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HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

FULL COMMITTEE HEARING

ON

BUDGET REQUEST FROM THE U.S. PACIFIC COMMAND AND U.S. FORCES KOREA

HEARING HELD
MARCH 7, 2007

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CONTENTS

CHRONOLOGICAL LIST OF HEARINGS

2007

Page

HEARING:

Wednesday, March 7, 2007, Fiscal Year 2008 National Defense Authorization Act—Budget Request from the U.S. Pacific Command and U.S. Forces Korea 1

APPENDIX:

Wednesday, March 7, 2007 47

WEDNESDAY, MARCH 7, 2007

FISCAL YEAR 2008 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST FROM THE U.S. PACIFIC COMMAND AND U.S. FORCES KOREA

STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Hunter, Hon. Duncan, a Representative from California, Ranking Member, Committee on Armed Services 2

Skelton, Hon. Ike, a Representative from Missouri, Chairman, Committee on Armed Services 1

WITNESSES

Bell, Gen. Burwell B., III, Commander, United Nations Command, Commander, Republic of Korea-United States Combined Forces Command, and Commander, United States Forces Korea, U.S. Air Force 5

Fallon, Adm. William J., Commander, U.S. Pacific Command, U.S. Navy 3

APPENDIX

PREPARED STATEMENTS:

Bell, Gen. Burwell B., III 88

Fallon, Adm. William J. 51

DOCUMENTS SUBMITTED FOR THE RECORD:

[There were no Documents submitted.]

QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD:

Mr. McIntyre 133

Ms. Tauscher 133

FISCAL YEAR 2008 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST FROM THE U.S. PACIFIC COMMAND AND U.S. FORCES KOREA

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, March 7, 2007.

The committee met, pursuant to call, at 8:36 a.m., in room 2118, Rayburn House Office Building, Hon. Ike Skelton (chairman of the committee) presiding.

OPENING STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The Armed Services Committee will come to order.

And we appreciate our witnesses being here so early. As I mentioned to each of them before, there is a joint session of Congress at 11 o'clock with King Abdullah. And thank our members for being with us so early.

Let me take this opportunity to welcome Admiral Fallon and General Bell. It is certainly good to see each of you. And we first thank you for your leadership and the role model that you are for the troops, for the sailors and for all who are in your commands.

Also, Admiral Fallon, congratulations on your confirmation for the new position as commander of the Central Command. And it is one of the most difficult jobs in the world, and we wish you the very, very best. You have great credentials and the ability to do quite well there. We do wish you success.

However, Admiral, before you leave the Pacific Command, we are eager to hear from you and your cohort General Bell about your commands and the handling of the broad range of security challenges in the Asia-Pacific area.

It is a very critical region, and yet we have been concerned for some time that our involvement in Iraq and the Middle East has preoccupied us away from the region's specific landscape at a time when we should be engaged on multiple fronts and ensuring that our force posture will allow us to deter or confront any challenge that might emerge. And hopefully that would not be the case, but we must be prepared.

Our role in the Middle East is vital, but we must have a broader focus. There must be a sophisticated and coordinated long-term strategy for the Asia-Pacific region.

Just last week, China announced its biggest increase in defense spending in five years. And in truth and fact, it is probably more

than what was made public. We would appreciate any thoughts you might have on that.

China also recently conducted a successful antisatellite test which left debris in orbit that could endanger satellites and spacecraft for years ahead.

At the same time, the potential for miscommunication and miscalculation in the Taiwan Strait continues to be high. Experts warn that potential for conflict in the South China Sea is also great.

On the Korean Peninsula, the six-party talks have made some progress. That is a plus. Yet there is, as we all know, a long way to go. We need to ensure that our intelligence on North Korea's nuclear program continues to be sound.

In Thailand, the U.S. watched a successful military coup last year. We have worked to help the Philippines and Indonesia struggle against terrorism as well as throughout much of Southeast Asia.

Moreover, our Administration has made very little progress on the steps required by Congress to monitor the United States-India nuclear deal to ensure the limits on India's ability to make nuclear weapons.

Now, we have been preoccupied in the Middle East, as you know, and China and others have been expanding their influence in Latin America, Africa, around the globe. We need to consider who our friends and partners are in the days ahead.

We must maintain our focus on the Pacific region. We must ensure that our level of strategic risk remains acceptable. Our own actions may well influence the choices of actions of others.

Admiral Fallon, you made important progress on the United States-China military exchanges.

There have been encouraging developments with the six-party talks, General Bell, which is a very positive move.

So I hope that each of you will update us on the good work that you and your troops and your sailors, your airmen and Marines are doing throughout the entire region and share your thoughts with us on what needs to be done more.

And before we ask you, gentlemen, to begin your testimony, I will turn to my friend from New Jersey, Mr. Saxton, who is filling in for Duncan Hunter this morning, the ranking member.

Ladies and gentlemen, the Honorable Duncan Hunter.

STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. HUNTER. Thank you, Mr. Chairman.

The CHAIRMAN. I am sorry. I didn't see—you are so small, I didn't——

Mr. HUNTER. I will fill in for Mr. Saxton.

The CHAIRMAN. You look a lot like him anyway. Thank you, Duncan.

Mr. SAXTON. As Jim Saxton, I will say Duncan Hunter is a really great guy.

Mr. HUNTER. Mr. Chairman, thank you.

And, gentlemen, thank you for being with us this morning. I want to associate myself with the chairman's words about areas of

importance in this hearing. Let me just go over a couple that I think need special comment.

One, the Philippines, especially the special forces activities that we have, where we are undertaking advising and training of Philippine military forces. I think that has been an area that has lost focus in this war against terrorism as a result of the heavy focus on the war-fighting theaters.

Second, the situation in North Korea with respect—and your comments about this deal, so-called action for action. Where do you see the north going? And you might comment about the capability especially of the South Korean military right now and its ability to handle any operations by the north.

Last, China. This committee spent an enormous time working on the China issue, analyzing China. Part of our own committee defense review that we turned out that had a force structure that was greater than that recommended by the Quadrennial Defense Review (QDR), some of which the Administration is now following, was, to some degree, a function of this analysis of China.

And especially the fact that China is arming—what significance you see there with respect to their submarine production, their tactical aircraft production, this continued development of short-range ballistic missiles. I believe there are between 750 and 1,000 short-range ballistic missiles right now.

And last, this shot that was made on January 11th where they knocked a satellite out of space, whether you think that this heralds a new military competition in space between the United States and China.

So if you could especially hit those three points in your testimony, we would certainly appreciate it.

Again, I want to join the chairman in thanking you for your appearance and for your service to our country.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Hunter.

Admiral Fallon.

STATEMENT OF ADM. WILLIAM J. FALLON, COMMANDER, U.S. PACIFIC COMMAND, U.S. NAVY

Admiral FALLON. Thanks, Mr. Chairman, Mr. Hunter, Congressman Saxton, distinguished members of the committee, General Bell, it is a great honor for me to be here in what I suspect will be my final testimony as commander of Pacific Command (PACOM), though I expect you will probably get another shot at me here in a few weeks with a different hat, different responsibility.

But I would like to talk about Asia-Pacific today because I believe it is a region of absolutely vital importance to our Nation and to the world. We have a lot of engagement going on.

Our wonderful men and women in uniform and those civilians that support them have been at work of the last year in promoting our Nation and our interests in this vital region.

So it is a great opportunity for me to be back here to testify about the force posture and readiness and on any questions you might have regarding the 2008 budget.

I will tell you that my observation is that I continue to be optimistic about this region overall, although there are certainly some concerns and we will get into some of those, I suspect.

Overall, this is a region that is growing in vitality. It is very dynamic. Populations are growing. Economies are booming. And the amount of interaction between the nations there and between our own country are increasing at a phenomenal rate.

It is very important to us and our future, from a strategic standpoint as well as the day-to-day economic activities in both countries—in our country and all the countries of this region.

Of course, there are some exceptions. We have had a couple of events regarding the Democratic People's Republic of Korea (DPRK), North Korea, this year—the volley of missiles that were fired back in July and then the nuclear detonation of some sort that occurred in October.

However, even that has tended to move back in the other direction with the apparent success that Ambassador Chris Hill has had with the six-party talks here in recent weeks and the ongoing discussions in New York this week.

So I am optimistic, and even more so after two years in this job than when I started. There are some longstanding frictions and historical animosities that you can't deny. There is continuing unrest in some places. But again, all in all, there has been progress.

The congressman mentioned a couple of setbacks for a democratic process this year in Thailand and Fiji, where military coups have taken over the governments there.

It is noteworthy that there is no loss of life or bloodshed to date in these events, but they are still discouraging because these are countries that have worked with us very closely and have supported us in engagements in the region and around the world. So it is disconcerting, to say the least, to see us trending in the other direction.

Our forces in uniform have served with distinction, not only in Afghanistan and Iraq but, as Congressman Hunter mentioned, in the Philippines, where we have an ongoing assistance to the armed forces of the Philippines in combating terrorists in the southern areas of that country.

I have got to tell you that the results of the efforts of the Philippine armed forces, particularly in the last six months, have been very encouraging. With the assistance of our Joint Special Operations Task Force down there, there has been considerable progress in capturing or eliminating a number of high-profile terrorists.

The Philippine armed forces, in an unprecedented operational move, have actually stayed in the field since last August down in Jolo, pursuing these folks. And there is really noticeable progress. And I sense that as this progress in the field continues, there is renewed enthusiasm throughout that country.

President Arroyo just signed within the last couple of days an antiterrorist measure that has been discussed and debated for many, many months, and so we see substantial progress there. And this has been spearheaded by the efforts of several hundred of our men and women who have been working very hard to make sure this happens.

I will tell you that we have continued, despite the substantial amount of forces that have been committed to Iraq and Afghanistan—because this is primarily a maritime and air theater in the Pacific, we have had generally our naval and air forces engaged throughout the area with our partners and allies, continuing exercises and other activities to help build their capacity and to improve the relationships we have with these people.

I believe that overall, the threat of conflict in this region is low and continues to be that. There are certainly concerns with the DPRK. Despite the six-party talks, their track record has been spotty, to say the least.

And as already mentioned, the increasing defense budgets in China and their growing military capability are something that we have to keep an eye on. We have to work with them. As you know, I am a strong advocate of continued engagement with the People's Republic of China (PRC), and I will be happy to take your questions on that one.

I want to thank you very much for your support, from our men and women in uniform, and the opportunity to be here today. I look forward to answering your questions. I have asked that my written testimony be submitted for the official record. And I want to thank you very much for this appearance.

Mr. Chairman.

[The prepared statement of Admiral Fallon can be found in the Appendix on page 51.]

The CHAIRMAN. Admiral Fallon, thank you very much.

And the written testimony of each of the witnesses will be placed in the record without objection.

General Bell.

STATEMENT OF GEN. BURWELL B. BELL, III, COMMANDER, UNITED NATIONS COMMAND, COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES COMMAND, AND COMMANDER, UNITED STATES FORCES KOREA, U.S. AIR FORCE

General BELL. Thank you very much, Mr. Chairman.

Congressman Hunter, sir, it is good to see you again.

And all the distinguished members of the committee, it is my personal pleasure to be back here in front of you again this year, and I appreciate the opportunity.

For the record, I, too, would like to submit my 2007 posture statement.

I have now commanded U.S. and combined forces in Korea for more than a year and can report to you that the Republic of Korea-U.S. alliance is enduring and continues to function as a pillar of national security and regional security in that area of the world.

Today we are working with our Korean partner to evolve the alliance to meet both nations' 21st century security requirements while strengthening our position in this vital U.S. national interest area.

You know, for nearly 54 years our alliance has successfully deterred North Korean aggression, and we are all pleased with the progress made in the latest round of the six-party talks, and we are very hopeful for the future, as Admiral Fallon said.

Nonetheless, as you would expect, I remain cautious about North Korea's long-term intentions. Kim Jong-Il has a history of manipulating the international community in an attempt to shape the political and military environment to meet his objectives.

And obviously, as we have already said today, his highly provocative military actions this past year, including unprecedented missile firings and the detonation of this nuclear device, represent a continuing threat to international peace and security.

Since its inception about 30 years ago, the Combined Forces Command, which I lead, has been the war-fighting command of the Republic of Korea-U.S. alliance. For the past several years, we have been consulting with the Republic of Korea regarding alliance transformation and the restationing of U.S. forces on the peninsula.

Recently, just several weeks ago, the United States and Republic of Korea agreed to transition the operational command and control of Korean military forces from the Combined Forces Command headquarters back to the Korean military and to do that in the year 2012.

This is a very important event, something that we have been seeking to achieve throughout the history of this alliance, and something now that we have a date to finally execute here in the year 2012, so I am very proud of that.

It will result in the establishment of new U.S. independent and supporting joint command. Obviously, the United States will retain clear national command over all U.S. forces and personnel involved in future military operations in the Republic of Korea.

Our force restationing, which I would like to address just quickly—the two enduring hubs south of Seoul will allow us to focus on improving living and working conditions while also providing our forces with greater tactical and operational flexibility.

The Republic of Korea has agreed to fund a majority of our restationing costs, including a significant majority of our new facility construction.

To synchronize the contributions of both the ROK and the U.S. in that restationing effort, our sustained access to several different U.S. funding programs will be very important, including military construction and commercial build-to-lease programs, and I appreciate your support in that.

In view of this, I do request your full support for our fiscal year 2008 military construction (MILCON) request—it is very small and modest; it is small, it is not even modest—and also, importantly, our legislative request which is working its way through the staff now to adjust our commercial housing lease caps in Korea so that they are more in tune with the current cost of living over there.

This will enable the Army to actively solicit build-to-lease housing options for our service members and their families, thus enabling their move to these enduring hubs.

You know, only two percent of the U.S. active military is stationed in the Republic of Korea today. The other 98 percent is somewhere else. The war over there ended 54 years ago.

It is time to end our one-year war zone rotational tours which needlessly add to our high worldwide operational tempo while handicapping our engagement opportunities with our longtime Korean ally.

So I am advocating three-year normal family-accompanied tours for our small force in Korea. It is absolutely the right thing to do, and I would appreciate your fiscal support for this as I pursue it in the Department of Defense.

I am very proud of our dedicated American service members and civilians serving in the Republic of Korea. I really do thank you for this opportunity to appear before you today. And I look forward to your questions. Thank you very much.

[The prepared statement of General Bell can be found in the Appendix on page 88.]

The CHAIRMAN. I thank members for joining us so early in the morning. And we will remember we are under the five-minute rule, and we are doing very well.

Admiral Fallon, let me ask you a quick question as well as comment on General Bell's—and then call the other members.

There are present tensions in the Taiwan Strait and have been for some time. What, if anything, is the Pacific Command currently doing to defuse those tensions?

And, General Bell, I comment on your wanting to change the one-year unaccompanied tour in Korea to the accompanied tour. In 25 words or less, if you could expand on that.

But, Admiral Fallon, please.

Admiral FALLON. Mr. Chairman, the situation in the Taiwan Straits—my assessment is less tense than it was two years ago. At the time that I was coming into this job, things were on the rise and not particularly good.

I believe that improvements have been made. Some of this is the business of the PRC and the leadership—Chen Shui-bian and his government in Taiwan and their interaction.

But things that we have done from Pacific Command are to work both sides of this equation—with Taiwan, to continue to support them in their defensive capabilities, to encourage them to take steps that actually enhance their ability to defend themselves should there ever be any military aggression.

We have worked closely with them in assessing their needs and strongly encouraging them to take steps that we think are actually useful.

And I am very happy to report that our observation over the last two years—and we are coming up on their next major exercise cycle—has given us the feeling that they have gotten the message and they are actively undertaking those measures that we think would be very useful.

On the other side of the street with the PRC, we have actively engaged with the military. I would make note of the fact that we have in recent years, up until very recently, had very, very little mil-to-mil interaction with these people.

Although the commercial and economic and political and almost every dimension of the relations between the U.S. and the PRC have been expanding exponentially, mil-to-mil had not. We are moving forward.

This is challenging, though, for a lot of reasons, not least of which is where we are coming from. But I think we have made some progress there, and we are seeing openings.

I would highlight that within the past year we have had the first-ever exercises between the military forces. They were modest. It was just a search and rescue, primarily naval and air, that took place in two segments, one off the coast of southern California near San Diego and the other one in the East China Sea.

As we have this hearing under way today, there is another exercise going on in the Central Command region in the Indian Ocean that involves the PRC and U.S. forces. It is being hosted by Pakistan. And this, to my knowledge, is the first-ever multilateral engagement.

So we see progress there. I think there is a lot of work to be done. This goes day to day. But that is a summary of our activities, sir.

The CHAIRMAN. Thank you. I remember, two years ago several of us were in China and the comments we received regarding Taiwan and the Taiwan Straits were at that time rather disturbing. And I am glad to see that your assessment is more of a positive one.

General Bell.

General BELL. Thank you, Mr. Chairman.

You know, sir, 37 years ago 2nd Lieutenant Bell showed up in Germany and was assigned to a little outpost right on the border, a cavalry unit—very theoretical, dangerous location, 100 Soviet and other East European divisions right across from us, two Soviet divisions physically right across from us, and they all had nuclear weapons.

And the United States military authorized Lieutenant Bell to bring his brand new bride with him, and my son was born in that little town 12 kilometers from the East-West German interzone border.

And I look back on that as to why the United States would take that risk in the face of such a daunting enemy, and I rationalized that, and then I moved to Korea 37 years later—36 years, now 37 years.

And I wonder why it is so different over there, why we add to our operational tempo around the world by one-year rotations of young people who have already left their spouses and their kids for three or four times in Iraq and Afghanistan, and I add a fifth time or a fourth time, separating that family and causing hardships.

I add to the cost of these endless rotations every year of permanent change-of-station costs and moving families all over the United States to find the next location that their service member is going to show up in.

And then I look at the final debilitating piece of that, and that is that the true engagement strategy that we could have with our Republic of Korea ally—where families engage culturally and in partnership on the weekends, they get to know each other, they make lifelong friends, and we build the alliance one family at a time—is all lost, because my service member, airman, Marines, Army, et cetera, are sitting in the barracks lonely because they are missing their family, because most of them are married. Over 60 percent of our military is married.

I believe it is time, 54 years after the armistice, and given the very modern nature of the Republic of Korea—big universities, 10th largest economy in the world, 49 million people in a very mod-

ern state—it is time for us to transition from a 1-year combat rotation mentality, which it is not over there, to a normal 3-year accompanied tour.

It would lower optempo for our military substantially. It would give us an engagement opportunity. And it would do right by our families. And so I am advocating it. And I think over time, sir, you will see the costs amortize, if not even less than what it is costing us now. And the Republic of Korea will help us do this.

Thank you, sir.

The CHAIRMAN. Thank you.

Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

On that point, General Bell, have you discussed this, in a formal or informal way, with families of your personnel? If you are looking at this thing as the husband goes off for one year, the wife goes off for one year, and you are reunited after one year as opposed to moving everybody but having a three-year stay in Korea, what are their druthers?

General BELL. Thank you, Congressman.

The overwhelming majority—and I have sat down with many, many families on this issue, because quite frankly, sir, we have right now in Korea today about 5,000 family members. About 3,000 of them are authorized to be there.

Out of our 30,000-person force on the ground today, 10 percent are authorized to bring their families. That is because they live in locations that we have determined over the years are not dangerous locations. The other 90 percent are not authorized to bring their families, so the people I have talked to are those who have their families there now.

I have not talked to a single spouse—mostly ladies but, again, there is some guys—not one that would not opt for an opportunity for an overseas tour.

You know, the old notion of being in the military and seeing the world, or the Navy and seeing the world, I guess—would trade the opportunity to be with their family to close that one-year gap, to be in, say, the Republic of Korea, have the chance for travel in Asia, which the ten percent take advantage of now, engage with Korean citizens, which they do now, the ten percent.

I have not had a single spouse that has told me they would not like to do this. Sir, there are about 2,000 spouses there who have come unauthorized. And when I say authorized, we authorize a certain number to bring their spouses based on the facilities that we have available.

But that doesn't prevent a spouse from coming over there at her own expense.

Mr. HUNTER. General, let me ask you, would that include, though, times of heightened tension with respect to the emerging nuclear weapons capability of North Korea? Do you think you would have the same strong feedback that they want to be there, that their families want to be there during times like that?

General BELL. Congressman, we are in the process of moving our force from north of Seoul to well south of Seoul, so in terms of a conventional threat, we are significantly moving out of the way, if you will, while still on the peninsula. There are tensions there.

Mr. HUNTER. You are getting out from under the——

General BELL. Yes, sir.

Mr. HUNTER [continuing]. Fan of the North Korean artillery tubes, right?

General BELL. Absolutely. But I would offer to you, again, from experiences I have had, it is not unusual, and has not been in our history, for families to be with their service members under the arc of nuclear weapons.

We certainly did it in Europe for decades. And we accepted that for a lot of reasons. I am not going to tell you it was all philanthropy. It was partly because the military in Europe was so large that rotations were not something that made sense.

But given the nature of the North Korean military right now, which has degraded over the last 15 years to 20 years, certainly since the end of the Cold War, their conventional capability is not to the level that it was 20 years ago. And I can detail that.

Their ability to shoot nuclear weapons down south is nonextant right now. And I am very hopeful about the six-party talks. So we are positioned right now, as we move the force south of Seoul, to change the paradigm if we choose to. And I think it is healthy, proper, and spouses want it.

Mr. HUNTER. Okay.

Just real briefly, Admiral Fallon and General Bell, the strong points and the weak points of this deal, the North Korean deal. And you might just describe it briefly for the members here, the highlights of the deal itself.

Admiral FALLON. This is a work in progress, and I would say that there is an awful lot of detail yet to be done. There is an agreement to address the ongoing nuclear development in North Korea that over the following months is going to be laid out in some detail.

But our belief is that the intention here or the agreement is that we would get the North Koreans to stop their continued development of nuclear weapons. They have an ongoing process of extracting plutonium and turning that into weapons-grade material that we would expect to see stopped.

My perspective on this is that there is substantial progress in just getting that agreement, in getting the six parties to sit down and to get North Korea to agree to move in this direction. I think there is a lot more yet to be done, and I will let General Bell comment.

General BELL. Sir, the arrangement is—and I will just quickly summarize it also—within 60 days, the North Koreans have agreed to shut down their reactor which produces this plutonium. And so, you know, we will watch that. And at the 60-day point, the thing is supposed to be turned off. And that is something that we can watch very closely.

At the same time, the North Koreans are supposed to allow the International Atomic Energy Agency (IAEA) inspectors to begin to return to North Korea to begin their inspections.

And then in the next phase of this, after 60 days, the north—and oh, by the way, the return on that is that some amount of fuel oil will be provided to the North Koreans and some other processes

will begin, so you have got confidence-building measures going on on both sides.

After 60 days, the agreement is that they will disable their Yongbyon reactor so that it can't be brought back online and their other programs, while declaring all their programs, including the plutonium reprocessing, potential highly enriched uranium programs, which is a matter of debate right now, et cetera.

And then based on that good effort by the North Koreans, the other five parties and other interested nations will begin to provide economic, humanitarian assistance, including a very large 950,000-barrel deal on oil for them to have for fuel.

So this is a strong agreement. I am absolutely in favor of it. Its weakness is, like any agreement with North Korea, in the past they have, in almost every case, ultimately broken these agreements. So that is what we are all watching.

I think the good news is that this thing is phased in a way where we are not going to be awakening one day to find out that we have a bad deal, that we have done something—we have given them something but we didn't get in return what we expect. Those guarantees are in place, and I am very optimistic about the procedure.

Mr. HUNTER. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Before I call Mr. Ortiz, let me suggest this subject to the approval of my friend from California, Mr. Hunter.

At the next hearing, because those in the front part of our area here have been so faithful in coming, I am going to call on them at the beginning of the next hearing, which I understand will be European Command (EUCOM) and Joint Forces Command.

If that suits the gentleman from California, we will do that at the next hearing.

Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

Admiral Fallon, good to see you again, sir.

General Bell, welcome.

Admiral, I was just wondering, maybe you can describe and explain the risk and impact involved with using Army and Marine Corps unit from within your command to support the war either in Iraq or Afghanistan.

And how do the reset and readiness issues upon their return impact on your PACOM mission requirements and responsibilities? I know we talk about readiness and we are stretched thin.

And if we were to have another conflict in that part of the world, can you elaborate a little bit on that, how this is going to impact on you and your command?

Admiral FALLON. The first comment I would make is that the Asia-Pacific area is primarily a maritime and air region. That is the bulk of the geography, and our contingency plans are focused on that reality and the fact that we enjoy quite a bit of operational capability in those areas. So we would put a preponderance of our response to any situation in the hands of our maritime and air forces.

The one area that we would watch very closely is General Bell is in Korea. Although we are always on the alert because of the historical unpredictability of the North Korean activities, we be-

lieve that today on the peninsula that—General Bell can address this better than I—that the ROK land forces are very capable of defending that nation should the north decide to attack.

We have part of our Second Army forces up near the Demilitarized Zone (DMZ) in position to support that defense. But I think that the situation there is generally in good shape. We have watched this very closely as we have taken units and put them over in Iraq and Afghanistan and rotated others.

In the rest of the theater, it is primarily maritime and air, and we are well postured. And we have demonstrated that within the past year with several significant exercises to make sure that we can respond to those kinds of crises.

So it is something that I watch very closely. The thing that I am really attuned to is the rotation of the forces that are based here, particularly those soldiers and Marines in Hawaii, Alaska, the west coast of the U.S. that are in the rotation, and specifically within those rotations the wear and tear on our non-commissioned officers (NCOs) and mid-grade officers, which is the critical leadership capabilities. I am watching these very closely.

But I feel fine. I feel okay. I am not concerned right now about our ability to respond to any likely contingency in the region, given that we rely so heavily on our maritime and air forces, which have not been particularly heavily tasked right now.

Mr. ORTIZ. Because one of the things that we are concerned with is the lack of the Army, General Bell, prepositioning stock. How does the readiness of the Army prepositioned stock affect your mission requirements and security responsibilities? Because we need to look at the sustainability if we go into a conflict. How do you stand on that?

General BELL. Congressman, I would tell you up front there is great stress on the Army and the Marine Corps right now. I think we all know that. These forces are highly committed.

Our equipment stocks that have been rotated into the combat zone are going through an extensive refit program, but they are in the line to be refitted and they are not available for employment. So there are a range of stresses.

I do want to point out from my foxhole, where I sit, that Admiral Fallon is exactly right about the threats that we face in the Pacific and specifically, from my perspective, in Korea. The Republic of Korea military is extremely competent. They are a modern nation with a modern military, modern battle command capabilities, and very good equipment.

If you will, their opponent—hopefully they won't always be opponents, but their opponent at the end of the Cold War lost their client states, Russia and China, in terms of resupplying the large quantities of materiel and equipment.

The exercise program that they had in those days is no longer conducted. So North Korea is quite isolated with respect to their ability to generate combat power. So I have the same confidence Admiral Fallon does that our air and naval forces, in conjunction with the Republic of Korea army, are much more than a match for the North Korean army.

Now, prepo stocks—we have one brigade prepo set in Korea, APS, Army prepositioned stocks, brigade combat team. We have

some other prepo, but that is the core of it. It has 100 percent of its combat equipment. I inspect it pretty frequently, walk around and look at it.

It is missing some trucks, I will tell you. Some numbers of trucks and Humvees are not there. And none of the trucks and Humvees in that prepo set are up-armored like we see in Iraq.

But the core combat equipment that we need for that fight is all present. It has not been used by anyone. It has been sequestered for Korea. And so there has been a real commitment to not get into those prepo stocks and use them in this war effort.

So I think the Army has done a very good job of maintaining the equipment and keeping it razor ready.

Sir, in the next two weeks we are going to draw a sample of that stuff with a battalion coming over from the United States as part of an exercise. We are going to drive it up to a range and we are going to shoot it, and we are going to see what happens. And I will be glad to report back to you on the results of that exercise. I am pretty optimistic.

[The information referred to is classified and retained in the committee files.]

Mr. ORTIZ. Well, thank you so much, and we hope to visit you soon.

General BELL. Yes, sir.

Mr. ORTIZ. Thank you so much.

General BELL. We look forward to it.

The CHAIRMAN. Thank you very much. Let me make mention of the fact that the two gentlemen before us are rarities in our United States military.

General Bell is on his second major command, having a major command in Europe and now in Korea. And Admiral Fallon is leaving the Pacific Command to assume command of the Central Command. And what you are viewing here in front of us are two very, very, unusual military Americans.

Mr. Saxton.

Mr. SAXTON. Thank you, Mr. Chairman.

Gentlemen, thank you for being here with us this morning, and thank you for your service to the country.

I would like to just focus for a minute on one of the major threats that comes from the area, and that is the nuclear threat delivered by intercontinental ballistic missiles. It concerns me that we don't seem to be moving forward as fast as we might, given the seriousness of this threat.

And let me just say right up front that we collectively established the Missile Defense Agency because we thought that likely all of the services had something to offer, so we chose not to turn this mission over to one service but established the Missile Defense Agency to carry out this mission.

And quite frankly, I am not sure that the Missile Defense Agency has adequately partnered with the services. And I guess I am thinking specifically of the Navy. It seems to me like that partnership perhaps has not manifested itself as perhaps it was intended.

So let me just ask this. Can you please comment on PACOM's overall missile defense requirements and how these requirements

are being addressed by the services and by the Missile Defense Agency?

Admiral Fallon, would you start that for us?

Admiral FALLON. Sure, Congressman. First, if I could, allow me to give you, the perspective from Honolulu is that we have made significant strides this year in missile defense for the Nation.

No doubt that this was spurred by the activity in North Korea, which one aspect of this is that it forced us to really pay attention to the details of what we might do if the North Koreans, for example, were successful in actually getting this missile they call the Taepodong to actually function as we think it was designed.

It did not, and that failure—and that is the second one in as many shots for them—is encouraging only in the sense that it is one less thing to worry about.

However, going on the assumption that this thing—sooner or later they may figure out how to make it fly correctly, we have got to be prepared. And what we discovered was that we needed to really refocus our attention to the pieces of the chain in which we would be able to detect and then do something about these missiles if they threatened the U.S.

So if I could walk through with you where we are today, first of all, at the front end of the situation—and that would be looking at North Korea, which is the one country that has the potential to threaten us—they have in being today an ability to launch short- and medium-range missiles that can cover the peninsula of Korea as well as our close strategic ally, Japan.

They cannot reach this country, to the best of our knowledge. But if there were to be a missile launch coming out of North Korea, that would be detected today by a combination of sensors—first, a recently deployed X-band radar that is in a place called Shariki in northwestern Japan that is capable of very fine detection and tracking of this missile.

There are also the Aegis-weapon-system-spy-radar-equipped U.S. Navy ships and now Japanese naval ships of the Maritime Self-Defense Force that are on station and equipped with a modified spy radar to actually detect and work very effectively against these missiles.

And those ships are being upgraded and deployed. We have a significant number already out there in the Pacific full time.

A combination of these two sensors would be helpful in responding to an alert, which—we still rely on our overhead systems for an initial warning here. But these sensors we would expect would pick up the missile and then track it as it heads up in its trajectory.

Another new development is the recent deployment of a sea-based X-band radar. This is on a converted oil platform that is actually now on station near the Aleutians. This is a much larger sensor than the one in Japan, and it has an ability to detect and track incoming missiles should they be headed for the U.S.

This is linked into the National Defense System with a node in Hawaii and back at Northern Command (NORTHCOM), Admiral Keating's command, to provide the sensors.

As far as how we would deal with this system, there are ground-based interceptors, as you are aware, in the U.S. and there are also

some newly modified standard missiles on some of the Navy ships, the Aegis ships, that are forward deployed in the Pacific to deal with this.

So these pieces and the network that ties them together are new this year. This is the first time we have actually had this complete system arrayed and tested, and we did it in real time during these missile shots back in July. So I think we have made a lot of progress here.

Mr. SAXTON. Mr. Chairman, may I——

The CHAIRMAN. I thank the gentleman.

Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman.

I want to welcome the admiral.

And, General, thank you for being here.

And I want to yield my time to Ms. Castor, the gentlelady from Florida.

Ms. CASTOR. Well, I thank my colleague very much.

And, Admiral, we look forward to welcoming you to Tampa when you assume the command of Central Command.

The growing military transformation and investments of China are of particular interest to our country. Could you give us an outline and a sketch of how much military-to-military contact there is that will lend itself to the United States understanding the investments that the country of China is making?

And what do we know about where they are spending their money? And what do we know about arms sales that appear to be increasing, China's arms sales to other nations across the globe?

Admiral FALLON. Sure, ma'am. I would be happy to. We have significantly upgraded the mil-to-mil relationship between the two countries, but we are starting from virtually nil—long way to go. We do not have the kind of exchanges that we normally enjoy with the vast majority of nations, certainly, in the Asia-Pacific.

Things are very measured, and the process right now is one that has a number of constraints on it. First of all, there is the existing legislation of the 2000 National Defense Authorization Act (NDAA) which proscribes a long list of activities that would certainly bound our engagement with the PRC.

And most of that, if I could summarize, is in the operational nature, so that we wouldn't disclose operational capability. I think that was clearly the intent of Congress when that legislation was passed.

Nonetheless, there is still opportunity there to do a lot of work, and we are trying to take advantage of that—as I mentioned previously the exercises that were done this year.

I have been over there three times in the past two years and have found that each time I was exposed to more activities and got to see more things and engage in more useful and realistic dialogue with the leaders, as opposed to just notes and fixed statements.

Now, we have a long way to go. But what I have discovered is that most of their people have no idea what it is like to work with us. They don't understand us. Most have never met any U.S. military personnel, not to mention a senior leader. And so they are very interested, very eager, I think, at the working level to get moving here.

We have a number of exchanges that are primarily school-related, war colleges and high-level delegations. There has been one initiative I think is pretty interesting in the past year.

We have had several now of midlevel officers—06s, 05s, 07s—from both countries that have actually gone and spent a week or two getting around and seeing things.

And these, I think, are really the most valuable, because these are the people that are going to be the up and coming decision makers in the future. And the old guys like us—we are here today but probably not for too long.

The chairman was very kind describing the amount of service we have had. I think that is a nice way of saying we are old guys who have been around a long time, a couple of crotchety dinosaurs.

But the fact that we have been around and we have seen a lot of things—and we recognize the need for continued engagement here.

Now, the PRC is an interesting challenge for us. It is a country that for many decades was clearly inwardly focused. It didn't engage with the world.

We, from the U.S. standpoint back in the 1970's, made an attempt to get them out of that shell, to get out and about and in the world and to do things that are really more like the—probably appropriate for a country that large, with that many people, and the potential they have.

Over the past decades that has actually occurred, the military relationship being the laggard there. But as China comes out of its shell and begins to engage, there are aspects of this that we would like, such as their huge economic impetus to our Nation and the tremendous good that we benefit from in terms of low prices and a multitude of goods.

The Asian nations benefit immensely by the growth of China economically, because the countries around the periphery get to sell things into the Chinese domestic market.

Ms. CASTOR. I hate to interrupt you, but my time is short.

Admiral FALLON. Yes.

Ms. CASTOR. Do they appear to be particularly interested in investments in weapons systems or developing their ground forces? Is there enough transparency or on your visits has it been apparent to you that they are focusing on one area over other——

Admiral FALLON. In your initial question, you alluded to the fact of the Chinese selling weapons and things to other people. We see very, very little of that in the Asia-Pacific region. Their selling is finished goods, economic, not military, activities.

They are importing weapons systems, primarily from Russia. These are ready to use kind of state-of-the-art things, and we see them doing that. It shouldn't be surprising to me. They have got money that is coming out of their ears.

They are sitting on the largest cash hoard in the world, and—not surprising, because our observation is their military has a huge way to go. Primarily defensive—they are growing in capabilities.

They clearly have been given a task, and that is to be able to take care of a Taiwan situation, and they know that since we are pledged to help Taiwan defend itself that they will need to counter

our capabilities. So we see a lot of work, like this antisatellite shot that is, I think, clearly designed to counter our capabilities.

That said, they have a long way to go. Their ground forces in particular are defensively oriented and focused, and they are trying to grow these forces. So I think we could spend an hour on this topic. It is too complex.

But we see them evolving. I do not see them as particularly threatening right now. We are certainly watching their capabilities, and we would encourage them to be more open and more transparent.

We have had this theme repeatedly in our discussions. They push back on it. They say, "Well, you know, we are telling you, we are focusing, we are doing things on people."

But still, they are investing a lot of money in strategic systems that don't appear to be particularly defensive oriented. So I think it is going to benefit from continued engagement, and that is probably our best opportunity to get them more into the open.

Ms. CASTOR. Thank you very much.

The CHAIRMAN. I thank the gentlelady.

The gentleman from New York, Mr. McHugh.

Mr. MCHUGH. Thank you, Mr. Chairman.

Gentlemen, I join my colleagues in bidding you welcome and thank you so much for your service.

Admiral, good luck in your next posting particularly.

General Bell, I was very heartened to hear your comments about the question of the Korean unaccompanied tour. I have had the chance to be there a couple of times, had Thanksgiving dinner up on the DMZ, and it is an extraordinarily dangerous place.

But if you, as you very aptly describe, look at it in the larger context of things, the change you suggest makes a lot of sense. And I just wanted to kind of put that out there.

I am going to switch back to Admiral Fallon and let him kind of go a little bit more about China. The first question I would have is—you are to be commended for your efforts to engage the Chinese, and it really has been a personal commitment by you.

I am wondering, number one, if you have had a chance to talk to your successor, Admiral Keating, about that. Do you think he will keep up that level of commitment?

And as to engagement, could you describe for us your perception as to our engagement with China, if at all, on issues of nonproliferation and terrorism? And what is the level of cooperation from your place that you see, or lack of cooperation there?

Admiral FALLON. Yes, sir. I talked to Tim Keating. He is anxious to come out to the Pacific. We have had a number of discussions and we have had a team briefing him on a lot of the details of this. So clearly, great value here, and he recognizes that, and I expect that he will continue to try to strengthen these relationships.

Regarding nonproliferation, yes, we have had discussions here, and I would say in two areas. The issue of nuclear weapons certainly has the attention of the Chinese and their efforts in the six-party talks—in which they have been instrumental, according to Ambassador Hill, in moving these talks forward.

As the former staunchest ally of the DPRK, it has been very heartening to see their engagement on these talks.

In regard to terrorism, it is a good subject. They are concerned about terrorism within their own borders, particularly out in the west with potential Muslim extremist activity in their western provinces.

Regrettably, during my time I have not yet had the opportunity to get out to that region of China to actually meet with their folks out there and get an assessment of it, how they really react to it. They have invited me to go, but I am just not going to—I am going to run out of time here.

It has their attention. It is one of the areas, I think, that we can find mutual ground in moving forward, and it would be a fruitful area if Admiral Keating has the opportunity to pursue that.

Mr. MCHUGH. Well, maybe you can get the chance to mention that to him, because it is a big, big problem. And obviously, we would much rather have China more on our side than less.

General Bell, can you just describe what you believe the North Korean perception is of the U.S. redeployment, the reduction of our footprint? We are moving south. I feel pretty comfortable we know why we are doing it, and there is a couple of different dimensions to that.

But what kind of read do you think the North Koreans are getting? And what, if anything, are we trying to make so that they don't get the wrong read and make some really stupid decisions based on a misinterpretation of what is going on there?

General BELL. Thank you, Congressman.

You know, trying to figure out what North Korea thinks is a bit of a crapshoot. But I will tell you what I think they think. And I study this a lot and I consider it a lot. It is obviously a very key element of the equation of stability and security in that area of the world.

You know, first and foremost, the North Koreans clearly want security for themselves. They want to know that their regime is not being threatened. And we are the biggest threat to their regime.

They know that and we know that, and that is why we are there, to deter any provocative acts by the North Koreans or even potential attack on the south or the neighbors.

And so, you know, one of the things that they are afraid of is us. And I don't think it matters where we are positioned in the Republic of Korea, whether along the DMZ or whether we are down south.

As long as the United States makes a commitment to the Republic of Korea, as long as our alliance remains solid and sound, the North Koreans are going to have to deal with the United States and the Republic of Korea.

As long as the friends in the neighborhood—China, Russia, certainly Japan—are concentric in our global view of North Korea, I think they will be concerned that they will have to deal with all those parties. And that is why—the strength of the six-party talks.

So I am not concerned for a second about the movement of our forces south or our force draw down. Our principal capability day-to-day is our air and naval capacity.

We have an extremely capable air component right now that has not only very capable and robust forces on the runways in South

Korea but also in the area, whether it is Japan, Guam, Hawaii, or on carrier decks.

I think North Korea is very sensitive to that air capability. They watch us. They have got radars up that take a look at what we are up to. Every time we bring a B–52 from Guam and do practice bombing in the Republic of Korea to hone our skills, they know it flies by, and they come up on the net.

So I think the move south is appropriate and it is proper. I know it is. We have got a very good Republic of Korea military. They are quite capable. The North Koreans will continue to try to divide our alliance if they see it in their interest.

But I think in the last couple of months that there is such hope for the future that this probably is all appropriate. Us moving south, being a little less visible, not being in the lead so much I think is very appropriate. And we will keep an eye on it as we go forward, but I am relatively optimistic, Congressman.

The CHAIRMAN. Thank you.

Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

General Bell, the discussion about going for the one-year unaccompanied to the three-year accompanied—we are still early in this year, but time goes by pretty rapidly.

If there are specific legislative changes that we need—or maybe you have already given that to somebody on the committee, but the sooner we know what kind of details we would have to have—and if your seniors are signing off on that, and if there is anything we can do in this defense bill, then we need to get it done.

Is it fair to say that the 2,000 or so that are there on their own volition take some kind of financial hit by having moved themselves there? The 2,000 spouses that are not authorized, I assume that—are they flying—are there perhaps additional expenses because they are unauthorized they would not have otherwise?

General BELL. That is a great question. And just let me tell you who has the authorities. One, I can adjust the accompanied tour rates—the accompanied tour rates—any time I want to. What I can't adjust are the tour lengths.

And so, for example, if I chose unilaterally tomorrow to say to those spouses who followed their service members there unauthorized, "You are now authorized," I could do that. And by the way, Congressman, it is my intention to do that.

I hold in great regard these young people who, in spite of our inability to take care of them fully with a full range of services, follow their service members around the world so that they can have a united family.

Now, to be honest with you, our service structure—our medical, our dental, our commissaries and our post exchanges (PXs) et cetera—allow those who are, quote, not authorized access on a so-called space-available basis.

And overall—and I have looked at this very closely—we are doing a darn good job of accommodating those who are not authorized in all of our service arenas. So therefore, a spouse—a lady that has got a young baby who is not authorized is still being seen in our hospital on a space-available basis.

So I am optimistic I can make change pretty quick to accommodate those who are there and to grandfather them and bring them into the family.

Dr. SNYDER. Well, if there are specific legislative things that we need to consider, then the sooner that we get those, the better.

General BELL. Thank you, sir. I appreciate it.

Dr. SNYDER. Admiral Fallon, I wanted to ask, some years ago, the Government Accountability Office (GAO) did a very comprehensive study on hardship postings, and they sent people out to China and Africa posts. And their conclusion was that there was really a lot of incentives in the State Department personnel policies that resulted in the wrong people being put into slots at these hardship posts around the country in terms of lacking language skills and things like that.

One of the things that came out recently here about Iraq is that when the President announced his plan for an increase in troops in Iraq simultaneously with an increase in provincial reconstruction teams, that the secretary of state had to ask Secretary Gates to provide about 130 of the 138 additional people because she couldn't get people to volunteer to go, or didn't have the right mix.

I was discussing this with a high-ranking military officer who—I said, "It seems like to me the metaphor is that the military is like the great offensive line. It is just the quarterback is only coming in every other play."

And he said, "No, that is not the metaphor. The metaphor is we are the great offensive line. It is just instead of sending in football players, they are sending in really enthusiastic soccer players, and that is not the game that is being played."

And so my question is: As you said earlier, the threat of conflict is low in the Pacific Command, and you are going to Central Command. How do you see the relationship now in terms of what other government agencies could or should be doing to better further the national security mission of this Nation?

We talk about that our national security is not just military. You are an important part of it—but that we keep hearing problems about other government agencies not being able to do the kind of things that we think they ought to do, whether it is in Iraq or other places. What is your view of that now?

Admiral FALLON. If you will allow me to confine my comments to the Asia-Pacific and maybe give me a buy till next month or whenever we have the next hearing on CENTCOM, I am really, really pleased.

I will tell you this quite honestly and quite up front, because I have heard all the stories and, frankly, had some mixed experiences in the past. But we have made progress in the Asia-Pacific specifically, I think, due to the good relationships we have had with the interagency.

We work very closely with our Department of State in each of the countries in the region. We have had incredible help from the United States Agency for International Development (USAID) in helping to grow capabilities and set conditions in particularly developing countries.

I could start and spend an hour here ticking off our successes, I believe, in Indonesia, in the Philippines, for example, and other countries.

We work very closely in countries that are challenged—Nepal comes to mind—an insurgency for a decade now. The country has been torn up. They are kind of moving forward and fingers crossed that they might be able to get out of this.

And in Sri Lanka, ongoing civil war for decades now; we are doing our best to try to help them in each of these areas.

I would highlight an area of high interest to our country, and that is maritime security, particularly in the narrow waterways like the Strait of Malacca, where we have worked very closely with the neighboring countries—Malaysia, Indonesia, Singapore, for example, and Thailand—to help them grow the conditions—most of this activity is moving forward because of a close working relationship with other agencies through our embassies. So from my Pacific perspective, I think things are really good.

Now, if I could defer judgment, I know that we are putting a huge demand signal on our country to help out in Iraq and Afghanistan, and I would like to address that maybe next time.

Dr. SNYDER. Absolutely. Thank you.

The CHAIRMAN. Thank you.

The gentleman from North Carolina, Mr. Jones.

Mr. JONES. Thank you, Mr. Chairman.

And, Admiral Fallon and General Bell, thank you very much for your service to our Nation.

And I wanted to ask just two or three questions.

The first, Admiral or General Bell, give me an idea—maybe it is in your testimony; I haven't had a chance to read it. But give me an idea of the North Korean air force, where it is today compared to ten years ago, if it has made any progress in building up the air force.

And then I have a couple more questions.

General BELL. Thank you, Congressman.

The North Korean air force is what I would call a legacy air force. They got most of their aircraft during the Cold War. They don't make any new aircraft. They do overhaul. They are not getting new aircraft from any of their traditional suppliers. And so they are making do with what they have.

These aircraft are capable. The large majority are the kind of aircraft that you would anticipate them to insert special operations forces in the south. They do have a very large special operating force capability. They do have intercept fighters that are relatively modern from the Cold War era.

I can tell you that they don't train to the levels that our Air Force or Navy or certainly the Republic of Korea train. The levels of flying hours to be ready are about ten percent of what you would see in our Air Force or our Navy.

So I am not overly concerned about the ability of the North Korean air force to be a factor. Having said that, it is a large air force. It is capable. They have got real bombs and real stuff, and you ought not to underestimate your opponent.

But we can deal with the North Korean air force quickly and decisively, and it will cease to be a factor fairly quickly.

Mr. JONES. General and Admiral, the reason I asked that, last week we had Secretary Wynne, and General Moseley was here, and there are many of us in Congress in both parties that are extremely concerned about the debt of this Nation—obviously, the debt of this Nation that continues to climb by the moment. We are borrowing money from China right now to pay for the war in Iraq.

Many of us are concerned that you in the military and all parts of the services are probably—from time to time, we will be asking—you have probably already been asked—to make some adjustments in your priorities. Just like today, in one of the magazines, it says, "White House seeks to delay joint strike fighter to pay for troop buildup."

My question was—and I guess it is a question to you as well. My concern is, if this Nation does not get a handle on this spending that is out of control—and I am not even really talking specifically about Iraq; I want to make that clear—then what is going to happen ten years down the road?

Maybe not so much concern about North Korea and their air force, but my question to General Moseley and also to Secretary Wynne was this: Right now, there is no question, we are the best. But if our situation with this economy goes flat, if the debt of this Nation cannot be dealt with adequately, then you are going to have to continue with your budgets to make adjustments that you probably don't want to make because of national security reasons but you are going to have to do it anyway.

And the answer to me was that if this scenario with this debt—and let me throw back in the war in Iraq, the cost of the war in Iraq—that in five to ten years, if this country does not get a handle on the debt of this Nation, so we can give the military what it needs, then we might not have the supremacy that we have today.

Is this of any concern—I am not asking you to get involved about budget debates in Washington, D.C., but those of you who are the professionals that those of us who have not been in the military look to for the very best advice—I am very concerned that we are getting ourselves into a situation where we might not be able to dig out of.

Admiral FALLON. Congressman, I will take a shot at that.

I would approach that by looking at myself and my experience and this region of the Asia-Pacific, which, as we look to the long term, has the potential, probably, to provide challenges for us.

I look at it today as not an immediate threat. I mentioned that earlier in my testimony. I believe it is low threat. I believe we have the capabilities today to overmatch any threat today and for the foreseeable future.

But of course, we are sensitive to the trends as we move ahead. I think that the biggest challenge is probably fiscal right now and over to you as experts in the financial world here of budgets and spending.

But it seems to me that as we develop new capabilities—and I look at maritime and air as the principal items here; they are big-ticket items. You mentioned Joint Strike Fighter (JSF). These are capabilities that appear to extend our ability to overmatch into the future.

The rate at which these are acquired, the efficiencies, if you would, of the systems acquisition of these, are probably the issue that would be at risk. I believe that we are okay today. I think that the things that are under development put us in what appear to be good shape for the future.

The rate at which we acquire these things is not an immediate concern for a threat to me in the near future, but in the business and fiscal reality and good stewardship, I think that is the real challenge.

So if you drag these things out—you know the history better than I—they cost more, they take longer and so forth. But the threat is, I believe, in a situation today where that is really not the main issue. The main issue is how much we spend and how early.

Mr. JONES. Thank you, Mr. Chairman.

Mr. TAYLOR [presiding]. Ms. Davis of California.

Ms. DAVIS OF CALIFORNIA. Thank you. Thank you, Mr. Chairman.

To you, Admiral Fallon and General Bell, thank you for being here.

And good luck on your new mission. We wish you the best.

General Bell, I just wanted to commend you and encourage you in your concern to allow families to accompany service members in South Korea.

I had an experience during the Vietnam War in Japan, and I know how important that was to us. And certainly, to allow families who can go unauthorized, even for the two-year period, could be very helpful and really encourage a lot of families to do that.

I think part of the concern, of course, is the mission that they have there and whether or not that is one that would work in that situation, and you seem to have made that assessment, and I certainly would encourage you to get the feedback from the folks there.

General BELL. Ma'am, I would just offer also we have a very—you know, acronyms—we have a very good NEO plan, noncombatant evacuation process, so that as we look at the situation with the potential threat that we can evacuate not only our spouses and families but also American citizens and those who are affiliated with the United States pretty quickly from the Republic of Korea.

We would do this by air. We have practiced this. It is part of our exercise regimen. Everybody has signed up. We have a way of knowing where everybody is. We are in close partnership with the embassy to make sure we know where the nonmilitary folks are.

It is a big deal for us to be able to execute a NEO operation, noncombatant evacuation operation. In fact, just next week when I get back we are going to go through another NEO evacuation operation. So we do what is right to protect our citizens.

But keeping them at arm's length another one year away is not what is right, and I want to overcome that pretty quickly. So I appreciate your support, ma'am.

Ms. DAVIS OF CALIFORNIA. Thank you.

And, Admiral Fallon, we know the work that you have done working with China and to encourage the transparency there. There was a recent article about the opaqueness of the defense budget in China.

And I wonder if you have any additional thoughts, if you have given maybe a to-do list to Admiral Keating as he comes in, and how best to push that transparency. And is there something that we need to do in terms of our transparency as well that would encourage them to do the same?

Admiral FALLON. I think maintaining a consistent line along these areas—they have a system, of course. Their system of government does not encourage the kind of openness that we enjoy here and in many countries.

I believe that as they get exposed to what goes on in the outer world, they are learning, for example, in the commercial and economic world and the financial world that the requirements, if you would, of doing business in that environment worldwide demands that they be more open and transparent in things.

The military is a tougher nut to crack. This is the long arm of the government. The People's Liberation Army (PLA) is the primary instrument of state power. My assessment is that it is, again, still pretty much focused on internal control and maintaining stability within that country.

And there is certainly no history whatsoever of the kind of things that we would like to see. We have got a long way to go. We have got to keep chipping away at it.

I had a very interesting discussion with the Chinese defense minister last year on this subject. It went on for quite a while. He felt very strongly, and stated so, that we were—it was not our business to meddle in their affairs, it was their business, and he gave me lots of examples of their intention to spend money on their people, which they have done.

Nonetheless, we have to keep at it. And I think that by—as we have these exchanges, we basically push the envelope each time. That is what I have done. I have asked to do new things and see different people and more things, to try to get a little deeper.

At the same time, we have tried to do the same thing here. There is a lot of suspicion and distrust, and it has grown up for a lot of years. It is going to be a challenge to dispel. I think we just have to keep at it, step by step, look at things.

As you here in the Congress identify areas that you would like us to pursue, we would be happy to do that. So I think it is just a matter of just taking it a step at a time and keep moving. Thank you.

Ms. DAVIS OF CALIFORNIA. Thank you.

Thank you, Mr. Chairman. May I have a minute or two?

I wanted to just ask about other perceptions in the region regarding our force realignment. What kind of feedback have you gotten from them?

Admiral FALLON. I think this is really a good story. We have looked at this from a regional perspective. We have a lot of balls in the air. General Bell has mentioned the ongoing realignment on the Korean peninsula to pull back from the DMZ.

There is another stage being set, another series of events in connection with the operational control of the forces and the future of Combined Forces Command. General Bell can address that.

But as we look at events in Korea, I am also focused on Japan—just concluded a strategic discussion with that country—has agreed

to solidify our alliance, which is, as you know, longstanding and critically important to Northeast Asia.

An aspect of that will have us remove some of our forces from the southern part of Okinawa. There are many gives and takes here, puts and takes.

The Japanese government has undertaken a very substantial financial investment of the six billion dollar range to make adjustments on Okinawa, to build us another air field so that we can move out of the congested and encroached south.

We are going to take some Marines and move them to Guam. With your help, we intend to build facilities there to accommodate those Marines. The lay down of forces, then, would give us Marines on Okinawa, Guam and Hawaii, and I think that positions us pretty well for that force—naval forces, stronghold in Hawaii, Guam, in Japan. I think that distribution is good.

Air Force is Guam, Kadena, Korea, Hawaii. I think we are pretty well laid out across the area, and we are happy with the progress. It is going to take a lot of years, no small investment——

Mr. TAYLOR. Admiral, thank you, sir.

The chair recognizes the gentleman from Arizona, Mr. Franks.

Mr. FRANKS. Well, thank you, Mr. Chairman.

And thank you, Admiral Fallon and General Bell and those with you. I always want to remind each of you how grateful this country is and future generations will be to the courage and commitment that you have shown for human freedom.

Having said that, Admiral Fallon, you know, I want to set you apart here and especially applaud you, just coming off commanding PACOM and, you know, it has got to be a tremendous personal affirmation to you, sir, to have managed the defense activities of roughly 60 percent of the world's population.

And I am sure that you are going to be used greatly in the future, and I appreciate you very, very much.

Having said that, to both of you, you know, there is a lot of people that are not in favor of missile defense in this country. And one of the prime arguments that they make is that somehow the warfighters themselves have no need for the deterrent and the defense capabilities, the benefits, of missile defense.

Now, I know that Mr. Saxton has already touched on this, but can you give us some sense of what you think the benefits of a robust, layered missile defense system represents, both to not only this country but to the war-fighters themselves?

Admiral FALLON. Sir, I will start.

There are threats and capabilities in the hands of potential adversaries that I believe we must consider, and we must have in our military capability package a means to neutralize or defeat those threats, because they could directly threaten our forces.

And actually, the majority of the missile threat today is in the short and medium range. So these could potentially—certainly, General Bell, I am sure, would like to talk about Korea. But I look at Japan within the range of North Korea.

We look at challenges with Iran. They can't reach this country, but they can certainly reach our forces in the Middle East, for example. So it is in our interest in protecting our people and doing the best for them that we address these issues.

And so I think it is appropriate that we continue to work on our sensors and our tracking and our ability to have a counter to these, either active or passive. I think it is the right thing to do.

General BELL. Congressman, I would like to follow up. I can't tell you how important I think this issue of missile defense is to the Nation.

I happened to be a bit under the gun back during Desert Storm—missile attacks every night—and saw the terror of it all. They weren't very accurate in those days, although terribly we did suffer some number of casualties from the interballistic missile attacks.

But as time goes on and as mechanisms for accuracy have improved, these systems, whether they are theater short range, intermediate range, the kind that, say, from North Korea could reach Guam or Hawaii or whatever, or even intercontinental, which could reach our Nation, we have to have a layered approach to deal with these, both defensive and, I might add, offensive. They have got to come from somewhere, and we ought to be able to do something about that as well.

So as we move into the 21st century, deep into the 21st century, this is going to be a growing issue. We have said for decades that some day rogue states will have the ability to launch a few missiles at us. And, sir, we are looking at that almost today. I wouldn't say that necessarily the United States is threatened today, but certainly U.S. troops are threatened today. I have got 800 of these missiles pointed at U.S. troops right now in South Korea.

So I would support vigorously a robust approach to theater ballistic missile defense, layered defense, intercontinental ballistic—it is a very important part of the total approach to this very serious problem.

Mr. FRANKS. Well, it is hard to really add a whole lot to that, General. I mean, your answer, I think, obviously not only reflects my own perspective but I think one that the whole country needs to understand.

There is a sense that we already have missile defense in this country. And as you know, we are not there yet. And I am very concerned. In a world where nuclear weapons are not only prevalent, they are becoming ubiquitous.

And it just seems to me—and I would ask your response—is it not important that we not only support full funding of the current missile defense systems but that we, if anything, work toward even more ground-based interceptors for the sake of protecting this Nation against the very potential that you mentioned—you know, a robust—I mean, like a rogue state doing something that, you know, is almost unthinkable.

I suppose if that ever occurs, this debate would change pretty profoundly. But you know, I often steal the quote that, "If we build it, they will not come."

And given our situation in the world, is it not important to the defense of this country to have those systems and support the existing funding?

I am out of time.

Mr. TAYLOR. Ten words or less, Admiral.

Admiral FALLON. It is important that we be able to counter these capabilities. The rate and amount of which the funding is something that you will have to deal with up here, sir.

Mr. FRANKS. Thank you.

Mr. TAYLOR. Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman.

Admiral Fallon, thanks for your service. Good to see you a couple months ago in Hawaii.

A quick question first on military-to-military. Can you just give the committee some perspective on the number of exchanges with China in 2006 versus the number that we plan in 2007?

Admiral FALLON. There is a small increase in 2007. There is a structural challenge here that I would highlight, and that is that within the PRC they are organized to have one office in Beijing deal with the entire range of mil-to-mil interaction.

And that makes life very challenging, because the hours in the day and the speed with which they deal with things severely constrains this.

So with other countries, other relationships, this is all spread out and delegated to different levels. It doesn't happen yet in the PRC, so there is an annual discussion between the Office of the Secretary of Defense (OSD) and their counterparts in the PRC that set up this agenda, but it is not vastly increased from the previous year.

Mr. LARSEN. All right. But you did say Admiral Keating is being briefed and we can expect Admiral Keating—we can ask him ourselves, I suppose, at some point. We can expect Admiral Keating to continue the mil-to-mil efforts?

Admiral FALLON. I would encourage you to ask Admiral Keating. From my perspective, I have certainly encouraged this and indicated to him that——

Mr. LARSEN. Got it. All right. Last summer, a few of us met with General Guo, and he tried to make a case to us for proposed changes to the fiscal year 2000 NDAA mil-to-mil restrictions, and we let him know that he was wearing a uniform, and if he needed to make a case for that, he needed to talk to our folks wearing uniforms, that we would take the best advice from our uniformed folks.

Based on your testimony at page 19, you seemed to indicate thought there may have been some steps that—in transparency and reciprocity, there have not been enough steps for you or others to make any sort of recommended changes to those restrictions. Would that be accurate?

Admiral FALLON. I would say that today we have been able to do the range of engagements that we think are appropriate, that are doable within the constraints of the 2000 NDAA. If we get to the point where we see an opportunity to move this thing forward, I would be happy to propose that to OSD and then take it over here, you know, with their permission.

Mr. LARSEN. Yes. I think it is an important message for us but also an important message for our Chinese counterparts to hear, that perhaps they need to take more steps than they have.

As well, we had a chance to talk to General Cao when we were there, the defense minister. We pushed him to invite the United

States to observer status to the next Chinese-Russian exercises, and we were very politely offered tea, I think would be a nice way to put it.

But I would just ask, would you continue to encourage us to push China to invite the U.S. at least to observer status to any further China-Russian exercises?

Admiral FALLON. Oh, sure. I think it is another step in the move to greater transparency. I would personally much rather actually engage in things than just watching, but you have got to start somewhere, and——

Mr. LARSEN. One step at a time.

Admiral FALLON [continuing]. That would be a good step in the right direction.

Mr. LARSEN. And then two quick things here. Actually, it was last month, another high-ranking official was in town from China to have a discussion about a few things, and we had a chance to meet with him.

I guess my impression is that he did not seem to fully appreciate the impact of the anti-satellite weapon (ASAT) test on the U.S. or on the rest of the world. And he, in fact, went so far as to call our concerns about space debris baseless, as it was interpreted to us, that is, I should point out.

We took the opportunity at that point to explain to him, at least from our perspective, more about space debris, and he may want to go back to the people he was talking to and see if they need to reassess their evaluation of the impact of space debris.

How would you characterize the Chinese response to the world's response to their ASAT test? And have you seen any changes in it in the last month?

Admiral FALLON. I think this demonstrates that there is a long way to go, not at all to denigrate China and her progress in becoming a significantly contributing member of the world body here.

But the response to this seemed to me a little bit of Mutt and Jeff, right hand, left hand, who knew what about whatever seemed to me an issue. It didn't seem very sophisticated or demonstrate the kind of understanding that might be appropriate here.

So they have taken steps to get more in tune with the kind of things that most of the other countries in the world do, and it indicates there is still some work to do here.

Mr. LARSEN. Okay. Thank you. Thank you, Admiral and General, for coming to help us out today.

Mr. TAYLOR. Mr. Conaway of Texas.

Mr. CONAWAY. Thank you, Mr. Chairman.

Gentlemen, welcome. Thank you for being here.

General Bell, I wasn't here during your oral presentation, and you may have already covered all this, but if you wouldn't mind walking us through the realignment strategies as well as the wartime transfer, wartime control, operational control and the impact that the ROK's burden-sharing with us. I think your testimony said that it is 41 percent getting to 50 percent. Just kind of a general step-through.

We have a chart that shows a significant reduction under something labeled "future" of presence in South Korea, so if you could walk us through that, I would appreciate it.

General BELL. Thank you very much, Congressman. I will do it real quick. You know, normally it would take two hours or three hours, and I am not sure I would do it correctly.

But there are a couple of building blocks. One is that we are at 54 years after this war ended. And instead of a deprived, war-ravaged country, the Republic of Korea is a first country world economic power and a major military power, and a great ally of the United States, and a committed ally of the United States.

I mean, these are overarching realities. They fought with us in Vietnam. They deployed to Desert Storm. They are in Operation Iraqi Freedom (OIF) and they are in Operation Enduring Freedom (OEF). They are just dispatching nearly 400 service members to southern Lebanon to help stabilize that area of the world.

So they are helping us enormously, and this alliance is important to the United States, not the least of which is 25 percent of world trade flows through Northeast Asia. So the management of this alliance is something that is vital to both us and the Republic of Korea.

Now, given the current situation, the old-line command and control relationships that came out of the Korean War just don't make sense for today. Here we are with this great capable country, and somehow when war breaks out, I am supposed to command their army. It makes no sense.

I want to command our army. We are not going to give up command and control of U.S. forces ever. That is not going to happen. But we ought to move into what we call doctrinally a supporting to supported relationship, working in partnership with the Republic of Korea in combat in a way that makes sense operationally.

And we know how to do that, so we have agree to move to that new paradigm in the year 2012. We are excited about it. It makes sense. It gives them a better sense of their sovereignty and self-reliance on themselves while solidifying the alliance into the 21st century. So that is one.

Two, realigning on the peninsula makes sense. Part of it is because they want us to move out of Seoul. We have got a lot of acreage in downtown Seoul that is valuable to them.

Plus, to be honest with you, sir, it is a symbol of a bygone era of occupation—not the United States occupying, but other occupiers—and a less visible profile by military forces in the capital city of the Republic of Korea would benefit both nations.

So we have all agreed—and they have agreed to fund that. They are going to spend billions and billions of dollars helping us move. They are going to shoulder the majority of the burden of doing this. Now, that is going to happen. That is all agreed to.

The other piece that we are not fully there yet on is annual burden-sharing. We have asked our ally to shoulder what we call an equitable amount of the annual stationing costs, non-personnel—in other words, not my salary, but the logistics, the maintenance, some of our building programs, et cetera.

And we think equitable is 50–50, so if it costs me $2 of appropriated funds to station forces in Korea, they ought to pay $1. That is the philosophy. In the negotiations over the past several years, we have not approached that number with our ally.

Last year, they covered about 38 percent of our non-personnel stationing costs, and we feel that that number is below the expectation of equality and equity.

This year, the year that we are in, they have agreed to fund 41 percent. So that is an improvement. I will tell you, we have to continue to negotiate with our ally until a point comes where we believe it is fully equitable and that they are sharing the costs in a way that makes sense to us to give us the rationale that we need to stay over there.

Yes, sir.

Mr. CONAWAY. In the time left, could you talk about why it takes up to 2012 to shift operational control?

General BELL. Yes, sir. Well, first, there are some real issues. We need to train repeatedly in a new doctrinal way so that we are certain that should war break out that this will work to standards.

You just can't decide one afternoon—I know you appreciate this—that they will be in the lead and we will be in the supporting role. We have to go through an extensive headquarters realignment process. Then we have to organize ourselves. And then we have to train, sir.

I have estimated it would take three years to train in a cyclical way so that we have great confidence that we could successfully deter an attack and, if an attack came, defeat it. So I need three years. Well, this is 2007, so that is, minimum, 2010.

And in negotiations, they asked for a little bit longer, because there are some things they want to buy before we do this, and so we have agreed to 2012. I think that is reasonable—a little bit later than I would have preferred, but we have got a date. It makes sense to everybody, and everyone is happy with it.

Mr. CONAWAY. Thank you, Mr. Chairman.

General BELL. Thank you, sir.

Mr. TAYLOR. Thank you, General.

The chair recognizes the gentleman from Connecticut, Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

And I want to thank Admiral Fallon and General Bell for your service and your testimony today.

And we wish you, again, all the best wishes we can with your new posting, Admiral Fallon.

I wanted to follow up on your testimony regarding your reassuring words that the threat where you have been in command is something that you feel confident in and that we have under control.

And looking at the staff reports and your testimony, I mean, obviously, I think we have that confidence today because of the size of our fleet and that we are able to sort of meet the projections that the Quadrennial Defense Review set forth in terms of our surface ships and submarine fleet.

But obviously, it is not a static situation today because you are moving a number of submarines over to the Pacific by 2010. According to the staff notes, there will be 31 submarines that are there. And again, with the existing size of the fleet today, that is obviously a number that falls within an acceptable plan.

I guess the question is, though—and I am learning this quickly here—is that the decisions we are making in the Congress today are not about today; they are about a long time down the road. And the fleet that you are using today is one that was built 20 years ago.

And clearly, with the President's budget and the number of ships and submarines that are included in it, looking down that road 20 years hence, I mean, you just try and do the math and see how we are going to maintain 31 submarines in the Pacific when the fleet shrinks some time in the 2020's down to 40 submarines.

I mean, do you have any concern about whether or not the sort of confidence level that you have here today is really, 15 years, 20 years down the road, going to be something that we can feel without any concern?

Admiral FALLON. Congressman, in my view, we weigh off risks. We look at the realities we face today. We have got a war in the Middle East that requires an enormous amount of money and other resources. This is primarily land, and so we have put the spending in that direction.

I believe we are quite capable of meeting any requirements in the Asia-Pacific and in other places in the world today with our existing force structure.

Now, we have on the books new classes of ships, for example, in the areas in which you have high interest, I believe, that are very capable, we think, at looking to the future to meet future threats.

Now, the numbers of those today appear adequate to today's threats. If that changes in the future, the fact that we do have these newer classes—maybe not in the numbers that you might like to give you higher confidence, but enough confidence today.

The ability to have those and to crank up those building programs if required in the future, I believe, is a reasonable hedge against where we are. And so you make these tradeoffs.

The key thing is that we continue to make investments to have capabilities that we could then expand rapidly if we need them in the future.

Mr. COURTNEY. And I appreciate that answer. I mean, that is helpful. I mean, as I said, though, I mean, obviously, we are not always dealing in a static situation right now. And certainly, one of the things that is not static is the rate of increase in the Chinese navy.

And you started to address, I think, Congresswoman Castor's question on that issue, and, I mean, what is going on?

Admiral FALLON. The big picture, I believe, is that this is a country that was focused inwardly, is now looking externally, because it has a much greater global interest.

It requires huge amounts of energy resources and other raw materials to continue to drive this economic engine. And it realizes that these things are not inside the borders, that they are under other folks' control.

There is another dynamic, and that is this huge amount of cash that they are getting courtesy of our investments in their products, and I would expect that it shouldn't be a shock that they would invest a substantial amount in their military, since it is decidedly not modern.

They are working on lots of new things, and new classes of ships are one. We are watching this closely. These are a concern. We would like to have them work in concert with us to look at a future in which they are helping to provide security and stability, versus the flip side of that.

So we watch it carefully. We look to make sure that we have an ability to counter any threat that could turn against us. And we continue to encourage them to work with us as we move to the future.

Mr. COURTNEY. Well, that is obviously the goal which we all want to see happen. I mean, one of—the unfortunate thing is their cash position has been strengthened by our debt financing, which Congressman Jones talked about, and that is obviously something we have to address here.

Mr. TAYLOR. Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

Mr. TAYLOR. The chair recognizes the gentleman from Georgia, Mr. Gingrey.

Dr. GINGREY. Thank you, Mr. Chairman.

Admiral Fallon, it was great to see you recently at PACOM with CODEL Bartlett, Bordallo, et al. We enjoyed that very much.

General Bell, we didn't quite make it to Korea. We just ran out of time in that five-day trip.

Thank you both for your great service to the country.

There have been some questions already concerning what the plans are in regard to Korea. General Bell, you addressed that. Also, the plans in regard to Japan; and we discussed that at length with Admiral Fallon when we met several months ago in theater.

My question for both of you, though, is: We get a lot of concerns expressed about things—assets, men and equipment—being diverted to Central Command. And of course, Admiral Fallon, you will be there soon in charge of that operation, Iraqi and Enduring Freedom. And what has the cost been in regards to transferring assets?

And I would specifically ask how has that affected the Pacific Command and, of course, General Bell, your area of operation in particular. I know maybe 3,000 or 4,000 troops have been transferred maybe one and a half years ago, two years ago, from Korea of the 37,000 we had to Operation Iraqi Freedom.

You have an area of responsibility, as you point out to us—300,000 personnel, 51 percent of the Earth's surface—granted, a lot of it is water, but it is 60 percent of the world's population. And how many countries—you really have a tremendous area of responsibility.

Tell us the effects of any transfers that have had to occur.

Admiral FALLON. Yes, sir. The fact that there is a lot of water and a lot of air, maritime-air-centric—those forces have not been nearly as impacted by the combat operations in the Middle East as our ground forces.

So we retain substantial capability, we think quite capable of meeting any challenge in the foreseeable future. And in fact, we have been adding to that capability.

The example I would illustrate is the recent deployment of—the first F–22 deployment out of the United States currently ongoing

in the western Pacific—a tremendous capability with these aircraft. Upgrades to our ships and so forth—and so we are in good shape on that side.

We are watching, as General Bell indicated earlier—watching closely the impact of things like prepositioned material, land-oriented, land-centric things. General Bell would be happy, I am sure, to address the situation on the peninsula.

But from the rest of the Pacific, I think we are in good shape. The risk is acceptable based on my perception of the threats or potential threats that we face. And we are going to watch it closely.

And I guess in my new responsibilities, I will have to explain to my counterparts why we need all these things and make sure we use them. But over to General Bell.

General BELL. Thank you, Congressman.

You know, when I go to bed at night, I think about a lot of things. One of them is what if at midnight tonight I get a call and say, "Well, it just didn't work, there is an attack going on," because the North Koreans are positioned where, if they chose to, they could have a very short-notice attack.

We don't anticipate that, and we are very hopeful for the future, but they could. And what does that mean about the United States' ability to reinforce Korea and other places in the Pacific? And how is that affected by ongoing operations in Iraq, Afghanistan and other commitments in the world?

And you know, it is a daunting challenge for our military. We are committed heavily in that area of the world. I go back, however, to my earlier comments that I am extremely confident in the Republic of Korea military.

I can tell you, sir, I have been in this business a long time, and I have looked at a lot of militaries around the world. In fact, it may be most of them. Like Admiral Fallon, being dinosaurs as we are, we have been around for a while.

And this is one good military capability that the Republic of Korea has. This is something to celebrate, a success for a partnership, an alliance partnership over a long period of time, that moved the country from a war-torn, third world, poverty-stricken disaster to one of the great countries of the world today.

And the United States can take a great deal of credit for that. Certainly, the Republic of Korea citizenry can take a lot of credit because they picked themselves up by their bootstraps and have done what they have done. It is a marvelous example of what we are trying to accomplish elsewhere in the world.

Having said that, the air and naval power that is made available to me in the Pacific region is adequate to meet our war needs. If we needed ground forces, we would be challenged right now.

But my assessments and war gaming are that we have the forces available in concert, in partnership, with the Republic of Korea to do what we need to do on the Korean peninsula.

Dr. GINGREY. Thank you, General.

Mr. TAYLOR. The chair recognizes Admiral Sestak.

Mr. SESTAK. Admiral, General, thanks for the time.

The question that was just asked—a few years ago there was a redoing of a series of war plans, including yours, General—much more reliance upon air power.

Is the result of your confidence—or because of that, is that why you feel confident in what you said about that we can handle this contingency despite Iraq because of that change to the focus upon air power?

General BELL. I could tell you from a career perspective, most of my optimism about our deterrence capability and our ability to fight rests with the continuing improvement of the Republic of Korea military. We are an alliance.

I do today command the Republic of Korea military in war time, and so I am deeply engaged with Korean military leaders every day, and we train with them every day. So a lot of this is, again, a success story. We are in partnership.

And not to forget, we still have our United Nations command, which I command——

Mr. SESTAK. Yes, sir, but I guess my question is—my understanding is the reliance upon air power and that we have those forces ready—and so my question is do you have—have we filled that request out for the types of munitions that should be used by the air power for the hard and deeply buried target (HDBT) and the others?

How does that stack up to the change in the war plans of a few years ago? Have you been able to get that enormous request that you wanted filled?

General BELL. No doubt that the air power that we can bring to bear today is radically different than what it was 20 years ago, most of it a function of precision munitions and standoff capability of the aircraft, so that they don't have to——

Mr. SESTAK. Have you been able to get the munitions that that war plane called for?

General BELL. We have the munitions that we need for a number of days. I wouldn't go beyond that in this session. I will tell you that beyond a number of days, if those kinds of munitions were still required, we would have to bring them forward from the states, and the supplies that we need would have to be refurbished.

And so I am not totally comfortable with the aerial munitions——

Mr. SESTAK. Has your request been filled, then, for your request for munitions?

General BELL. I am sorry, sir?

Mr. SESTAK. Has that request that you have submitted——

General BELL. Yes, it is part——

Mr. SESTAK [continuing]. Has that been filled?

General BELL [continuing]. Of my integrated priority list, and the Department of Defense is quite aware of how I see these requirements. Yes, sir.

Mr. SESTAK. So it has not been met.

General BELL. If we have a war and it goes the way I expect it to—and again, be careful of expectations, because the enemy gets a vote—I am confident we have the munitions now that we need.

Mr. SESTAK. A couple days. So my next question is if it is good enough for a couple days, and this is a sudden war—30 miles from Seoul to the DMZ—the readiness of our National Guard is what it is, and the readiness of Army is what it is.

What is it after a couple days if things don't go and you run out of these munitions? Is that a more major concern in view of Iraq and what it has upon the hold of our and the status of our Army and where they are, if a few days is important?

General BELL. The Republic of Korea has 500,000 men under arms today fundamentally capable of defending their capital. They are active duty. They have a three-million-man reserve.

Mr. SESTAK. Would it be unfair to say, then, that once the war is over that those forces that you normally had in the war plan aren't going to be needed any longer because of this confidence you have?

General BELL. I believe we are at a point with the Republic of Korea, as we change our command relationships, where we are going to review the allocation of U.S. forces against the enemy as we know it and given the capability of the Republic of Korea military. So we will change.

Mr. SESTAK. The reason I am asking is we are about to increase the Army by 92,000 troops, as well as the Marine Corps. But if you are saying those forces really aren't needed because the Air Force can handle it, and we have such great reliance upon the ROK, are those 92,000 troops then needed?

Because this is one of the two major contingencies for ground forces we plan upon.

General BELL. I think those forces are exceptionally needed, and even more potentially. United States' worldwide interests are not just against postulated war plans. There are many threats to our interests worldwide that would require the allocation of ground forces, not only North Korea.

So I am absolutely supportive of that increase and think it may not be quite enough.

Mr. SESTAK. Thank you.

Admiral, could I ask a question? Since 1996, China—ever since that time that we had the missiles rain down either side of Taiwan, and we deployed Aegis cruisers there, every year since then, they have done an exercise—not before, but ever since then—of increasing breadth and increasing depth, not dissimilar, some say, to 1967 after the Israeli war, the Egyptians did, leading to the 1973—out of an exercise, a sudden thrust.

How do you plan on—I mean, is that a concern of ours? Do we actually deploy extra forces out there during those periods of time of the exercises?

Admiral FALLON. We certainly watch the activity of the PRC. And I think, Congressman, that the reality today is that we would expect to see the Chinese increase their exercise program as they grow their capabilities and the means to fund those, and they recognize a need to step up from the level at which they had been operating.

Without going into the details, which we could certainly do in a closed hearing if you wanted to pursue the inner workings of the contingency plans, we watch and adjust our activities, I think, appropriately in the face of what we see as potential threats.

Mr. TAYLOR. Admirals, we are going to have to cut you all off.

The chair recognizes the gentleman from South Carolina, Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And thank you, Admiral and General, for your service. I have had the privilege of visiting with your troops in Hawaii, strategically important Guam, and Korea. And every time I have visited, I have been so impressed by the young people protecting our country.

And, Admiral Fallon, I have been particularly pleased as the co-chairman of the India Caucus, the developing strategic relationship and alliance that we have with India. And the three of us are about the same age; we have seen India evolve from a virtual enemy state to one of our greatest allies.

Could you review for us the military exercises, other indications of military cooperation?

Admiral FALLON. Yes, sir, I would be happy to.

India is one of the bright spots, I think, in the region—significant change in focus and direction of our relationship with the two.

I have been a couple times to meet with the Indian leaders, and I sense a similar sharing of desire to move us forward. There have been a number of exercises, increasing in complexity, over the last couple of years, and the plans are to continue in the same direction.

There is a naval exercise, Malabar, that has been going on. That included aircraft carriers this past year. There are land exercises, small but growing. Indian forces have been to the U.S., to Hawaii, and the mainland a couple of times this year.

We will continue these as it makes sense and as we find fiscally appropriate. But there is little doubt in my mind this direction is improving.

There is another dimension here that is very significant. For the first time that I can remember, the Indians have actually made an acquisition of U.S. hardware, and that is the ex-USS Trenton, one of our expeditionary ships, which is in the process of being transferred to the Indian navy and, along with that, a purchase of some helicopters to help outfit it.

This is a first. It is kind of a landmark, a watershed event. There is a lot of interest in future development—a lot of concern, I will tell you, in India, historic anxiety, I think, about this because there isn't any track record. They have been getting most of their stuff for decades from the Russians, from the old Soviet empire.

And so this is a new thing for them. They are kind of looking for us to see how we treat them and how we react. I think it is an opportunity for us to be more interoperable. That is one of the things we have discovered as we have done these exercises.

Since they are using equipment from different places, there is some challenges here, and we could make this better in the future. So lots of opportunities, is what I would say.

Mr. WILSON. Another indication of cooperation is the U.S.-India civilian nuclear argument. I believe this promotes nonproliferation because India now will separate its military and civilian nuclear programs.

Have you been working with their government in regard to that?

Admiral FALLON. I think it is a very significant strategic step forward to gain the confidence of the Indian people that we in the

U.S. highly value a relationship with this country. And the potential for other things is great.

It is a huge country, more than a billion people, strategic location. And as I face my new challenges in the Middle East, I am very sensitive of the fact that India has a lot of interest in the same area. And there may be some possibilities here that would be helpful in this new region, too.

Mr. WILSON. Another success story has been the Republic of Mongolia. It is extraordinary to me—again, people our age would think of that as a totalitarian state, which now is a free-market democracy, a nation that has sent troops to work with the coalition forces in Iraq and Afghanistan.

Have you worked with the military of Mongolia?

Admiral FALLON. Yes, sir, Congressman. This is a really good success story. It is a small country in number of people, two million people, but very large, covers a big area, strategically between Russia and China, so interesting challenges.

But they have chosen to, as you say, opt for a democratic process. They have a very small military. They are interested in helping out in areas that make a lot of sense, like peacekeeping.

They don't see a big threat to themselves externally, and so they are taking their relatively small military and training it, and we are helping them to train them to do things for the U.N., for example, in a peacekeeping role.

They are in Iraq. They have got over 100 troops there. They have been there for several years now, giving us great support. And we are working with them. We have a good exercise program.

And in fact, this summer they have volunteered to host an exercise called Conquest, which is primarily a peacekeeping reinforcement drill which will involve a lot of countries. So it is a really good news story.

Mr. WILSON. Thank you very much.

Mr. TAYLOR. The chair recognizes the gentlewoman from Guam, Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

And again, it is nice to see you, Admiral Fallon. You are a very good friend of the Pacific area, and of course, General Bell as well. I thank you both for your testimony today, and also thank you, Admiral, for your service as commander of the United States Pacific Command.

The Pacific Command area of responsibility has been very challenging lately, and you have displayed exemplary ability to manage and address the challenges that confront our national security interests in the region. Our military posture in the region is much stronger because of your leadership.

And last, I want to thank you for your work to support the negotiation of the bilateral agreement between the United States and Japan to realign the forces in the Pacific Rim, including the relocation of U.S. Marines from Okinawa to Guam. I think some of my colleagues have alluded to this, and you spoke briefly to it earlier.

Can you please describe your thoughts on how this agreement has and will strengthen the diplomatic and the national security relationship the United States enjoys with the government of Guam or the government of Japan?

And can you provide for this committee where you believe the agreement is at this time? I understand that the Japanese diet has yet to approve the funding for this project.

And I would just like to get your idea of where we are today, if you could help us with that.

Admiral FALLON. Sure, Congresswoman. Thank you.

First of all, at the high level, it is a very strong reaffirmation of the strategic alignment of our two countries to provide for mutual support in Northeast Asia and in the north Pacific region.

The longstanding security commitment that we have to Japan—and that reaffirmation is very valuable, I think, as a signal to the people not only of the region but particularly in both countries.

The details of this go along several lines. First, to upgrade the interaction between our forces. We have been in Japan with bases and forces. We have done exercises.

But the amount of integration of the forces, operational activities together, has not been as great as I might have expected prior to getting into this job. That is increasing, and that is really good. I could give you examples in missile defense cooperation and air defense cooperation in Japan, Japanese home islands, as examples.

Regarding the force structure of our Marines particularly, as we look at the future and assess the optimum location of our forces, as you are well aware, Guam plays a large role in our plans. We have been there before. Things ebb and flow. But we see the strategic value of Guam.

And most importantly, it is U.S. territory. It is a place where we have the freedom of action for our own people, with and by our own people, to be able to do the things we think are necessary without having to go to get international agreements. That is a tremendous advantage.

There are some other issues, too. You know there has been a lot of discontent, particularly in southern Okinawa, about our presence there. We have been there for many decades, but as the Japanese population of Okinawa has increased, encroachment has grown around these facilities, and as we have seen in many places of the world, it has become a problem.

So part of this arrangement will be to move a lot of our forces out of that area that is heavily congested and put them in other places, Guam being one.

The specifics of the funding are that the diet has not yet passed the resolutions to provide for the funding. There has been a visit by a Japanese diet delegation very recently to Guam to get their assessment. I assume that is——

Ms. BORDALLO. And there will be in the future.

Admiral FALLON [continuing]. That is a precursor to their movement forward of their diet.

The prime minister, Mr. Abe, has stated his firm commitment to make sure this happens. So I think things are in place. Planning is under way. They are getting a sense of what needs to be done and how much. And I expect this will go forward. I have high confidence this is going to go forward.

Ms. BORDALLO. So there would be no chance, then, of anybody reneging on the agreement.

Admiral FALLON. I think the chance of that is very, very small indeed, because——

Ms. BORDALLO. Thank you, Admiral, and——

Admiral FALLON [continuing]. It is in the interest of both countries.

Ms. BORDALLO [continuing]. I want to thank you again for your services as commander of the Pacific Command and, of course, to congratulate you on your new command. Thank you.

Thank you, Mr. Chairman.

Mr. TAYLOR. The chair recognizes the gentleman from North Carolina, Mr. McIntyre.

Mr. MCINTYRE. Thank you, Mr. Chairman.

And thank you, gentlemen, for your service to our country.

Admiral Fallon, I wanted to ask you, or you, General Bell—but if you could tell me—there were unconfirmed reports recently of the Russians selling missiles to Iran. Do you have any knowledge of this?

Admiral FALLON. I don't have any detail. I will probably be focused on that pretty intently very soon.

Mr. MCINTYRE. And, General, do you have any knowledge of this?

General BELL. I do not, Congressman. I have read these reports but I have not looked into it personally.

Mr. MCINTYRE. All right. Is this something each of you, then, are willing to follow up on to see if they are confirmed and how that may affect our interest? Each of you would be willing to make that commitment, is that correct?

You will, General?

And, Admiral, you said you will be following up on your new position, is that correct? All right.

Admiral FALLON. I will check that, and I will be back here next month. I would be happy to answer.

[The information referred to can be found in the Appendix beginning on page 133.]

Mr. MCINTYRE. Thank you, sir. We obviously would have great concern and interest in that.

Also, I understand Russians are selling submarines to the Iranian navy and to the Chinese navy. What do you know about that? And is this a concern?

Admiral FALLON. The Russians have sold—and this is not new—three Kilo class, as we call them, submarines to the Iranians, and several of these to the Chinese. There is a buy that is in progress now.

It is a concern, of course, to see the proliferation of these systems. They are diesel submarines. They are different than ours. They are generally short range and would be used, I believe, in close-in coastal waters. But clearly, we prefer that these kind of things not be proliferated around the world.

We will keep an eye on them and make sure that we are doing diligence here to ensure we have the capability to operate and detect and deal with these things if we ever have to.

Mr. MCINTYRE. Thank you, sir.

I know earlier in my absence—and I apologize, I had to step out for another commitment and came back. But there was a question,

I believe, asked about the Chinese navy. And is there any focus at all and concern with regard to the buildup of the Chinese navy and our sense of readiness or dealing with their strategy, their strategic forces?

Admiral FALLON. Sure. In the maritime area, we watch very closely the Pacific fleet and its commander and structure, keep an eye on this. They are growing in capability and numbers and modern upgrades to their fleet. We watch it very closely.

Again, we are trying to get the Chinese to engage with us so that we have a better understanding of where they are going and what they are up to. One of my priorities is to push for an agreement in expectations in areas at sea and in the air, when we will get in close proximity to one another.

You recall that back in 2001 we had this collision between the Chinese fighter and one of our P–3 reconnaissance aircraft.

Mr. MCINTYRE. Yes, sir.

Admiral FALLON. I would like to have that not happen again. And I think one of the ways to do that is to set in place a structure of expected activity should our forces engage.

We got a start on that this year in the maritime domain. That exercise also did include aircraft. And we will continue to push this area.

Mr. MCINTYRE. All right. And another question on—the Russians, I know, also are apparently selling the Su–30 jet fighters to the Chinese. Is this a concern? Is this something you are monitoring?

Admiral FALLON. Again, more modern equipment—the question is what are they going to use it for. The Chinese are also developing their own indigenous programs. I got a chance to see one of those aircraft when I was in China last year.

They have also had a joint development program with the Pakistanis. Again, what we would like to do is to get the Chinese to engage with us so we can convince them that it is in the interest of both countries that we work together and be very transparent and open with what we do.

I think the Russians are selling these things not just to China but other countries of the world because there is a lucrative market for them. It is a way for them to get cash into their economy. And it is one of the few capabilities that is actually available to them in the export markets.

Mr. MCINTYRE. Thank you, sir.

Mr. Chairman, I think we did that within our time.

I appreciate you gentlemen's answers and your service.

Mr. TAYLOR. Thank you.

Admiral, I am curious. I have concerns that this Congress has not been made fully aware of the total cost of the war in Iraq. For example, the equipment needs of the National Guard and reserve come to mind.

And so I was wondering, within your Pacific Command, what sort of needs have arisen as a result of the effort in Iraq and Afghanistan? What sort of equipment shortages do you have that need to be addressed?

And that would sure also go to General Bell, but I will start with you, Admiral.

Admiral FALLON. Congressman, no major needs that are being unfilled.

As I review our desirements, if you would, to put into the system in terms of needs out here, all of my priority items are very specific operational things that—some are classified, but they are designed to make sure that we have capabilities to deal with things that we think might be a problem in the potential for conflict later on.

I don't really have any significant unfunded or unmet equipment needs right now.

Mr. TAYLOR. Well, let me be specific. Do you have no need for engineering equipment? Do you have no need for generators? Do you have no need for tents? Let's go down the list.

Admiral FALLON. I am sure that there are things that our Army forces in the Pacific and the Marines out there would love to have. But I believe that we have the equipment that we need today to respond to any contingencies we have.

I guess in my dealing with the things that I believe we have to face, recognizing that we have a war on and that the priority for our people and our equipment is right now in the Middle East, I have been taking as acceptable risk some of the things that are maybe not immediately available, with the expectation that if something changes and there is a threat in the Pacific that appears to be an overriding concern, that we would get back or ask to get back some of these things.

The biggest problem I see is the rotation of our forces, the fact that you have people that go out. They use their equipment. It needs to be repaired and maintained. Some things are used up and not replaced.

And the fact that these forces then are put into rotation and they are going to be called on in short order—I think if we needed to do something right now, we could muster the appropriate materiel and do that.

Of course, we would like to have new things. We would like to have things replaced. One of the things we haven't done is put a big demand system on the Army in particular for immediate fill of some of this equipment that they have borrowed, if you would, out of prepo and other places to go to the war, knowing that the stuff that we would like to have back is probably upgraded things, newer materials.

The fact that the Humvees we have are not the up-armored—and so instead of demanding that we replace all these things now, we have agreed to defer these until such time as we can get the newer equipment.

Mr. TAYLOR. Okay. For the record, I would be curious, since I am convinced that we are going to need to replace every Humvee in any potential combat zone with something like an Mine Resistant Ambush Protected (MRAP) vehicle, for the record, I would like to know how many Humvees are in Korea.

[The information referred to is classified and retained in the committee files.]

General BELL. How many are what to Korea, sir?

Mr. TAYLOR. In Korea, in South Korea.

General BELL. Well, I can tell you how many—well, I have to be careful here on classification. But I can tell you that the Humvees

that we have in Korea are not of the variety that I would want to go to war with. I want up-armored Humvees. I think it is important.

Now, we would not necessarily face the kind of, you know, improvised explosive device (IED) threat you see in Afghanistan and Iraq right now, but to go into combat with soft-skinned wheeled vehicles is not something I would prefer to do.

So the answer is both in my prepo stocks over there and for the one maneuver brigade that I have from the Second Infantry Division, these Humvees—and, for that matter, sir, our tactical trucks, the larger trucks, two and a half-ton family of tactical vehicles—I believe they and the stocks in the United States have to go through a significant refit over the next years to get them to a capacity where they will survive in combat better than we have today.

Our notion of wheeled vehicles was based on a more linear type battlefield, where we had a secure rear area and blah, blah, blah. And now we see, in modern warfare, that that guarantee of a secure rear area is just not something we can count on.

So we have got to upgrade our ground equipment so that our supporting equipment has the capacity of some of our combat equipment to survive in this non-contiguous battle space.

So I will tell you, Congressman, your concerns about this equipment—I share those concerns, not only with respect to the ability to generate forces out of the United States, but also the kinds of equipment we have, given the realities of modern warfare.

Having said that, I am really confident in the Republic of Korea army. Really. And I am very confident in our air and naval power. And all the work I have done gives me a lot of confidence that we have a very potent capacity to defeat the North Koreans.

But your concerns are spot on, and we are seriously worried about some of those issues.

Mr. TAYLOR. General, the last number that I had heard was that the North Koreans had approximately 100,000 people in their special forces. Is that still fairly accurate?

General BELL. That is a little high, but the number I would share with you here today is around 80,000. And I am very concerned about their special forces.

Mr. TAYLOR. Okay. I have always noticed—I hate to use the word "impressed," but I have certainly taken notice in our foe's ability to wreak havoc with a minimal amount of money.

Given that the Humvee has been shown to be particularly susceptible to land mines, and that our enemies obviously talk to each other over the Internet and potential enemies talk to each other over the Internet, I have now become convinced that up-armoring Humvees is not the solution, that we need to go to replacing Humvees with something like an MRAP or better.

So with that in mind, what would be the number of vehicles in Korea that would need replacing? And I am also not a fan of requirement. I think the Army in particular has caused themselves a lot of troubles with these artificial requirement numbers.

When you take 10 percent of the total force and say that is all I need to replace, and we end up finding it is not 10 percent, it is really 100 percent, let's get to that sooner rather than later.

So what are the number of Humvees that you have on the Korean peninsula?

General BELL. Again, sir, I would say it goes beyond Humvees. It is the family of tactical trucks. I would be really focused on that.

Mr. TAYLOR. So what are the number of vehicles?

General BELL. This number that I would share with you today is for the force we have on the ground today, not the force that we might want to bring in. Somewhere less than 1,000 of these platforms.

Mr. TAYLOR. Okay. General, the other thing—and this is going back about 18 months to the storm that hit the Mississippi gulf coast. One of the things that hit me, given what happened in my area, the reports I was getting out of the New Orleans area, what was obviously a huge demand on the meals ready to eat (MRE) stocks—and for good reason, but obviously, a huge demand on the stocks.

And I remember thinking, "Gee, what if the North Koreans act up about now?" What are your stocks for things like MREs, for things like generators?

You know, just the basic things that are going to happen in a conventional conflict, when your electricity goes out, the water quits running, can't necessarily count on the supply ships being as timely as they were before. What are your normally prepositioned stock—what is your timeline?

General BELL. I want to be just a bit cautious because of classification, but I require a minimum of 15 days of supply of Class 1. Class 1 is food. I have those stocks on hand now on the peninsula for the force I have on hand.

And the prepo of Class 1, mostly MREs but there are some other prepackaged foods, in the Pacific region under Admiral Fallon's command right now significantly go beyond that. So Class 1 is not something I am concerned about for the force I have on the ground today, much.

Class 3 fuel, which is one of these basics—I am very confident in our Class 3 stocks on the peninsula and in the region.

The two stocks that are more fragile are Class 5 and Class 7. Five, of course, is ammunition. Conventional ammo I am very confident in. On the peninsula we have probably more than we will consume.

But some of the other type, more modern munitions, particularly aerial delivery munitions and others, are the kinds of stocks that I would like to see increased in our inventory, both in the region and in the United States.

Class 7 is what you have been talking about. Those are major end items of equipment. Whether it is a tank or whether it is a Humvee, that is a Class 7 item.

And again, I think of all the classes of supply that we have in the military today, the Class 7 stocks are under the most stress because of the war in Iraq and Afghanistan, not only from a modernization perspective, like you said, but just a refit perspective, and the long lines that we have in our depots to get this stuff brought back up to standards.

And so again, while I don't anticipate needing that equipment in Korea, if I did need it, it would be difficult for the United States

to generate that today, and we would have to work very hard to meet requirements if they went beyond my expectations.

Having said that, I would tell you again, Congressman, I am extremely confident in the Republic of Korea army. And I know the North Korean army very well. I have studied them.

And it would not be wise for the North Koreans to attempt an adventure in the Republic of Korea with the capability of the ROK military and our air and naval power. And I have got a range of confidence that is very high, sir.

Mr. TAYLOR. The equipment concerns that you have, are they addressed in this year's Department of Defense request?

General BELL. They are, absolutely. And my integrated priority list, absolutely.

Mr. TAYLOR. If a conventional war were to break out on the Korean peninsula, you would not be coming to this committee a year from now saying oops, I got caught flat-footed because of what was going on in Iraq and Afghanistan?

General BELL. It is not my expectation that I would come to this committee a year from now and tell you I got caught flat-footed at all. I have enormous confidence in the Republic of Korea army.

Mr. TAYLOR. Last question, and I will use some examples. We have spent, I guess off the top of my head, $500 million to build a base in Manta, Ecuador up to American standards. Apparently we are being asked to give it back to the Ecuadorians.

You probably spent some of your career in Panama. We spent a lot of money on housing and other important needs—turned that over around the year 2000.

I agree with your desire to be able to bring the families over to Korea. I think that makes perfect sense. But there is obviously a price tag associated with even our half of the MILCON.

My question is given the example of Ecuador, given the example of Panama, what sort of guarantees can we get from the Korean government that we are not just going to build something to turn it over in three years to five years?

General BELL. It really boils down to interests of both nations and the strength of the alliance, not just U.S. stationing in South Korea.

But why do we have a mutual security alliance with the Republic of Korea or, for that matter, one with Japan or other nations in the area? And how enduring are those alliances?

And when we look at the region, and when we talk to our friends—the Republic of Korea, the Japanese, even some emerging partners, hopefully China, et cetera—it is clear to us that not only are we welcome and wanted in that area of the world as a stabilizing force, but that that welcoming and wanting will continue into the future even if the confrontation between North Korea and the partners in the region, South Korea leading those—even if that were to be solved.

Those nations want the United States to be an enduring partner with them. I am very confident and I say for the record that it is my full expectation that the United States will be asked to remain as a reliable and trusted ally with the Republic of Korea, as they have been with us, deep into the future, certainly throughout this century and beyond.

And I see no potential at all for the Republic of Korea to ask us to leave anywhere in the future that I can envision. So I am very confident that, one, we would not be wasting money.

Second, a great deal of our stationing costs there are paid for by the Republic of Korea, as we are seeing the case in Japan as well. As long as they are willing to continue to offer us their good economic engine to encourage us to have forces stationed there, I believe that we will continue to see that the majority of our stationing costs are covered by our ally.

And our building costs in the future will be significantly paid for by our ally as well. Sir, we will have costs. I will come to this committee and ask for help. But we have a reliable and trusted ally. They are paying for our stationing in a significant way now. And I am confident that they will do that in the future.

Mr. TAYLOR. Admiral Sestak, do you have a need for a second round?

Mr. SESTAK. Just a couple quick ones.

Mr. TAYLOR. Sure.

Mr. SESTAK. General or Admiral, when you talk about——

Mr. TAYLOR. Admiral, if I may interrupt, you have got exactly four minutes under the House rules.

Mr. SESTAK. All right.

If I might ask, the Intelligence, Surveillance and Reconnaissance (ISR) assets for the early warning, are they sufficient? Have they changed since Iraq has begun, Admiral?

Admiral FALLON. ISR, intelligence surveillance reconnaissance assets, are high demand, no doubt about it. There is a huge investment in these assets in Iraq. We look at, in my theater, day to day, to see how we are doing.

We have agreed to move a lot of these assets to Central Command right now. I think that we are okay in this theater. I would like to have some of these assets back on a day-to-day basis. But given where we are at this day, we found that risk to be acceptable.

If it changes tomorrow, I will be the first in line to go to CENTCOM and ask—or ask the chairman to get some of these back. But right now, I think we are okay.

Mr. SESTAK. Admiral, also, or General—I think it is in your theater, Admiral—the ballistic missile defense (BMD), the afloat portion that had come out there but—I understand the interest in ballistic missile defense.

But don't we have an afloat radar out there that is not quite seaworthy, the one that will go up in——

Admiral FALLON. Are you referring to the X-band——

Mr. SESTAK. Yes, sir.

Admiral FALLON [continuing]. Platform? They have had some challenges. This is a development program, BMD. It is not really mine, although it has been operating in our theater.

I believe that it is being shaken down, and I don't want to speak for BMD. We have watched with interest as it comes along.

Mr. SESTAK. This is really their area.

Admiral FALLON. But we are not totally dependent on this system. It is very helpful, but we have in place our afloat systems, Aegis systems, and this X-band radar that is now land-based in Japan that is——

Mr. SESTAK. Forward Based X-Band Transportable Radar (FBX–T)?

Admiral FALLON. Yes, that is correct, FBX–T.

Mr. SESTAK. And my next is dry dock. Do we have a dry dock in Guam for the submarines, or, if not, are we planning on putting one there so they can enhance its readiness rather than going back to Hawaii?

Admiral FALLON. That is a good question. There is a dock. We have not used it. To the best of my knowledge, again, it is really a fleet question. We will have to get——

Mr. SESTAK. But it is a significant difference from the first couple boats, right, not having a dry—is it something that the Navy may be looking at?

Admiral FALLON. We are looking at it. The Navy is looking at it. And one of the realities is, as these first submarines went out there—is to kind of see what we know and what we don't know.

And I think the Navy will make their future deployment decisions and repair decisions based on what they learn from these early deployments.

Mr. SESTAK. Thanks for your time.

And, Admiral, thanks for a lot during my career. I very much appreciate it. There is no one better in the Navy that could go to CENTCOM or—just no one better in the Navy. Thank you, sir.

Mr. TAYLOR. The committee stands adjourned.

I want to thank our witnesses.

Admiral FALLON. Thank you, sir.

[Whereupon, at 11:03 a.m., the committee was adjourned.]

A P P E N D I X

March 7, 2007

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 7, 2007

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HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

ADMIRAL William J. Fallon, U.S. NAVY

COMMANDER

U.S. PACIFIC COMMAND

BEFORE THE HOUSE ARMED SERVICES COMMITTEE

ON U.S. PACIFIC COMMAND POSTURE

7 March 07

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INTRODUCTION

Mr. Chairman and Members of the Committee:

On behalf of the men and women of the U.S. Pacific Command (USPACOM), I thank you for this opportunity to testify regarding the posture of our command and security in the Asia-Pacific region.

The Asia-Pacific area remains a region of vital importance to our nation. From a security standpoint, the past year has been a time of general stability and improving security with the notable exception of North Korean nuclear and missile activity.

Economic development in the region continues at a fast pace, fueled primarily by dynamic growth in China, with positive trends in most nations.

Pacific-based forces have served with distinction in Iraq and Afghanistan and have helped combat terrorists in the Philippines through intelligence and operational fusion assistance to the Armed Forces of the Philippines. Our marvelous men and women have helped to stabilize the region through exercises and engagement and gone to the rescue with medical and engineering assistance in the wake of natural disasters.

Representative government, democratic process, and rule of law are providing welcome opportunities for millions of people. Regrettably, military coups in Thailand and Fiji have offered bad examples for others and set back our relations with the current military governments. Although both coups were executed without violence or internal unrest, this behavior is unacceptable and not helpful.

Progress in the USPACOM AOR requires close cooperation with the Department of State and U.S. Embassy country teams. Our important ties with other agencies of the U.S. government - in Washington and in theater - have been key to stability. Of course, the Congress is essential to our efforts. I appreciate your past support of USPACOM initiatives and want to assure the Committee that our activities are conducted in accordance with United States law and policy. We are guided by the Taiwan Relations Act, the three Joint U.S.-PRC communiqués (1972, 1979, 1982), and the one-China policy in our dealings with the People's Republic of China (PRC) and with Taiwan. Our military-to-military interaction with China has been increasing but also abides by restrictions laid out in the FY2000 National Defense Authorization Act (NDAA). Regional security has benefited significantly from expanded authorities. FY2006 NDAA Section 1206 "train and equip" authority made possible a rapid infusion of $30 million in Department of Defense funds to improve the maritime security capacity of Indonesia and Sri Lanka. Section 1022 authority broadened permissible uses for counter-drug funding and allowed the Joint Interagency Task Force-West to assist partner nations in building the counterterrorism capability of their law enforcement agencies. We appreciate and look forward to the continued support of the Congress in these areas.

Direct dialogue and shared experiences with regional civilian and military leaders are a primary source of my views regarding the maturity of U.S. relationships in the AOR. This interaction has been enhanced by engagement and transparency. We have made considerable progress across a broad range of security issues. Our relationships with regional counterparts have facilitated cohesion and resolve in addressing strategic events such as missile and nuclear testing by North Korea.

Our alliances with Japan and the Republic of Korea facilitated a strong response to the DPRK nuclear event. After the 9 October nuclear test, Chinese support moderated North Korean behavior, and helped to restart the Six-Party Talks. These talks remain a critical framework for addressing North Korean nuclear aspirations. Our engagement with the Peoples' Republic of China over the last two years helped facilitate that activity.

The solidarity of the U.S. - Japan alliance is further demonstrated by expanding cooperation in ballistic missile defense. We are also moving ahead with implementation of the security improvements agreed to in the Defense Policy Review Initiative. The strategic alliance between the U.S. and Japan has been reaffirmed and many force structure changes are in planning or underway. A key step will be the move of approximately 8,000 Marines and several thousand family members from Okinawa to Guam. This shift will be jointly funded, with Japan bearing approximately 60% of the financial burden for this mutually beneficial move.

Prime Minister Abe's stance on North Korean provocation and his early engagement with China's President Hu Jintao and Republic of Korea's President Roh Moo-hyun are encouraging. His initiatives offer the potential for better Japanese relationships with those nations.

Our strong alliance with the Republic of Korea has enabled us to undertake extensive discussion regarding the future of the alliance and agreement to shift responsibility for defense of the peninsula to ROK forces. U.S. support and engagement, primarily with air and naval capabilities will remain essential to the ROK defense and to regional stability.

Our military-to-military activities with the PRC have increased and this past year marked the first ever U.S. - PRC tactical activity - a search and rescue exercise in two phases - off the coast of California and in the South China Sea. This progress bodes well for U.S. - China relations and regional stability. Exercises, port visits, and mid-level officer exchanges can over time reduce the potential for misunderstanding and provide the opportunity to positively influence future PLA leaders. At every turn, we use our interaction to demonstrate the professionalism and readiness of U.S. forces, an important element of encouraging responsible behavior by the Chinese government and military.

We continue to push for greater transparency from Chinese officials. Without greater insight into Chinese goals and objectives, I will remain concerned about continued double-digit growth in annual defense spending and investment in systems which threaten Taiwan and our own capabilities. Consistent with U.S. policy and legislation, USPACOM is encouraging Taiwan to improve its self-defense capabilities and thereby deter PRC aggression.

Southeast Asia remains the battleground against terrorism in the Pacific. On the island of Jolo, the Armed Forces of the Philippines (AFP) with assistance from U.S. military advisers and trainers have kept the terrorists on the run and made progress in creating a stable, secure environment.

Interaction between Indonesian Armed Forces (TNI) and the U.S. military has been positive and valuable in the war on terrorism and for humanitarian assistance. The peace accord in Aceh has been a fine example of what is possible and facilitated recovery from the 2004 Tsunami in an environment of stability and security. We are addressing maritime security with the TNI,

Malaysian, and Philippine authorities to deny terrorists transit and sanctuary at sea. Maritime security efforts focus in the tri-border sea area between Indonesia, Malaysia, and the Philippines, and foster multilateral cooperation among the littoral states.

The U.S. - India strategic partnership is expanding and military-to-military activities are thriving. Recent congressional approval of the Henry J. Hyde U.S.-India Peaceful Atomic Energy Act reinforced those ties. Our interaction offers the potential to improve regional security and address instability concerns in Bangladesh, Nepal, and Sri Lanka.

One area of great concern is political upheaval in the region. The coups in Thailand and Fiji, while bloodless, were clearly unacceptable. The quick return of democratically-elected government is essential if we are to maintain important military-to-military relationships. Historic animosity, poor economies, overpopulation, and weak and dysfunctional governments fuel insurgencies and unrest in areas including the Solomon Islands, East Timor, Sri Lanka, and Bangladesh.

These impressions highlight both the challenge and opportunity in the Asia-Pacific region. We have in place key elements to advance U.S. security interests and enhance regional stability - vibrant alliances, opportunities for new partnerships, combat ready and agile forces, and committed Soldiers, Sailors, Airmen, and Marines to lead our efforts. As we move forward, our initiatives remain organized across five focus areas - prosecuting and winning the War on Terror; advancing regional security cooperation and engagement; maturing our joint and combined capabilities and readiness; posturing forces for agile and responsive employment; and ensuring operational plans at all levels are credible.

PROSECUTING AND WINNING THE WAR ON TERROR (WOT)

Engagement with regional partners for support in the War on Terror continues to pay dividends as Australia, Japan, Republic of Korea, Thailand, Singapore, Fiji, Mongolia, Tonga and New Zealand are making or have made significant contributions to the efforts in Iraq and Afghanistan.

Within Asia and throughout the Pacific, in coordination with the Office of the Secretary of Defense, the Department of State, and our U.S. Ambassadors, we work with and through our regional partners to combat extremist violence and transform at-risk environments. We are making progress but must remain active.

Forces from the Special Operations Command Pacific (SOCPAC) play the dominant role in USPACOM WOT operations. The Joint Combined Exchange Training (JCET) program is the principal mechanism used by Special Operations Forces to assist partner nations in building capacity to defeat terrorism and improve our understanding of the complexities of the local environment. SOCPAC troops are the core of **Operation Enduring Freedom - Philippines (OEF-P)**, an operation which supports the Government of the Republic of the Philippines counterterrorism efforts. With U.S. advice and training, Armed Forces of the Philippines (AFP) and civilian authorities have improved their ability to coordinate and sustain counterterrorism operations. U.S. and Philippine forces have also worked together under the new Security Engagement Board framework - the primary mechanism for consultation and planning regarding non-traditional security threats - to complete humanitarian and civil assistance projects and improve local living conditions in the southern

Philippines. As a result of our combined efforts, local support for terrorists has waned markedly.

U.S.-supported operations, civic projects, and Malaysian-mediated peace talks with the separatist Moro Islamic Liberation Front (MILF) continue to erode MILF support to the Abu Sayyaf Group (ASG) and Jemaah Islamiyah (JI). These efforts have reduced ASG mobility within MILF strongholds. With assistance from allies like Australia and Japan, we will continue to build Philippine capabilities and capacity to conduct independent, joint operations against internal and external threats.

The Government of Indonesia is a welcome partner in the War on Terror. Indonesia continues to play an influential role in moderating extremism, as evidenced by its willingness to contribute forces to peacekeeping operations in Lebanon. At home, President Yudhoyono has demonstrated a commitment to democracy and military reform. Our interaction with the TNI this year reinforced the positive trends we have seen in their professionalism, respect for human rights and civilian control of the military.

We have targeted security assistance and "train and equip" funding to Indonesia towards maritime security in an effort to limit mobility for terrorists in Southeast Asia who take advantage of the relatively unmonitored, uncontrolled seas. The waters between Indonesia, Malaysia, and the Philippines have been a sanctuary for transit and illicit activities which help sustain terrorist activity. The Indonesian military (TNI) efforts to monitor and control criminal maritime traffic in these areas can be enhanced by multilateral cooperation with the Philippines and Malaysia, which we highly encourage.

Joint Interagency Task Force - West counter-drug programs complement and support the War on Terror. Key initiatives include enhancing Malaysian, Filipino, and Indonesian maritime law enforcement capacity in the Sulu and Celebes Seas through focused Security Assistance and Section 1206 "train and equip" proposals that develop military capacity to combat transnational threats in these areas. We will exercise Section 1022 authority (as authorized in the FY2006 National Defense Authorization Act) by enhancing the counterterrorism capacity of partner nation law enforcement agencies, and we look forward to a continuation of this authority beyond fiscal year 2007. As a next step, we continue to seek Section 1033 authority (FY1998 National Defense Authorization Act) to equip counter-drug forces in the Philippines, Indonesia, Malaysia, and Thailand so that we can integrate our assistance program more effectively with interagency partner efforts.

A key enabler of all of these cooperative trans-regional efforts is effective information sharing. Coordination in intelligence, logistics, planning, and operations are critical to achieving success. We have made some progress in this area and continue to build the infrastructure required to share and act upon the information.

Combating Weapons of Mass Destruction (WMD). We are working with allies and partners to build regional capability to combat WMD. President Bush initiated the Proliferation Security Initiative (PSI), which supports national counter-proliferation efforts. Unlike traditional export controls, PSI is a voluntary activity that builds global capacity to disrupt weapons of mass destruction proliferation among states, and between states and terrorist organizations. Nine nations within the AOR (Australia, Japan, Singapore, Philippines, Cambodia, Mongolia, the Marshall Islands, Sri Lanka and Papua New Guinea) have endorsed the statement of interdiction principles and we

continue work to expand participation during our regional military-to-military engagements. We joined PSI exercises such as PACIFIC PROTECTOR and DEEP SABRE with Australia, New Zealand, Singapore, Japan, and the United Kingdom and observers from other countries. USPACOM participates in multiple working groups with our allies and partners to build consequence management capability. We established formal work plans with Japan and South Korea in 2006. We will execute these plans in 2007, resulting in real improvement to our CBRN defense and consequence management capabilities. On the home front, we will expand consequence management training through Exercise TOPOFF 4 in October 2007, validating the full range of existing procedures for managing a domestic terrorist WMD event.

ADVANCE REGIONAL SECURITY COOPERATION AND ENGAGEMENT

Our Theater Security Cooperation Plan serves as the primary blueprint to enhance U.S. relationships and military capacities of allies and regional partners. The plan is fully coordinated with our embassy country teams and integrates security assistance, military-to-military exchanges, exercises, cooperative technology development, and outreach programs into a coherent, mutually supportive set of activities for each country, whether ally, partner, or cooperating state.

These security cooperation activities are essential to the success of U.S. national security strategy. For relatively low cost, we have an opportunity to make progress in each of the USPACOM focus areas, and facilitate situations in which future security challenges can be met through strong regional cooperation and capacity.

Japan. The relationship between the U.S. and Japan is a cornerstone of peace and prosperity in the Pacific. Nearly 38,000 U.S. armed forces personnel are permanently stationed in Japan, with another 14,000 forward deployed U.S. Naval personnel. Japan provides over $4 billion in host nation support, the most generous contribution by any U.S. ally.

The response to brinkmanship by Kim Jong-Il validated the strength and importance of our alliance. Former PM Koizumi and PM Abe have shown strong leadership in support of both regional and global security efforts and advocated significant changes within the Japanese government and military. The Government of Japan (GOJ) has provided significant military and financial support to coalition operations in the WOT. For example, GOJ legislation supports operations in Afghanistan, maritime logistical support in the Indian Ocean, and recently concluded reconstruction efforts in Samawah, Iraq. Japanese Self-Defense Forces maintain a presence in the Middle East by flying C-130s in support of United Nations and coalition missions in Iraq. We greatly appreciate the GOJ support in the WOT.

The alliance also continues with the transformation goals laid out in the three Security Consultative Agreements between the Secretary of Defense, the Secretary of State, and their Japanese counterparts in 2005 and 2006. These agreements established our common strategic objectives; rebalanced the required roles, missions, capabilities and force structure between U.S. and Japanese forces; and set forth our roadmap for realignment. They are on track. Implementing these agreements will enhance alliance capabilities while ensuring a more sustainable U.S. military presence in Japan.

Japanese commitment to Ballistic Missile Defense (BMD) is significant. The Japan Defense Agency (JDA) 2004 Defense Budget included funds to initiate

research and development of a limited missile defense plan for the Kanto Plain region involving sea-launched SM-3 and ground launched Patriot PAC-3 missiles. The GOJ Cabinet and Diet approved the JDA budget for 2005, which included an additional 106.8 billion yen ($1B) for BMD. The JDA, recently elevated to the ministerial level and designated as the Ministry of Defense, has shown great interest in cooperative development with the U.S. of a more capable sea-launched missile, production of PAC-3 missiles. The Japanese Defense Ministry and DoD are exploring complementary systems that share information and make both systems more capable.

Republic of Korea (ROK). Despite challenges, the U.S.-ROK alliance is solid and continues to form the foundation for peace and security on the Korean peninsula. Our partnership remains focused on the most immediate security threat to the Korean people - the government of the Democratic Peoples' Republic of Korea (DPRK). The ROK government has expressed a desire to take the lead role in conventional defense. As a result of ROK combat capability enhancements, nine military missions have been transferred from U.S. to ROK military forces. Continued improvements by the ROK military make possible additional mission transfers in the future. The ROK government has sought the ability to exercise operational control (OPCON) of its own forces in wartime, and we have reached agreement to transition our command relationships in April 2012. This is a natural and reasonable next step in the maturation of the U.S.-ROK relationship and should be supported. Together we will implement a transition process that will assure that ROK forces are ready to assume this increased responsibility.

The DPRK is a proven proliferator of missiles and missile technology as well as a participant in a range of other illicit activities including probable state-run narcotics exporting and counterfeiting of U.S. currency.

Experience in dealing with the DPRK has shown the value of deliberate and coordinated multilateral efforts between the ROK, Japan, Russia, and China within the Six-Party framework.

The U.S. and ROK together, are transforming our alliance to meet evolving security requirements. As ROK force modernization allows Korea to take a greater role in its own defense, U.S. forces stationed in Korea are improving their strategic flexibility, in keeping with our global force transformation. Our partnership is valuable beyond East Asia security issues, demonstrated by the significant contingent of ROK engineering, medical, aviation, and security forces supporting coalition missions in Iraq and Afghanistan. We hope to increase regional partnering with the ROK in counter-proliferation, maritime security, and disaster relief while seeking to foster increased trilateral military cooperation between the ROK, Japan, and the U.S. We welcome a shift by South Korea toward a more regional view of security and stability.

Australia is our most steadfast ally, a nation working tirelessly to promote stability and good governance in the Pacific. During 2006, Australians led efforts to restore stability to East Timor and the Solomon Islands, and they continue to provide major security and institutional assistance in the region. The Australian Pacific Patrol Boat program provides the primary capacity to protect against criminal activity in the economic exclusion zones of many island nations.

The strong bond between our nations has allowed us to make quick strides in areas of mutual concern. U.S. and Australian military forces are synchronizing efforts to build capacity in combating terrorism and enhancing maritime security in the Philippines, Indonesia, and Malaysia. Additionally,

we continue to improve interoperability between the Australian Defense Force and U.S. armed forces. A major exercise this spring will provide proof-of-concept for the Joint Combined Training Capability that could take bilateral, network-centered training to a new level, and ensure our combined forces are prepared for today's modern and dynamic threat environment.

Our partnership with the **Republic of the Philippines** (RP) is central to success in meeting our War on Terror goals in Southeast Asia. We appreciate President Arroyo's affirmation of the Visiting Forces Agreement, allowing for the continued advancement of cooperative efforts to rid the Philippines of terrorist activity. The recently passed Human Security Act enhances Manila's counter-terrorism laws and provides new legal authorities for Philippine security forces in fighting terrorism. During this past year, the GRP also established the Security Engagement Board (SEB) as the framework for our bilateral engagement on non-traditional activities such as counterterrorism, counter-drug, humanitarian assistance/disaster relief, and addressing the potential of pandemic disease. This recent development paved the way for engagement including security assistance, civil-military operations, and other support to Armed Forces of the Philippines (AFP) operations.

Thailand is a major regional ally. The September 2006 military coup mandated the cessation/suspension of economic and security assistance until such time as a democratic election takes place. While we continue to highly value Thai support for combined training events, access for U.S. forces, and past contributions to operations in Afghanistan and Iraq, we encourage the quick return to a democratically elected government to allow full restoration of our military relations. We appreciate the continued strong support and cooperation of the interim Royal Thai Government in combating terrorism in Southeast Asia and for temporary access to its military facilities.

India. The U.S.-India strategic partnership deepened significantly in the last year. With congressional approval of the Henry J. Hyde Atomic Energy Cooperation agreement, we should expect the relationship to become even broader and more helpful in addressing common security issues. Our experience with military-to-military activities mirrors this decidedly positive trend. We foresee great potential for cooperation in areas of concern like Nepal and Bangladesh.

During my October 2006 trip to India, all three Indian Service Chiefs expressed satisfaction with the state of our military-to-military interaction and a desire to increase the scope of these activities in the future. USPACOM will continue increasingly joint, complex and realistic training exercises with the Indian military. We look forward to a combined Army-Air Force exercise in Hawaii, and a naval exercise conducted simultaneously with Marine Corps and Army exercises from both nations. Indian Armed Service Chiefs have discussed the Foreign Military Sales (FMS) program with me at length. In their view, FMS plays a central role in our future military relationship. The ongoing transfer of USS TRENTON was singled out as a welcome addition to Indian Navy capabilities, building Indian confidence in dealing with the U.S. in equipment acquisition matters.

Singapore is one of our strongest security partners in Asia and a key coalition partner in the War on Terror. Beyond providing strategic access to ports and airfields for visiting U.S. forces, Singapore is extraordinarily supportive and cooperative in moving forward with our shared maritime security, counterterrorism, and regional command and control initiatives. In April of this year, Singapore will break ground on a Command and Control

Center at Changi Naval Base which will facilitate information sharing between Singapore, the United States, and other regional nations.

Indonesia continues to make steady progress with the reform of the Indonesian Armed Forces (TNI), emphasizing human rights, professionalism and leadership training. Through the recently renewed security assistance programs, the U.S. helped institutionalize reforms, particularly with the International Military Education and Training program. Additionally, the U.S. Department of Defense started the Defense Resource Management Study in September 2006 to improve Indonesian programming and funding practices.

President Yudhoyono has sustained his commitment to thwart extremism and improve maritime security; those efforts are bolstered by carefully targeted security assistance and humanitarian initiatives. We have focused the security assistance funding on coastal radars and communication equipment to improve situational awareness of the maritime domain. Our deployment of the USNS MERCY provided medical relief to more than 24,000 patients in four areas of Indonesia. In addition to the medical care and training opportunities for the Indonesian medical personnel, the USNS MERCY deployment demonstrated the importance of the U.S.-Indonesian strategic relationship. Together, these initiatives furthered our common goals in the War on Terror - denying maritime sanctuary to terrorists and improving living conditions for the Indonesian people.

People's Republic of China (PRC). Chinese global engagement continues to mature. Nations in the Pacific, Africa, and South America are benefiting from Chinese economic growth, while the increasing energy needs of China are fueling ties to the Middle East. China has also demonstrated a greater willingness to play a responsible role in the diplomatic arena, particularly

with North Korea. While PRC military modernization efforts do not yet challenge U.S. military capabilities in the AOR, the opaqueness of Chinese defense budgets and intentions, as well as the introduction of new capabilities are causes for concern.

The purpose of the USPACOM-initiated military-to-military interaction with the Peoples' Liberation Army (PLA), conducted within the framework of our overall policy toward China which is based on the three Joint U.S.-PRC communiqués (1972, 1979, 1982), our one-China policy, and the FY2000 National Defense Authorization Act, is to increase transparency between our respective militaries, break down barriers to understanding, and reduce the potential for miscalculation. This past year we have gained traction and are moving the U.S.-PLA military-to-military relationship forward as an important complement to the other elements of the bilateral U.S.-China relationship.

I have noted improved access to leadership and facilities with each of my trips to China. I am pleased with increasing interaction among junior and mid-grade officers who in the coming years will become senior PLA leaders. Through this direct contact, we gain experience interacting with one another and build relationships for the long term. We have also made practical advancements with our activities. Talks held last year under the Military Maritime Consultative Agreement (MMCA) yielded a substantial agreement to improve the safety of our Sailors and Airmen. The agreement called for a bilateral search and rescue exercise (SAREX) with elements of free play, internationally accepted protocols, and fixed wing aircraft. These terms allowed the U.S. to practice search and rescue with the PLA in the same manner we carry out such operations with other partners. The need for the PLA to adopt internationally accepted protocols will increase as PLA Navy expands its activities in the Western Pacific.

Progress in the military-to-military venue has been positive. I anticipate the relationship to improve in the areas of transparency and reciprocity. As we see PLA commitment to these principles, I will work with the Office of the Secretary of Defense and Congress to reassess the relationship and, if warranted, propose changes to the FY2000 NDAA restrictions.

The PRC-Taiwan relationship is an issue that we monitor closely. Consistent with legislation and policy, our interactions focus on efforts to preserve cross-strait stability. We continue to encourage Taiwan to take steps to improve its own defenses and create a credible deterrent to any attack. We have advocated inexpensive hardening practices as well as the acquisition of a combination of defensive weapons and systems. USPACOM will continue to make available to Taiwan such advice, training and support for Congressionally-approved equipment to defend against the potential of military aggression by the PRC.

Mongolia, a country with a GDP of approximately 2.4 billion dollars and a population of 2.8 million, continues to make a substantial contribution as a U.S. partner in the War on Terror. Mongolian forces have maintained a continuous presence as a coalition member in Iraq and Afghanistan, with seven company-sized rotations to Iraq and six mobile training team detachments to Afghanistan. These efforts and their other UN and NATO commitments, mean that almost one-third (or about 400) of deployment-eligible Mongolian soldiers are engaged in peacekeeping missions world-wide.

USPACOM security cooperation with Mongolia supports their efforts to adjust the structure and skills of the military to better match a peacekeeping focus. 2006 saw the completion of a Joint Defense Technical Assessment and

the development of a process to jointly execute reform initiatives. The plan is to evolve a Soviet-era army and air force into a light, highly professional force by 2015. The core capability of the Mongolian Armed Forces (MAF) will be a peacekeeping brigade of 2,500 soldiers.

The Mongolian Defense Reform and the Global Peace Operations Initiative (GPOI) are being leveraged to maximize the effect of both programs and will result in the transformation of the MAF into an International Peacekeeping Force. Mongolia was selected as one of two countries in the theater (Bangladesh the other) to be sites for regional peacekeeping training centers. Mongolia has agreed to host the second annual GPOI capstone event at the Five Hills Regional Training Center in August 2007 as part of Exercise KHAAN QUEST '07.

Russia. In support of the USEUCOM responsibility for Russia, we have taken steps to improve operational protocols between U.S. and Russian forces. We invited the Russians to participate in PACREACH, our multinational submarine rescue exercise. We have broken new ground toward access in the Far East by initiating a C-17 squadron relationship with a Russian strategic lift unit in the Far East and through preparation for PACIFIC EAGLE, a U.S-Russia naval exercise building common operating procedures for humanitarian assistance, disaster relief and search and rescue responses. We hope to host the newly appointed Russian Far East Military District Commander at U.S. Pacific Command in Hawaii and the Russian Pacific fleet commander at U.S. Seventh Fleet and U.S. Pacific Fleet headquarters in Japan and Hawaii, respectively. In addition to interoperability, one of our major goals is to increase lower-level exchanges and exercise interaction between USPACOM and Russian forces.

Sri Lanka. The ongoing civil war between the Liberation Tigers of Tamil Eelam (LTTE) and the Government of Sri Lanka (GSL) is a continuing source of regional instability and loss of life. U.S. focus remains on facilitating a negotiated settlement that meets the needs of the Sinhalese, Tamil and other communities. The USPACOM security cooperation programs with Sri Lanka Armed Forces support their ability to deter renewed violence, improve maritime security capabilities, and institutionalize respect for human rights. Sri Lanka has been approved for $10.88M in FY06 1206 "train and equip" funds. These funds will assist in the Sri Lanka Armed Forces' ability to identify and interdict illegal international arms shipments.

Nepal. Political upheaval has curbed military engagement with USPACOM. The end of the 10-year insurgency and the inclusion of former Maoist insurgents in the government may have brought Nepal once again to the precipice. Maoist refusal to disarm may cast a shadow of doubt on the future of democracy in Nepal. But we remain hopeful that the recent political agreement will result in lasting peace, opening the way for democratic rule and economic development. In the interim, USPACOM security cooperation focuses on non-lethal assistance with an emphasis on professional military development and human rights education for the Nepal Army, which remains a positive force for stability and security in the country.

Bangladesh. Political turmoil and the increasing influence of extremists in Bangladesh are growing challenges to both national and regional stability. Political violence led to a decision - backed by the Bangladeshi armed forces - to postpone elections and retain the civilian interim government. USPACOM objectives are to assist Bangladesh in combating extremism by enhancing counter terrorism capabilities, improving land and sea border control, and promoting a professional military that adheres to human

rights and respects civilian control of the military. USPACOM further seeks to enhance Bangladeshi ability to contribute to international peacekeeping missions and to increase their capacity to conduct domestic humanitarian assistance and disaster relief missions.

Our security relations are good and steadily improving with **Malaysia**, a country whose importance and influence increasingly extends beyond its regional neighborhood. In addition to chairing the Organization of the Islamic Conference, Malaysia recently hosted the non-aligned movement and ASEAN Regional Forum. Malaysia remains active by leading the peace monitoring mission in southern Philippines, and has contributed peacekeeping troops to East Timor and Lebanon.

In other areas of interest, Malaysia has demonstrated strong leadership in maritime security with its littoral partners, fostering support for the "Eyes in the Sky" initiative to increase maritime surveillance. These efforts contributed to the decision last year by Lloyds' of London to declassify the Strait of Malacca as a high-risk war zone. The capability of the new Malaysian coast guard, the MMEA, continues to develop, albeit slowly, and take on greater responsibility for maritime patrol.

Vietnam. Our military-to-military relationship with Vietnam is advancing steadily through high level visits and new initiatives for defense cooperation such as additional language and disaster response training and information exchange of weather forecasting data. In January, Vietnam agreed to allow the conduct of recovery operations of U.S. missing personnel in territorial waters using U.S. vessels. Vietnam prominence in the region has increased with its hosting of the Asia-Pacific Economic Council Summit and accession to the World Trade Organization. As their level of confidence and

engagement grows, we expect Vietnam to pursue a more active regional role and greater security cooperation with the U.S.

Cambodia. USPACOM and the Royal Cambodian Armed Forces (RCAF) are beginning to cooperate closely on counter-terrorism, peacekeeping, disaster response and medical and health related activities. Following my visit to Cambodia in July 2006, we conducted an assessment of RCAF requirements to better understand their needs and determine a way-ahead to professionalize the RCAF in the post-Khmer Rouge era. Last month, the U.S. Pacific Fleet made the first ship visit since the Vietnam War, demonstrating a strengthened military-to-military relationship.

Laos. We are slowly building security-related activities with Laos beyond traditional humanitarian assistance cooperation. The Lao Peoples' Democratic Republic (PDR) leadership is receptive to increased engagement focused initially on education and language training for mid-level and senior officers. As the Lao PDR forces become more comfortable with our bilateral interaction, we expect to increase the pace of military-to-military activities to include greater cooperation in humanitarian assistance, disaster response training and exchange of personnel.

New Zealand is strongly supportive of our efforts in the War on Terror. New Zealand forces are leading a Provincial Reconstruction Team in Bamyan Province, Afghanistan and have placed additional troops in Bagram. They are also an active, stabilizing force in the Pacific Islands, with their soldiers supporting security efforts in East Timor, the Solomon Islands and Tonga. The Government of New Zealand's 1987 legislative ban of nuclear-powered ships in its waters remains an obstacle to improved military-to-military relations.

However, they continue to provide outstanding support to Operation DEEP FREEZE missions enabling U.S. scientific exploration in Antarctica.

Compact Nations. USPACOM values our special relationship with the three Compact Nations - the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau. The Marshall Islands host the Ronald Reagan Ballistic Missile Defense Test Site, integral to the development of our missile defense programs and conduct of space operations, and the proud citizens of these nations continue to serve with distinction in the U.S. Armed forces and Coast Guard. The U.S. Army Pacific's Joint Task Force for Homeland Defense has taken the lead as we partner with these nations to ensure our mutual defense as set forth in the Compacts of Free Association. Additionally, we fully support initiatives to expand operations to protect their valuable economic exclusion zone resources.

East Timor. Progress in East Timor remains hindered by weak institutions, political infighting, poor education and extreme poverty. Australia and the United Nations Interim Mission in Timor (UNMIT) are making efforts to increase security and stability in advance of April elections. USPACOM works to complement UMINT and the Australian Defense Force (ADF) with humanitarian assistance and International Military Education and Training (IMET) while the Department of Justice provides police training through the International Criminal Investigative Training Assistance Program. USPACOM also provided strategic airlift to support the deployment of ADF soldiers following rampant violence in East Timor during May 2006.

Security Assistance. One of the most important features of USPACOM theater security cooperation in the region is our partnership with the Department of State and U.S. Embassy country teams, which facilitates

military-to-military interaction with allies and emerging partners. Powerful engagement tools for building security partnerships with developing countries include International Military Education and Training (IMET) and Foreign Military Financing (FMF). IMET advances U.S. and USPACOM interests by educating participants on the principles of rule of law, human rights and good governance, promoting increased understanding and regional stability. FMF continues to prove its value by equipping and training regional partners. It is vital in supporting U.S. partners in achieving security goals of mutual interest, including the War on Terror. However, Pacific region countries typically receive less than one percent of the annual worldwide allocation of FMF. These investments in capacity building and prevention of the conditions which foster instability are very cost-effective and merit increased funding.

Other key programs in USPACOM contribute more broadly to security cooperation by addressing transnational concerns. The periodic deployment of the hospital ship, USNS MERCY, and outreach organizations like the Center of Excellence in Disaster Management and Humanitarian Assistance (COE) and the Asia-Pacific Center for Security Studies (APCSS) provide foundational expertise while establishing enduring relationships between nations of the region. Additionally, Joint POW/MIA Accounting Command has proven itself as a powerful tool in our efforts to improve relationships in the region, particularly in Southeast Asia.

USNS MERCY Deployment. Our experience with the 2004 Indian Ocean tsunami relief effort revealed the tremendous influence of DOD-led humanitarian operations in reinforcing a positive view of the U.S. and otherwise countering ideological support for terrorism. Since then, we have adjusted our priorities and resources to achieve those effects through deliberately planned humanitarian assistance efforts. The paramount event of

this type in 2006 was the deployment of the Navy hospital ship USNS MERCY. During a five-month period, MERCY conducted ten humanitarian visits among predominantly Muslim populations in South and Southeast Asia. We augmented the MERCY medical complement with hundreds of volunteers from non-government organizations and military medical personnel from eight partner countries. Among a wide array of assistance work, the MERCY team treated over 60,000 individuals including a thousand complex surgeries. Events of this type will continue to be central to our security cooperation efforts in the USPACOM AOR.

MATURE OUR JOINT AND COMBINED CAPABILITIES AND READINESS

Fundamental to success in the War on Terror and continued stability in the Asia-Pacific region is our Joint Training Program. Virtually every operation and activity is conducted jointly and in concert with allies making it important that we train to operate more effectively as a multinational team.

The USPACOM joint training plan is specifically designed to mature joint and combined warfighting capabilities and readiness and to advance security cooperation while using resources more effectively. We have taken several steps to maximize scarce training dollars and minimize unnecessary stress on the force. For example, Joint Task Force certification is accomplished through existing exercises rather than new events. By leveraging rotational forces in theater and aligning service exercises to create joint training opportunities, we also met obligations with partners and allies, enhanced training opportunities, and improved interoperability between regional militaries. Combining Joint Exercise KEEN EDGE with Army

Exercise YAMA SAKURA resulted in efficiencies while continuing to demonstrate our strong commitment to Japan.

Global Peace Operations Initiative (GPOI) is a Presidential and G-8 program to expand and train competent and professional Peacekeepers worldwide, and is a key component in building combined capabilities in the AOR. The USPACOM GPOI program takes advantage of existing host nation programs, institutions and exercises like KHAAN QUEST in Mongolia. We facilitate long-term sustainment and enduring impact of the peacekeeper initiative by using a "train-the-trainer" concept, standardizing training with United Nations Guidelines, and conducting combined, multilateral training events that foster cooperation, not competition, among countries.

This past year, USPACOM GPOI efforts trained more than 700 tactical peacekeepers, 198 qualified staff officers, and 50 Trainers from Mongolia, India, Thailand, Tonga, Korea, and Bangladesh. Most will deploy to a coalition or UN peacekeeping mission within the year. The Mongolians are supporting UN Missions in Western Sahara, Congo, Sierra Leone, Ethiopia, and Entrea as well as a seventh rotation to Iraq and a sixth rotation to Afghanistan. Indonesia, Fiji, Sri Lanka, and Nepal are newly approved GPOI participants in fiscal year 2007.

Maturing our capability and readiness also requires operational improvement that not only spans the spectrum of mission types - from nontraditional to combat operations - but also reflects the maritime nature of our theater.

Undersea Superiority. Continued improvement of air, surface, subsurface, C4I systems and acoustic modeling and navigation charts through oceanographic surveys, and cooperative training and operations with partners

and allies will enhance our sustained ability to operate effectively in the maritime domain. As demonstrated by the PLA Navy SONG submarine operating in vicinity of USS Kitty Hawk Strike Group, we must continue to work to maintain our operational advantage in the face of fast-paced PLA-N modernization and ever expanding area of operations.

Maturing Theater Intelligence Capability. Enhancing information sharing among allies and partners is crucial to success in the War on Terror and regional stability. We are developing Intelligence Modernization programs with several regional partners; helping them improve the professionalism and quality of their intelligence institutions. We continue to close the gap between intelligence and operations by embedding U.S. experts in partner nation intelligence organizations, assisting them to assess their military intelligence capabilities, and hosting annual multinational intelligence working groups to foster multinational cooperation.

Persistent Surveillance. The limited persistence of U.S. intelligence collection systems makes it difficult to readily gauge other nations' military capability, readiness, and operations. At the current time, it is nearly impossible to judge intent or rate of escalation in a crisis. We are further challenged in tracking high value targets in the War on Terror, maintaining real-time status of ballistic missile launch preparations, or monitoring suspected WMD proliferation.

Command and Control (C2). USPACOM requires secure, integrated, standardized, and interoperable command and control capabilities. This includes robust networks to enable horizontal and vertical information sharing and collaborative planning across the full spectrum of joint and

multinational operations throughout the Asia-Pacific region. Key vulnerabilities threaten the Commander's ability to effectively command and control Joint and/or Coalition forces and effectively share information with our partners.

Tactical access to the Defense Information Systems Network (DISN) within the Pacific theater has a single-point-of-failure. If this critical network infrastructure suffers a catastrophic failure resulting from attack or natural disaster, USPACOM ability to support the War on Terror, Ballistic Missile Defense, and execution of standing OPLANS will be impacted. Correcting this single-point-of-failure involves the construction of an additional telecommunications area master station within the PACOM AOR at an approximate life cycle cost of $600M. This new master station will provide redundant and reliable communications for both USPACOM and USCENTCOM. Satellite failures as well as funding cuts and delays in follow-on SATCOM systems have also reduced communications the availability of Military SATCOM. USPACOM is actively engaged with the national satellite community to ensure satellite and terminal programs are synchronized and address this availability gap. The DoD communications infrastructure also remains vulnerable to exploitation and attack. USPACOM continues to work with the DoD Information Assurance community to increase the security posture of critical C2 networks through real-time analysis of ongoing intrusion threats.

Expanding coalition communication networks is essential to support USPACOM missions. The Assistant Secretary of Defense for Networks and Information Integration and the Joint Staff are implementing a new Multinational Information Sharing (MNIS) program and have designated MNIS-Combined Enterprise Regional Information Exchange System (CENTRIXS) as the DoD standard for multinational networks. The goal of this program is to build

and sustain a single network that supports multinational information sharing requirements. USPACOM strongly supports this initiative.

Missile Defense. The North Korean short and medium range ballistic missile launches in July 2006 highlighted the need for a robust, active missile defense capability in the AOR. The long-term strategy for missile defense in USPACOM is to establish a forward-deployed, layered, integrated air and missile defense system. Once matured, this system should be capable of intercepting threat missiles throughout the entire time of flight and must be interoperable with our regional partners. Specific initiatives include moving a US PATRIOT PAC-3 Battalion to Kadena Airbase in Japan, forward stationing of AEGIS Standard Missile 3 (SM-3), deploying the first Forward-Based X-Band Transportable (FBX-T) radar to Japan, and establishing a permanent joint Command and Control facility for integrated air and missile defense within the Pacific Air Forces Headquarters. To further our missile defense capabilities, USPACOM would benefit from forward deployment of a Terminal High Altitude Air Defense (THAAD) unit, increased inventories of PATRIOT PAC-3 and SM-3 missiles, and accelerated development of a sea-based terminal defensive capability.

Strategic and Intra-theater Lift. There is a shortage of responsive strategic air and ship lift to support force sustainment and deployment to operating areas. Insufficient strategic airlift capability of C-17 and C-5 aircraft could cause delays in the arrival of critical cargo and passengers. USPACOM has eight C-17s based at Hickam AFB, Hawaii and is looking forward to basing eight more at Elmendorf AFB, Alaska starting in Jun 07. Pacific-based C-17s bring an increased reliability, versatility, and delivery capacity to the Theater. An increase in Pacific-based C-17s, should they become available, would be helpful.

High-Speed Vessels (HSVs). Leased HSVs have demonstrated their value in the Pacific theater, supporting unit training, joint exercises, GWOT requirements, and humanitarian missions such as the tsunami disaster relief effort. They have served as valuable platforms for intra-theater lift, providing a cost-effective alternative and highly flexible augmentation to scarce intra-theater airlift assets. As the Army continues to transform, the JHSV will be increasingly critical in the rapid deployment of the Stryker Brigade Combat Team forces throughout the theater. USPACOM favors continued leasing of HSVs as an interim capability, and strongly supports a more aggressive acquisition process to expedite JHSV delivery. This capability will fully support Theater Security Cooperation Plans and response to disasters, and is also useful as a mobile sea base to facilitate security cooperation. This capability will be increasingly important with the pending relocation of forces to Guam and throughout the theater.

Prepositioned Stocks (PREPO)/Preferred Munitions. Due to the time-distance challenges in this theater, USPACOM forces require readily available and properly maintained PREPO stocks at the outset of any conflict. With the recent download of the APS-3 afloat equipment sets to support Iraq bound Army units and the existing shortages in the remaining pre-positioned programs, we now have a greater need for replenishment of equipment and stocks. Achieving the appropriate mix of key munitions, particularly GPS-aided and laser-guided weapons to include Guided Multiple Launch Rocket System, new Patriot (PAC-3) missiles, Advanced Medium Range Air to Air Missile (AMRAAM) version C-7, and the Joint Air-to-Surface Standoff Missile is imperative.

Acquisition and Cross-Servicing Agreements (ACSA) enhance interoperability, readiness, and provide a cost effective mechanism for mutual logistics support between U.S. and allied or partner military forces.

ACSAs have been particularly helpful in the conduct of WOT operations. For example, we have made extensive use of the current agreement with the Republic of the Philippines to support the Armed Forces of the Philippines operations against terrorist cells in that country. USPACOM has a total of eleven ACSAs in place, with fifteen additional countries within the AOR currently ACSA-eligible. We view these agreements as vital in maximizing our interoperability and helping build competent coalition partners in the Pacific region. We are in negotiation to conclude such an agreement with India and hope renewed interest by Sri Lanka and Maldives will yield results.

POSTURE FORCES FOR AGILE AND RESPONSIVE EMPLOYMENT

The Asia-Pacific region holds both great potential benefit and ongoing challenges for the United States. The region is home to some of our most stalwart security allies and partners - Japan, Australia, Korea, Thailand, the Philippines and Singapore - a rising military power in China and burgeoning relationships with India and Vietnam. U.S. force presence - in Japan, Korea, and across the Asia-Pacific AOR - has long been a guarantor of peace and stability in the Asia-Pacific.

Changes in USPACOM force posture reflect the priorities of the Quadrennial Defense Review, which seeks to strengthen U.S. response to emerging security threats. We are taking advantage of technology to enhance our effectiveness and combat power while simultaneously reducing our military footprint in Asia. At the same time, we are using our increased mobility to guarantee presence where and when needed to respond to security challenges.

We continue to develop and refine plans to reposition and realign our forces in Japan, Guam and Korea following the agreements reached through the

U.S.-Japan Defense Policy Review Initiative (DPRI) and the U.S.-ROK Future of the Alliance (FOTA) Talks. The goals of our evolving force posture are to improve the effectiveness of our alliances with these two vital allies while providing the flexibility and agility to employ U.S. forces worldwide.

The U.S.-Japan DPRI discussions reached a milestone in May 2006, when Secretary of State Rice and former Secretary of Defense Rumsfeld, together with their Japanese counterparts, released the Roadmap for Realignment, which specifically defined the related initiatives, plans and schedules. The linchpin for repositioning our forces in Japan is the construction of a new airfield on Okinawa, the Futenma Replacement Facility (FRF). This new facility will enable us to return the existing Futenma facilities, including several acres of highly desirable land, to the government of Japan, and will lessen the impact of military aviation operations on the local Okinawan populace. We will also move 8,000 Marines and their dependents from Okinawa to Guam. This action will return additional land to Japan while retaining a forward-based Marine presence in the USPACOM theatre. Additionally, we intend to look for more opportunities to leverage our interoperability with Japan, such as ballistic missile defense cooperation, to better align our capabilities and forces to respond to potential security challenges.

As part of our realignment efforts, USPACOM is actively supporting various Service planning and infrastructure expansion initiatives that are crucial to our force bed-down plans in Guam. Our activities are closely linked with Service initiatives as well as our broader theater security cooperation efforts. We are finalizing construction details and expect to begin upgrades to the military infrastructure, housing and training facilities in 2010. The Joint Guam Program Office, led by the Department of the Navy, will manage all aspects of the project. While Japan will bear

approximately $6 billion of the costs of facilities and infrastructure development to support relocation of Marine units from Okinawa to Guam, we must also do our part and financially commit to the required upgrades and changes. Managing the construction effort will require coordination from all branches of the military and active participation and planning from other federal and territory agencies.

On the Korean peninsula, we are reducing and consolidating our footprint into two hubs south of the Han River. We have and continue to transfer missions to the Republic of Korea (ROK) military, and also modernize our combined combat force capabilities. As part of the Security Policy Initiative - the successor to our Future of The Alliance effort (FOTA) - we have agreed with the ROK government to complete the transfer of wartime operational control of ROK forces by April 2012. With this agreement, we envision a future force with increased strategic relevance, flexibility and responsiveness.

ENSURE OPERATIONAL PLANS AT ALL LEVELS ARE CREDIBLE

Operational and contingency plans are the basis for USPACOM response to security challenges. Our planning construct with renewed emphasis on phase zero and one engagement activities is designed to synchronize actions across the full spectrum of U.S. national power. Emphasis on peacetime shaping has significantly improved plan development and generated more options for senior decision makers for a wider range of crisis scenarios. Our primary effort remains to prevent conflict and ensure a stable and secure environment within the region. Should deterrence efforts fail, our plans are designed to effectively prosecute and be successful during all phases of crises.

We validate our planning efforts through annual exercises, such as Reception, Staging, On-ward movement, and Integration (RSOI) and ULCHI FOCUS LENS, which enable us to closely examine potential friction points in our plans and develop response options which optimize capabilities. Exercises also help prepare the staff to think through the strategic and operational goals and actions should the plan become a reality. This past year, we became the first geographical combatant command to certify a Joint Task Force through our own command-based certification program with Joint Forces Command assistance.

U.S. forces also conducted joint Exercise VALIANT SHIELD in June 2006 in the waters off Guam, bringing together USAF and USN personnel and assets to work through a range of warfighting skills such as maritime interdiction and command and control. This exercise, the greatest concentration of naval and air power in the Western Pacific since the Vietnam War, demonstrated joint command, control and communications of U.S. forces while highlighting continued U.S. commitment to allies and friends of the region. We also hosted observers from many nations, including China, providing an opportunity to learn more about each other.

USPACOM has developed a robust plan in support of our national strategy for a pandemic influenza (PI) response and is prepared to support lead agencies (Department of Homeland Security, Department of Health and Human Services, U.S. Department of Agriculture, and Department of State) at a national level. We are working closely with other geographic and functional combatant commands to refine and exercise comprehensive PI response actions to safeguard Americans.

We are also working hard to effectively assess activities that support the development and execution of operational and contingency plans. From peacetime security cooperation to winning the fight against terrorism, we are evaluating support of all elements of national power to ensure our approach is comprehensive, efficient, risk managed and measurably effective.

QUALITY OF SERVICE

USPACOM forces continue to make a difference not only in the region but also in Iraq and Afghanistan. The performance of our people during this past year has been exemplary. Contributing to their steadfast devotion to duty is the knowledge that others, including the Congress, are looking out for their health and well being. We appreciate the across-the-board 2.2 percent pay raise, special benefits for injured and recuperating personnel and their families, the government match for the Thrift Savings Plan for civilian personnel, and expanded authorities for our reserve component men and women. Continued support of these Quality of Service initiatives contributes immensely to our combat readiness and the retention of our highly skilled personnel who serve our national interests at home and abroad.

SUMMARY STATEMENT

USPACOM long-term priorities emphasize a region that is stable, secure and at peace. We are engaged extensively throughout the AOR to advance theater security goals. We are committed - along with our allies and partners - to turn the promise of a stable and secure region into reality and convert challenges into opportunities that strengthen regional relationships and cooperation. My travels throughout the region have sparked optimism that, despite some difficult security challenges, we are taking the right

approach to work together for the common good of the people of Asia Pacific. We are fortunate to have traditional allies and partners, as well as emerging partners, who are willing to help set conditions for security and stability. We are also appreciative of the staunch support of the Congress and American people and your advocacy of our efforts. I am proud and honored to represent the men and women of U.S. Pacific Command. On their behalf, thank you for your support, and thank you for this opportunity to testify on the defense posture in the USPACOM Area of Responsibility.

STATEMENT OF

GENERAL B. B. BELL

COMMANDER, UNITED NATIONS COMMAND;

COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES COMMAND;

AND COMMANDER, UNITED STATES FORCES KOREA

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

7 March 2007

Table of Contents

I. **The Northeast Asia Security Environment** **3**
II. **North Korea Challenges Regional and Global Security** **4**
North Korea's Strategy and Goals 4
North Korean Nuclear and Ballistic Missile Programs 5
North Korean Conventional Military Programs 8
North Korean Threat Outlook 9
III. **The Republic of Korea - United States Alliance** **10**
The Republic of Korea Today 10
ROK–U.S. Alliance Today 12
ROK Defense Initiatives 13
Transfer of Wartime Operational Control 14
Allied Burden Sharing 15
Republic of Korea's Support to Global and Regional Security 17
IV. **Ensuring Peace and Stability on the Korean Peninsula** **18**
Readiness 19
Training / Exercises 19
C4 and ISR 20
Theater Missile Defense 22
War Reserve Materiel 23
Strategic Lift 24
Preferred Munitions 24
War Reserve Stocks Allies – Korea 25
V. **United Nations Command, Combined Forces Command, and United States Forces Korea** **25**
United Nations Command 26
Combined Forces Command 27
United States Forces Korea 29
Achieving Normalcy for United States Forces Korea 31
Ensuring Equitable Pay 34
Upgrading and Building New Infrastructure 34
Good Neighbor Program and Mandatory Theater Specific Required Training 37
Safety 38
Prostitution, Human Trafficking, and Sexual Assault 39
VI. **Strengthening the Alliance and Investing for the Future** **40**

Mr. Chairman, and distinguished members of the committee, thank you for the opportunity to appear before you today as Commander, United Nations Command (UNC); Commander, Republic of Korea–United States Combined Forces Command (CFC); and Commander, United States Forces Korea (USFK). It is my distinct honor to represent the Soldiers, Sailors, Airmen, Marines, and their families who serve in the Republic of Korea. On behalf of these outstanding men and women who serve our country 8,000 miles from home, I thank you for your unwavering commitment to improving the quality of life of our Servicemembers and their families. Your support allows us to contribute to ensuring security on the Korean peninsula while promoting prosperity and stability in Northeast Asia. I appreciate this opportunity to present my assessment of the command and our plan for continued transformation of the Republic of Korea–United States Alliance.

Forged in war, this Alliance has preserved the peace, promoted democracy, and provided prosperity for the citizens of the Republic of Korea, and the region, for over five decades. The ROK–U.S. Alliance is more than a military relationship; it is a comprehensive and enduring partnership that promotes freedom, prosperity and democracy in the Northeast Asia region and the world. A new generation of South Korean leaders, cognizant of their national achievements, is eager to achieve what they see as a more equitable relationship with the United States. The United States supports this and is working with the Republic of Korea to evolve the Alliance to meet the requirements of the future security environment. We are transforming the

Alliance into one that is capable of meeting 21st century challenges and respects the needs and aspirations of both nations.

Currently, in wartime all forces in the Korea Theater of Operations, including Republic of Korea forces, are commanded by the U.S. led Combined Forces Command. Over the past few years and while remaining strong supporters of the Alliance, the Government of the Republic of Korea has expressed a firm desire to assume primary responsibility for its own defense, with the U.S. in more of a supporting role. The ROK Government views the command arrangements of the U.S. led Combined Forces Command as representing a level of infringement on their national sovereignty. The ROK Government expresses this desired defense policy in terms of "ROK Self Reliance." The United States agrees that, with the application of selected bridging strategies, the ROK Government and military are capable of assuming full command responsibility for their own forces in wartime, which will move the U.S. contribution to a key but supporting role.

Recently, our governments agreed to transition wartime operational command and control (OPCON) of ROK forces to the ROK military in 2012. This will result in the inactivation of the current U.S. led Combined Forces Command, and the establishment of a U.S. independent, complementary and supporting joint command in Korea. In the future, United States forces in Korea will be more air and naval centric, while continuing to support the superb ground forces of the Republic of Korea. I assess the Armed Forces of the Republic of Korea will be ready for this transition, and I am working closely with our Ally to make it

smoothly with no degradation to ROK security, while ensuring the ROK-U.S. Security Alliance remains strong and viable.

Transferring wartime OPCON of Republic of Korea forces to the Republic of Korea will open a new and positive chapter in the long and proud history of the Alliance. It will likely occur in a challenging security environment. North Korea continues to challenge international conventions and presents a clear threat to the region and the world. Emerging security dynamics on the peninsula and in the region, and north Korea's attempts to divide the ROK–U.S. Alliance, reinforce the need for our strong Alliance. We will remain in South Korea as a trusted and reliable ally as long as we are welcome and wanted.

I. The Northeast Asia Security Environment

Northeast Asia is a dynamic region of economic might, varied cultures, and competing interests. The United States has significant long-term interests in Northeast Asia; namely, maintaining regional stability, fulfilling our commitments to friends and allies, promoting economic cooperation and promoting free market enterprise. The region accounted for approximately 24 percent of our nation's total international trade for 2006. Stability in Northeast Asia is essential to the vitality of global and U.S. markets.

U.S. economic integration with Northeast Asia represents a positive reinforcement toward regional stability. Our military presence remains essential in a region that includes five of the world's six largest militaries; three of the world's proven nuclear powers, including the United States; and north Korea, which has violated its own agreements, international security norms and

standards, and continues to pose a proliferation threat. At the 38th Security Consultative Meeting in Washington D.C., the United States and the Republic of Korea condemned, in the strongest terms, north Korea's 2006 nuclear test and missile launches. These overt provocations are a clear threat to international peace and security as well as the stability of the Korean Peninsula. The Alliance remains committed to the peaceful and diplomatic resolution of this issue as we continue to deter aggression and stand ready to defeat north Korean aggression.

II. North Korea Challenges Regional and Global Security

North Korea remains the key de-stabilizer in Northeast Asia. It continues to devote disproportionate resources (around 30% of its gross domestic product) to improving its asymmetric military capabilities and maintaining a large, forward-deployed conventional force. With little notice, these forces can conduct a wide spectrum of provocative acts or launch an attack, potentially resulting in a large number of casualties and significant destruction in a matter of days.

North Korea's Strategy and Goals

Kim Jong-il repeatedly attempts to divide the ROK–U.S. Alliance in an effort to exploit any issues that emerge between the two governments and sew doubts about Alliance cohesion. Alternating these provocations with engagement overtures, in the past Kim Jong-il has allowed carefully controlled inter-Korean social and economic exchange, garnered financial benefits for his regime and offered only vague promises for future cooperation. Often emphasizing symbolism over substance, north Korea has projected a cooperative appearance for public consumption while taking only limited steps

toward denuclearization or reducing tensions. While the agreement last month in Beijing is a positive step, and the ongoing Six-Party Talks continue to offer the best route towards resolution of north Korea's nuclear aspirations, north Korea's record of non-compliance with past agreements suggests a difficult road ahead.

Domestically, Kim Jong-il ensures internal stability by maintaining absolute power. He perpetuates confrontation with Washington and the region to justify his "military first" societal policy. His scarce resources are diverted to support the military and regime elite at the expense of the general population. Although reunification of the peninsula under north Korean control remains the primary stated objective of the regime, Kim's pervasive system of ideological, political, and physical control aims to ensure the population presents no threats to his rule.

North Korean Nuclear and Ballistic Missile Programs

North Korea continues to develop and hone asymmetric military capabilities as a deterrent and force-multiplier. It furthers nuclear weapons programs as a political instrument to deter perceived threats to Kim Jong-il's rule, while offering an opportunity to coerce neighboring countries. Following its early 2005 declaration of a nuclear weapons capability, north Korea conducted its first nuclear test on October 9, 2006. The device was low yield but significantly raised tensions and concerns over the potential for additional tests, and north Korean nuclear proliferation. Unless the Six-Party Talks process prevails, we expect north Korea to continue nuclear weapons research and development to perpetuate its strategy of intimidation. If the Six-Party Talks do not produce a

lasting settlement, the north Koreans will likely conduct a second and potentially additional nuclear tests when they see it as serving their purposes.

North Korea has continued to produce plutonium from spent fuel rods obtained from its Yongbyon nuclear facility in violation of its international agreements to denuclearize the Korean Peninsula. North Korea claims weapons-grade plutonium was processed from spent fuel rods produced at the reactor over the last three years, and others stored at Yongbyon since 1994. If these claims are accurate, north Korea may now possess as much as 40 – 50 kg of plutonium, enough to produce several nuclear weapons. This reactor is not used for electrical power generation, but is used primarily for plutonium production.

In addition, north Korea is reported to be pursuing a Highly Enriched Uranium (HEU) weapons development program as an alternative route to nuclear weapons. An HEU program could provide weapons grade material even if north Korea agrees to halt plutonium processing. Without a diplomatic settlement, Pyongyang's plutonium production capability and its reported HEU program places it on track to become a moderate nuclear power, potentially by the end of the decade.

The regime views its ballistic missile program as a source of international power and prestige, a strategic deterrent, a means of exerting regional influence, and a source of hard currency derived from exports. As a result, north Korea continues to design, develop, produce and proliferate ballistic missiles, and may ultimately aim to develop nuclear armed missiles to threaten regional countries,

and even the U.S. For example, north Korea is developing a new solid propellant short-range ballistic missile, which it last successfully test-fired in March 2006. Once operational, this missile will be more mobile, more rapidly deployable, and more capable of being launched on shorter notice than current systems. North Korea is also developing an intermediate range ballistic missile, capable of targeting U.S. forces as far away as Guam and possibly Alaska.

From 4-5 July, 2006 north Korea successfully launched six SCUD and No Dong short and medium-range ballistic missiles. Its launch of the Taepo Dong 2 Intercontinental Ballistic Missile (ICBM) failed early in flight. These launches marked the highest number of missiles ever fired by north Korea in a 24-hour period. The No Dong launches were the first in 13 years. Some were fired in the hours of darkness – a first for the north Koreans. These launches validated the operational status of north Korea's inventory of about 800 theater ballistic missiles targeting the Republic of Korea and Japan – intending to provoke regional tension.

The Taepo Dong 2 ICBM launch demonstrated north Korea's abandonment of its seven-year, publicly-announced moratorium on longer-range missile development. It drew unanimous condemnation by the United Nations (UN) Security Council and further isolated Pyongyang from the international community. If north Korea's missile research and development program continues on its present course, and if they meet an objective of developing a nuclear device small enough to be mated with an ICBM, they could eventually

field missiles capable of striking targets within the United States homeland with nuclear weapons.

North Korea's sale of missiles and related technologies generates hard currency. It has aggressively marketed missile technology to developing countries throughout the Middle East, North Africa, and Asia, including Iran. North Korea will continue to design, develop, and produce ballistic missiles. The proliferation threat is real, demonstrated, and may not remain limited to conventional weapons. Given north Korea's ballistic missile proliferation record, Pyongyang could also decide to proliferate nuclear weapons technology, expertise, or material to anti-American countries, rogue regimes or non-state actors.

North Korean Conventional Military Programs

North Korea continues to emphasize its Special Operations Force (SOF) capabilities maintaining the largest force in the world with an estimated strength of over 80,000. Its personnel are chosen for political reliability, loyalty, are among the most highly trained north Korean troops, and have high priority for food and other resources. North Korea's SOF has significant capability to infiltrate the ROK and can conduct asymmetric attacks against a variety of targets. South Korea is particularly vulnerable to these type attacks, given its heavily urbanized and dense population of 49 million citizens living vertically in large cities.

The north Korean People's Army is the fourth largest in the world. Though their equipment is aging and unsophisticated, it is forward deployed and remains

capable of launching devastating attacks with little warning. Two hundred fifty long range artillery systems can easily fire on Seoul, a metropolitan area of over 20 million people, from their current positions. Over 60 percent of north Korean ground forces are situated within 100 miles of Seoul.

North Korean conventional forces have some significant challenges. Even with its "military first" policy and the extraordinary commitment of over 30% of the nation's GDP to the military, economic difficulties have had a debilitating impact on training levels and conventional force readiness over the past decade. It does not enjoy the military support that it once did from either China or Russia. It is doubtful the north Korean military in its current state could sustain offensive operations against the South.

North Korean Threat Outlook

North Korea will continue to pose a threat to regional and global security until it changes its fundamental strategy. There is no indication the regime will curtail its efforts to split the ROK–U.S. Alliance, reduce disproportionate military spending, halt destabilizing illicit activities, or loosen its stranglehold on the north Korean people. Kim Jong-il has the option to continue to manipulate the international community by alternating provocations and engagement overtures in an attempt to shape the political and military environment to meet his objectives. It is because of this threat that during this year's Security Consultative Meeting in Washington, the United States reaffirmed its long standing commitment to continue, among other capabilities, to extend to the Republic of Korea the security of our nuclear umbrella.

Another regional security threat is the risk of an internal north Korean domestic crisis. This is unlikely in my judgment; however, an internal crisis could trigger regime and north Korean instability or even potentially collapse. An implosion of the regime would almost certainly bring devastating consequences such as a bloody internal conflict, humanitarian crisis, mass refugees, or even loss of control over nuclear materials. Without a diplomatic breakthrough, north Korea will remain a threat to stability and security in Northeast Asia and to global security for the foreseeable future.

III. The Republic of Korea - United States Alliance

The ROK–U.S. Alliance has remained stalwart in its mutual and enduring commitment to peninsular and regional security. The Armed Forces of both nations are in the midst of an unprecedented transformation and realignment. By transferring appropriate roles and missions to the ROK military and consolidating U.S. forces into centralized hubs, we are improving our overall combined readiness and expanding the capabilities of ROK and U.S. forces to counter current and future threats.

The Republic of Korea Today

Over the course of the Alliance's half-century of economic and security cooperation, the Republic of Korea has emerged as a vibrant democracy, first class economic power (by many measures the tenth largest economy in the world), and a major U.S. economic partner. Economic growth is fueled by global exports of innovative high technology and consumer goods. The ROK ranks as

the U.S.'s seventh-largest trading partner, seventh-largest export market, and is an important investment location for American companies.

The South Korean government views a nuclear armed north Korea as an intolerable threat, and that a catastrophic collapse in the north would have extremely adverse consequences in the South. However, ROK perceptions of the north Korean conventional threat vary, especially among younger generations. As memories of American sacrifices in the Korean War fade, Korean citizens, seeking what they see as a more equal Alliance relationship, question the importance of our long-standing Alliance. Many raise the issue of ROK sovereignty, and a desire for what they characterize as more self-reliance and independence. These generations, while not necessarily anti-American, have strong political views which are increasingly expressed in national policy.

In its final year in office, the Roh administration's approach to inter-Korean relations is guided by its "Peace and Prosperity" policy, which primarily aims to further inter-Korean rapprochement through humanitarian assistance, family reunions, tourism, and trade. Seoul promotes gradual economic integration and reconciliation to provide the catalyst for a formal peace agreement replacing the Armistice Agreement. The United States supports this approach. However, the U.S. is concerned over the potential for aid, trade and salaries to be used for purposes other than those intended. Recent north Korean missile launches and the nuclear test delivered a major blow to the Roh adminstration's policies. Regardless, we do not assess that there will be a major shift in South Korean policies as a result of the upcoming 2007 Presidential election process.

ROK–U.S. Alliance Today

For the past several years, the United States and the Republic of Korea have been engaged in a formal process to evolve the Alliance to meet the demands of the future security environment. The Departments of Defense and State, as well as the ROK Ministries of National Defense and Foreign Affairs and Trade, are conducting an ongoing dialogue on issues related to Alliance modernization and the realignment of U.S. forces in Korea. Consultations began with the Future of the Alliance talks, were succeeded by the ROK–U.S. Security Policy Initiative, and have led to agreements on the enhancement of our combined defense, deterrent capabilities, and transfer of wartime OPCON of ROK forces from Combined Forces Command to the ROK military.

These agreements have now entered the implementation phase. To support the realignment of U.S. forces, the ROK has committed significant resources to acquiring land for the relocation of our current Yongsan Garrison in Seoul, and the 2nd Infantry Division (2ID) north of Seoul under the Land Partnership Plan (LPP). This has not been politically easy and the efforts of the ROK Government and Ministry of National Defense deserve recognition. Under the Yongsan Relocation Plan (YRP) and the LPP and in accordance with our ROK-U.S. Status of Forces Agreement (SOFA), the U.S. returns vacated camp facilities, capital investments and land free to the Korean Government, while consolidating into two main hubs south of Seoul. When completed, we will have returned 59 camps and all their facilities and buildings to the ROK, including 109 acres in the middle of Seoul. Thus far, 30 camps have been returned. After

consolidating and transforming, our forces will be in a much better position to support ROK defense and U.S. national interests. Additionally, our Servicemembers and their families will also enjoy needed and greatly increased quality of life.

ROK Defense Initiatives

The Republic of Korea is committed to increasing its defense capabilities in a range of materiel, communications and computers, and weapons procurement areas. Under its Defense Reform Plan 2020, the ROK has invested over $10 billion in capabilities modernization in the past three years. The ROK military aims to develop a self-reliant, technology oriented, qualitative defense force that remains strongly allied with the United States.

The Republic of Korea's Ministry of National Defense has requested an average defense budget increase of 11% per year until 2015 followed by an average increase of 9% until 2020. While the ROK Government has not met these annual goals yet (the increase in 2006 was about 9% of the desired 11%), they are indeed effectively increasing their annual investment in military preparedness. The ROK National Assembly passed a reform bill aimed at reducing total force levels, overhauling the command and control structure, and fielding high-tech weaponry. The force reductions will take place over the next 13 years and will reduce overall (active and reserve) forces from about 3.7 million to about 2 million – a cut of 46%. In this, the total Army (active and reserve) ground force reduction will be about 45%. It is our hope that the Republic of Korea carefully consider these large force cuts unless they are matched by

similar north Korean reductions. Additionally, the ROK Government has initiated a reduction in the length of service for its conscript Army, from 2 years to 1 1/2 years. This approach could stress the number of available conscripts from the population, or result in either hollowness or smaller units. This change to ROK draft / conscription laws should be carefully weighed against the threat postured along the Demilitarized Zone (DMZ). Successful ROK execution of Defense Reform Plan 2020 will require both legislative and budgetary support from their government, and close coordination with the United States through Alliance consultative processes. The ROK troop reduction and changes in conscription laws must not negatively impact deterrence on the Korean Peninsula against the postured threat.

Transfer of Wartime Operational Control

Given the advanced military and economic capability of the Republic of Korea, the next logical phase in the maturation of the ROK–U.S. Alliance is for the Republic of Korea to assume the primary responsibility for their own defense. The United States views this effort as an affirmation of the tremendous success of the Alliance since the end of the Korean War, and fully supports this change. U.S. and ROK civilian and military leaders have been discussing wartime OPCON transfer for nearly two decades as part of the normal progression of the Alliance. This is a natural evolution – one whose time has come both militarily and politically. Transitioning the Alliance to a new ROK-led military command and control structure in 2012 with U.S. and UN forces in doctrinally supporting roles will establish relationships that best serve both nations' interests and are

well suited for the long-term. The United States desires that our future force contributions leverage our extremely quick reacting and readily available potent air and naval capability, while supporting the superb ROK Army ground forces to counter north Korean aggression. In transitioning to a doctrinally "supporting to supported" military relationship, the Commander of United States Forces Korea will maintain uninterrupted national command over all U.S. Forces.

The United States and the Republic of Korea have also reached agreement on the strategic flexibility of U.S. forces in Korea. This was achieved during the January 2006 inaugural session of the Strategic Consultation for Allied Partnership ministerial-level talks between the United States Secretary of State and the Republic of Korea Foreign Minister on bilateral, regional, and global issues of mutual interest. The agreement has two basic tenets: the Republic of Korea supports the strategic flexibility of United States forces in Korea, and the United States respects the Republic of Korea's position that it shall not be involved in a regional conflict against the Korean people's will. The transfer of wartime OPCON reinforces these principles as the Republic of Korea assumes the lead responsibility for its defense, and the United States, in a supporting role, becomes more agile and flexible.

Allied Burden Sharing

With the Republic of Korea's tremendous economic capacity and prominence in the international community, a balanced defense burden sharing arrangement in support of United States forces in Korea is fundamental to the strength of the Alliance. Today, the Republic of Korea contributes approximately

2.6% of its GDP to its national defense, while the United States expends around 3.9% for our defense. At the end of 2006, the Republic of Korea and the United States concluded talks on a new Special Measures Agreement (SMA) regarding ROK cost sharing support of United States forces in Korea for 2007-2008.

In principle, both sides agreed to the goal of reaching an equitable level of cost sharing. The United States believes that to achieve equitable levels, the two allied nations should contribute approximately 50% each of the non-personnel stationing costs (NPSC) for U.S. forces in Korea. To date, the Korean Government burden sharing contribution to assist the U.S. in military stationing costs has been below this 50-50 ratio; the 2006 SMA contribution represented only 38% of the NPSC. For 2007, the ROK agreed to provide 725.5 Billion Won ($770M) as a direct contribution and to increase its level in 2008 with the rise in the 2006 Consumer Price Index (CPI). The ROK 2007 SMA contribution represents 41% of our NPSC, still short of the principle of equitable 50-50 cost sharing. As a result of SMA burden sharing shortfalls, we are forced to stretch limited funding. I cannot allow readiness to suffer, and I will not allow the quality of life of my Servicemembers or families to suffer. Without more equitable allied SMA funding, we may be forced to recommend a range of fiscal measures to the U.S. government, including a review of base relocation and consolidation plans.

Clearly, defense burden sharing is advantageous to both Alliance partners. For the United States, the Republic of Korea's willingness to equitably share appropriate defense costs is a clear indicator that United States forces in Korea are welcome, wanted, and held necessary by our host. For the Republic

of Korea, an appropriate SMA investment gives them the presence and capabilities of the U.S. military. Additionally, 100 percent of ROK SMA burden sharing contributions are returned directly into the Korean economy by paying the salaries of Korean USFK local national employees, Korean contractors and service agents, and Korean construction firms. ROK contributions for the past four years represent shortfalls that USFK has struggled to absorb by reducing expenditures while maintaining readiness.

Republic of Korea's Support to Global and Regional Security

The Republic of Korea continues to superbly assist United States' efforts to promote global and regional security as an active partner in the Global War on Terrorism; to support operations in Iraq and Afghanistan; and to participate in United Nations' peacekeeping missions, humanitarian assistance, and disaster relief missions. Since 2002, for example, the Republic of Korea has contributed millions of dollars in aid for reconstruction and deployed contingents of troops to support operations in Afghanistan and Iraq. In December 2006, the Republic of Korea's National Assembly approved a third, one-year extension of its force commitment to Iraq through 2007, although their force will reduce to 1200 troops. Support to Afghanistan includes providing a 58-person medical unit, a 147-person engineer construction unit, and other military assistance worth millions of dollars. Last, the ROK is deploying an important 350 Soldier contingent to the UN peacekeeping mission in Lebanon. The Republic of Korea has been a steadfast and committed Ally in supporting U.S. and UN operations worldwide. We applaud our ally's efforts in this regard, and thank them.

In May 2003, the President of the United States introduced the Proliferation Security Initiative (PSI), a measure to enhance international efforts to prevent the flow of weapons of mass destruction, delivery systems, and related materials on the ground, in the air, and at sea. To date, over 75 countries have expressed support for this initiative and the U.S. has requested that the Republic of Korea fully adopt the provisions of the PSI. The Roh administration announced that it supports the principles of the PSI and would cooperate on a case-by-case basis. With north Korea posing such a significant proliferation threat, it is the United States' desire that the Republic of Korea fully participate in this initiative.

IV. Ensuring Peace and Stability on the Korean Peninsula

Executing the transfer of wartime OPCON of ROK forces to the ROK military in 2012 will result in the U.S. shifting its command and control structure from the Combined Forces Command framework to a new structure. North Korean aggression on the peninsula will be met by a fierce ROK military supported by American "life-of-the Alliance" air and naval centric combat power, and "bridging" capabilities including; command, control, communication, computers (C4), intelligence, surveillance, reconnaissance (ISR), logistics, theater missile defense (TMD), and other capabilities, including appropriate ground power. This evolution provides a stronger and more complementary Alliance that is better organized to meet ROK security needs and our mutual interests in the region.

Readiness

As Commander of Combined Forces Command, readiness is my first priority. It is achieved through a robust training, exercise, and evaluation program, adequate funding for sustainment, maintenance and logistics, and the modernization of our capabilities. In order to be ready and continue to deter aggression on the peninsula, our training must evolve and keep pace with the transformation of our military structure. USFK faces challenges in training range and airspace access. Facilities for our air and naval forces exist but scheduling and allocation must be improved to fully support combat readiness requirements. We need access to a modern and instrumented air to ground bombing range. The ROK military is working hard to provide such a range and we appreciate their efforts. Current ground maneuver training facilities are impacted by expanding civilian encroachment. These issues must be resolved in order to meet current and future training requirements.

Continued support for our capabilities enhancements is also critical to our readiness. We have made meaningful progress with several of our key focus areas for modernization: joint C4, ISR, TMD, prepositioned equipment, logistics, and counter-fire and precision munitions.

Training / Exercises

Today, the theater-level exercises – ULCHI-FOCUS LENS (UFL); Reception, Staging, Onward Movement, and Integration (RSOI); and FOAL EAGLE collectively train over 400,000 Republic of Korea and United States active and reserve component personnel in the critical tasks essential to

deterring, and if necessary, defeating north Korean aggression. These command post and field training exercises use battle simulation technologies to train senior leaders in 21st Century battle command. Combat enablers, such as C4 and Intelligence (C4I), provide the Collaborative Information Environment to plan, execute, and assess effects from distributed locations, allowing the Combined Forces Command to see, understand, assess and act to dominate the battlespace.

UFL focuses on effects based operations, C4I, and dominant maneuver theater of war skills. The goal of RSOI is to improve our ability to rapidly reinforce and sustain operations in the Korean theater. FOAL EAGLE is a tactical-level exercise that hones warfighting and interoperability skills. These exercises, supplemented by subordinate command training programs, ensure that the Alliance remains ready and capable to deter north Korean aggression.

C4 and ISR

Continued modernization of C4 and ISR capabilities is crucial for the future of the Alliance. An advance in these areas greatly improves our ability to gather, integrate, apply and share information, optimizing the way we fight. Timely and accurate information is a decisive element of combat power. United States and ROK forces have implemented programs to improve their C4 capabilities. These upgrades will enable parallel planning for all Combined Forces Command and United States Forces Korea units as well as other friendly forces. In order to leverage these advances, full coordination and implementation is required to ensure interoperability and survivability at all

command levels. Current initiatives in coalition interoperability seek to extend a seamless command and control capability throughout the theater that will greatly improve multi-national information sharing capability, yet maintain a viable U.S.-only capability link with our command authorities.

Synchronized intelligence operations are critical to any Alliance / Coalition effort. The Joint Intelligence Operations Center in Korea (JIOC-K) is conducting a comprehensive review of roles, missions and functions including national, joint, and coalition responsibilities for collection, exploitation and dissemination. The transformational objective for JIOC-K is focused with a purpose to fully integrate and enhance the means to quickly detect, identify and report on provocative acts, combat preparations, and indicators of potential north Korean regime instability. Long standing ISR requirements exist for Global Hawk, Predator and the Joint Surveillance and Target Attack Radar System (JSTARS). USFK also faces shortfalls in signals and human intelligence collection capabilities. Fulfilling these requirements will improve situational awareness and warning time which is critical to our defense posture and force protection.

In September 2006, the Under Secretary of Defense for Intelligence validated the theater's National Intelligence Support Plan which clearly identified the shortfalls and agency requirements to address them. Congressional support to address and eliminate these shortfalls is essential to ensure the theater is well positioned to execute its national responsibilities for strategic warning, to support our ROK and U.S. warfighters, and support regional stability operations. I view

this commitment essential to the effective transfer of wartime OPCON to the ROK.

The Republic of Korea is planning to acquire important C4 and ISR capabilities for its assumption of wartime OPCON. Once operational, these capabilities will improve the Republic of Korea's ability to make critical crisis and combat decisions.

Theater Missile Defense

North Korea's missile tests of July 2006 highlighted the importance of an active theater missile defense system. It is both prudent and necessary for the Republic of Korea and the United States to enter into discussions regarding appropriate commitments and enhancements that each nation should pursue regarding ballistic missile defense on the peninsula. The U.S. will continue to protect its capability to conduct reception, staging, onward movement, and integration in support of the Alliance under our contingency plans. The Republic of Korea must purchase and field its own TMD system, capable of full integration with the U.S. system. The regional missile threat from north Korea requires an active ROK missile defense capability to protect its critical command capabilities and personnel.

PAC-3 Patriot Missile System upgrades and improved munitions have significantly enhanced our posture. To protect critical United States facilities in Korea, we must complete upgrading the remainder of our systems with advanced TMD capabilities. Continued production of PAC-3 missiles in the near-term, followed by continued development of the Theater High Altitude Air Defense,

Airborne Laser, and Aegis Ballistic Missile Defense will provide the layered missile defense capability we require for the future. Your continued support remains essential to these and other Service component programs that protect our forces on peninsula and sustain our ability to reinforce South Korea in the event of a crisis.

War Reserve Materiel

Logistically supporting United States Forces Korea is a complex, multi-faceted undertaking. The proximity of the north Korean threat coupled with the long distances from United States sustainment bases requires a robust and responsive logistics system. The capability enhancements currently programmed will significantly improve our core logistics functions through modern pre-positioned equipment, responsive strategic transportation, and logistics tracking systems.

Our Joint Force Support Component Command (JFSCC) is an initiative to achieve unity of effort in U.S. logistics. It is a single, unified logistics command that directs and integrates our logistics efforts across the joint community. The JFSCC demonstrated its value during RSOI and UFL 2006. We are on track to reach full operational capability following UFL 2007. My ultimate goal is to achieve the ability to bridge gaps between U.S. and ROK logistics capabilities and unify allied logistics, particularly once wartime OPCON is transferred.

Pre-positioned equipment sets, which include critical weapons systems, preferred munitions, repair parts, and essential supplies, are vital to rapid power projection to reinforce the Korean theater. Of note, USFK leadership took an

aggressive approach in 2005 to improve the readiness of Army Pre-positioned Stocks in Korea. The Army Materiel Command significantly increased their workforce for these stocks and ensured all equipment in the Heavy Brigade Combat Team met readiness standards. Headquarters, Department of the Army expects to reach 100 percent Equipment On Hand – up from 78 percent – for our Heavy Brigade Combat Team by June 2007. However, sustainment shortages still exist and can only be overcome through increasing the priority of fill for Army Pre-positioned Stocks and the commitment of additional funding.

Strategic Lift

Responsive strategic transportation -- fast sealift ships and cargo aircraft – remains crucial to rapidly reinforce the Korean theater and sustain United States forces. Equally important is the ability to maintain in-transit visibility of supplies and equipment with a modernized joint logistics C4 and information system. Lessons from Operations IRAQI FREEDOM and ENDURING FREEDOM have highlighted several areas where relatively small investments in asset tracking systems and theater distribution yield significant efficiencies and improve the overall effectiveness of our logistics systems.

Preferred Munitions

Counterfire and precision strike are core requirements for all of our contingency plans. These enablers allow us to change the dynamics of a conflict and rapidly achieve campaign objectives. Increasing the forward stocks of preferred munitions is vital to operational success in the Korean theater. Our

priority ordnance requirements include: the GPS-guided Multiple Launch Rocket System with extended range capability; a ground-launched, extended range, all weather capability to defeat hardened and deeply buried targets (HDBTs); precision guided munitions; and air-to-ground and air-to-air missiles. Your continued support to these programs provides the overmatching capabilities to buttress our deterrence.

War Reserve Stocks Allies – Korea

We anticipate beginning negotiations on the War Reserve Stocks Allies – Korea (WRSA-K) program in 2007. Recent legislation permits the U.S. to offer, for sale or concession, surplus ammunition and military equipment to the ROK. The sale of these munitions will reduce the U.S. stockpile maintenance burden and encourages the ROK to continue toward its stated goal of a self-reliant defense posture.

V. United Nations Command, Combined Forces Command, and United States Forces Korea

The United Nations Command, the Combined Forces Command, and the United States Forces Korea provide dominant military capabilities to maintain the 1953 Armistice Agreement, deter any provocation and deter escalation that could destabilize the region. The forces of these commands provide a potent, integrated team that is trained and ready.

United Nations Command

As the longest standing peace enforcement coalition in the history of the United Nations, the United Nations Command represents the international community's enduring commitment to the security and stability of the Korean Peninsula. With fifteen current member nations and the ROK, the United Nations Command actively supervises compliance with the terms of the 1953 Korean Armistice Agreement fulfilling the members' mutual pledge to "fully and faithfully carry out the terms" of the Armistice. UNC will provide a unified and prompt response to preserve the security of the ROK if there is a north Korean attack. With exclusive authority south of the Military Demarcation Line for the maintenance of the Armistice, the UNC meets with the north Korean People's Army representatives, inspects South Korean units positioned along the DMZ, and conducts investigations into alleged Armistice violations to prevent minor incidents from escalating into destabilizing crises.

As we move towards transfer of wartime OPCON to the ROK military, there is one UNC issue that we must address. In the current arrangement, the UNC Commander is ultimately responsible for Armistice maintenance, crisis management and resolving Armistice violations. However, the ROK military already provides security and surveillance over the entire Demilitarized Zone. As the UNC Commander, I do not have "peacetime" OPCON – no command authority – over the ROK military. This creates a mismatch between military authority and responsibility. This mismatch is currently mitigated through my dual-hat status as CFC Commander. However, this mismatch cannot be

mitigated once the transfer of wartime OPCON is completed, as the U.S. commander will have no ability to command and control ROK forces – the very forces that are arrayed along the DMZ – in peacetime, crisis escalation, or war.

As the executive agent for the United Nations Command, the United States will continue to work with the Republic of Korea and the UN Sending States to ensure that the future arrangement – after wartime OPCON transfer – takes into account the realities of the new command structure. It is our goal to transfer or delegate appropriate armistice authorities and responsibilities to the Republic of Korea, while ensuring that the United Nations Command remains a critical command in deterring aggression, and supporting combat operations should war break out on the peninsula. We must also maintain the United Nations - Japan Status of Forces Agreement, which provides throughput access to critical Japanese air and naval bases for U.S. and UN forces, should crisis escalate and war break out.

Combined Forces Command

Since its inception nearly 30 years ago in 1978, the Combined Forces Command has been the warfighting command of the Republic of Korea - United States Alliance. Through authority based on the 1953 Mutual Defense Treaty, the CFC provides the cornerstone of deterrence against north Korean aggression, and if deterrence fails, stands ready to win decisively. Vigilant and well trained, the Combined Forces Command is the most powerful combined warfighting alliance in the world today. As the commander of CFC, I respond equally to both Alliance partners, the United States and the Republic of Korea.

There are an array of effective Alliance mechanisms which allow the two allies to coordinate and consult on military matters during peace or wartime.

We are committed to achieving the goal of a ROK-led defense structure. Doing so requires a reshaping of the ROK–U.S. military partnership in a manner that will strengthen our nations' relationship while facilitating the Republic of Korea's predominant role in its own defense. We have agreed to transition our relationship in 2012 from a shared operational control system under our combined headquarters (CFC), to independent, parallel national command systems where the U.S. assumes a doctrinally supporting role to the Republic of Korea military. CFC will be disestablished. Our Combined Implementation Working Group has been charged with developing the construct under which the Alliance will function after wartime OPCON of ROK forces has transferred to the ROK.

We are confident that the overall U.S. security posture in the Asia Pacific region, coupled with the improvements in ROK capabilities as well as significant U.S. capabilities on the peninsula, will enable OPCON transfer to occur with no degradation to the Alliance deterrence mission. The Republic of Korea is also enhancing its military capabilities as it continues to field and upgrade its fleet of K1A1 tanks and multiple launch rocket systems. Additionally, it plans to purchase upgraded Guided Missile Destroyers with enhanced communications and surface to air capabilities; four Airborne Early Warning and Control aircraft; and enhance its own theater missile defense posture with the Patriot missile system. The Republic of Korea's new naval base for their 3rd Fleet is also

operational and includes a recently completed pier capable of handling U.S. nuclear powered aircraft carriers.

The transformation of the Alliance makes it essential that we continue to expand our capabilities and revise operational concepts. Simultaneous maneuvers, parallel planning, effective coordination, effects-based operations, and asymmetrical maneuvers all conducted in a dynamic battlespace will improve the lethality of our future Alliance military operations.

United States Forces Korea

We are focused on maintaining proper capabilities on the peninsula. Our assessment is that ROK forces are capable of defending the Republic of Korea, but that U.S. support is a critical enabler to that defense.

In 2004, the United States and Republic of Korea governments agreed to the reduction of 12,500 personnel from United States Forces Korea over a five-year period beginning in 2004. Between 2004 and 2005 we reduced 8,000 troops, including the deployment of the 2d Infantry Division's 2nd Brigade Combat Team (BCT) to Iraq which was subsequently relocated to Fort Carson, Colorado.

We continue to make progress in re-aligning U.S. forces in Korea. In late 2004, the Yongsan Relocation Plan was signed and ratified. Under that agreement, U.S. force elements assigned to the Yongsan Garrison in Seoul will relocate to Camp Humphreys, near Pyongtaek, over 60 kilometers southwest of Seoul. The relocation of the Second Infantry Division is also part of the realignment plan which, when complete, will allow United States forces to assume a more efficient and less intrusive footprint within two hubs of enduring

installations. Relocation will significantly improve the quality of life of our Servicemembers, while returning valuable land to the citizens of the Republic of Korea.

To date, we have closed 36 installations encompassing over 16,700 acres with a tax assessed value of over $500 million and returned 30 installations to the Republic of Korea. Along with these camps and in accordance with our SOFA agreement, we have transferred free to the Republic of Korea the full range of buildings, capital assets, and improvements found on these camps, many built with U.S. appropriated funds. It remains our goal to close a total of 59 facilities and areas – two thirds of all land granted us under the SOFA Agreement, totaling more than 38,000 acres.

In exchange for the return of the majority of our dispersed camps, the Republic of Korea, per our agreements, has purchased 2,800 acres of land required to expand the Army's Camp Humphreys and the Air Force's Osan Air Base. It is also in the process of purchasing more than 250 acres at the Air Force's Kunsan Air Base to accommodate relocation efforts there. We have awarded a contract to develop the first 205 acres at Camp Humphreys for the Army's FY07 construction program. Sustained funding for our military construction projects, particularly Army construction, coupled with sufficient host nation-funded construction by the Republic of Korea, is crucial for this plan to remain on track.

As a vital component of our construction programs, the Army is pursuing a range of build-to-lease family and senior officer / NCO quarters to be sited at the

Camp Humphreys facility. Army forces cannot displace to Camp Humphreys until these units are completed. To begin build-to-lease construction, the Army needs to gain legislative approval for lease authority that provides for the appropriate level of purchasing power that is essential to the success of the Army build-to-lease program.

Achieving Normalcy for United States Forces Korea

We are approaching 54 years since the signing of the Armistice Agreement in Korea. In 54 years, South Korea has transformed from a war ravaged country to one of the most modern, progressive, democratic and free countries in the world. South Korea is a top flight first world country, and highly competitive with the most advanced economies in the world. Their medical system is world class, their universities renowned, and their industries / businesses are credited with superb worldwide innovation and reliability. Historically, the United States was willing and anxious to face down the Soviet Union in Europe with full family accompanied tours authorized. We willingly took this risk in the face of over a hundred divisions of enemy forces equipped with hundreds of tactical and theater nuclear weapons. My son was born 12 kilometers across an inter-zonal border from several Soviet divisions. Unfortunately in a modern and vibrant Republic of Korea, we still rotate Servicemembers in and out annually as though this remained an active combat zone. We only authorize 2,900 of our current 29,000 Servicemember force (10%) to bring their families to Korea. We need to initially double this, then over time provide the facilities and infrastructure to authorize full accompanied tours

for the entire force. Korea is one theater where rotational forces and individual short tour rotational Servicemembers do not serve our national interests as effectively as we need.

By continuing to execute a one year rotational force policy in Korea, we are contributing to several debilitating realities. First, we are needlessly separating our families from their Servicemembers – Servicemembers who are already relentlessly rotating from their bases in the United States and Europe to repeated combat tours. Given the nature of the Global War on Terrorism, most political - military analysts predict that the U.S. military will continue rotational commitments to combat zones for years to come. We are needlessly contributing to increased rotational turbulence by continuing short tour rotations in a modern Korea.

Next, we are complicating the opportunity to develop deep and lasting cultural ties with our ally, the South Koreans. While strong and enduring, our Alliance with South Korea has been under some level of stress for the past several years. Some analysts attribute this to individual unaccompanied U.S. Servicemembers coming and going annually, never having a real opportunity to engage at the family level with their Korean counterpart citizenry. As individuals, we are pretty much isolated on our base camps. Last, we negatively impact readiness and spend too much permanent change of station (PCS) money rotating our troops each year. The annual rotation ensures that we have a less ready force than we should have. We need to keep troops, leaders, and

commanders in position as long as reasonable – three years, and we can decidedly save money by extending tours and lessening PCS costs for the force.

With about 2% of the active military force committed to service in Korea, the United States can easily afford to do what is right and endorse normal three year accompanied tours in Korea, much like we endorse in Japan. I strongly and indeed passionately seek Congressional support for transitioning to normal three year command sponsored family accompanied tours for our American force in Korea. While there will be some expense which we will amortize over time, our Korean ally will shoulder a significant amount of the required investment in capital assets, through the Special Measures Burden Sharing Agreement and Yongsan Relocation Plan.

Having spent 14 years of my military service overseas in Korea, Europe, and the Middle East, living and working in both accompanied and unaccompanied environments, it is my best judgment and recommendation that for the health of our alliances and the nation's engagement strategy, a commitment to a reasonable level of normal accompanied tours overseas is decidedly in the best interests of the United States. I will soon submit formal proposals to the Department of Defense in pursuit of this policy. If and when the budget proposals to resource this policy formally arrive in front of Congress, our Servicemembers and their families would deeply appreciate your favorable consideration and support. The ROK-U.S. Alliance will measurably benefit.

Ensuring Equitable Pay

Major improvements have been made in pay disparity in the Republic of Korea. For the first time in over 50 years of the Alliance, a Cost of Living Allowance was authorized in 2003. Additionally, the Army and the Air Force implemented the Assignment Incentive Pay (AIP) Program, authorizing a cash incentive for Servicemembers who are willing to extend their tours in Korea. So far, over 16,000 Soldiers and Airmen have volunteered for AIP, saving the Department of Defense over $78 million in permanent change of station costs. Following the great success of the Army and Air Force AIP programs, in January 2006, the Navy implemented this program for its sailors. The combined effect of reduced permanent change of station costs and increased stabilization is a win-win situation. However, while AIP has been a major success, for our unaccompanied Servicemembers (90% of the force), accepting AIP means longer separations from family back in the States. Nonetheless, the AIP program is a superb success and your continued support will help improve the stability, predictability, and operational readiness of our force.

Upgrading and Building New Infrastructure

The relocation of United States Forces Korea to two enduring hubs will provide the long-term infrastructure that is required to maintain a persistent presence on the peninsula. As we move forward with our overall construction master plan we must also continue to maintain our existing facilities until construction is completed. Your support of our Sustainment, Restoration, and Modernization Program requirements, supplemented by host nation

contributions, will allow us to complete our infrastructure renewal program to enhance our force protection posture and the quality of life for our personnel. The President's Fiscal Year 2008 budget request includes Service military construction projects that are essential to our forces in Korea, and critical to the execution of our overall theater master plan.

The challenge the Services face in recapitalizing their infrastructure in Korea is substantial and continues to be significantly under-funded. Our facilities and infrastructure are old, particularly Army facilities: over one-third of the buildings in the command are between 25 and 50 years old and another one-third are classified as temporary structures. Due to previously under-funded Sustainment, Restoration, and Modernization Programs by the Services, many buildings have deferred maintenance, contributing to their continual deterioration. Our annual allocations for sustainment funding have been about 50 percent of requirements, while restoration and modernization funding has been much less. A robust Sustainment, Restoration, and Modernization profile for each of the Services is absolutely essential if we are to maximize the appropriated military construction dollars we receive. Without the funds to sustain, restore, and modernize our facilities, our Servicemembers, especially Army Soldiers, will be perpetually relegated to live and work in run-down, dilapidated, patched-up facilities.

Many of our Servicemembers continue to live in extremely substandard housing, whether in military facilities or in crowded urban areas outside our installations. Our realignment to two enduring hubs will allow us to focus on

improving living and working conditions. To this end, sustained access to several different funding programs will be essential, including United States military construction, host nation-funded construction, and commercial build-to-lease programs.

The Services are working towards achieving the Department of Defense's goal to house all unaccompanied USFK Servicemembers in adequate installation housing as soon as possible. The Army and Air Force are using military construction to build unaccompanied housing facilities at the Army's Camp Humphreys, and the Air Force's Osan and Kunsan Air Bases. In addition, we recently completed two host nation-funded construction projects in our southeast hub to provide adequate barracks space for our Marines and Sailors assigned to Camp Mu Juk in Pohang. To improve the unaccompanied senior enlisted and officer quarters, the Army has contracted a commercial build-to-lease project at K-16 Air Base and plans similar projects at Camp Humphreys.

For FY08, the Army is requesting $57 million in military construction funds to build two additional barracks complexes at Camp Humphreys. I strongly support these projects as essential and request your support.

I am particularly supportive of the Army's requirement to meet our national commitments in realigning Army forces from Seoul and north of Seoul. For example, the Army is pursuing build-to-lease opportunities to meet housing requirements at Camp Humphreys. Build-to-lease provides a quality, cost effective housing option and I strongly support the Army's pursuit of this effort to leverage private capital. Our current lease cap authority does not allow us to

keep pace with the high cost housing market in Korea. The Army is aggressively seeking your support to ensure that our lease cap authority delivers the appropriate purchasing power to enable the build-to-lease program to succeed. I strongly support the Army's efforts to meet our housing requirements, and also ask for your favorable and expeditious approval of our legislative proposal to establish the necessary lease cap authority for build-to-lease. Continued support for family housing construction in Korea through commercial build-to-lease projects will help ensure quality housing for all our Servicemembers' families. Again, this program is essential to the Army's efforts to relocate Army forces from north of and in Seoul to south of Seoul, and supports national agreements the U.S government has concluded with the Republic of Korea. Unless we receive timely approval for lease cap authority adjustments, it will be extremely difficult, if not impossible, for the Army to synchronize its construction program in Korea with ongoing burden sharing building efforts by the Korean Government on our behalf.

Good Neighbor Program and Mandatory Theater Specific Required Training

The Good Neighbor Program is a USFK hallmark for fostering harmonious relations between our Servicemembers and the Republic of Korea citizenry. The key pillars include community relations programs, Korean cultural awareness programs and ROK–U.S. military-to-military activities. Some examples include: Servicemembers and their families teaching English to Korean children, volunteering in orphanages, and assisting with humanitarian projects and conservation efforts; Korean families inviting Servicemembers to their homes to

experience Korean hospitality and participate in cultural tours; and commanders hosting local government officials to orient them to the military mission. It is our hope that the Good Neighbor Program will improve the understanding and support of the Korean community for the strategic mission of USFK and effectively demonstrate the respect of USFK Servicemembers for the laws, history, culture, and customs of the Republic of Korea. If we are authorized to increase our family accompanied tours, the effectiveness of the Good Neighbor Program will increase dramatically.

In addition to the Good Neighbor Program, USFK instituted a Mandatory Theater Specific Required Training program for all arriving personnel to the ROK. This training – for example in personnel safety, prostitution and human trafficking, and sexual assault – not only facilitates accomplishment of our assigned missions, but also ensures that Servicemembers conduct themselves in a manner that is compatible with and respectful of ROK culture and law. Commanders are responsible for validating the completion of all required theater specific training.

Safety

Our well-being is a function of safe training and personal conduct. While we recognize that we operate in a hazardous military environment, units that aggressively embrace risk management and personal intervention with their Servicemembers routinely have superb safety records. The majority of our serious accidents, incidents and deaths occur during off-duty periods. This fact requires the chain of command to aggressively engage with its individual

Servicemembers, and positively impact their personal behavior. At USFK, we call this process "Under the Oak Tree Counseling" through which first line supervisors gain a verbal behavior contract with their subordinates before each lengthy off-duty period. Through the combined efforts of our men and women, we employ appropriate safety measures to ensure that all members stationed in the Republic of Korea can go about their daily lives knowing that we have done everything possible to safeguard and protect them. I expect commanders to empower subordinates while holding them accountable for the safety of their Soldiers, Sailors, Airmen, and Marines.

Prostitution, Human Trafficking, and Sexual Assault

United States Forces Korea has zero tolerance for prostitution and human trafficking (P&HT). To ensure members are fully aware of our policies regarding P&HT, the command has initiated a four-pronged approach focusing on awareness, identification, reduction and enforcement. This initiative has had a positive effect for the command. In January 2006, a Department of Defense (DoD) Inspector General (IG) team visited USFK as part of an Evaluation of DoD Efforts to Combat Trafficking in Persons (TIP). In their report, the inspection team praised USFK for aggressively attacking the problem of TIP at the "strategic, operational, and tactical levels," and further stated that "the USFK anti-TIP program continues to set the standard for DoD efforts to combat TIP." In addition to DoD's USFK visit, the USFK IG completed several comprehensive inspections of command policies and climate relevant to prostitution and its links

to human trafficking. Recommendations from both DoD and USFK IG inspections continue to be incorporated into the command's strategy.

The Command's initiatives are equally important in combating sexual assault. United States Forces Korea has developed and implemented education programs for training our leaders and Servicemembers on awareness and prevention of sexual assault. The foundation of our USFK program is a 40-hour, centralized and certified Victim Advocate and Sexual Assault Response Coordinator training program. This training stresses sexual assault risk factors and victim care. To date, our program has focused primarily on awareness and response. We are currently developing a Sexual Assault Prevention Program that meets research based criteria for addressing individual attitudes, behaviors and perceptions that place Servicemembers at risk for victimization and perpetrating sexual assault.

I will continue to be vigilant in enforcing the sexual assault prevention programs and zero tolerance approach adopted by the command. Promoting dignity and respect are of the utmost importance and a mandate we fully embrace within United States Forces Korea.

VI. Strengthening the Alliance and Investing for the Future

The Republic of Korea and the United States have stood side by side on the Korean Peninsula nearly 57 years. We have shed blood together in freedom's cause. This relationship, first forged on the battlefields and sustained through the years by the courage and efforts of Korean and American Servicemembers, stands as a testament to the principles of freedom and

friendship. If we are going to continue to assist in securing peace and stability in Northeast Asia in the future, it must continue. In pursuit of this, we must recognize that the Republic of Korea is prosperous, democratic and largely self-reliant. As such, our relationship must evolve. Both sides are committed to this transformation which will enable future generations to continue to enjoy the benefits of our Alliance.

Your continued support is greatly appreciated and will ensure that we achieve our transformation objectives by providing our forces with the resources needed to deter aggression and foster peace and stability on the Korean peninsula and in the region. I am proud of the Soldiers, Sailors, Airmen, Marines, and civilians serving in the Republic of Korea. I know you are too. Through their daily dedication and performance, they continue to earn the trust and confidence that you have placed in them, while serving upwards of 8,000 miles from home. We owe them and their families the very best working, living, and training environment, and we should do everything feasible to give it to them. Thank you.

QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

MARCH 7, 2007

QUESTIONS SUBMITTED BY MR. MCINTYRE

Mr. MCINTYRE. There were unconfirmed reports recently of the Russians selling missiles to Iran. Do you have any knowledge of this?

Admiral FALLON and General BELL. Questions regarding Russian missile sales to Iran and how this may affect our interests can best be addressed by U.S. European Command (EUCOM) rather than by USFK since our focus is on Korea and issues related to the theater. However, after consultation with EUCOM, we have been advised of the following:

In late November 2005, Russian and Iran negotiated a contract for 29 TOR-Mi surface-to-air missiles for $700 million. Russian officials announced in January 2007 that all of the Tor-Mi had been delivered to Iran. Iranian officials announced the successful local testing of the Tor-Mi in February 2007.

Press reports indicate that Syria intended to sell Iran 10 PANTSIR-S1 surface-to-air missile systems, part of a block of 50 PANTSIR-S's Syria contracted from Russia. Russian officials denied allegations they were selling PANTSIR-S1 to Iran using Syria as an intermediary.

QUESTIONS SUBMITTED BY MS. TAUSCHER

Ms. TAUSCHER. Do you believe there are sufficient numbers of PATRIOT PAC–3 interceptors currently available in the PACOM/USFK AOR, or are additional capabilities needed?

Admiral FALLON. [The information referred to is classified and retained in the committee files.]

Ms. TAUSCHER. Also, do you believe that there are sufficient numbers of Aegis BMD-capable ships and Standard Missile-3 interceptors currently available in theater, or are additional capabilities needed?

Admiral FALLON. [The information referred to is classified and retained in the committee files.]

Ms. TAUSCHER. Do you believe there are sufficient numbers of PATRIOT PAC–3 interceptors currently available in the PACOM/USFK AOR, or are additional capabilities needed?

General BELL. [The information referred to is classified and retained in the committee files.]

Ms. TAUSCHER. Also, do you believe that there are sufficient numbers of Aegis BMD-capable ships and Standard Missile-3 interceptors currently available in theater, or are additional capabilities needed?

General BELL. There are insufficient numbers of Aegis BMD-Capable ships or Standard Missile-3 interceptors to solely address the entire ballistic missile threat in the PACOM AOR. However, the United States cannot rely on "Active Defense" alone to counter the growing Ballistic Missile threat in the Pacific. We must increase our Joint capabilities to counter the ballistic missile threat in the Pacific utilizing all four pillars of missile defense (Active Defense, Attack Operations, Passive Defense, and C4I) in order to pace and counter the growing Ballistic Missile threat.

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