

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. One original and two legible photocopies of this form shall be filed for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public. Finally, the Attorney General intends, at the earliest possible opportunity, to make these public documents available on the Internet on the Department of Justice World Wide Web site.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant J. Bennett Johnston Johnston & Associates, LLC 2099 PA Ave., N.W., Suite 1000 Washington, D.C. 20006	2. Registration No. #5515
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3. Name of Foreign Principal
Ambassador Jiechi Yang

Check Appropriate Boxes:

- 4. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
- 5. There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- 6. The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.
- 7. Describe fully the nature and method of performance of the above indicated agreement or understanding.
There was no formal agreement and no compensation requested or contemplated

8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

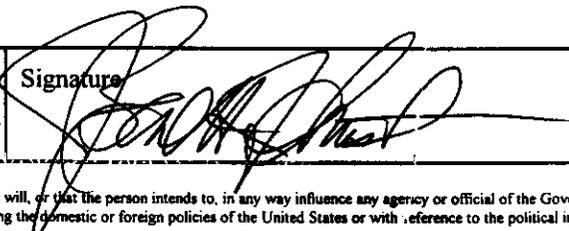
I set up the meeting between Ambassador Jiechi Yang, myself and Senator Carl Levin to discuss Section 1202 of the Defense Authorization Bill which is S. 2514.

I have attached a copy of Section 1202; FY 2003 Defense Authorization (H.R4546) for your records and for your review.

The purpose of this meeting was for Ambassador Yang to state his opposition to this provision and to urge its deletion from the provision.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Date of Exhibit B 9/30/02	Name and Title J. Bennett Johnston	Signature 
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Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political interests, policies, or relations of a government of a foreign country or a foreign political party.

Section 1202: FY 2003 Defense Authorization (H.R. 4546)

BACKGROUND:

The Senate passed its FY 2003 Defense Authorization bill (S. 2514) by a vote of 97-2 on June 27, 2002. The bill now heads to conference, where conferees must reconcile differences between the House and Senate versions. The House passed the TSEA by a vote of 341-70 on February 1, 2000 (the bill later stalled in the Senate). According to a source on the House Armed Service Committee (HASC), the appointment of House conferees is being delayed because of outstanding issues related to the timing of HASC consideration of the homeland security bill and the \$10 billion war reserve fund. Senate conferees were appointed on June 27 and include all members of the Senate Armed Services Committee.

Section 1202 of the House bill (H.R. 4546), which passed the House on May 10, 2002, contains language drawn from Section 5 of the Taiwan Security Enhancement Act (TSEA, H.R. 1838). The language in Sec. 1202 of the House defense authorization requires the Secretary of Defense to establish operational training exercises and exchanges of senior military officers between the United States and Taiwan armed forces.

Although the Bush Administration quietly opposed the insertion of Section 1202 into H.R. 4546 in late April 2002 the Administration's current position on Section 1202 remains unclear. The provision, inserted into the H.R. 4546 by Minority Whip Tom DeLay (R-TX), enjoys strong support among many of the likely House conferees and among the Republican House leadership. Administration officials at the State Department have indicated that they will rely on Senate conferees to revise or remove Section 1202. The Defense Department does not view Section 1202 as critical, as it will continue to engage with Taiwan regardless of the fate of Section 1202.

TEXT OF SECTION 1202:

SEC. 1202. STRENGTHENING THE DEFENSE OF TAIWAN.

(a) IMPLEMENTATION OF TRAINING PLAN.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall implement a comprehensive plan to conduct joint operational training for, and exchanges of senior officers between, the Armed Forces of the United States and the military forces of Taiwan. Such plan shall include implementation of a wide range of programs, activities, exercises, and arrangements focused on threat analysis, military doctrine, force planning, logistical support, intelligence collection and analysis, operational tactics, techniques, and procedures, civil-military relations, and other subjects designed to improve the defensive capabilities of Taiwan and to enhance interoperability between the military forces of Taiwan and the Armed Forces of the United States.

(b) SUBMISSION TO CONGRESS.—At least 30 days before commencing implementation of the plan described in subsection (a), the Secretary of Defense shall submit the plan to Congress, in classified and unclassified form as necessary.

TALKING POINTS:

Section 1202 is redundant, would unnecessarily complicate our relations with the PRC and Taiwan, and would deny the executive branch vital flexibility to respond to important cross-strait developments.

- The United States Defense Department already has the authority and flexibility under existing law to provide Taiwan necessary training, and to conduct military exchanges with Taiwan. Enacting new legislation would not increase its authority to do so.
- It would, on the contrary, highlight U.S.-Taiwan military relationships in a fashion likely to produce a negative, perhaps damaging, reaction in the PRC. The PRC frequently feels compelled, for internal political reasons, to react to highly public developments in cross-strait relations that they would ignore if conducted privately. The proposed amendment is an example of the kind of public act that would be likely to elicit a countermeasure damaging to Taiwan's security interests.
- Considerable legislative authority proposed already exists in the TRA. Section 3302 of the TRA allows the United States to make available to Taiwan not only "defense articles," but also "defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability."
- The Administration already has conducted a number of senior level military exchanges with Taiwan, including visits by the Minister and Deputy Minister of Defense to the United States. It does not need additional authority to facilitate such visits.

The approach advocated by Section 1202 is dangerous to US interests in the region:

- At a time when the United States is seeking PRC cooperation on such important issues as the War on Terrorism and nonproliferation, and support or at a minimum non-opposition to possible U.S. action in Iraq, passage of Section 1202 into law would offer an argument to those within the Chinese leadership who would maintain that China should not act in sympathy with U.S. security interests when the U.S. is publicly acting contrary to China's principal national security interest. This could complicate the Administration's diplomacy on all of these issues, especially on Iraq.
- Sending such a signal to Beijing at this time could be damaging to US-PRC relations at a time when Beijing is on alert to signs of movement toward independence by Taiwan, in the wake of statements by Taiwan's President in August stating support for legislation on a referendum on Taiwan's status.