VERNER · LIIPFERT
BERNHARD · MCPHERSON AND HAND
CHARTERED

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July 31, 2001

The Honorable C.J. Chen
Representative
Taipei Economic and Cultural Representative
Office in the United States
4201 Wisconsin Avenue, N.W.
Washington, DC 20016

Dear C.J.:

Thank you for the opportunity to present our proposal for a restoration of the relationship between Verner, Liipfert, Bernard, McPherson and Hand, Chartered (the "Firm") and the Taipei Economic and Cultural Representative Office in the United States ("TECRO"). We are enthusiastic about this opportunity, and as discussed by our respective representatives, are prepared to engage in this undertaking as soon as possible.

We propose providing representation under a retainer relationship. We have found retainer relationships to be beneficial for both the Firm and our clients. For the client, it provides a reasonable estimated budget for the cost of its representation; and for the Firm, it provides assurance that there will be sufficient resources to execute a thorough and effective approach. Specifically, we propose that under the retainer, TECRO agree to pay the Firm a retainer fee of $20,000 per month, for a period of twelve months, plus ordinary out-of-pocket expenses not to exceed $1,000 per month. However, at the end of six months, we shall meet to mutually evaluate our relationship as we proceed to the next term of the service agreement. This agreement is effective from August 1, 2001, to July 31, 2002. Notwithstanding the above, either party may terminate this agreement at any time by providing 30-day written notification.

In the event TECRO requests that I undertake a trip to Taiwan for any purpose related to this retainer, TECRO agrees to pay round-trip First Class air travel for me and two staff members, plus hotel and related expenses.

During the period of the retainer, the Firm will provide TECRO a monthly report of all activities undertaken on your behalf. I will actively participate in and supervise our day-to-day work under this agreement. All work will be coordinated from my offices. Our team would include members of my immediate staff, as well as, on an as-needed basis, other lawyers and their assistants who have particular expertise in the issues under consideration. In addition, I will meet with you on a regular basis – hopefully monthly, depending on our respective schedules. My representatives will meet regularly with TECRO representatives and coordinate with them by telephone as frequently as necessary. The management and supervision of the retainer shall be under my direct control and supervision, and no activity relating to TECRO shall be generated without my or my representatives' explicit direction and approval.

As was discussed by our representatives on June 25 and in subsequent conversations, the following activities are among those we are prepared to undertake on TECRO's behalf:

- Facilitate monthly or bi-monthly meetings with members of President Bush's Cabinet and other senior Administration officials.

- Assist in scheduling meetings with both Republican and Democratic members of the U.S. Senate and U.S. House of Representatives, including those in Leadership positions. Our goal will be to schedule two House and two Senate meetings monthly, except during periods of Congressional recesses when Members are out of town for extended periods of time.

- Work with you in promoting Taiwan's accession to or participation in the World Health Organization, International Civil Aviation Organization, and other international organizations and meetings, as deemed of interest to TECRO.

- Assist in drafting and finding appropriate fora for op-eds, press releases, speeches and other statements.

- Senator Dole will be available to provide strategic advice and planning on special projects, especially those of a legislative nature.

- Through close coordination with your staff, we are also prepared to undertake other special assignments on your behalf, provided they are mutually agreed to by both parties.

Our Firm's policies and procedures require that I set forth in this letter the following information with respect to our billing procedures, with which I recognize you are already familiar.

It is our policy to provide our clients with the most effective support systems available and to allocate the costs of those support systems in accordance with their usage. In addition to fees for professional services, a billing statement is provided which includes the costs incurred in the course of our representation of ROC's interests, such as long distance telephone; facsimile, messenger and other communications costs; travel expenses, including the cost of transportation, meals and lodging; document retrieval costs; staff overtime; computer research facilities; and document production on our word processing system. Such statement will also contain the names of the persons providing services, their billing rate, a brief description of the service provided and date the service was rendered. Large disbursement billings, should they occur, may be forwarded to you for direct payment, or we may ask you to advance sufficient funds to cover the expenses of unusually large disbursements.

Our billing statements are rendered on a monthly basis. If you have any questions about the bill, please let us know promptly. Our statements are due and payable upon receipt, and we expect bills to be paid in full within 30 days of the statement date.

As you know, the breadth of the Firm's practice is such that we may from time to time concurrently represent one client in a particular case or matter and an adversary of that client in such case or matter in an unrelated case or matter if it is the Firm's professional judgment that we can undertake the concurrent representation impartially and without any adverse effect on our other responsibilities to either client. In such eventuality, the Firm will consult with TECRO about such concurrent representation, and TECRO shall not unreasonably withhold its consent thereto. Notwithstanding the above, by entering into this agreement, the Firm agrees not to represent the government of the People's Republic of China, that is, the state itself, or any subdivision or agencies or instrumentality thereof, as those terms are defined in 28 U.S.C. 1603(a) and (b). The firm retains the ability to represent private commercial interests based in the PRC, that is, entities in which the PRC has an ownership interest, direct or indirect, of one half or less. The Firm will disclose to TECRO, in general terms, both the identity of any such entity that the Firm represents and the task undertaken by the Firm on the entity's behalf. Depending on the nature of the firm's activities, we may have to file specific disclosure statements with the U.S. Government covering these activities.

All of our lawyers, consultants and legal assistants are bound by and strictly adhere to the Rules of Professional Conduct of the District of Columbia Court of Appeals and all laws and regulations applicable to representation by lawyers and lobbyists of clients before the House of Representatives, the Senate, and the Executive Branch.

Please feel free to call at any time if you have questions or concerns about our services, about our billing policies in general or about a particular bill. We are looking forward to working with you again.

With warmest personal regards.

Sincerely yours,

VERNER, LIIPFERT, BERNHARD,
MCPHERSON AND HAND, CHARTERED

By: Senator Bob Dole

If the foregoing is acceptable to you, please sign below and return the executed copy to me.

AGREED AND ACCEPTED:

TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE
OFFICE IN THE UNITED STATES

By: C.J. Chen

8/2/01
(Date)