention and relief work.

(II) Personnel and Equipment Deployment According to Disaster Prevention Requirements

Different theaters of operations (defense command) are combined into joint defense groups responsible for disaster prevention and relief areas. Overall plans are made for the utilization of dedicated disaster relief forces based on type of disaster, regional characteristics and level of threat. During the flood season or when disaster warnings are issued, the forces deploy troops and equipment in advance so that they are immediately available for any type of disaster relief mission. To achieve disaster reduction and rapid recovery, councils at each level, local governments and the ROC Armed Forces work together to survey important supplies, vehicles and gear during peace time and establish robust operations mechanisms, so that information on available resources, requested or rented, can be immediately provided to the local government when disasters occur. The over 1.7 hundred vehicles and gear of the ROC Armed Forces immediately available for disaster relief are listed by type and area in Table 8-1.

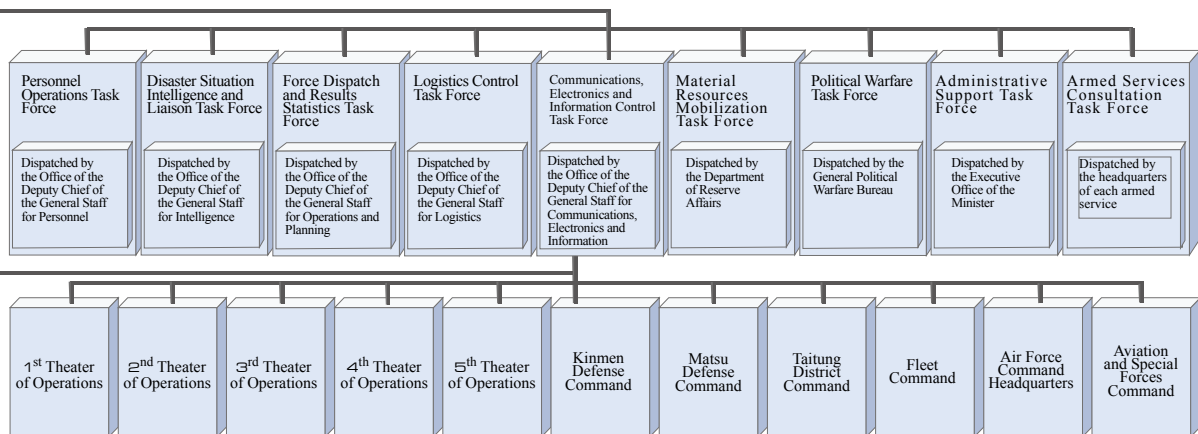


Table 8-1 Statistics of Vehicles and Gear of the ROC Armed Forces for Disaster Prevention and Relief Operations

Area	County/ City	Dump Truck	Sewer Cleaner	Excavator	Loaders	Rubber Boat	Power Generator	Water Pump	Total
Northern Taiwan	Yilan County	20	6	23	2	18	12	15	96
	Keelung City	35	2	26	12	3	10	10	98
	Taipei City	31	10	24	12	21	15	21	134
	New Taipei City	73	7	17	14	13	11	8	143
	Taoyuan County	64	2	11	10	5	13	11	116
	Hsinchu County and City	47	2	32	15	33	10	8	147
	Subtotal	270	29	133	65	93	71	73	734
Central Taiwan	Miaoli County	6	6	35	7	6	4	13	77
	Taichung City	13	0	23	10	9	15	26	96
	Changhua County	18	0	11	8	3	6	14	60
	Nantou County	5	0	2	2	0	0	15	24
	Yunlin County	7	0	5	5	3	7	3	30
	Chiayi County and City	25	5	21	6	6	4	15	82
	Subtotal	74	11	97	38	27	36	86	369
Southern Taiwan	Tainan City	30	2	21	15	4	12	42	126
	Kaohsiung City	38	2	25	9	10	57	50	191
	Pingtung County	46	2	9	16	0	20	55	148
	Subtotal	114	6	55	40	14	89	147	465
Eastern Taiwan	Hualien County	11	8	15	9	10	13	11	77
	Taitung County	8	0	8	5	3	7	5	36
	Subtotal	19	8	23	14	13	20	16	113
Offshore Islands	Penghu County	8	0	8	4	4	8	7	39
	Kinmen County	5	0	4	5	0	3	2	19
	Lienchiang County	12	0	6	4	0	2	2	26
	Subtotal	25	0	18	13	4	13	11	84
Total		502	54	326	170	151	229	333	1,765

Table compiled on May 31st, 2011



(III) Relief Resource System Establishment

Emergency Management Information Systems (EMIS) were established in emergency operations centers of each theater of operations zone to create a horizontal link with emergency operations centers of central and county/city governments; hardware and software for video conferencing, telephone, fax, and information systems were installed in the emergency operations centers; units are required to abide by the “ROC Armed Forces Regulations on Internet Access” when using the hardware and software. This system allows emergency operations centers of the ROC Armed Forces to simultaneously gain information on the disaster situation with emergency operations centers of central and county/city governments, enabling them to implement disaster relief operations and immediately respond to emergencies. Furthermore, the ROC Armed Forces developed a Disaster Relief Resource Management System, which allows it to rapidly compile statistics, effectively control the deployment of its disaster relief resources, simplify command and report operation procedures, and improve the accuracy of its disaster relief results. The system was tested by the joint operations command center and strategy implementation units in April 2011, and will continue to be calibrated based on test results, allowing it to further entail the successful execution of disaster prevention and relief missions.

(IV) War Gaming and Live Exercises for Disaster Prevention and Relief

The ROC Armed Forces will continue to strengthen the intensity and extensiveness of disaster relief related war gaming and live exercises, so as to verify the appropriateness and feasibility of its disaster contingency plans, operation procedures and action standards. Besides adding disaster relief as a part of the “joint search and rescue” and “Wan-An” exercises, war gaming of each theater of operations and flow training of major exercises, disaster relief exercises at the national level are held in cooperation with the competent authority between March and June each year. Each theater of operations (defense command) integrates the armed forces in live exercises for different disasters, including flood, landslide, earthquake, nuclear accidents or air and maritime disasters, as well as the promotion of “national disaster prevention education.” These endeavors aim to establish good communication channels between departments, local governments and the public, and effectively integrate disaster

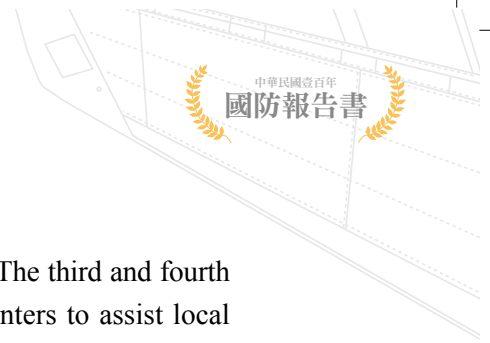
relief capabilities. Officers of defense forces and mountain area reserve company take part in local disaster relief drills; in areas where disasters frequently occur, they jointly conduct site surveys, hold lectures and disaster relief drills, so as to achieve good cooperation and enhance overall disaster relief capabilities.

(V) Strengthening Professional Competency Training for Disaster Prevention and Relief

As of 2010, disaster prevention and relief courses have been included in the basic and advanced education of military academies, so as to strengthen the disaster prevention and relief training and team spirit of the ROC Armed Forces. Utilizing the current capacity of the Nantou Chushan Training Center of the National Fire Agency, each month starting in February 2010 volunteer officers and NCOs are selected to take the “large scale disaster general training course for seed instructors of the ROC Armed Forces,” and lieutenant colonels and colonels are selected to attend “disaster prevention and relief management lectures” and participate in the Atomic Energy Council’s annual nuclear accident decision-making lecture. In addition, military personnel are also sent to professional rescue team trainings of the Red Cross Society. The extensive participation in government and private disaster prevention lectures and trainings aims to incorporate response measures of different disasters and nuclear accidents into the education of military academies, as well as the training and evaluations of armed forces, enhancing the professional knowledge of military cadres and solidifying the disaster relief competencies of the armed forces.

(VI) Nuclear Safety Protection Preparations

In consideration of the complex disaster that occurred in Japan, the ROC Armed Forces formulated response measures in accordance with the government’s 28 principles to “react while the threat is still overseas,” “manage our borders” and “respond to disasters within our territory.” Furthermore, in accordance with the “Nuclear Emergency Response Act,” “Guidelines of the ROC Armed Forces on Operations of the Nuclear Accident Support Center,” “Standing Operating Procedures for Disaster Prevention and Relief of the ROC Armed Forces” and annual disaster relief preparation status, the ROC Armed Forces holds nuclear safety drills using the scenario of nuclear accidents in Taipower’s nuclear power plant,



which is planned and controlled by the Atomic Energy Council. The third and fourth theaters of operations are responsible for setting up support centers to assist local governments and regional radiation monitoring centers with the execution of various missions, including radiation detection, decontamination operations, communication performance verification, traffic control, and transportation and medical evacuation of civilians. The purpose of these drills is to integrate military and civilian disaster relief capabilities, verify results of preparations by task forces for emergency response to nuclear accidents, provide suitable support to the government for dealing with nuclear power plant emergencies, and maintain social stability.

(VII) Relocation Programs in Military Facilities

Local governments have all planned emergency sheltering areas in order to effectively evacuate and accommodate disaster evacuees when disasters first occur. The Armed Forces has re-planned the sheltering capacity of its 110 military facilities into two categories, low density (beds provided) and high density (no beds provided), so as to satisfy the emergency sheltering requirements of local governments. Military facilities that offer low density (typical disasters) accommodation can shelter over 20 thousand disaster evacuees, and military facilities that offer high density (complex disasters) accommodation can shelter over 32 thousand disaster evacuees; totaling more than 53 thousand disaster evacuees. The number and capacity of military facilities that can be used for sheltering disaster evacuees is shown in Table 8-2.

(VIII) Medical Aid for Disaster Relief

During peace time, armed forces hospitals and sanitation troops are to complete the organization of disaster relief medical teams, personnel training and supplies preparedness. When the nation faces a complex disaster, the medical teams are to immediately carry out emergency medical missions, providing patient care and evacuation aid to disaster areas; additional medical teams may be dispatched depending on developments of the disaster situation. In addition, the Tri-service General Hospital was designated by the Atomic Energy Council and Department of Health as a level 3 hospital for nuclear disasters, and has a radiation treatment center for treating victims of nuclear disasters.

Table 8-2 Number and Capacity of Military Facilities for Disaster Evacuees

Area	County/City	Number of Military Barracks	Low Density	High Density
Northern Taiwan	Yilan County	7	410	1,303
	Keelung City	2	270	0
	Taipei City	4	540	1,055
	New Taipei City	6	930	1,001
	Taoyuan County	11	1,284	6,792
	Hsinchu County	4	872	1,972
Central Taiwan	Miaoli County	2	0	152
	Taichung City	22	2,503	7,981
	Changhua County	1	80	0
	Nantou County	2	130	151
	Yunlin County	2	150	238
	Chiayi City	1	70	0
	Chiayi County	4	654	2,660
Southern Taiwan	Tainan City	7	2,250	1,436
	Kaohsiung City	11	4,630	3,778
	Pingtung County	7	3,050	1,991
Eastern Taiwan	Hualien County	6	1,055	1,179
	Taitung County	2	1,016	1,048
Offshore Islands	Penghu County	3	328	0
	Kinmen County	2	300	0
	Lienchiang County	4	439	0
Total		110	20,961	32,737



(IX) Utilizing Military Reservists to Support Disaster Relief

1. Implementation of the three-meeting joint operation mechanism

During peacetime, the three meetings “mobilization preparation, capability integration and coordination, and disaster prevention and relief” jointly operate to effectively control listed vehicles, gear and supplies, completing basic capabilities surveys, and establishing good communication channels so as to allocate resources efficiently. This effectively integrates and utilizes local resources, and strengthens command, control and coordination functions.

2. Coordination with the mobilization system

In the event of a major disaster or when there is such risk, liaison officers are dispatched to be stationed in emergency operations centers of all levels in accordance with the “Regulations on the implementation of disaster preparations and response measures in coordination with the civil and all-out defense mobilization preparation system,” which was amended by the Ministry of the Interior and Ministry of National Defense, and the “Implementation guidelines of the ROC Armed Forces for stationing liaison officers to provide aid to disaster prevention and relief” promulgated by the Ministry of National Defense. Besides gathering information on the disaster situation and working with the all-out defense mobilization preparation system, the liaison officers assist local governments with force support application and acquiring gear and vehicles, so as to carry out disaster relief and post-disaster restoration missions. (As shown in Table 8-3)

3. Utilization of military reservists to support disaster relief

In response to the amendment to the “Disaster Prevention and Protection Act,” which states that “the ROC Armed Forces should actively assist with disaster relief in the event of a major disaster” and that “military reservists may be called to support disaster relief,” the Ministry of National Defense promulgated the “Regulations on Mustering Reserves to Execute Disaster Prevention and Relief Operations,” stipulating the nature of missions,

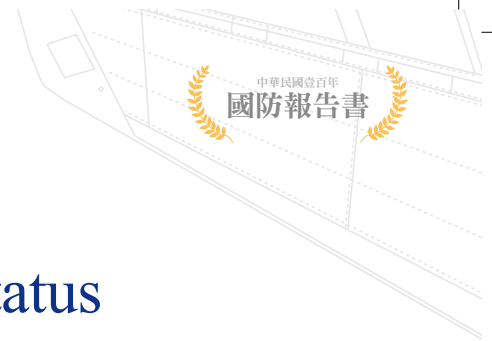
Table 8-3 Vehicles and Gear Rented Via the Mobilization Mechanism to Provide Aid to Disaster Relief

Disaster	Excavators	Loaders	Bulldozer	Dump Truck	Grab Truck	Platform Truck	Subtotal
National Highway No.3 Landslide	12			51		5	68
Typhoon Megi	64	167	6	224	62		523
Total	76	167	6	275	62	5	591

application procedures, utilization conditions and control measures related to reserves after a muster-call. Upon a muster-call disaster prevention and relief training is provided based on the force's gear and disaster relief missions, ensuring the successful execution of missions.

(X) International Humanitarian Aid Preparations

The ROC Armed Forces executes international humanitarian aid missions in coordination with the nation's overall policy. Upon receiving an aid request from the Ministry of Foreign Affairs, related elements are enabled and personnel are assigned to complete preparations of troops, aircrafts (vessels) and administrative operations, so that rescue teams may reach the disaster areas within the shortest amount time and take part in international relief tasks, fulfilling our duties to international humanitarian aid.



Section 2 Implementation Status

I. Disaster Relief Operations

- (I) Between January 1st, 2010 and May 31st, 2011, the ROC Armed Forces successfully executed all missions assigned by the “central emergency operations center,” including: 17 major disaster relief missions for the cargo ship accident of the “Che Tung Chi No.146” from Mainland China, Chiahsien earthquake, National Highway No.3 landslide, typhoon disasters (Namtheun, Lionrock, Meranti, Fanapi and Megi) and the Alishan train accident; and 133 emergency rescue missions, including OceanLaLa, accumulating to a total of over 149 thousand troops, 5.5 thousand vehicle runs, 650 aircraft sorties and 460 vessel trips. (As shown in Table 8-4)
- (II) Over the years, the ROC Armed Forces has implemented “nuclear emergency exercises” in cooperation with the Atomic Energy Council, and have achieved good results. The nuclear emergency exercise for Nuclear Power Plant 3 and its surrounding areas in Hengchun Township, Pingtung County in 2010 was significantly beneficial to the local government’s disaster relief missions. In response to the massive earthquake that hit Miyagi, Japan on March 11th, 2011, which caused a tsunami that resulted in the radiation leak of nuclear power plants, the ROC Armed Forces has begun to execute expanded nuclear emergency exercises in the surrounding areas of nuclear power plants in coordination with local governments since 2011. In addition, starting on March 17th the 5 radiation detection stations were set up in Taiwan Taoyuan International Airport, Taipei SonShan Airport and Kaohsiung International Airport in cooperation with the Atomic Energy Council to provide aid to radiation detection and decontamination of travelers entering from Japan. Based on the decision of the National Disaster Prevention and Protection in its 9th meeting on May 1st, the airport radiation detection mission was lifted; during the execution of the mission over 16 hundred visit of troops were dispatched, and over 202 thousand entry passengers were scanned, in which 45 passengers were found with values above the scanner’s settings, and 7 passengers received aid with radiation removal.

Table 8-4 Resources of the ROC Armed Forces Utilized for Supporting County (city) Governments in the Relief of Major Disasters

Disaster	Number of Days	Resources Put into Disaster Rescue			
		Force (Troops)	Vehicles (Runs)	Aircrafts (Flights)	Vessels (Trips)
Special Missions					
2010 Cleaning up the Kaohsiung County Shanlin Township Daai Residential Park	3	4,110	287	0	0
2010 Chia-hsien Earthquake	15	2,617	191	15	0
2010 National Highway No.3 Landslide	10	2,289	515	0	0
2010 Kaohsiung County Liouguei Township Road Restoration	27	602	108	0	0
2010 Moving corpses of goats killed by goat pox	3	50	3	0	0
2010 Beach cleaning in Kinmen County	9	574	18	0	0
2010 Taichung County Kaomei Wetland oil spill removal	1	52	7	0	0
2010 0727 Torrential Rain	2	3,087	265	0	28
2010 Typhoons Namtheun and Lionrock	7	882	87	0	0
2010 Typhoon Meranti	2	226	28	0	0
2010 Typhoon Fanapi and the 0923 Torrential Rain	13	53,761	2,979	22	77
2010 Nantou County National Highway No.6 Scaffold Collapse	2	171	15	0	0
2010 Supporting Kaohsiung City Sanmin District with Environment Clean up and Disinfection	8	650	25	0	0
2010 Typhoon Megi	21	45,582	832	165	67
2010 Cargo ship accident of the "Che Tung Chi No.146" from Mainland China	9	2,194	0	0	0
2011 Alishan Train Accident Rescue	1	197	19	12	0
General Missions					
2010 Disaster Relief	167	22,706	98	321	283
2011 Disaster Relief	106	9,352	106	118	10
Total	406	149,102	5,583	653	465

Results

Rescued 18,082 persons, piled 92,931 sandbags, cleaned 1,161.12 km of roads/ditches, sterilized 28,345 square km, cleaned and moved 65 tons of fish corpses, cleaned and moved 105,006.67 tons of public waste, and cleaned a total of 1,229 classrooms, parks, private properties and other public facilities

(III) Disaster relief related counseling is provided during peacetime to military personnel to help them successfully execute such missions. When on disaster relief missions, counselors at each level are assigned to the forces to provide counseling and assistance. After executing disaster relief missions, their focus turns to “post-disaster physiological rehabilitation” and the screening, counseling and referral of cases with “post trauma stress disorder.” For the various disaster relief missions executed since 2010, a total of over 17 hundred visit of counselors were dispatched and provided over 86 thousand times of individual counseling, group counseling, assessment and screening, mental health counseling and disaster evacuee services, effectively helping them return to their normal lives and ensuring the physical and mental health of military personnel. (As shown in Table 8-5)

(IV) The Ministry of National Defense flexibly adopts diverse methods for news related to disaster relief. Besides actively releasing information on the rescue strategy of “preparing for disasters in advance, deploying troops with an eye to disaster preparedness, and ensuring readiness for rescue operations,” the Ministry assists media with finding transportation tools to disaster areas

Table 8-5 Results of Disaster Related Counseling Provided by the ROC Armed Forces

Category\Type	Individual Counseling	Group Counseling	Assessment and Screening	Mental Health Counseling	Disaster Victim Services	Other	Counseling Manpower
Chiahsien Earthquake	163	752	1,131	2,211	77	0	213
National Highway No.3 Landslide	62	1,612	342	1,320	0	0	203
Typhoons Namtheun, Lionrock and Kompasu	21	2,727	72	6,575	48	47	178
Typhoon Meranti	4	383	364	821	0	3	56
Typhoon Fanapi	437	4,637	88	37,529	836	30	629
Typhoon Megi	113	1,871	30	21,975	61	0	450
Deraill of Alishan Train	0	103	29	133	0	0	14
Subtotal	800	12,085	2,056	70,564	1,022	80	1,743
Total			86,607				1,743



The ROC Armed Forces carries out river dredging constructions, which serve the functions of preventing river hydrology from being damaged, avoiding waste of national resources and preventing illegal mining of sand and gravel. This effectively reduces river courses, reservoir sedimentation and prevents floods from occurring.

under the premise that disaster relief missions and safety are not affected, enhancing the efficiency of disaster relief related news reports. Since 2010, news of the Armed Forces related to major disasters were provided to various types of media in the form of press releases, data, text messages, photos and video.

II. Disaster prevention

(I) River and Reservoir Dredging

Guided by the Executive Yuan's policy to "incorporate training as a part of people's livelihood constructions," the Ministry of National Defense carries out river dredging constructions, which serve the functions of preventing river hydrology from being damaged, avoiding waste of national resources and preventing illegal mining of sand and gravel, under the premise of "not affecting the Armed Forces' readiness,

Table 8-6 River and Reservoir Dredging Results of Engineer Troops From 2010-2011

Year	Planned Dredge Volume (M ³)	Force (Person-times)	Construction Machinery (Vehicle-times)	Actual Dredge Volume (M ³)	Rate of Achievement (%)
2010	213 million	23,038	5,617	2,170,473	101.90
2011	108 million	14,717	2,563	1,161,000	107.50
Total	321 million	37,775	8,180	3,331,473	103.78

not causing damage to the Armed Forces' command system, and not exceeding the Armed Forces' support capabilities." The river course is used as a simulation training site for troops to practice machinery operations, so that they will become proficient in a particular line after discharge and have better opportunity for employment, creating a win-win situation.

In response to requests of the Ministry of Economic Affairs and Council of Agriculture from 2010 to May 31st, 2011, the Armed Forces successfully carried out water reservoir dredging missions at the cable-stayed bridge of Kaoping River and Caogong Canal of Kaoping River, Cengwen Reservoir and Nanhua Reservoir, utilizing a total force of over 37 thousand visit, over 81 hundred visit of construction machinery, and dredging a total volume of over 3,331 thousand M³; in which the dredge volumes of Caogong Canal and the cable-stayed bridge section of Kaoping River and Cengwen Reservoir in 2010, which were the highest compared with past years. In coordination with requirements of the Ministry of Economic Affairs, two dredging constructions at Caogong Canal of Kaoping River and Nanhua Reservoir will be implemented with a dredge volume of 108M³ in 2011, hoping to effectively reduce river course, reservoir sedimentation and lower the possible of flooding. (As shown in Table 8-6)

(II) Disaster Prevention and Land Restoration

In response to the government's "land restoration" work, the Armed Forces drew out high (low) mountain areas in northern, central and southern Taiwan, and adopted the method "training, planting trees and restoring the land along the way" to complete disaster relief preparations before the flood season. Utilizing data provided by the Soil and Water Conservation Bureau, the Armed Forces carried out land restoration (tree planting, slope protection, landslide information gathering, and emergency landing site survey) and surveys along its low altitude marching routes in northern, central and southern Taiwan, so as to establish a basis for future disaster relief missions.

Surveys of high risk areas in Taiwan conducted by the Armed Forces focused on 149 landslide areas, traffic arteries, rivers, barrier lakes and fault zones, and roughly 333 low-lying areas; aerial and satellite images and numerical data were integrated and provided to each theater of operations for the establishment of “topographic databases.” In addition, to give consideration to both disaster prevention and national land restoration, the special forces plans and implements two batches of “defile route march” each year; two middle and low altitude routes are selected from northern and southern Taiwan; landslide potential river surveys, aerial force disaster relief route surveys, casualty evacuation, and emergency rescue point trial lift off and trial landing are implemented at the same time.

III. International Humanitarian Assistance

Our ally Haiti was struck by a severe earthquake in January 2010, resulting in countless casualties and left the country in desperate need for aid. In coordination with the government and Ministry of Foreign Affairs’ overall plans for providing humanitarian aid, the Ministry of National Defense prioritized the assembly and dispatch of personnel, medicine and medical equipment to Haiti for the earthquake disaster relief mission “Tzuhang 99-1,” which mainly provided medical support for search and rescue operations and donated supplies. C-130 air carriers were dispatched to transport 156 types of medical supplies in a total of 266 boxes (over 53 hundred kg) to aid Haiti. In addition, medical personnel of Tri-Service General Hospital, SongShan Armed Forces General Hospital, Armed Forces Beitou Hospital, Red Cross Society, Taiwan Root Medical Peace Corps and Taiwan International Health Action were organized into medical teams to Haiti, jointly caring for a total of 2,700 patients during their stay there.

The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) specially wrote a thank-you letter to the ROC government and private sectors for providing humanitarian aid and care to Haiti after the earthquake. Taiwan’s relief efforts in Haiti were praised in the Wall Street Journal Asia and Time Magazine with articles titled “Taiwan quick to contribute to Haiti relief efforts” and “For Taiwan, helping Haiti offers rare moment on world stage,” showing that our disaster relief performance has won international respect.

Section 3 Direction of Efforts

Disaster prevention and relief is an unshirkable responsibility of the ROC Armed Forces. Substantial effects have been obtained from related preparations as verified during Typhoon Parma, Typhoon Lupit, Chia-hsien Earthquake, National Highway No.3 Landslide, Typhoon Fanapi, and Typhoon Megi. In the light of the “complex disaster” in Japan after the Miyagi earthquake, which resulted in a tsunami and radiation leaks, the Armed Forces will continue to follow the government policy and integrated planning. Besides continuing to strengthen operational training, “complex disaster” response and rescue exercises will be added, and the overall disaster relief capabilities of the Armed Forces will be enhanced via war gaming, professional disaster relief training, development of disaster relief doctrines and training orders, establishment of reserve’s disaster relief capacity and procurement of disaster relief equipment. These endeavors are carried out to in the light of possible disasters in the future, so that the Armed Forces will be fully prepared to protect the lives and assets of ROC citizens.

I. Intensify Disaster Prevention and Relief Training

The ROC Armed Forces will continue to coordinate with government agencies to acquire training quota for military personnel in domestic and foreign disaster prevention and relief trainings and lectures, such as advanced detection instrument operations and professional construction methods and skills, so as to cultivate seed instructors and strengthen the Armed Forces’ professional competencies in disaster relief. Military, police, firefighting, private relief institutions and related dedicated personnel have been included in the training flow of the Nantou Chushan Training Center and jointly receive training; a certificate of qualification and contact information is issued upon completion of training; this method hopes for personnel from different units to become familiar with the capabilities and skills of other units, establishing a contact network that is beneficial to disaster relief cooperation, and enhancing the nation’s overall disaster relief capabilities and team spirit.

II. Establish Reserve Disaster Prevention and Relief Capabilities

- (I) Disaster prevention and relief missions carried out in accordance with the “Contingency Response Regulations for the ROC Armed Forces during Regular Military Preparation Periods” are mainly based on the active force. According to the “Disaster Prevention and Protection Act” and “Regulations on the ROC Armed Forces’ Assistance in Disaster Prevention and Relief,” muster-calls may be utilized to mobilize reserve forces to provide aid to disaster prevention and relief missions.

- (II) Current reserve forces are categorized as disaster relief support forces of the ROC Armed Forces, and are called upon in batches under the unified command of each theater of operations. These reserve forces support the “organization of disaster relief supplies,” “medical transportation duties,” “environment cleaning and sterilization,” “setting up centers for sheltering disaster victims” and “Other (including disaster victim evacuation and waste disposal).”

- (III) In order to expand its disaster relief force, the ROC Armed Forces plans on strengthening disaster prevention practical training (4 hours) in the muster training of reserve forces to strengthen their disaster prevention capabilities. When a large scale disaster occurs or when the Armed Forces is required to execute long-term disaster prevention and relief missions, reserve forces that have completed their muster training will be immediately utilized for disaster prevention and relief. Muster training is more densely scheduled during the annual flood season between July and October, so as to provide support forces for disaster prevention and relief.

- (IV) In response to the sequential total force reduction of the Armed Forces, the “joint operations” command mechanism is employed to integrate highly specialized forces, e.g. NBC protection and engineer, of the Army, Navy and Air Force. These specialized forces are assembled into task forces for the prevention and relief of specific disasters, and may mobilize reserve forces when necessary. The purpose of this arrangement is to maintain immediate



disaster response capabilities, continuously carry out disaster relief missions, and implement post-disaster restoration, protecting the lives and assets of civilians.

III. Strengthen Complex Disaster Prevention and Relief Exercises

In consideration of the Miyagi earthquake, “complex disaster” response and relief exercises have been added, so as to further enhance disaster prevention and relief mechanisms at each level. Starting in 2011, “disaster relief war gaming” and “disaster relief live exercises” for complex disaster scenarios, including earthquake, tsunami and nuclear power plant, will be carried out in northern, central, southern and eastern Taiwan between March and May. A “disaster relief computer-aided command post exercise” demonstration was held in May, in which a natural disaster scenario was created using computer simulation tools; the demonstration established standard operating procedures for disaster relief exercises, and refined disaster relief plans, preparedness and execution, effectively enhancing the Armed Forces’ disaster relief capabilities. Under the guidance of the Executive Yuan Office of Disaster Management, theaters of operations coordinated with local governments in implementing the “WanAn Exercise” and the Executive Yuan’s annual disaster prevention and relief live exercise, hoping that by verifying response mechanisms they will be fully prepared to protect the lives and assets of civilians.

IV. Consolidate Chemical, Biological, Radiation and Nuclear Disaster Relief Capabilities

In order to consolidate and utilize capabilities of chemical troops to achieve nuclear, biological and chemical protection and disaster relief, the Ministry of National Defense has made overall plans for the establishment of prevention and relief capabilities, and instructed theaters of operations on how to utilize related mechanisms and how to command chemical troops within their jurisdiction to execute disaster prevention and relief missions. To enhance the NBC disaster relief capabilities of the ROC Armed Forces and successfully execute joint relief missions, a number of measures have been adopted for different stages, including consensus building, division of rights and responsibilities, short-term training courses, professional chemical troops education, garrison and base training and assessment, and participation in NBC disaster relief exercises.



Disaster prevention and relief is an unshirkable responsibility of the ROC Armed Forces. Therefore, the Armed Forces immediately engages in disaster relief when disasters first occur, so as to protect the lives and assets of the people.

V. Development of Doctrines for Assistance in Disaster Relief

Based on the valuable experiences acquired from major disaster relief missions executed in recent years, and after referring to the U.S. Federal Emergency Management Agency's "Urban Search and Rescue Field Operations Guide" and U.S. Army's "Military Operations Other Than War (MOOTW)," the ROC Armed Forces completed the Regulations on Combat Information Center Operations, Combat Readiness Regulations and "Contingency Response Regulations for the ROC Armed Forces during Regular Military Preparation Periods." In addition, 33 doctrines including the "Regulations of the ROC Armed Forces' Assistance in Disaster Prevention and Relief" were developed using the complex disaster relief experience of the Japan Self-Defense Forces, and are used as a basis for disaster relief, exercises, education and lectures. The doctrines are verified via joint operations in various exercises, which also serve as a basis for making additions and revisions, in hopes of establishing doctrines for the prevention and relief of different types and levels of disasters, and effectively enhancing joint disaster prevention capabilities.



The Armed Forces' chemical troops are mobilized in chemical, biological, radiation and nuclear disaster relief exercises, so as to enhance disaster relief capabilities.

VI. Acquisition of Disaster Relief Equipment

In order for the Armed Forces to respond to “conventional and unconventional safety threats” and “natural or man-made complex disasters,” planning of future weaponry and equipment acquisition will give consideration to both defense readiness and disaster relief, so as to enhance future defense and disaster relief performance. The Armed Forces has designated the army’s “multipurpose engineer vehicle”, “forklift”, “NBC (nuclear, biological, and chemical) protection and response equipment”, and the navy’s “special operations inflatable boat” as priority acquisitions for the 2010 fiscal year. Furthermore, machinery and equipment related to disaster relief requirements will be comprehensively reviewed based on past disaster relief experiences and Japan’s nuclear disaster. Based on the principle of “disaster relief during peacetime and combat during wartime,” military investment projects in 2011 include rescue helicopter, new utility helicopter, NBC equipment, amphibious Chengkung boat, health service equipment and multipurpose engineer vehicle, and have a total budget of NT\$11.3 billion. After the equipment is acquired, they will become a part of the national disaster prevention and relief system, and facilitate future disaster relief missions.



Chapter 9 Service for the People

To facilitate positive military civilian interaction and gain public recognition and support, the Ministry of National Defense has cooperated with the regional Joint Service Centers of the Executive Yuan by establishing a “National Defense Service Section” to provide the public with consultation services regarding national defense, so as to serve the role as a bridge and function as a lubricant. Services for the people include civil services, reconstruction of quarters for military dependents, medical and health care, joint security defense, landmine removal on offshore islands, counseling and relief, releasing national defense files for public access and military reservist services. Moreover, the Ministry of National Defense is actively implementing military personnel complaint channels, rights and benefits protection, legal services, public appeals, and state compensation, so as to achieve the goal of service for the people.

Section 1 Military Civilian Service

I. Civil Service and Reconstruction of Quarters for Military Dependents

(I) Civil Service:

1. Strengthen Care for Retired Personnel, Show Concern for Inactivated Veterans

(1) The Armed Forces regularly contacts and visits retired personnel who do not have dependents and are living alone; care and support are provided in cooperation with the Veterans Affairs Commission and local social welfare groups. During the three major traditional holidays, the Armed Forces visited 45 quarters with a total of over 27 hundred single retired personnel; consolation money totaling to over NT\$1.2 million and over 52 hundred holiday gifts were given in between 2010 and May 2011. Furthermore, to improve the living environment of quarters for retired personnel, a total of over NT\$14.8 million was spent on renovations so as to care for veterans.

(2) Under the premise of not affecting operational duties and the rights, benefits and safety of servicemen, the ROC Armed forces actively shows concern for minorities and veterans who live alone. In 2010, the Armed Forces made a total of 540 visits, showed sympathy by making inquiries 86 times, delivered meals over one thousand times, and provided other services 25 times.

2. Implement Military Dependent Services, Strive for Administrative Support

(1) To strengthen services for military dependents and family members of draft age men, the Friends of Armed Forces Association held “appointment with dependents” discussions at its Military Service Centers around Taiwan. Between 2010 and May 2011, a total of over 48 hundred discussions were held and over 362 thousand people attended, over 17 hundred poor and ill families of servicemen received assistance, and over 267 thousand visits were made to standing soldiers and their

dependents, effectively winning the hearts of military dependents.

- (2) Based on the characteristics of their missions, each unit holds “servicemen family visiting activities” in coordination with the three holidays and military camp opening hours; in 2010, over 99 hundred such activities were held for over 1,365 thousand visits.
- (3) Between 2010 and May 2011, the “Armed Forces Family Support Foundation” granted a total of NT\$8.9 million to support the family members of servicemen who were disabled or killed when executing public duties.

3. Solidify Good Neighbor Policy, Enhance Interaction between the Military and Civilians

- (1) The civil affairs coordination meeting is held on a regular basis to coordinate and integrate civil services and support warfare related affairs; the civil affairs coordination meeting was held 135 times between 2010 and May 2011.
- (2) Funds for solidifying good neighbor policy were granted for making visits, holding press conferences and social gatherings, and “National Defense Service Sections” were established in the eastern, southern and central Taiwan joint service centers of the Executive Yuan, providing public consultation services regarding national defense affairs. Between 2010 and May 2011, the service sections received 21 appeals, provided 72 consultations, 9 instructions, received 2 official documents and handled 1 control case, effectively enhancing positive military-civilian interaction.

(II) Reconstructing Living Quarters for Military Dependents

1. Improve Living Quality, Properly Care for Military Dependents

To improve the living environment of old living quarters for military dependents and care for low income households, a total of 36 bases, including Keelung City Haiguang Village No.1, have been completed as of May 2011, and can accommodate over 24 thousand households. There are 15 sites currently under construction, including Taipei City Huafu New Village, which can accommodate over 61 hundred households, which are scheduled to be completed before the end of 2013. The reconstruction of



Taipei City Chungte Lungsheng was completed waiting to be handed over; a total of 530 households can be accommodated. An additional 2 sites, including Taipei City Huaijen New Village, will be constructed and will be able to accommodate 241 households. The entire construction (relocation) project consists of 88 sites. At present, 69 sites have been handed over and can accommodate over 52 thousand households; the entire project will be controlled so that it is completed in 2013.

2. Coordinate with Urban Planning to Increase Land-use Benefits

The R.O.C. Armed Forces is actively vitalizing national land assets of military dependents' villages in order to fully utilize national land. The Armed Forces has provided a total of over 320 ha of land in Hsinchu, Taichung, Chiayi, Tainan and Kaohsiung. Land use will be adjusted in coordination with the overall plans of local governments for urban planning to increase its land-use value, and over 130 ha of land will be allocated for public facilities. Assistance will be provided to local governments for acquiring land for public facilities, increasing the economic efficiency of land-use, and improving the urban landscape.

3. Promote Cultural Preservation Work in Old Villages for Military Dependents

In accordance with the "Regulations on the Selection and Examination of Old Military Dependents' Villages for Cultural Preservation," each municipal, county and city government designates old military dependents' villages as cultural preservation sites and formulates cultural preservation plans for the Ministry of National Defense to select from. Cultural preservation sites are divided into five areas – northern, central, southern, eastern and offshore islands, and 1 to 2 sites are selected from each area, selecting roughly 10 old military dependents' villages for cultural preservation. The cultures and relics of these villages are then thoroughly protected so that they may become sustainable tourism and cultural assets.

II. Medical and Health Care

The ROC Armed Forces will continue to maintain the safety of forces, to help soldiers settle down, and to let their dependents feel at ease. It will provide servicemen and their dependents with proper medical services, implement various prevention and health care affairs, and closely cooperate with the government's health policy based on the concept that diseases have no boundaries and don't care for social status, as well as the aspiration to protect the people, hoping to safeguard national health.

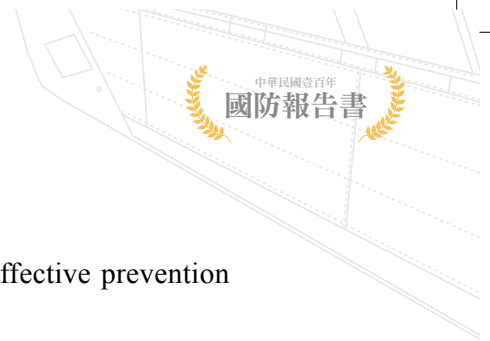
(I) Prevention and Health Care

To improve the health of servicemen, the Armed Forces irregularly utilizes different media and various gatherings to propagate epidemic trends announced by the competent authority of health, and effectively implement prevention and health care measures. Furthermore, the Armed Forces has established a reporting mechanism for military hospitals and units as active means to protect servicemen with self-injury tendency. Additionally, to build a tobacco and betel nut free Armed Forces, the Ministry of National Defense and Department of Health have joined hands in promoting the "Smoking and Betel Nut Chewing Prevention Project," actively encouraging servicemen to quit smoking and betel nut chewing. Using conscripts in 2010 as an example, the rate of smoking and betel nut chewing dropped by 4.5% and 1.3%, respectively (as shown in Table 9-1). Starting in 2010, the Armed Forces further studied and monitored smoking and betel nut chewing behavior among

Table 9-1 Ratio of Smoking and Betel Nut Chewing Among Conscripts in 2010

Type	Smokers	Numbers	Smoking Rate (%)	Decrease in Smoking Rate (%)
Smoking	Recruited	4,749	42.8	4.5
	Discharged	4,244	38.3	
Type	Betel Nut Chewers	Numbers	Betel Nut Chewing Rate (%)	Decrease in Betel Nut Chewing Rate (%)
Betel Nut Chewing	Recruited	1,205	10.9	1.3
	Discharged	1,060	9.6	

Subjects of this survey were the 11,087 conscripts that were recruited or discharged in 2010.



servicemen, in hopes of finding a more comprehensive and effective prevention strategy.

(II) Infectious Disease Prevention

Based on the “ROC Armed Forces Guidelines on Monitoring, Investigating, Handling and Reporting Outbreak of Infectious Diseases,” the Ministry of National Defense utilizes a seamless monitoring mechanism and reporting system for early detection of infectious disease cases. This allows the immediate initiation of epidemic investigation, medical treatment and proper prevention measures in hopes of being a step ahead to prevent infectious diseases from spreading. In response to the global outbreak of H1N1 in 2009, the Executive Yuan established a H1N1 epidemic prevention command center, and the ROC Armed Forces established “Ministry of National Defense H1N1 Emergency Response Command Center” to reinforce vaccination and prevent severe cases and cluster events.

Furthermore, in response to the outbreak of dengue fever in southern Taiwan in 2010 and the Executive Yuan establishing a dengue fever epidemic prevention command center, the Ministry of National Defense on October 29th, 2010 announced the “ROC Armed Forces Dengue Fever Epidemic Prevention Command Center Implementation Plan” to strengthen breeding source removal and container reduction, so as to prevent indigenous confirmed cases of dengue fever from occurring. (As shown in Table 9-2).

Table 9-2 Statistics of Dengue Fever Control Results of the R.O.C. Armed Forces

Work Items	Military Camps	Support for Tainan City Government
Execution Location	A total of 11,325 military camps and villages	6,340 Houses, 1 Park, 2 Activity Centers, 4 Markets and 13 Temples
Force Dispatched	276,960 Visits	300 Visits
Breeding Source Removed	45,562 Containers 1,796 Basements	
Environment Sterilization	25,575,985M ²	1,733,000M ²
Health Education Lectures	6,122 Lectures 427,720 Person-times	

In addition, regarding chronic infectious diseases, the Ministry of National Defense implements epidemic prevention tasks in coordination with the competent authority of health, e.g. control of tuberculosis confirmed cases, thoroughly checking personnel that came in contact with the cases and giving them chest x-rays. For cases infected with HIV, a follow-up list is compiled and the cases are guided to receive medical treatment; after discharge or inactivation the cases are reported to the Centers for Disease Control, and the health agency at the permanent address of the case will be responsible for future follow-ups.

(III) Military Medicine

1. Simulated Diving Training

Considering that professional diving personnel of the ROC Armed Forces are under high pressure environments for long periods of time, and that improper pressure reduction might cause damage to their skeletal muscles and nerve endings, the Zuoying Armed Forces General Hospital provides long-term support to related agencies and organizations, including the Bureau of Employment and Vocational Training, in terms of simulated diving training, so as to reduce the occurrence of diving accidents. This allows diving personnel to experience and become familiar with the abnormal pressure underwater in a safe and controllable environment.

2. Emergency Care Training

To enhance the self-help and mutual help capabilities of servicemen, the “ROC Armed Forces CPR Training and Testing Guidance Plan” was implemented in 2010 to effectively enhance the basic life support capabilities of general servicemen. In addition, for servicemen on guard duty to be competent in handling emergencies, the Armed Forces has continued to hold “Emergency Medical Technician Training Courses”; all qualified trainees of the course received certificates issued by the Department of Health, effectively strengthening emergency rescue and casualty evacuation capabilities during peacetime and wartime.



Following the lifting of battlefield governance in offshore islands, the Army's engineer troops is responsible for managing "self-executed landmine removal" and "contracted landmine removal" in coordination with the government's policy to develop offshore islands.

III. Assistance to Law and Enforcement

The military police assists police agencies with the defense of public security in accordance with "The Code of Criminal Procedure," "Regulations on the Dispatch of Judiciary Police," "Code of Court Martial Procedure" and "Military Police Support Protocol," mainly focusing on military cases, as well as other judicial cases. Furthermore, the military police cooperates with the police system to establish "threat warning and intelligence gathering" capabilities during peacetime, so as to consolidate the foundation for "counter-terrorism and emergency response." From January 1st, 2010 to May 31st, 2011, the military police contributed to over 790 criminal cases and referred over 23 hundred people; captured 95 deserters; tracked down 2 cases of Mainland stowaways with a total of 5 persons; confiscated 35 pieces of light weapons, 140 bullets, and various narcotics weighing over 130kg.

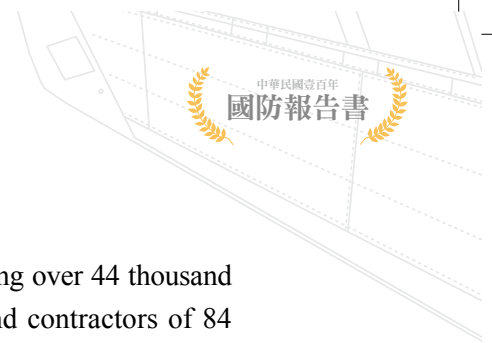
IV. Landmine Removal on Offshore Islands

In response to the lifting of battlefield governance on offshore islands in 1993 and in coordination with the promulgation of “Anti-personnel Landmines Control Act” in 2006, the ROC Armed Forces in October 2006 ordered the Army’s engineer troops to remove landmines in Kinmen’s “Sishan range” on a trial basis. The engineer troops successfully accomplished the mission at the end of November the same year, verifying that self-executed landmine removal was feasible. The Army Headquarters thus on April 1st, 2007 assembled a “landmine removal group” dedicated to “self-executed landmine removal” and management of “contracted landmine removal,” so as to cut down on government spending and implement the government’s plan on the development of offshore islands.

There are currently 308 minefields in Kinmen and Matzu, covering an area of 3,526,thousand m². Landmine removal by the military and contractors in Kinmen cleared 1,073 thousand m² of minefields between 2010 and May, 2011, removing over 30 thousand landmines; contracted landmine removal in Matzu cleared over 294

Table 9-3 Statistics of Landmine Removal by the R.O.C. Armed Forces for 2010-2011

Area	Type	Year	Number of Places	Area (m ²)	Number of Landmines
Kinmen	Landmine Removal by the Military	2010	15	349,224	7,570
		2011	19	147,847	6,532
	Landmine Removal by the Contractor	2010	10	149,320	4,678
		2011	36	209,131	7,417
	Subtotal		80	855,522	26,197
Matzu	Landmine Removal by the Contractor	2010	76	191,401	9,961
		2011	43	103,001	8,448
	Subtotal		119	294,402	18,409
Total			199	1,149,924	44,606



thousand m² of minefields between 2010 and May 2011, removing over 44 thousand landmines. Furthermore, Landmine removal by the military and contractors of 84 minefields in Kinmen (Wuchiu) will be carried out in 2011-2012, and is scheduled for completion in 2012.(As shown in Table 9-3)

V. Counseling and Relief

The Military Personnel Saving Administration began implementing the “Military Counseling Project for Financing” in August 2005 based on the principle of serving fellow servicemen, and cooperated with domestic financial institutions in providing referral services to servicemen for gaining mortgage and credit loans. Up to the end of 2010, over 15 thousand servicemen received assistance with gaining credit loans, with the total loan amount reaching NT\$7.63 billion; over 29 hundred servicemen received assistance with gaining mortgage loans, with the total loan amount reaching NT\$9.75 billion. These services allow servicemen to execute their operational duties with peace of mind using proper financing channels. In the future, the Military Personnel Saving Administration will continue to counsel servicemen in terms of finance, and encourage them to save the money they will need to have a family, switch to another profession and use after discharge, further consolidating morale of troops and improving welfare for the Armed Forces.

VI. Releasing National Defense Files for Public Access

(I) Current Status of File Access

To protect the public’s right to know and implement regulations of “The Freedom of Government Information Law,” “Administrative Procedure Act,” “Classified National Security Information Protection Act” and “Archives Act” in order to increase file access, the Ministry of National Defense organized permanent files with historical and political value or serve as legal evidence, which totaled to over 38 thousand volumes with roughly 1.21 million files, reclassified the files, created electronic catalogs for the files, and published catalogs of non-confidential historical and political files on the Ministry of National Defense’s website (<http://www.mnd.gov.tw>). People may go online and apply for access to files on the ROC Armed Forces historical and political file browsing system.

(II) Online File Access

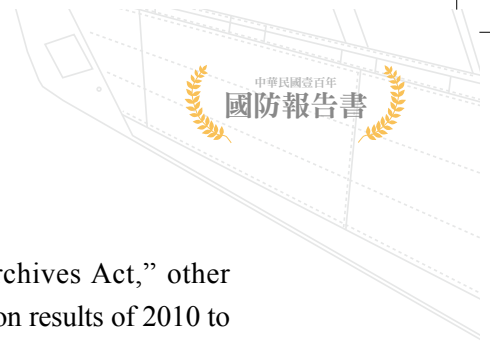
To fully utilize the value of files and strengthen access application services for the public, the “Five-Year Plan for Archive Computerization” is actively being implemented, digitizing current files in stages for rapid query and effective management; an “online file browsing system” was completed to provide digitized images, files and data for public access. In addition, citizens may apply for access to files of government agencies in accordance with the “Archives Act.” To avoid letting applicants wait too long, the Ministry of National Defense began planning the “ROC Armed Forces historical and political file browsing system” in December 2008; the system was formally launched on March 16th, 2010, and allows the public to go online to apply for access and browse and copy file images once their application is approved by the Ministry of Defense; this significantly reduces application and review time, and helps citizens avoid being fatigued by long journeys.

(III) File Access Services

The ROC Armed Forces has received positive feedback from the public every since it released its files for public access. Besides applications that involve national security information, personal criminal data, or information on personnel and salary, for which disclosure is limited or restricted in accordance with Article 18 of the “Freedom

Table 9-4 Statistics of Access to Files of the R.O.C. Armed Forces between 2010 and May 2011

Item	2010	2011	Total
Number of persons that applied for access	390	133	523
Number of applications for access	3,068	1,091	4,159
Number of records applied for access to	4,085	1,382	5,467
Number of files applied for access to	93,090	22,913	116,003
Number of approved applications for access to records	3,641	1,287	4,928
Number of denied applications for access to files	444	95	539



of Government Information Law” and Article 18 of the “Archives Act,” other applications for file access have all been approved. Implementation results of 2010 to May 2011 are shown in Table 9-4.

(IV) Future Prospects of File Access

In addition to its own over 38 thousand permanent files, the Ministry of National Defense plans to collect files that are releasible and value or can serve as legal evidence from each armed service headquarters. The files will be gathered together to create a thematic archive, which will serve as a basis for establishing a “Defense File Access Service Center” in the future. The service center will provide online access services with full text images, and establish a single window for searching defense and military files and catalogs, offering convenient services.

VII. Military Reservist Services:

Cadres of the military reservists counseling organization hold the philosophy to “only give and not take,” and focus on four main areas of work “organization, propaganda, safety and service.” Besides engaging in tasks associated with the nation’s political, economic and psychological development, they also serve as “national defense volunteers” and dedicate themselves to reserve mobilization and services. Implementation results are summarized below.

(I) Actively Providing Aid for Dealing with Accidents

In order for units to immediately and properly handle major safety incidents or military civilian disputes and prevent the problem from expanding, cadres of county/city counseling centers act as bridges for communication between the Ministry of National Defense, military dependents and the general public, closely following up on the progress of cases. In 2010, assistance was provided to 1,100 cases with difficulties and 14 accidents were handled, truly achieving coordination and communication, and effectively eliminating and providing aid for dealing with security incidents.



Using military reservists counseling organizations in each county and city as an interface, military reservists can be effectively mobilized and appropriately divided into groups to assist with the government and Armed Forces' disaster relief missions.

(II) Assistance to Disaster Relief

Utilizing the close relationships of counseling cadres with communities and their extensive distribution throughout 364 townships and neighborhoods, the ROC Armed Forces regularly conducts surveys on disaster relief capabilities, divides its forces into disaster relief groups accordingly, and provides necessary training. These endeavors aim to gain first-hand information on disasters when they first occur, to report the disaster situation, and to immediately mobilize personnel to engage in disaster relief. Furthermore, after disasters occur the Armed Forces assists with supply gathering, disaster evacuee services and community sterilization and recovery, making the most of its organization to gain public approval. During the major disasters in 2010, including the "Chia-hsien Earthquake" and "Typhoon Megi," 179 counseling centers engaged in disaster relief and over 32 hundred counseling cadre members were mobilized to assist with disaster relief missions of the government and ROC Armed Forces.

(III) Emergency Referral

A comprehensive survey was conducted on agencies and organizations within jurisdiction that can provide emergency relief, learning of disaster relief standards and establishing channels. In 2010, a total of 171 military reservists received referral services for emergencies, illnesses and difficulties they encountered. (As shown in Table 9-5)

Table 9-5 Statistics of Relief for Reservists

Year	Providing Aid for Dealing with Difficulties	Emergency Referral	Providing Aid for Dealing with Accidents
2010	2,270 Cases	171 Cases	10 Cases
2011	85 Cases	23 Cases	0 Cases

(IV) Scholarships for Children of Military Reservists

Each county (city) has a “Military Reservists (Children) Scholarship Fund” set up, and information regarding application acceptance will be released before the beginning of each academic year (September each year). A suitable time is then chosen to publicly award scholarships to encourage children of military reservists to focus on their studies. In 2010, the fund granted scholarships totaling to over NT\$2,54 million to over 16 hundred children of military reservists in junior high or above with good school grades or from low income households. (As shown in Table 9-6)

Table 9-6 Statistics of Scholarships for Children of Reservists

Year	Number	Scholarships
2010	1,676 Cases	NT\$2,548,010
2011	31 Cases	NT\$56,000

(V) Legal Consultant Recruitment

To help military reservists resolve legal issues and to protect their rights and interests, during November and December each year units recruit legal consultants based on actual needs and in accordance with recruitment standards and regulations.

(VI) Implementation of Services

Utilizing the consultation organization interface, the Armed Forces will implement continuous and long-term quality services based on the principle “comprehensive, available to all, active and effective services”. The Armed Forces aims to protect the rights and interests of military reservists and unify them via regular services and care. Furthermore, utilizing the predetermined annual budget in coordination with social resources, the Armed Forces provide mobile services and suitably provides referral services to expand service results.

Section 2 Protection of Rights and Interests

Countries that practice democracy and rule of law emphasize most on the concept of administration according to law. With regard to national defense related laws, regulations and orders and in consideration of recent trends and the people's needs, the Ministry of National Defense actively reviews related mechanisms while giving consideration to local development and the rights and interests of the people, so as to protect the legal rights and interests of both military personnel and civilians. Rights and interest protection policy are implemented to create an atmosphere in which the people have faith and support national defense, benefitting the implementation of all-out national defense.

I. Complaint System

The Ministry of National Defense established the “1985 Consultation Service Hotline” and “Duan Mu Cing Mailbox” to establish good communication channels, protect the lawful rights of servicemen, and set up smooth complaint channels. The channels hold the attitude that matters must be made as clear as possible, and handle complaints based on the principle to be “fair and impartial.” Between 2010 and April 2011, over one thousand complaints were made via the service hotline and 154 complaints via the mailbox; a total of over 38 thousand telephone inquiries were made, all of which were provided with detailed explanations and properly handled. (As shown in Table 9-7 and Table 9-8)

Table 9-7 Statistics of Cases from the “1985 Consultation Service Hotline”

Item	True	Partially True	False	Consultation	Subtotal (Cases)	Number of Persons
Number of Cases	257	152	301	373	1,083	381

Table 9-8 Statistics of Cases Accepted from the Ministry of National Defense’s “Duan Mu Cing” Mailbox

Type	Named True	Named False	Named Partially True	Anonymous True	Anonymous False	Anonymous Partially True	Not Under Jurisdiction	Case Not Closed	Total
Number of Cases	6	56	11	10	39	12	12	8	154

II. Protection of Rights and Interests

(I) Policy Planning

In the light of social and environmental changes and recent trends, the Ministry of National Defense established “Military Personnel Rights Protection Committees” in the Ministry of National Defense, General Political Warfare Bureau and each headquarters as a response measure to the society’s emphasis on “rights and interests of servicemen”; the committees are dedicated to rights protection cases concerning servicemen. Committee members all have law related professional backgrounds, and employ a “collegial system” for examining and re-examining applications, implementing administration according to law, and driving unification and improvement of forces.

(II) Results

1. Carefully and effectively handling rights protection cases

Military personnel rights protection cases undergo two examination processes by two committees. Level 1 Committee: established under the General Political Warfare Bureau and each headquarters, and responsible for examining rights protection cases concerning military personnel. Level 2 Committee (Ministry of National Defense Military Personnel Rights Protection Committee): supervised by the deputy minister, responsible for coordinating and handling rights protection cases concerning military personnel, and re-examining cases that are unwilling to accept the decision of the level 1 committee. Statistics of rights protection cases that were examined and re-examined between 2010 and May 2011 are shown in Table 9-9.

Table 9-9 Analysis of Cases Examined and Re-examined between 2010 and May 2011

	Type	Number of Cases Examined and Reexamined			Notes (%)
		Original Judgment Rescinded	Application Dismissed	Total	
Level 2 Rights Protection Meeting	Ministry of National Defense Rights Protection Meeting	10	12	22	
	Subtotal	10	12	22	
Level 1 Rights Protection Meeting	General Political Warfare Bureau	10	2	12	
	Army Headquarters	5	6	11	
	Navy Headquarters	1	0	1	
	Air Force Headquarters	4	13	17	
	Combined Logistics Command	5	10	15	
	Reserve Command	5	0	5	
	Military Police Command	0	0	0	
	Subtotal	30	31	61	
	Total	40	43	83	Rescinded: 48%; Dismissed: 52%

2. Strengthening rights protection and expand propaganda

- (1) Single dramas, such as “My Mother’s Sky” and “I Am at Your Side,” were produced and broadcasted on “Jyu Guang TV Program” to help servicemen gain a correct understanding of “rights protection.” Furthermore, the Rights Protection Committee held a Q&A activity on servicemen’s rights protection based on current regulations, and gained enthusiastic responses from servicemen and their dependents; a total of over 103 thousand responses were received.
- (2) To build servicemen’s concept about rights protection and encourage them to use complaint channels within the system, the Rights Protection

Committee printed 450 thousand “rights protection propaganda cards,” which were handed down by each level 1 committee to all units (especially recruiting units) and their servicemen, allowing them to fully understand the Rights Protection Committee’s functions and complaint channels.

3. Periodically holding work meetings to improve the effectiveness of rights protection:

To implement servicemen rights protection affairs, the Rights Protection Committee holds a work meeting with supervisors of all level 1 rights protection committees on a monthly basis. Besides following-up on ongoing rights protection cases, the meeting conducts opinion exchange and communication, focusing on overall implementation status, changes in laws and regulations, and important superior instructions, so as to enhance work effectiveness.

(III) Promotion Directions

1. Strengthening rights protection system

To implement the military personnel rights protection system, the Ministry of National Defense protects the rights of its personnel and their dependents (not including civil officers) based on “profession, rapidness, impartiality, comprehensiveness,” and publicly, fairly accept servicemen rights protection cases in accordance with the law. The establishment of this mechanism aims for the military personnel to have faith in this system within the Ministry of National Defense, so that they may serve in the military free of worries, thus strengthening unit trainings and consolidating the capabilities of the R.O.C. Armed Forces.

2. Administration according to law to protect the lawful rights of servicemen

Rights protection committees at each level are set up to handle issues related to the personal rights of servicemen, which are brought forth via the complaint system within agencies and organizations. Decisions from this mechanism are the manifestation of the Ministry of National Defense’s public reliance in the implementation and establishment of the military personnel rights protection system. This mechanism supervises and urges subordinate agencies (units) of the Ministry of National Defense and each command and their subordinate (agencies) units (forces) that they must



observe existing regulations when exerting administrative authority over servicemen rights protection cases. “Administration according to law” must be obeyed and legal procedures and principles must be respected to implement military personnel rights protection.

III. Law Relaxation

In terms of policy or enforcement, several restrictions and laws have been relaxed in response to government policy to drive macro-economic development and protect public interests. For example, in the amendment to Article 48 of the “Enforcement Act of Conscription Act” on November 24th, 2010, men of conscription age not in school who are sent or recommended to represent the nation to perform or compete overseas, may now remain abroad 6 months, up from the original 3 months. To encourage men that have not yet served military service to go abroad, so as to broaden their horizons and cultivate an international perspective, the maximum term of stay abroad is now 4 months, up from the original maximum of 2 months. Male students of conscription age studying in high school or college abroad may apply for re-exit before the age of 24; this will resolve the issue of students being forced to remain overseas, and allow them to utilize what they learned to contribute to our national development. Between January 2010 and May 2011, the Ministry of National Defense completed law relaxation for a total of 19 laws and administrative regulations (see Appendix 9-1), including the “Act of Military Education,” in hopes of achieving “effective execution of defense operations, while giving consideration to public interests.”

IV. Legal Services, Litigation Counseling

(I) Legal Services

The Ministry of National Defense enacted the “Military Legal Services Guidelines” to resolve any questions servicemen, dependents of military personnel (surviving and deceased) and contracted personnel have regarding the law, protect their legal rights, and provide legal consultation services to agencies and forces. Service windows are set up in the Ministry of National Defense, each command headquarters, Military High Court and its branches, and military district courts to provide legal services, include law inquiry, contract examination and litigation representation. Between January 2010 and May 2011, over 10 thousand legal services were provided (including legal consultation, litigation representation, legal document drafting and draft of letters to law relating units).

(II) Litigation Counseling

In accordance with the “Military Litigation Counseling Guidelines,” the Ministry of National Defense recruited a total of 28 lawyers around the nation to provide servicemen and their dependents with mediation, conciliation, legal document drafting and court representation services. Between January 2010 and May 2011, litigation counseling services were provided to 485 cases. In addition, the Ministry of National Defense established “Regulations Governing Litigation Aid for Military Personnel for Performing Duties” to subsidize litigation expenses, in which 21 subsidies were provided between January 2010 and May 2011.

V. Appeals and Petitions

(I) Appeals

The purpose for the appeal mechanisms of the Ministry of National Defense and its subordinate agencies is to provide high quality and convenient services. Under the Executive Yuan’s guidance and provisions of the Administrative Procedure Act, these services integrate and utilize resources based on principles of being careful and time efficient. Administrative reformation recommendations, law inquiries, wrongdoing reports and rights protection are handled with the service attitudes – professional, fast, accurate and highly efficient, so as to protect the lawful rights of petitioners and to enhance military-civilian communication. The Ministry of National Defense enacted its “Directions for the Handling of Public Appeals” in accordance with Article 170 of the Administrative Procedure Act to handle the following matters. (As shown in Table 9-10)

Table 9-10 Statistics of Appeal Cases Handled by the Ministry of National Defense Between 2010 and May 2011

Appeal Case Type	Reformation Recommendations	Law Inquiry	Wrongdoing Reports	Rights Protection	Total
Appeal in Person	13	1	9	178	201
Appeal via letter	230	280	169	833	1,512
Appeal via e-mail	483	192	462	1,222	2,359



1. Appeal in Person

A total of 201 appeals were made in persons between 2010 and May 2011, and all cases were handled. When handling appeals in person, designated personnel along with responsible units followed the procedures – “understanding the situation on-site,” “meeting with the case to provide explanation,” “handling the case” and “adding the case to the control list and reporting results.” The process is controlled for complex cases; personnel are friendly, attentive, patient and showing empathy when handling such cases in order to protect the rights of petitioners.

2. Appeal via Letter

In order to listen to public opinions, implement citizen services, strengthen communication with the public and effectively handle appeal cases, appeal letters are immediately handled and transferred to the responsible unit based on its contents, following the standard operating procedures – control, follow-up and urgent processing; a reply is sent to the petitioner within 30 days after receiving an appeal. Over 15 hundred administrative reformation recommendations, law inquiries, wrongdoing reports and rights protection appeals were received between 2010 and May 2010, and all of them were handled. Furthermore, cases are periodically reviewed and analyzed to protect the rights of the people.

3. Appeal via E-mail

Appeals via e-mail are carefully handled according to the procedures – “registration,” “categorization,” “statistics” and “add to control list.” Based on its content, each appeal is transferred to the responsible unit, which is required to handle the appeal within a deadline and to keep a record for future reference. Between 2010 and May 2011, over 23 hundred appeals were received via e-mail, and all were handled. Each unit empathizes with appeal and petition cases, shows an active and careful attitude towards handling such cases, and immediately replies via mail to resolve any questions, enhancing the efficiency of citizen services.

(II) Petitions

Lodging petitions is a fundamental right protected by the ROC Constitution. The Petitions and Appeals Committee, Ministry of National Defense, was established in accordance with the “Administrative Appeal Act,” “Organization Act of the

Ministry of National Defense” and “Organization Regulations of Petitions and Appeals Committees of the Executive Yuan and its Subordinate Agencies,” and is responsible for examining petition cases of the Ministry of National Defense and supervising petition affairs of subordinate agencies. Citizens may send petitions for any administrative penalties imposed by the Ministry of National Defense and its subordinate agencies they believe to be illegal or inappropriate and have violated their rights.

The Petitions and Appeals Committee, Ministry of National Defense, consists of 15 committee members; scholars and experts from the society are chosen as committee members in accordance with Paragraph 2, Article 52 of the Administrative Appeal Act; 1/3 of committee members are female, which meets requirements of the Gender Equality Act. This arrangement aims to make petition consideration more objective and impartial, and to respect women’s rights. Implementation results are as follows:

1. Of the 284 cases, including 39 petitions of 2009 that were not closed and 245 petitions received between 2010 and May 2011, 257 were closed (92 cases were dismissed, 106 cases were declined, the original judgment was rescinded for 26 cases, and 33 cases were withdrawn or transferred to the Executive Yuan or other agencies), as shown in Table 9-11. Among the cases that were brought to administrative court because the petitioner was unwilling to accept the Ministry of National Defense’s decision, 61 were ruled and 60 maintained the original decision, showing that administration according to law and proper handling of cases have gained substantial results.
2. To implement “national defense legalization,” the Petitions and Appeals Committee each year visits and provides petition affairs consultation to subordinate agencies of the Ministry of National Defense, aiming to propagate laws, communicate concepts and correct mistakes. The Committee held the special topic lecture “Streamlining Administration of the Ministry of National Defense – Practices of Administrative Penalties” and the “Ministry of National Defense Lecture on Best Practices of Administration” in 2010 to enhance the professional competencies of staffs and improve the quality of cases handlings, hoping to increase administrative efficiency and follow out administration according to law.

Table 9-11 Statistics of the Ministry of National Defense's Decisions Regarding Appeal Cases Between 2010 and May 2011

Case Type	Case Status	Dismissed	Declined	Original Judgment Rescinded	Withdrawn or Transferred	Total	Percentage
Seniority, Salary and Promotion		15	9	0	5	29	11.2%
Discharge, Dismissal and Retention		26	10	12	1	49	19.1%
Discharge Compensation		20	14	1	3	38	14.8%
Compensation and Retirement Payments		2	6	3	4	15	5.8%
Remaining Pension		7	3	0	1	11	4.3%
Punishment, Transfer and Performance Rating		1	11	0	1	13	5.1%
School (Training) Expulsion		5	1	0	0	6	2.3%
Relocation Compensation		5	3	7	0	15	5.9%
Family Quarters		2	28	1	5	36	14%
Government Fund Repayment		1	2	0	0	3	1.2%
Others		8	19	2	13	42	16.3%
Total		92	106	26	33	257	100%
Percentage		35.8%	41.2%	10.1%	12.9%		100%

VI . State Compensation

(I) Regulations on Organization Establishment

In accordance with the purpose of the “State Compensation Act” to protect the rights of the people, the Ministry of National Defense and each Command of the ROC Armed Forces have respectively established their “Committee for the Disposition of State Compensation Claims.” The committee, formed by impartial persons, scholars and experts from the society and senior members of the unit, examines state compensation claims from its subordinate agencies (institutions). According to regulations of the Executive Yuan, at least 1/2 of committee members must have

legal expertise, at least 1/2 of committee members must not be from the Ministry of National Defense, and either gender may not be represented by less than 1/3 of committee members.

(II) Authority

1. Ministry of National Defense Level: Handles state compensation claims from within the Ministry of National Defense, direct subordinate agencies (institutions), forces and schools.
2. Command of the Services Level: Handles state compensation claims from within each Command and direct subordinate agencies (institutions), forces and schools.

(III) Authorized Amount

1. Ministry of National Defense Level: State compensation claims above NT\$3 million and under NT\$5 million.
2. Command of the Services Level: State compensation claims under NT\$3 million.

(IV) Work Report

The Ministry of National Defense and Commands of the ROC Armed Forces handled a total of 93 state compensation claims in 2010, in which 15 cases were valid with compensation amount of over NT\$ 14,676 thousand; no compensation was offered for 51 cases after deliberation or litigation, and the remaining 27 cases are still being examined or in the litigation process.

VII. Compensation for Damages to the Public from Military Activities

(I) Policy Planning

The “Regulations of Compensation for Damages to the Public from Military Activities” was established by the ROC Armed Forces to show the government’s



sincerity to the public in terms of compensating damages caused by military activities, and to comfort people and family members who suffered from casualties and asset losses. These regulations create a legal basis for compensating damages to the public from military activities between after the Nationalist Government moved to Taiwan in 1949 and before the “State Compensation Act” was enacted on July 1st, 1981 (this date may be extended to the termination of battlefield governance on November 7th, 1992 for residents of Kinmen and Matzu). The regulations were promulgated and took effect on December 1st, 1999 and began accepting state compensation claims for a period of 2 years. To protect the rights and interests of citizens that did not make state compensation claims in time, the amendment to the regulations on January 7th, 2004 extended the deadline to November 30th, 2007.

(II) Results

Although compensation regulations are retroactive, it has been difficult for applicants to provide evidence because incidents that occurred are at least 30 years in the past. This has affected the progress of investigations, especially in Kinmen and Matsu, where the applicants were not able to provide ownership certificates in most cases of asset loss, and thus the cases could not be deliberated on. To protect the rights and interests of the people, while giving consideration to the principle of “administration according to law,” the Ministry of National Defense decided in the 33rd compensation committee meeting on May 18th, 2010 to ask local governments to assist with re-investigations and appraisals of cases in which ownership certificates could not be provided, helping resolve applicant’s difficulty with providing evidence of damages sustained and ownership. Over 25 hundred applications were received as of December 31st, 2010, over 16 hundred cases have been considered, and compensations totaled to NT\$1.41 billion. (As shown in Table 9-12)

VIII. Military Control and Construction Restriction

In coordination with the comprehensive development of national land, the Vital Area Regulations and construction restrictions are being actively reviewed and amended, including vital areas as a part of the National Comprehensive Development Plan, regional planning and urban planning, and drawing out designated areas for military purposes.

Table 9-12 Statistics of Compensation Cases for Civilian Casualties and Damages Cause by Military Activities of the R.O.C. Armed Forces

Type	Taiwan	Kinmen County	Lienchiang County	Total	
Number of Applications	Casualties	557	455	193	1,205
	Damages	27	1,249	37	1,313
	Subtotal	584	1,704	230	2,518
Cases Closed	Casualties	556	455	193	1,204
	Damages	23	426	27	476
	Subtotal	579	881	220	1,680
Cases Pending	Casualties	1	0	0	1
	Damages	4	823	10	837
	Subtotal	5	823	10	838
NT\$1,417,725,000					

(I) Reviewing Vital Areas

In response to organization restructuring and armaments replacement, over 780 ha of controlled area has been removed as of 2010 by actively removing, reducing vital areas or resetting them as control areas for military facilities.

(II) Adjusting Control Areas for Military Facilities

The range of control areas has been reevaluated to coordinate with local economic development. As of May 2011, 14 control areas for military facilities were removed and 30 control areas were reduced; control areas for military facilities were reduced by over 4 thousand ha.

IX. Gender Equality

The Ministry of National Defense is actively promoting gender equality, and assembled a “gender equality task force,” consisting of 9 work groups, including female military personnel, work environment and facilities, gender equality education,

propaganda, military camp rules management, personal safety of women, budget auditing, legal affairs, and general affairs. Representatives of women's organizations, supervisors of each work group, representatives of female military and civil officers are invited to become members of a number of committees (currently both genders represent at least 1/3 of all members of any given committee). A meeting is held once every 4 months to supervise and coordinate operations of each work group, current results of efforts in gender equality that have followed the recommendations of committee members are as follows:

(I) Increasing the Ratio of Female Personnel

The recruitments of female personnel have expanded since volunteer officer and NCO recruitment in 1991. Furthermore, in response to the change of military service system, recruitment of female volunteer soldiers began in 2007. At present, there are some 15 thousand female officers, NCOs and soldiers in the Armed Forces, representing 6.4% of all servicemen, or 11% of the volunteer force, which is a significant number-increase in female military servicemen. In the future, software and hardware facilities will be continuously improved and the scope of positions in battle forces that can be held by female military service will continue to be expanded, so that more female officers and soldiers will enter the service and utilize their expertise to serve the country.

(II) Implementing Related Budgeting

The Ministry of National Defense's budget for "gender mainstreaming" and "gender quality" affairs has sequentially grown from NT\$14.7 million in 2007 to NT\$171.2 million in 2011, taking great strides in terms of budget growth rate.

(III) Promoting the Concept of Gender Equality

Besides inviting experts to give speeches at regular gatherings to promote the concept of gender quality, articles have been published in a number of newspapers and magazines, including Youth Daily News, Victorious, Struflight, Love Thy Home and Jyu Guang TV Program, to strengthen the concept of gender quality. In addition, in depth counseling and visits are periodically made to forces to discover issues and further help resolve them. In the future, leaflets will be designed for propaganda in primary units, and by holding domestic (international) gender equality seminars and



The ratio of female personnel in the military has grown sequentially each year, and they are assigned to all types of forces to show gender equality at work. This allows them to fully utilize their skills, jointly contribute to national security and serve the country.





applying perspectives of gender quality in work and life, the Ministry of National Defense hopes to adopt gender mainstreaming as a part of policy formulation, project planning, scheme design, talent cultivation and law formulation and amendment, creating a friendly work environment in which both genders are equals.

(IV) Providing Services for Help-Seeking Servicemen

In addition to the “1985 Complaint Hotline” and complaint hotlines of each Command, which are there to handle sexual harassment and violation of gender equality cases, the Armed Forces Mental Health Center on March 19th, 2010 established a “Sexual Violence’ (includes sexual harassment and sexual assault) Prevention Hotline” at 0800-885-113; dedicated personnel are providing services 24 hours a day, effectively providing servicemen with an immediate counseling channel to help stabilize their emotions, while protecting the privacy and rights of the persons involved.

(V) Establishing Gender Equality Work Group in Services

The Ministry of National Defense in December 2010 promulgated the “Operating Principles of Gender Equality Work Groups in Commands Headquarters.” Under the supervision of the MND, all Commands of the Armed Forces have at present completed the organization of “Gender Equality Work Groups.” This mechanism will implement gender equality affairs to create an environment without sexual discrimination.



Appendix

Appendix 1 2010“Defense Journey of Discovery”Base Open Statistics

No.	Date	Location	Visitors (Person-times)
1	2010/2/14	Lieyu Area Command	1,300
2	2010/3/20	Kaohsiung Jen-Mei Military Camp	2,185
3	2010/3/27	Taichung Chu-Keng Military Camp	6,520
4	2010/5/1	Penghu Magong Base	1,784
5	2010/6/5	Taichung Air Force Base	32,468
6	2010/6/26	Kaohsiung Hsinbin Wharf	3,348
7	2010/7/10	Taoyuan Lung-Cheng Military Camp	15,732
8	2010/7/17	Hualien Air Force Base	7,500
9	2010/9/4	Pingtung Chia-Lu-Tang Military Camp	8,013
10	2010/10/3	Matsu Mei-Shih Military Camp	670
11	2010/10/9	Taitung Tai-Ping Military Camp	2,638
12	2010/11/6	Penghu Tsai-Yuen Military Camp	2,136
13	2010/11/13	Taichung Lung-Hsiang Military Camp	5,350
14	2010/12/11	Hsinshu Air Force Base	148,000
Total	14 Sessions, 237,644 Person-times		

Appendix 2 2011 Plan for the Implementation of “Defense Journey of Discovery” Base Open

No.	Date	Location	Visitors (Person-times)
1	2011/1/15	Taipei Chung-Chen Military Camp	2,312
2	2011/2/3	Lieyu Township	3,000
3	2011/2/25	Kaohsiung Hsinbin Wharf	10,029
4	2011/3/2	Penghu Magong Base	2,860
5	2011/3/9	Suao Chung-Cheng Base	6,198
6	2011/5/14	Hualien Air Force Base	25,000
7	2011/8/6	Nantou Chi-Chi Military Camp	
8	2011/8/13	Songshan Air Force Base	
9	2011/9/3	Cheng-Kung Hill Military Camp	
10	2011/9/24	Air Force Academy	
11	2011/10/8	Matsu Mei-Shih Military Camp	
12	2011/10/9	Penghu Tsai-Yuen Military Camp	
13	2011/10/9	Taitung Tai-Ping Military Camp	
14	2011/11/5	Hsinchu Hu-Kou Military Camp	
15	2011/11/12	Taichung Air Force Base	
16	2011/11/26	Taoyuan Lung-Cheng Military Camp	
17	2011/11/26	Taichung Lung-Hsiang Military Camp	
Total	6 Sessions have been Implemented, 49,399 Person-times		

Appendix 3 Military History Books Published by the Ministry of National Defense in 2010-2011

Item	Book Name	Publication Date
1	Interviews with Three-star General Yeh Chang-Tung	2010.02
2	Development History of the Marine Corps	2010.02
3	The Brave in the Upper Air: An Oral History of the Black Cat Squadron	2010.09
4	True Friendship in Wind and Rain – A Record of the Armed Forces Providing Relief for the 88 Flood Disaster	2010.06
5	Eagle with Steel Wings – An Oral History of the Desert Plan	2010.12
6	Memories of Elite – An Oral History of the Military Academy 4 th Officer Training Class	2011.03

© All of the books listed above are sold in Wu-Nan Bookstores and Government Publications Bookstores; military history books will continue to be published according to plans.

***Appendix 4 Foreign Military Books Translated and Published by the
Ministry of National Defense in 2010-2011***

Item	Book Name	Publication Date
1	Soldier, Statesman, Peacemaker: Leadership Lessons from George C. Marshall	2010.01
2	Chinese Responses to U.S. Military Transformation and Implications for the Department of Defense	2010.02
3	Beyond Shock and Awe: Warfare in the 21 st Century	2010.03
4	The First Heroes: The Extraordinary Story of the Doolittle Raid – America’s First World War II Victory	2010.05
5	Military Transformation and Modern Warfare: A Reference Handbook	2010.06
6	Right-Sizing the People’s Liberation Army: Exploring the Contours of China’s Military	2010.08
7	The “People” in the PLA: Recruitment, Training, and Education in China’s Military	2010.09
8	The Powers to Lead	2010.10
9	2010 Quadrennial Defense Review Report	2010.11
10	Organizing for a Complex World: Developing Tomorrow’s Defense and Net-Centric Systems	2010.11
11	Fighting Talk: Forty Maxims on War, Peace, and Strategy	2010.12
12	Finding the Right Mix: Disaster Diplomacy, National Security, and International Cooperation	2011.01
13	China's International Behavior: Activism, Opportunism, and Diversification	2011.05

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Appendix 5 List of Laws Released by the Ministry of National Defense in Coordination with Law Relaxations

I. Laws (5 Cases)

No.	Name	Change (Enacted, Amended, Abolished)	Content	Release Date	Note
1	Act of Military Education	Amended	To streamline the military education system, qualifications for division chief, director and section chief positions have been relaxed, suitably expanding the flexibility of personnel recruitment to benefit the inheritance of administrative experiences.	2010.05.05	Presidential Order Hua Tsung (1) Yi Tzu No. 09900110361
2	Act of Insurance for Military Personnel	Amended	<p>1. In response to the government's policy to promote gender equality, after childbearing leave without pay is approved, military personnel may apply for allowance during the period of leave; this measure aims to expand care for military personnel and ensure the stability of their livelihood during their childbearing period.</p> <p>2. To consolidate the financial structure of insurance for military personnel so as to achieve balance of payments, after the amendment to this act takes effect, new members of the military personnel insurance will still be required to pay premiums after joining the insurance for 30 years; this is the same as the insurance system for government employees and school staff. For military personnel who joined the insurance before this amendment took effect, the treasury will pay their premiums after joining the insurance for 30 years; this is to meet their expectations and let them enjoy the benefits they are entitled to.</p>	2010.05.12	Presidential Order Hua Tsung (1) Yi Tzu No. 09900116591
3	Enforcement Act of Conscription Act	Amended	<p>1. According to Item 4, Paragraph 1, Article 4B of the amended Enforcement Act of Conscription Act, men of conscription age not in school who are sent or recommended to represent the nation to perform or compete overseas, may now remain abroad 6 months, up from the original 3 months.</p> <p>2. Going abroad for tourism or study during summer vacation is common among male students of conscription age. To encourage men that have not yet served military service to go abroad to broaden their horizons and cultivate an international perspective, the maximum term of stay abroad is now 4 months according to Item 5, Paragraph 1, Article 4B of the amended Enforcement Act of Conscription Act, up from the original maximum of 2 months.</p> <p>3. Considering that schools abroad have different systems and that many students need to study the foreign language first, if they are restricted from exiting the country, they will be forced to reside abroad and not be able to return to Taiwan, thus, male students of conscription age studying in high school or college may apply for re-exit before the age of 24 according to Item 1, Paragraph 2, Article 4B of the amended Enforcement Act of Conscription Act; this was relaxed from only allowing students in college to apply for re-exit. In coordination with the revision to item 2, this will resolve the issue of students being forced to remain overseas, and allow them to utilize what they learned to contribute to our national development.</p>	2010.11.24	Presidential Order Hua Tsung (1) Yi Tzu No. 09900317061

4	National Defense Act	Amended	<p>1. Disaster prevention and relief was included as a purpose of our national defense force in Article 2 of the amended National Defense Act.</p> <p>2. Execution of disaster prevention and relief and the term “social” were included in Article 3 to complete the meaning of national defense.</p> <p>3. Execution of disaster prevention and relief was included among military affairs regarding forces commend.</p>	2010.11.24	Presidential Order Hua Tsung (1) Yi Tzu No. 09900317051
5	Indemnity Act for Military Personnel	Amended	<p>1. Deleted the article stipulating that injured or disabled personnel receiving supporting funds in accordance with the Act of Military Service for Officers and NCOs of the Armed Forces will not receive compensation.</p> <p>2. Personnel who only received supporting funds but no compensation before this amendment will receive compensation based on their disability level for the term they should have received compensation.</p> <p>3. After this amendment takes effect on March 29th, 2011, compensation for injured or disabled personnel shall be in accordance with the regulations in effect on the date compensation is issued.</p>	2011.04.13	Presidential Order Hua Tsung (1) Yi Tzu No. 10000067831

II. Organization Regulations (3 Cases)

No.	Name	Change (Enacted, Amended, Abolished)	Content	Release Date	Note
1	Regulations on the Recruitment of Volunteer Enlisted Soldiers	Amended	To expand the source of enlistment, the application age of volunteer soldiers was relaxed to 26 years old in the amendment to paragraph 1; this is because when recruiting in-active-service soldiers who are over 25 years old but younger than 26 years old, they must first apply for discharge before they meet the age qualifications for applying to become volunteer enlisted soldiers.	2010.01.11	Ministry of National Defense Order Kuo Chih Yen Shen Tzu No. 0990000016
2	Regulations on the Rights, Obligations and Management of Self-Financed Students in Military Schools	Amended	Self-financed undergraduate students may apply to become military financed students after completing a full year of study; the student’s application and date it takes effect will be reported to the Ministry of National Defense for approval. The amendment authorizes each military institution to establish conditions and procedures for selecting military financed students; the students are then reported to the Ministry of National Defense or a designated command headquarters or agency; this amendment aims to simplify administrative procedures and achieve hierarchical responsibility.	2010.01.14	Ministry of National Defense Order Kuo Chih Yen Shen Tzu No. 0990000031
3	Regulations on Preferential Electricity Rates for Family Members of In-active-service Military Personnel	Amended	In response to the government’s energy conservation and carbon reduction policy, and to promote energy conservation into in-active-service military personnel and their dependents, while taking reasonable care of their livelihood, Article 4 of these Regulations was amended so that 50% of fees will be discounted for the first 340KWH, and any electricity usage afterwards will be calculated at the normal rate; originally, the first 300KWH was calculated at 50% the normal rate, 301-500KWH was calculated at 70%, and any electricity usage afterwards was calculated at the normal rate.	2010.09.08	Ministry of National Defense Order Kuo Chih Yen Shen Tzu No. 09900000567

4	Regulations on Preferential Water Rates for Family Members of In-active-service Military Personnel	Amended	In response to the government' s energy conservation and carbon reduction policy, and to promote energy conservation in to in-active-service military personnel and their dependents, while taking reasonable care of their livelihood, Article 4 of these Regulations was amended so that the first 20kl of water is calculated at 50% the normal rate and any water usage afterwards is calculated at the normal rate; originally, the first 30kl of water was calculated at 50% the normal rate.	2010.09.08	Ministry of National Defense Order Kuo Chih Yen Shen Tzu No. 0990000567
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5	Regulations on the R.O.C. Armed Forces Assisting with Disaster Prevention and Relief	Enacted	To strengthen the national' s overall disaster prevention and relief performance, the R.O.C. Armed Forces trains its disaster prevention and relief capabilities during peacetime, immediately engages in prevention and relief missions when disaster occur, and has directed its efforts to making laws and regulations more thorough. In response to the amendment of paragraphs 4 and 5 of Article 34 of the Disaster Prevention and Protection Act on August 4 th , 2010, related mechanisms have been established for the R.O.C. Armed Forces to actively engage in and assist with disaster prevention and relief. These regulations were jointly enacted by the Ministry of National Defense and Ministry of the Interior in accordance with Paragraph 6, Article 34 of the Disaster Prevention and Protection Act.	2010.10.15	Ministry of National Defense Order Kuo Chih Yen Shen Tzu No. 0990000659
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6	Regulations on the Burial, Memorial and Commendation of Soldiers Killed in Action or when Performing Official Duties	Amended	<ol style="list-style-type: none"> 1. The government should be responsible for the burial of soldiers killed in action or when performing official duties, and has therefore added that the government will allocate funds to pay for burial related expenses. 2. Added tree burial as a type of burial for deceased soldiers of the R.O.C. Armed Forces. 3. Accolades mean greatly to the family members of deceased soldiers, but originally could not be reissued. The amendment allows family members to apply for reissuance of accolades. 	2010.12.22	Ministry of National Defense Order Kuo Chih Yen Shen Tzu No. 0990000826
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7	Regulations on the Rights, Obligations and Management of Self-Financed Students in Military Schools	Amended	<p>To expand the utilization of military education resources, and facilitate the diverse development of military education, key points of this amendment are as follows:</p> <ol style="list-style-type: none"> 1. Amended the definition of self-financed students, and included self-financed associate degree students as a target of student recruitment for military schools. 2. After self-financed associate degree students complete a full year of study, they may apply to become military financed students. 3. Self-financed associate degree students who meet qualifications may apply to serve standing NCO service or volunteer reserve NCO service 6 months prior to graduation; those still obligated to serve military service may choose to serve conscripted reserve NCO service or standing service. 	2011.01.28	Ministry of National Defense Order Kuo Chih Yen Shen Tzu No. 1000000106
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8	Leave Regulations of the R.O.C. Armed Forces for Officers and NCOs	Amended	<p>Considering that government employees and school staff are eligible to leave based on actual requirements after donating bone marrow, and that Article 15 of the Gender Equality in Employment Act, which is also applicable to military personnel, now grants 3 days fraternity leave if the employee's spouse is in labor, Articles 7 and 8 of these Regulations were amended in response to actual requirements of personnel management. Key points of this amendment are as follows:</p> <p>1. Added provisions granting leave to officers and NCOs based on actual requirements after donating bone marrow; documents of proof must be provided by a legitimate medical institution or physician.</p> <p>2. Amended the number of days for fraternity leave from 2 days to 3 days, so as to conform to regulations of the Gender Equality in Employment Act.</p>	2011.01.28	Ministry of National Defense Order Kuo Chih Yen Shen Tzu No. 1000000106
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III. Administrative Rules (6 Cases)

No.	Name	Change (Enacted, Amended, Abolished)	Content	Release Date	Note
1	Guidelines on Hiring Consultant Lawyers for the Ministry of National Defense, Subordinate Agencies (Institutions) and Military Schools	Amended	<p>“Consultants” referred to in these guidelines are hired in accordance with the “Ministry of National Defense Guidelines on Consultant Selection and Recruitment” ; a consultant is a position without remuneration and will only receive compensation for attending meetings. According to the interpretation of “legal consultant” by the Central Personnel Administration on June 16th, 2004, legal consultants hired in accordance with the Government Procurement Act are applicable to consultant related regulations; law specialists hired based on labor contracts signed with firms that do not use the title legal consultant are not within this scope. Legal consultants hired by units and subordinate agencies in accordance with these guidelines still provide legal services that belong within the scope of labor contracts, as provided by the interpretation of the Central Personnel Administration. Therefore, the term legal consultant was amended to meet requirements of practical operations.</p>	2010.03.04	Ministry of National Defense Order Kuo Fa Shen Pan Tzu No. 0990000685
2	Regulations of the R.O.C. Armed Forces on Burial and Accolade Applications for In-active-service, Discharged and Inactivated Officers and Soldiers who Died of Illness or Accident	Amended	<p>Regarding donating the bodies of deceased officers and soldiers for medical research, the application deadline “within 60 days after death” was canceled in this amendment to commend them for their donation and contribution to medical research; in addition, the restriction that “burial should be completed within 30 days after application is approved” was also canceled.</p>	2010.09.09	Ministry of National Defense Order Kuo Jen Chin Wu Tzu No. 0990012821

3	Regulations on Handling Sexual Harassment Cases of Military Personnel	Amended	<p>This amendment clearly specifies prevention measures and principles and procedures for handling military personnel sexual harassment cases, so as to refine the Ministry of National Defense' s ability to handle such cases. Key points of this amendment are as follows:</p> <ol style="list-style-type: none"> 1. Added a dedicated complaint channel for sexual harassment cases. 2. Added emergency handling procedures to prevent victims from being further hurt. 3. For sexual harassment cases investigations may now be concurrent with punishments, and the administrative penalty imposed on victims for not taking the provided channels was removed. 	2010.11.04	Ministry of National Defense Order Kuo Jen Tseng Ho Tzu No. 0990015921
4	Principles of On-site Investigation for Military Justice Agencies and Military Police	Amended	<p>The overpayment of living allowances by the Ministry of the Interior to welfare agencies, which was caused by the difference in reported time of death, was improved by changing from written form into online transfer of information on time of death. In the draft amendment to Article 40 of these principles, "a certificate of proof should be submitted to the household registration office of the deceased person' s permanent address" was amended into "the case should be registered on the Ministry of National Defense' s automated system, and the Ministry of National Defense will periodically (7 days) transfer the data to the Ministry of the Interior."</p>	2010.11.11	Ministry of National Defense Order Kuo Fa Chien Cha Tzu No. 0990003391
5	Precautionary Matters of Military Courts Handling Military Trials	Amended	<p>To ensure that defendants depend on the defense rights of the defense attorney, to protect the procedural justice of the trial, and to protect the defendant' s right to choose any attorney, key points of this amendment are as follows:</p> <ol style="list-style-type: none"> 1. Paragraph 2 of Article 0203 was added to ensure that defendants depend on the defense rights of the defense attorney, and to protect the procedural justice of the trial. 2. Paragraphs 2 and 4 of Article 0303 were added to hat defendants depend on the defense rights of the defense attorney, and to protect the procedural justice of the trial, so as to eradicate any dispute. 	2010.12.28	Ministry of National Defense Military Supreme Court Order Kuo Kao Fa Tzu No. 0990000809
6	Guidelines of the R.O.C. Armed Forces for Assisting with the Acquisition and Utilization of Disaster Relief Vehicles and Machinery	Enacted	<p>These guidelines were established for the R.O.C. Armed Forces to rapidly control (and gain information on the number of) civilian operators, vehicles and machinery required for disaster relief. This information is gathered from the joint operation and response mechanism of county/city mobilization preparation meeting, capability integration and coordination meeting, and disaster prevention and rescue meeting in accordance with Item 4, Paragraph 4, Article 9 and Item 1, Subparagraph 3, Paragraph 3, Article 12 of the Regulations on Operations of the Central Emergency Operations Center.</p>	2011.1.10	Ministry of National Defense Order Kuo Tung

The background of the page is a dark blue color with a technical drawing or blueprint pattern. The drawing consists of various lines, including solid and dashed lines, forming a grid and other geometric shapes. In the center of the page, there is a rectangular box with a blue gradient and a white border. This box contains the title "Afterword" in white serif font. The box is decorated with four small circular icons at the corners, each containing a white 'X' symbol. On the left and right sides of the box, there are white laurel wreath graphics. The overall design is professional and technical.

Afterword

The Ministry of National Defense (MND) has periodically published the “National Defense Report” since 1992. This Report explains to the people focuses of current defense policy and administration, as aiming to make our national defense transparent and draw the military and civilians closer together. In this report the MND not only shows a responsible attitude towards the society, but also strengthens people’s confidence in national defense, so that they support and further participate in defense infrastructure, achieving the objectives to build consensus on “all-out defense” and establish modernized national defense.

The 2011 National Defense Report is the 11th national defense report. Besides continuing the spirit used to compile past reports, it is even more important to express the ROC Armed Forces' fearlessness in dangerous environments and situations, as well as its pragmatic approach towards various initiatives of "defense transformation." The MND hopes that by describing and conveying national defense concepts, and helping the public understand the international situation and difficult environment as a result of military strength imbalance across the Taiwan Strait, all citizens will be unified as one, clearly understand the enemy threat, and show resolute patriotic belief. The report insists on the peace concept of "preventing war" and "preparing for war but not provoking war," which will help the international society better understand our efforts to maintain peace in the Taiwan Strait, and thus win support from our allies and friendly countries, increasing Taiwan's visibility in the international society, as well as gaining opportunities to exert our influence.

As we celebrate the 100th anniversary of the R.O.C., the National Defense Report this year was compiled based on the core axis "A New Epoch of National Defense," using the framework of "Strategic Environment," "National Defense Transformation," "National Defense Capabilities" and "Bringing Peace and Stability to the Country" to objectively discuss severe challenges currently faced by the Armed Forces, clearly describe results of force build-up and defense preparedness, and reveal directions and visions of future force development. Furthermore, this report explains the importance and specific measures of all-out defense, hoping to encourage outstanding youth to join the military, as well as obtain and maintain reasonable budgets, which will enable the acquisition of weapons required for combat readiness, and thus protect national interests and security.

This year's national defense report was compiled in the form of task forces, members of which were experts from internal staff units, agencies and the National Defense University, so that its discussions would be objective and professional and its contents would be exact and thorough, while being easy-to-understand, readable and possessing academic research value. The task forces were guided by an advisory committee (consists of 30 scholars and experts recruited from the private sector) and supervisors at each level, and were responsible for designing, writing, coordinating and unifying the structure and data of each part and chapter. In order for the contents and discussions of this report to be laid out in an orderly manner, besides conducting

a joint review during the compilation of this report, the Ministry of National Defense has, on numerous occasions, invited scholars, experts and national defense committee members of the Legislative Yuan to provide their precious recommendations, hoping to make the overall contents of this report more thorough and complete.

Furthermore, this report especially focuses on the visual effects of its contents, so to attract more citizens to learn about national defense. Besides providing numerous photos of the Armed Forces' exercises and training along with descriptions, personnel with expertise in art design were selected to use their creativity to make the pictures and literary compositions of this report excellent, vivid and lively, hoping to arouse the interest of a larger group of readers, and cause more citizens to be concerned with defense affairs, thus planting concepts of national defense deep into the hearts of the people.

The report could not be successfully published with the combined efforts and dedication of members of the Ministry of National Defense and scholars and experts from the private sector. Comments and opinions from all sectors are much appreciated, based on which we hope the Armed Forces to keep improving and carry out its operational duties at a higher level. The Ministry of National Defense also hopes that this report will allow citizens to understand, support and further take part in national defense, thereby ensuring national security, allowing people to live in peace and enjoy their work, and maintaining regional stability.

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