



AMERICAN INSTITUTE IN TAIWAN

1700 N. Moore St.  
17th Floor  
Arlington, Virginia 22209  
(703) 525-8474

October 9, 1986

Dr. Fredrick F. Chien  
Representative  
Coordination Council for North  
American Affairs  
5161 River Road  
Bethesda, Maryland 20816

Dear Dr. Chien:

I have the honor to acknowledge your letter of today's date which reads as follows:

"Dear Mr. Dean:

I have the honor to refer to our recent discussions concerning the use by the Coordination Council for North American Affairs (CCNAA) of export performance requirements affecting investment in the automotive sector. This letter sets forth measures that the CCNAA has decided to undertake concerning such requirements and their use.

Effective on the date of this letter, the CCNAA will not impose any export performance requirements in any future or pending investment applications for initial direct foreign investment in the automotive sector.

Applications submitted to the Investment Commission of the Ministry of Economic Affairs by the existing automotive firms for capital increase or equipment expansion resulting in production increase exceeding the current commitment level will be accorded the same treatment as above.

The need for continued export performance requirements applying to any investment in the automotive sector which has been approved on or before the date of this letter will be considered along with the general review of the Automotive Industrial Development Plan which the CCNAA intends to complete before the end of June 1987. CCNAA is committed to eliminating

the export performance requirement provisions from the Automotive Industrial Development Plan at that time. The existing automotive firms, which are currently subject to the export performance requirements, will be notified to apply for waivers of such requirements and such waivers will be granted automatically.

It is our understanding that the foregoing measures are reciprocally conditioned upon the commitments by your side to terminate the investigation under Section 307 of the U.S. Trade and Tariff Act of 1984 concerning export performance requirements in the automotive sector on the part of our side.

Sincerely, Dr. Fredrick Chien, CCNAA."

In reply, I am pleased to confirm the arrangements set forth in your letter under reference and to state that our side will terminate the case on export performance requirements on your side under Section 307 of the U.S. Trade and Tariff Act of 1984.

Sincerely,

A handwritten signature in cursive script that reads "David Dean". The signature is written in dark ink and is positioned above the typed name and title.

David Dean  
Chairman of the Board  
and Managing Director

北美事務協調委員會駐美國辦事處

Coordination Council for North American Affairs

Office in U.S.A.

5161 River Road, Washington, D.C. 20016

October 9, 1986

Mr. David Dean  
Chairman of the Board and Managing Director  
American Institute in Taiwan  
1700 N. Moore Street, 17th Floor  
Arlington, VA 22209

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Sincerely yours,



Fredrick F. Chien  
Representative