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**SECURITY AND STABILITY IN PAKISTAN:
DEVELOPMENTS IN U.S. POLICY AND
FUNDING**

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS

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DOCUMENTS SUBMITTED FOR THE RECORD:

[There were no Documents submitted.]

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:

[There were no Questions submitted during the hearing.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING:

[There were no Questions submitted post hearing.]

**SECURITY AND STABILITY IN PAKISTAN:
DEVELOPMENTS IN U.S. POLICY AND FUNDING**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, April 29, 2010.

The committee met, pursuant to call, at 10:05 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. Good morning.

This morning we have with us the Honorable Michèle Flournoy, Under Secretary of Defense for Policy, at the Department of Defense; Lieutenant General John M. Paxton, Jr., Director for Operations for the Joint Chiefs of Staff; the Honorable Andrew J. Shapiro, Assistant Secretary for Political-Military Affairs for the Department of State.

We welcome you and thank you for being with us.

Before we begin, let me remind members that this is open, so today's discussion should be solely involving unclassified matters and not matters of national security classification.

Pakistan's continuing security challenges have serious implications for our national and homeland security, for our efforts in Afghanistan, as well as for security in that region. In fact, there is no security relationship in the world today more important than the relationship between the United States military and the military of Pakistan. This relationship has experienced its ups and downs over the years, but today as we speak, it is solid and it must remain so if we are to serve the interests of both nations.

The relationship is founded on the fact that our national interests are aligned in fundamental ways. It is also sustained by the personal and professional relationship between the two nations' officer corps, and not least by the mutual support we provide each other in the fight against Al Qaeda and the Taliban.

This committee has authorized a large share of the funding for the support we provide to Pakistan, and we are deeply interested in the logistical and operational support they in turn provide to our country.

I am pleased that the Administration's strategy for Pakistan is already showing signs of success, success due in large part to the increase in Pakistani operations, which have been largely successful.

I applaud the recent detention of senior Taliban leaders inside Pakistan, the increased cross-border collaboration between Pakistan and Afghanistan, and the growing popular support for our shared counterterrorism activities.

However, there is still a long way to go and, frankly, a lot of hard work. “Hold” and “build” capabilities are integral to counterinsurgency operations in Pakistan but they are not yet developed. Pakistan must have the civilian capacity needed for long-term security and stability in the country. Moreover, there is a need for greater international contributions to Pakistan.

The Administration’s recent report to Congress on metrics for Pakistan, frankly, was a disappointment. While the Administration has developed good metrics and we are assured that you are tracking them, very little of this information has actually been provided to us in Congress. I trust that this deficiency will be corrected very quickly.

The information we are missing is important, because the Administration has requested significant resources from Congress and the American people to continue efforts to support the country of Pakistan. The administration’s fiscal year 2011 request includes an additional \$1.6 billion for the CSF [Coalition Support Funds] and \$1.2 billion for the State Department’s Pakistan Counterinsurgency Capabilities Fund. In addition to examining the justifications for these amounts, the committee remains interested in determining what the future is for the CSF as they wind down Operation Iraqi Freedom.

Again, we thank you so much for being with us today. We look forward to your testimony.

To Under Secretary Michèle Flournoy, she has become a good friend, and you have been here a good number of times sharing your wisdom with us. We are especially pleased to have you once again.

The CHAIRMAN. Mr. McKeon.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 35.]

STATEMENT OF HON. HOWARD P. “BUCK” MCKEON, A REPRESENTATIVE FROM CALIFORNIA, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. MCKEON. Thank you, Mr. Chairman. And thank you for holding today’s hearing on Pakistan.

This morning’s discussion gives us an opportunity to focus on our policy toward Pakistan and the types of tools that have been critical to expanding our partnership with Pakistani Security Forces.

I would also like to welcome our witnesses. I look forward to your testimonies and to candid dialogue.

Mr. Chairman, I would like to take a brief moment and highlight some key issues and submit my formal statement for the record.

The CHAIRMAN. Without objection.

Mr. MCKEON. Almost 1 year ago today, this committee held a similar hearing focused on Pakistan. While much has evolved over the last 365 days, three things have remained the same:

First, it remains in our national interest to defeat Al Qaeda and its extremist allies and ensure that they will have no safe havens from which to attack the American people.

Second, Pakistan continues to be engaged in a tough fight against a complex insurgency.

Third, Pakistan is an essential partner to the United States, both in the near and long term, and we must remain committed to building trust between our two Nations.

While all of these factors were important to informing our overall approach to Pakistan and how we resource that effort, I would like to focus on the security environment in Pakistan. It is my view that the traditional peacetime framework for security assistance is inappropriate and no longer works. Despite Pakistan's increased military operations, Pakistan is a nation that is more appropriately comparable to a combat zone, such as found in Afghanistan, and should be treated as such.

That is why I supported the Administration's original request for a new authority and funding stream which resembled our train and equip efforts in Iraq and Afghanistan.

Last year, Under Secretary Flournoy testified to this committee that the Pakistan Counterinsurgency Capability Fund, or PCCF, will align authorities and funding to develop Pakistan's capability in current counterinsurgency operations with DOD's [Department of Defense] responsibility to implement the security portion of the Afghanistan-Pakistan strategy, including our own current operations. I agreed then and I agree now.

Unfortunately, the next day Secretary Gates and Secretary Clinton ignored their own strategy and decided that the PCCF authority will reside in the State Department. It remains to be seen how the State Department will manage the PCCF authority and if it has the right culture and capacity to adequately respond to the wartime needs in Pakistan.

In my mind, I still question the rationale to move PCCF to State when DOD has proven its ability to execute similar programs in Iraq and Afghanistan. I also think it is fair to question if Congress will appropriate this year's money without strings attached and in a manner consistent with wartime contingencies.

Mr. Chairman, I think our committee should continue to closely monitor the execution of PCCF and ensure the CENTCOM [U.S. Central Command] Commander, through the Office of Defense Representative for Pakistan, maintains the speed and flexibility needed to take advantage of emerging and urgent opportunities with the Pakistan military.

Pakistani Security Forces have increased their operational tempo and are improving their capacity to conduct counterinsurgency operations against insurgent networks on its side of the border. It is in both our nations' strategic interest to see this momentum continue.

However, as you all know, clearing is only one phase of an effective counterinsurgency strategy. As we have learned in Iraq and Afghanistan, the "hold" and "build" phases are equally important. I would like our witnesses to comment on the recent notification to Congress to use economic support funds to provide quick impact, small-scale assistance to benefit the local population. It seems to

me that such funds are critical to building upon last year's military gains.

Lastly, I think Congress should also consider Coalition Support Funds under this wartime paradigm. Let me be clear. It is our congressional prerogative to conduct oversight and scrutinize funding, including CSF or any other funds in that matter. But we must balance accountability with supporting Pakistan's ability to adapt and respond to the fluid and dynamic security situation on the ground.

I hope to hear from our witnesses today why the CSF is critical to Pakistan's will and ability to conduct military operations and how we are working with the Government of Pakistan to ensure that such reimbursing efforts directly support U.S. military operations in Afghanistan.

Again, thank you for being here. I look forward to your testimony and discussion. Thank you. I yield back.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 38.]

The CHAIRMAN. I thank the gentleman from California.

Ms. Flournoy, Under Secretary of Defense, you are on.

STATEMENT OF HON. MICHÈLE FLOURNOY, UNDER SECRETARY OF DEFENSE FOR POLICY, U.S. DEPARTMENT OF DEFENSE

Secretary FLOURNOY. Mr. Chairman and Congressman McKeon, distinguished members of the committee, thank you very much for inviting this panel here today to testify on the growing U.S.-Pakistan strategic partnership. The Administration's core goal in this region remains consistent: to disrupt, dismantle, and defeat Al Qaeda and ensure elimination of Al Qaeda's safe havens in the region. Pakistan is a critical ally in these efforts, and the U.S. and Pakistan also have shared interests that extend far beyond countering violent extremism.

President Obama has charged us with building an effective partnership, one that advances U.S. interests while demonstrating to Pakistan that we will remain a strong supporter of Pakistan's security and prosperity over the long term. To build such an enduring partnership, we must strike the right balance between civilian and military cooperation.

On the security side, our programs are designed to strengthen Pakistan's capacity to target violent extremist groups that threaten both of our countries, the region, and the world. We have reiterated our long-term commitment to Pakistan through senior-level engagement by DOD leadership. We have increased the amount and the responsiveness of our security assistance. And in Pakistan itself, the Office of Defense Representative Pakistan, ODRP, has also deepened our day-to-day relations with our Pakistani defense colleagues. The close coordination between ODRP and Pakistani Security Forces represents a good working model for monitoring assistance and ensuring accountability.

While it is certainly too early to fully evaluate the success of our approach, we believe that our efforts to demonstrate the strong and enduring U.S. commitment to Pakistan are bearing fruit. Over the last year, the Government of Pakistan has demonstrated a signifi-

cantly increased commitment to combating violent extremist organizations that use its territory.

When I testified on the subject last March, violent extremists were entrenched along Pakistan's western border and expanding their influence into the settled areas of Pakistan. Devastating attacks on cities from Islamabad to Lahore led to a public outcry and a galvanizing of Pakistani political will to combat these violent extremist organizations.

In the last year, Pakistani Security Forces have taken unprecedented military action, recapturing significant territory from insurgent groups. Their actions have disrupted Al Qaeda and its affiliates in the border regions. And their perseverance in the face of significant casualties, nearly 4,000 in 2009 alone, testify to their commitment to the fight.

But even with the momentum of recent operational successes, Pakistan still faces a Herculean task. The threat of militant violence against the Pakistani state continues. The human cost of that violence and the instability that it has engendered is incalculable; and the financial strain is taking an enormous toll on Pakistan's economy.

The United States faces three significant hurdles in our efforts to assist Pakistan: capacity, threat perceptions, and mistrust of the United States.

When it comes to capacity, Pakistan's Security Forces have improved their ability to clear territory, but this progress remains fragile. Pakistan must also have the capabilities to translate tactical successes into permanent elimination of militant and terrorist safe havens. In particular, we must help Pakistan build the capacity of its civilian agencies to more rapidly move development and government resources into areas that have been cleared by the military.

Another challenge relates to Pakistan's threat perceptions. Although extremist attacks have led to the repositioning of substantial Pakistani forces, Pakistan's strategic concerns about India remain preeminent. We must continue to reassure Pakistan that as it combats the terrorist threat, it is not exposing itself to increased risk along its eastern border.

A final hurdle frankly relates to the legacy of mistrust between the United States and Pakistan. Past U.S. sanctions, Pakistani concerns about the growing U.S.-India relationship, its skepticism about U.S. staying power in the region, have made it a wary partner. Similarly, reports of Pakistan's tolerance and support for some violent extremist groups have created skepticism on the U.S. side. This is a partnership that is absolutely vital to our national interests, but it is also complex; and the need for candid dialogue and mutual reassurance remains very strong. And I believe we have made substantial progress in this regard over the last year.

We do believe we are on the right path. U.S.-Pakistan cooperation in the form of material assistance, training assistance, operational coordination, and reimbursement for their operational costs have been critical enablers to Pakistani progress against insurgents and has helped to build trust. The Pakistan Counterinsurgency Fund, or PCF, has proven to be particularly effective in expanding Pakistan's counterinsurgency capabilities.

The flexibility of this funding has allowed DOD to take advantage of emerging opportunities to equip, train, and coordinate with Pakistani Security Forces. It allowed, for example, the overhaul of a dozen Mi-17 helicopters which were used extensively in the counterinsurgency campaign in the Swat Valley. In addition, courses in intelligence analysis, civil military operations, and the law of armed conflict have helped prepare Pakistani military and Frontier Scouts for counterinsurgency operations. DOD has also supported enhanced coordination both with Pakistan and across the border.

In using PCF, we have helped to establish several intelligence fusion centers. Overall, this close coordination and this training relationship has proven an effective antidote to mistrust. In addition, Coalition Support Funds have allowed us to reimburse Pakistan for their logistical, military, and other support to our overseas contingency operations, particularly support to Afghanistan operations. And prompt payment of CSF claims, while ensuring careful assessment, is absolutely critical to sustaining Pakistan's willingness to continue to conduct combat operations.

Finally, we strongly agree with our State Department colleagues about the importance of a multiyear security assistance package for Pakistan, one that includes substantial and predictable levels of Foreign Military Financing (FMF). FMF is the foundation of our long-term bilateral military-to-military relationship and such a multiyear package would further strengthen our long-term relationship with Pakistan.

Mr. Chairman, distinguished members, our partnership with Pakistan is fraught with challenges but it remains vital to our overall goal of disrupting, dismantling, and defeating Al Qaeda, and enhancing stability in a critical region.

I want to thank you all once again for the committee's support for these endeavors and for the opportunity to testify today. We look forward to further discussion and to working closely with you in the future. Thank you.

[The joint prepared statement of Secretary Flournoy and General Paxton can be found in the Appendix on page 42.]

The CHAIRMAN. We thank you so much.

General Paxton, welcome, and we appreciate your testimony.

**STATEMENT OF LT. GEN. JOHN M. PAXTON, JR., USMC,
DIRECTOR OF OPERATIONS, J-3, JOINT CHIEFS OF STAFF**

General PAXTON. Good morning, Mr. Chairman. Thank you for the opportunity. Congressman McKeon, and other distinguished members of the committee. Let me begin by thanking you for your continued support for our men and women in uniform and across the globe. I am honored to have the opportunity to appear before the committee this morning to report on Pakistan and the vital military and security assistance we provide the Armed Forces in our common fight against violent extremism.

I would like to start by reiterating Under Secretary Flournoy's point that a stable and secure Pakistan is of vital strategic importance to the United States. Their fight against violent extremism is directly aligned with our goals and interests in the region. We must see Pakistan's efforts to combat violent extremism as our own, and we must remain steadfast in our commitment to devel-

oping their abilities to wage an effective counterinsurgency campaign.

Thus far, our military and security assistance has indeed been instrumental in enhancing their effectiveness and success and that of the ongoing efforts of the Pakistani Security Forces.

As events of the past several years have made painfully clear, the Pakistani state and society are under direct threat from Al Qaeda, from Pashtun jihadi groups such as Pakistani Taliban, as well as several Sunni Deobandi and Salafi jihadi groups operating in the country. These violent networks pose danger not just to Pakistan or to South and Central Asia, but to the entire globe, including our U.S. homeland.

Given this reality, it is imperative that the United States encourage and support the Pakistani Government, military, and people in their fight against military extremists operating inside their own borders.

Pakistan's traditional defense posture is, and always has been, geared to conventional military conflict with India and not to counterinsurgency. Consequently, prior to Pakistani Taliban's audacious foray into the Swat Valley approximately 1 year ago, Pakistani leadership was reluctant to acknowledge such groups as serious threats to their state security.

In the past, Pakistan approach to dealing with violent extremists, relied primarily on limited and often inconclusive military operations as well as tenuous cease-fire agreements, all of which collapsed immediately. Pakistan's approach to military networks changed when these militants began directing their violence inwards against the Pakistani state, people, and society.

Over the past year, through concerted military campaigns in the Federally Administered Tribal Areas, or FATA, and in the North-West Frontier Province (NWFP), now the Khyber-Pakhtunkhwa, previously known as the NWFP, Pakistan has demonstrated increased resolve in its efforts against the Pakistani Taliban and other Al Qaeda-allied movements.

Months of intense operations in the FATA's Peshawar agency have greatly diminished the presence of the Pakistani Taliban and subsequently disrupted and displaced the Al Qaeda in the process as well. Late last month, military-launched operations in Orakzai Agency, which, while ongoing, resulted in modest yet positive territorial gains.

All of these gains highlight the Pakistani military's recent success in clearing territory formerly under the de facto militant control, which is a direct consequence of the equipping and training provided through the Pakistan Counterinsurgency Fund, or PCF, and other funding authorities such as the Coalition Support Funds all of which has been positively enabled by this committee and Congress.

The security and military assistance we provide has notably improved the efficacy of Pakistan's ongoing counterinsurgency campaign both in the FATA and in KPK [Khyber-Pakhtunkhwa].

However, as Under Secretary Flournoy noted, simply clearing these areas of these militants is insufficient, and this progress would be undermined if the Pakistani Security Forces are unable to hold and gradually build in these areas.

The Office of the Defense Representative of Pakistan, or ODRP, has recently noted the trickling in and return of militants in previously cleared areas. This risk underscores the importance of providing assistance that continues to enable the Pakistanis to move permanently to dismantle extremist networks and eliminate their safe havens.

Permanent control of these territories will require the development of an effective civilian governance capability, institutions, and personnel. Establishing and developing this capacity will certainly be a key challenge Pakistan will face in its efforts to hold and build within these areas.

The local populace must see and believe that the government presence will be enduring and positive. However, this longer-term objective can only be achieved if the Pakistani Security Forces are actually capable of ensuring the civilian security in the area. Accomplishing this goal will necessitate that military and paramilitary forces are trained and equipped not only to maintain security, but, in the interim, to also meet the immediate humanitarian and civilian needs of the local populations. Our continued support through PCF and CSF is helping to guarantee that all of this happens.

Continued military and security assistance to Pakistan's counterinsurgency efforts will be instrumental to their success in dismantling and defeating the extremists within their country's borders. Our technical, financial, and material assistance has already enabled Pakistan to address this challenge far more aggressively than ever in the past.

Deepening our ties and relationships with Pakistan will enable their government and security forces to continue pursuing objectives that are in the vital interest of both of our Nations.

Mr. Chairman, committee members, thank you again for inviting us and for the opportunity for being with you this morning. Under Secretary Flournoy and I look forward to your questions.

The CHAIRMAN. General, thank you very much.

[The joint prepared statement of General Paxton and Secretary Flournoy can be found in the Appendix on page 42.]

The CHAIRMAN. Mr. Shapiro.

STATEMENT OF HON. ANDREW J. SHAPIRO, ASSISTANT SECRETARY, BUREAU OF POLITICAL-MILITARY AFFAIRS, U.S. DEPARTMENT OF STATE

Secretary SHAPIRO. Chairman Skelton, Ranking Member McKeon, members of the committee, thank you for the opportunity to testify on how the State Department's security assistance programs contribute to our partnership with the Government of Pakistan and the security of the region.

As Secretary Clinton said last month, it is clear that our partnership with Pakistan and progress on the ground are key to the security of the United States. The Secretary's visit to Pakistan last fall and the successful March 24 and March 25 U.S.-Pakistan strategic dialogue meeting have helped to place our partnership on a significantly stronger foundation.

In this regard, I want to talk about the important role that State Department-managed security assistance programs play in Pakistan.

Our security assistance efforts complement the substantial assistance being provided to Pakistan's civilian authorities and organizations, consistent with the Enhanced Partnership with Pakistan Act and the President's pledge of a long-term partnership with Pakistan.

The Bureau of Political-Military Affairs manages assistance for Pakistan through three accounts: Foreign Military Financing, FMF; International Military Education and Training, IMET; and the Pakistan Counterinsurgency Capability Fund, PCCF. Effective management and execution of these programs is a major priority for the Bureau. In fact, I just visited Pakistan in March to discuss in greater depth the security assistance programs that we manage there.

FMF is the foundation of a long-term U.S.-Pakistan security relationship. It supports the transformation and modernization of Pakistan's military through equipment upgrades and acquisitions. In addition to developing Pakistan's long-term counterinsurgency and counterterrorism capabilities, FMF enhances the ability of Pakistan's military to meet its legitimate defense needs and play a greater role in improving regional security.

The IMET program is crucial to U.S. efforts to deepen the U.S.-Pakistani partnership. IMET helps to enhance the professionalism and development of Pakistan's future military leaders. IMET is central to our efforts to allow Pakistani military officers to interact with members of the U.S. military and build personal relationships.

The Administration has requested \$1.2 billion in fiscal year 2011 for the Pakistan Counterinsurgency Capability Fund in order to accelerate the development of Pakistan's capacity to secure its borders, deny safe haven to extremists, fight insurgents, and provide security for its population.

Fiscal year 2011 will be the first year the State Department assumes full management of PCCF. We take this responsibility very seriously and are confident that we have the capability and capacity to successfully execute PCCF. Moreover, State and DOD share the goal of a seamless transition for PCCF that has no discernible impact on U.S. implementers and Pakistani forces in the field.

PCCF funds will continue to build the capability of Pakistan's Security Forces directly engaged in combat operations to clear and to hold terrain in contested areas. Supporting a better trained and equipped security force is critical to our complementary efforts to work with Pakistan's civilian government to implement our \$7.5 billion five-year civilian assistance strategy, which includes efforts to help Pakistan provide basic services in areas vulnerable to extremists.

My Defense Department colleagues and I are committed to continuing to work with your committee, other DOD oversight committees, and our own State Department oversight committees, and to keep you fully informed of developments on this critical program.

While PCCF will help enable Pakistan's Security Forces to clear and hold terrain, the security situation in the Federally Administered Tribal Areas is likely to complicate build-transfer efforts for

some time. Therefore, the State Department is planning to transfer \$10 million in economic support funds to DOD to enable U.S. military personnel to provide rapid humanitarian and community stabilization projects to help hold conflict-affected areas. This will help fill a short-term assistance gap in areas where clearing operations are ongoing and there are acute civilian assistance needs which civilians cannot currently access.

In addition, we are working with Pakistan to find ways to afford civilians safe access to forward areas.

As I mentioned, we are also making a long-term commitment of nonmilitary assistance to Pakistan which is targeted at helping the Pakistani people overcome the political, economic, and security challenges that threaten Pakistan's stability.

With the \$7.5 billion in civilian assistance authorized in the Enhanced Partnership with Pakistan Act, we are moving towards the effective balance between civilian and military assistance required to help Pakistan reach a more secure and prosperous future.

Thank you again for the opportunity to discuss these important programs and initiatives with you. I look forward to taking your questions.

The CHAIRMAN. I thank the gentleman.

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

The CHAIRMAN. Mr. Shapiro, you mentioned the IMET program which is, as you know, the program that allows officers as well as others to come to our country to learn about things military; in particular, the war colleges which this committee has been very active in reviewing from time to time.

There was a time when our relations with Pakistan for all intents and purposes were cut off, at least the military. And the IMET program suffered. And during that period of time—I think it was eight years, I think I'm right—during that time, a whole generation of Pakistani officers did not have the opportunity to come to this country and make associates and friends.

How has that affected today's operations with the Pakistan military?

Secretary SHAPIRO. I will start off by saying clearly we agree that the IMET program is critically important and that that gap was unfortunate because we did miss out on the opportunity to develop those relationships with Pakistani military leaders. However, we are engaging once again. We have IMET. Our IMET program is—we spend more on IMET with Pakistan than nearly any other country, because of the importance that we place on it. And we are seeing the results of that with a new generation of military officers which are able to benefit from that training.

The CHAIRMAN. I understand all of that, but you are not answering my question.

My question is: How did that gap of seven or eight years affect our military relationships with Pakistan?

Secretary SHAPIRO. Clearly, there was some cost. But that is one of the reasons why it is so important for us to develop a relationship that is based on a partnership, going forward, to demonstrate that we are there for the long haul because of that history.

The CHAIRMAN. Do you have some comments?

Secretary FLOURNOY. If I could just add what we find now is we have actually a number of senior Pakistani military officers who came through IMET before the ban, who remember their time in the United States, know their U.S. colleagues, et cetera. We have the youngest generation who has come through in recent years since we have been rebuilding the program.

But in the middle, in the sort of field-grade officer ranks, we really did lose a generation or an opportunity to build those kinds of relationships and that essential familiarity and trust. And we are now scrambling to try to find other ways to engage them and to rebuild that. But it did have quite an impact in terms of the basic relationships between the two militaries, and we will spend a long time recovering from that.

The CHAIRMAN. Thank you.

I understand there are two reports on Pakistan that were due to our committee yesterday. One is an interagency progress report, and the second is a Department of Defense report regarding possible alternatives to the Pakistan Coalition Support Funds. My question is, when will they be delivered?

Secretary FLOURNOY. I knew you were going to ask about that.

The CHAIRMAN. Do you have them with you?

Secretary FLOURNOY. I don't have them with me. But the one on CSF and alternatives just got to my office. I will sign it out first thing when I get back—

The CHAIRMAN. What about the other one?

Secretary FLOURNOY. The second one is, something that as you mentioned, it was supposed to be signed out by the President. We are seeking to have the President delegate that authority to sign, for the Secretary of Defense to sign—

The CHAIRMAN. Is it complete?

Secretary FLOURNOY. Yes. That is the issue; we have to get the delegation of authority to sign. We aim to have those to you, certainly the first one by the end of this week; and hopefully the second one, if not early next week. So we are working very hard to get those to you.

The CHAIRMAN. Thank you so much. We look forward to receiving them.

Mr. McKeon.

Mr. MCKEON. Thank you Mr. Chairman. Just to follow up on the Chairman's question on IMET.

Apparently that gap when they weren't sending people to work with our people at that school has caused some, as you mentioned, some problems going forward, and we will have to work to fill in that gap. So it sounds to me that you are saying IMET is very important in our military operations.

Secretary FLOURNOY. Absolutely. It is absolutely critical.

Mr. MCKEON. I am sure that is something that we will be addressing again as we go through the markup of our bill this year.

Under Secretary Flournoy and General Paxton, during the last year, the people and leaders of Pakistan have been increasingly drawn to see militant and extremist groups as a serious threat to their internal security. We have also seen Pakistani Security Forces step up in their operations against the insurgency with increased urgency and skill.

What has changed since our last hearing on Pakistan? What role has CSF and PCF played? And how do Pakistan's efforts tie into our broader strategic goals in the region, both in the near and long term?

Secretary FLOURNOY. I think several things have changed in the last year. The most important is the threat in Pakistan went from being one that was sort of in the border regions to one that came home to Pakistanis who live in the major cities of Pakistan, with direct attacks on Lahore, Islamabad, Peshawar, et cetera. And the threat came home to the Pakistani people. And I think it galvanized their political will to see this not just as Pakistan assisting the U.S. in its fight, but Pakistan having its own security challenge that they had a vital interest in dealing with. And so we have seen a huge shift in political will that has translated into a much greater level of military commitment to the fight.

The OPTEMPO [operational tempo] is quite high. They have taken casualties and have not been deterred from continuing in the face of those casualties. The sacrifice has been quite substantial on their part. And we have also seen them—I think another thing that is changing, that is less tangible, is their assessment of our commitment to them and to the region, our staying power; because that fundamentally affects their calculus in how they are going to play the cards in their hand, if you will.

And I think the fact that we have been extremely responsive with PCF, and now PCCF, to meet their immediate operational needs, the fact that we have followed through to reimburse them since 2001 with over \$7 billion of CSF for their operational support to us, and the fact that we have engaged them in a strategic dialogue that is going beyond fighting violent extremism to addressing their more fundamental energy needs—water, strategic perspective on the region—they, I believe, are starting to believe that we are actually committed to their security and the security of the region, and that is translating into greater willingness to work with us.

General PAXTON. Sir, I certainly support both points that Under Secretary Flournoy made.

I think there is a third piece at the front end that has changed significantly in the last year, and that is the success of the allied and coalition operations in Afghanistan. I think we should never lose sight of the fact that the border is certainly porous and the increased success of the ISAF [International Security Assistance Force] and the coalition forces as well as the stepping up of the Afghan Security Forces has put pressure on those militant groups, and many of them have not only fled physically across the border, but have taken and tried to increase the OPTEMPO in their base camps, and perhaps have either gotten frustrated with the pressure or perhaps a little bit more brazen. And that was part of the assessment from the Pakistani side, that they were under threat there because it was very visible to them that the safe havens and the sanctuaries were actually originating inside their border and they had to do something about them.

And then the second follow-on piece, I think, is because of our resolve and commitment, they felt that they could take some calculated strategic risks and move forces that had been aligned and

allied against India and the conventional threat, and they had to move them up in the FATA and the Northwest Frontier provinces.

So our presence, their presence, the pressure on the militant groups, all serve to kind of galvanize them; and then consequently, some of their initial operations met with success on the ground. And then our continued resolve and staying power, I think all of those put together have given them a sense of both capacity and will, sir.

Mr. MCKEON. Has India pulled some of their troops from their border?

General PAXTON. Yes, sir. I think probably on the intelligence side, we would want to answer that in closed session. But there is, and we have made overtures, obviously, that trying to diminish the feeling of threat there will have mutual benefits and a lessening of tensions within the region. And I think we have good partners and allies on both sides of the India-Pakistan equation, sir.

Mr. MCKEON. Good. How would you assess the current security environment in Pakistan? If we had to plot it on a spectrum, would it fall under or closer to the heading of a nation at war or a nation at peace? How does the country see itself?

Secretary FLOURNOY. Sir, I think that when you talk to Pakistani interlocutors, they feel that they have a serious threat on their hands with regard to the violent extremists. That said, I think there is a growing sense of confidence that they are dealing more and more effectively with them.

The military successes that General Paxton mentioned in the tribal areas, but also our counterterrorism cooperation, particularly against Al Qaeda, in the settled areas and throughout Pakistan has been quite successful. And we have had a number of high-value arrests through our cooperation and so forth.

So they definitely feel under threat, but I think they are also growing in confidence in their ability to meet that threat and, importantly, as I said, in our commitment to them to address the more fundamental and long-term conditions that would underwrite greater stability in Pakistan.

General PAXTON. And I would agree, sir.

I don't think the dynamic is as distinct as a nation at war, a nation at peace. It is probably more of a nation under threat or a nation under siege, and they realize that they have to respond now; that they have both the opportunity and the obligation; and that failure to do so now, things could conceivably get worse and get worse quickly.

Mr. MCKEON. What role does the ODRP play in executing the PCF program? If monies were to be delayed in the coming year, what would be the impact on the ability of ODRP in assisting the development of Pakistani counterinsurgency capabilities? What would be the impact of such delays on the ability of Pakistani Security Forces to conduct their own counterinsurgency operations?

Secretary FLOURNOY. With the transition from the DOD PCF authority to the State Department PCCF authority, DOD, and particularly ODRP and CENTCOM, continue to play a lead role in helping to define the requirements of what are the capabilities that the Pakistani military need, obviously working with the Pakistanis to do that, but also in the execution of the program on the ground.

So the money comes back to a number of DOD entities, DSCA [Defense Security Cooperation Agency], the services, et cetera, to actually execute the programs on the ground.

So far, so good in terms of how this is working for the year that we are in, the fiscal year that we are in. I think we don't anticipate delays. If they were to occur, we believe they would be very consequential. This is PCF; PCCF actively supports the Pakistani military, the Frontier Scouts, those entities that are directly in the fight day to day, and our ability to remain responsive and steady is absolutely critical to their success on the ground.

Secretary SHAPIRO. And I would just add that we are working assiduously with DOD to ensure that there is no impact on the ground for the transfer of PCCF to the State Department. And we are putting together a team at the State Department which will manage PCCF and has already engaged closely with the ODRP on the ground as well as CENTCOM and Joint Staff and OSD [Office of the Secretary of Defense] policy to ensure that there is no gap.

And we have already invited and are planning to make a formal request to have someone from DOD join us at State Department for the implementation program.

Mr. MCKEON. The concern I have on the delay is I don't see a budget being passed. And my real concern is about appropriation bills being passed this year from what we see. Would that cause a delay?

Secretary SHAPIRO. Well, you know, we still have the fiscal year 2010 monies to complete spending. And obviously, you know, we need money to be able to implement the PCCF program. But we are continuing to work with DOD on the completion of the fiscal year 2010 spend plan but clearly there would be an impact if there was a lack of funds to continue to provide to the Pakistan.

Mr. MCKEON. What about a CR?

General PAXTON. Sir, if I may, the uniqueness of the budget as it exists is the fiscal year 2009 monies are one-year monies; the fiscal year 2010 are two-year monies. So that is beneficial to us on the obligation and spend rate. It also is very timely in the transfer of responsibilities and authorities from DOD to State, and I think it also highlights, as much as the committee is able to do, the value of multiyear funding, sir.

Secretary SHAPIRO. And we would seek and ask Congress to fully fund PCCF ahead of the budget.

Mr. SPRATT. Mr. Shapiro, let me pick up on that point. Because you sent us a budget for 2011, which has met with a 50 percent cut in the rate of increase you are seeking in the Senate in its markup of the budget resolution a week ago. And it raises a question whether or not in the quest for complementarity as opposed to competition in the transfer of responsibilities, the Department of State is getting its fair share of funding to undertake and support the new mission that you are undertaking. You sort of pussyfoot around that issue here in your written statement as well as in your oral statement, and I think the State Department needs to state emphatically what its needs are.

And one of the reasons your budget is difficult to deal with is that so much of it is not based on spending. It is supplemental spending, the previous year money that came in supplementals

that you would like to see put in the baseline, but most of it is ad hoc and nonrecurring. And we need to have, I think, a new hand dealt to deal fairly with what your needs are in light of the responsibility, the additional responsibilities you are taking on. Would you comment on that?

Secretary SHAPIRO. Obviously we are supportive of the Administration's budget request, disappointed by the cut, but we are hopeful that as the full Congress considers the budget, that those funds will be restored.

Mr. SPRATT. Look, half the argument is in the presentation of it. And if you look at your budget, base year to base year, there is a 15.6 percent increase at the same time the President is asking for a freeze in non-security funding. Very difficult for most Members in both parties to underwrite a 16-percent increase in the State Department budget at a time when non-State, non-military things are being frozen. You have got to make the case.

Secretary SHAPIRO. And I think the Administration has been arguing that the State Department spending is critical to our national security; that our success in Afghanistan and in Pakistan and elsewhere, it is critical to have the State Department funds.

Mr. SPRATT. My question to you is: Are you taking on additional funds with the additional responsibilities commensurate with what your needs are going to be?

Secretary SHAPIRO. I mean, we have asked for additional funds to meet these needs that we think are critically important in Pakistan, Afghanistan, and elsewhere. And it is a critical part of the Administration's policy to fully fund civilian efforts, which I think we would all agree are going to be critical to our success.

Mr. SPRATT. We need an outline that shows us how your additional funding compares to your additional responsibilities. I think that would help your case.

According to the staff memo that we have, there are substantial subsidies that have been paid to Pakistan—and to Afghanistan, of course—but Pakistan in particular. I believe the number given us by staff was about \$16 billion between 2002 and 2009, probably \$20 billion between 2002 and 2010, this year.

That is a substantial sum of money in a sense, but substantial and particular in regard to what the Pakistanis are putting up in the same period of time. They are spending about \$4 billion a year, which is not at a great sum of money. It is 2.6 percent of their GDP [Gross Domestic Product].

How long can we sustain these payments? Will we need to sustain these subsidies to the Pakistani Army? Are these long-term subvention that we should be looking at and figuring into the future needs; or are they ad hoc, likely to go away once we have achieved our mission?

Secretary FLOURNOY. I think that the PCF and PCCF monies are really focused on the near-to-midterm, and the need for those will evolve with the fight, the sort of current fight. I think some funding streams like IMET, like FMF, really need a longer-term perspective where we are building a longer-term security relationship or rebuilding a relationship with Pakistan.

I think a lot of the—and I will defer to my State Department colleague on this—but a lot of the investment that we are making on

the civilian side is in areas like energy, infrastructure, and so forth is actually designed to bolster the Pakistani economy so that it can generate more of its own support over time.

But I think honestly this is a critical area of national interest, and I think we need to have a fairly long-term perspective that this is going to be an assistance priority for the United States for a number of years going forward.

Mr. SPRATT. [Presiding.] Thank you very much.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much.

For each of these hearings, our professional staff prepares for us background material, and I would like to read a statement from that background material and ask you for your comments.

“Since 2003, the Army has conducted unprecedented counterterrorism operations in the tribal region, although such operations have frequently failed to subdue militants, alienated local residents, resulted in civilian casualties, and alleged human rights abuses and created hundreds of thousands of internally displaced persons.”

And then in a footnote it says, “This month’s Human Rights Watch reported that it had documented as many as 300 extrajudicial killings by the Pakistani military during and after the operation in the Swat Valley.

Now if what we are trying to do is win the hearts and minds of these people in these areas, this is hardly calculated to do that.

In terms of Pakistan’s internal security interest and our long-term interest, isn’t this treatment about as bad as the disease?

Secretary FLOURNOY. Let me just say on the allegations of human rights abuses, we take those extremely seriously. We are engaging our counterparts in Pakistan on these allegations. We are ensuring that for DOD’s part anyway—and I am sure the same is true is for State—but that we are all ensuring that we are living by both the letter and the spirit of U.S. law in terms of making sure everybody receives assistance, goes through the Leahy vetting process, people receive human rights training and so forth. But we are taking these allegations very seriously and we are discussing them with our Pakistani counterparts.

I would say on details of that, I would be more comfortable discussing those in a closed session with you, sir, if you want to follow up.

On the IDP question, the internally displaced people, there were a large number of IDPs—or there have been. One of the things that has actually gone relatively well in this campaign is a fairly rapid resettlement of those people back to their home villages, and I think the numbers actually bear that out. That continues to be a work in progress, but a lot of assistance has gone in that direction to help the Pakistanis minimize the displacement that has resulted from the campaign.

Mr. BARTLETT. It seems to me that in trying to solve one problem, we may be creating a different but maybe bigger problem, and I appreciate your concern.

Let me read another footnote from this same report. This is kind of unsettling to me: Pakistan’s nuclear arsenal is reportedly—we don’t even know who controls it apparently—is reportedly under

the control of Pakistan's Strategic Plan Division, which is part of the country's nuclear command and control mechanism and is led by General Khalid Kidwai.

How much do we know about these people if in fact they are the ones controlling it, and what is their disposition toward the global aspirations of Islamists who are probably right of center?

Secretary FLOURNOY. Sir, again, in an open session, what I can say is that we believe that Pakistan has a very solid command and control system for their nuclear weapons. We have engaged with them in discussions on these issues.

Mr. BARTLETT. But Madam, if we don't know who is controlling them then how do we know they are under good control?

Secretary FLOURNOY. I do not believe that statement is accurate sir.

Mr. BARTLETT. You don't believe that statement is accurate?

Secretary FLOURNOY. No. I believe that we have a good understanding of their command and control system, that there are clear lines of command and control, and they have made a great deal of investment in the security of their nuclear arsenal.

Mr. BARTLETT. Do we know what their disposition is toward the global aspirations of radical Islam?

Secretary FLOURNOY. "They," meaning?

Mr. BARTLETT. Those who are in control of these nuclear weapons. We know that the person who created them had no problem in dispersing this capability pretty widely. What about those who are controlling them now?

Secretary FLOURNOY. Again, I think this is—the Pakistani state, both in the civilian leadership and the military leadership, is dominated by people with a very secular orientation and with a very strong commitment to their responsibilities as a possessor of nuclear weapons. I would say again, this is something that if you would like to explore further, I would suggest having a closed discussion.

Mr. BARTLETT. Thank you.

The CHAIRMAN. [Presiding.] I thank the gentleman. Mr. Ortiz, the gentleman from Texas.

Mr. ORTIZ. Thank you Mr. Chairman. Secretary Flournoy, General Paxton, Secretary Shapiro, thank you so much for joining us this morning and providing your insight into securing stability in Pakistan. You know, with our military relying on key supply routes in and out of Afghanistan and Pakistan, through Pakistan, what are we doing to ensure that these routes are secure and to allow for critical supplies to make it to our warfighters? And what is the status of the cross-border collaboration between Pakistan and Afghanistan? And what are the challenges that we still face?

I know we are using these routes, but we want to be sure that our soldiers get the supplies that they need and the weapons that they need and whatever they need. But what are we doing to be sure that as things are changing and the playing field changes, what are we doing to protect those routes and protect our soldiers and make sure they get the equipment?

General PAXTON. Yes, sir. Your question is of vital concern not only within the Department of Defense but particularly to the U.S. Central Command and U.S. Transportation Command. And the

contracts that we negotiate, either for access to our uniformed military, or contracting out for civilian providers, are each written and enforced to adequately assess and guarantee the security of our equipment and goods as it moves on the LOCs, or the lines of communication.

In specific and to your question, sir, I would state that I believe that the loss and pilferage rate moving through those lines of communications is only between 1 and 2 percent, which is actually equivalent to or perhaps a little bit less than it is on the average elsewhere around the world. So we have a good track record for the security of the equipment and gear that is getting there right now.

Our concern is that they operate, obviously, a different sense of time, distance, different sense of importance than we do, so I think that the current concern is that we have both multi-modal and multiple routes so that we can build up, not huge stockpiles in what we used to refer to as the "iron mountain," but we have an adequate flow of our equipment between what is positioned State-side, or other areas in the region; what is in either Afghanistan or Pakistan and what is on the lines of communications, just so there is a constant movement; so that if we do have a disruption, either for security or passports and visas or whatever it is, that we have adequate to maintain the fight without putting troops at risk, sir.

Mr. ORTIZ. When you mentioned about contracting out to civilians now, who are they? Are they American civilians? Are they Pakistani, are they Afghanistationian? And do you feel comfortable with who you hire? It is a matter of trust, because we have seen that there have been several inside jobs where several of our soldiers have been killed.

General PAXTON. It is a source of concern. There is a vetting process. There is both an enforcement process when we write the contracts, and then how we guarantee that the terms of the contract are enforced, whether we do it ourselves or whether we work through a second or third party, through the Government of Pakistan, the Government of Afghanistan, or an independent contractor there. And it is no different than those things that we have done in either Afghanistan or Iraq, and it is subject—we put it in terms of reference there. It is subject to our supervision and assessment on the metrics there, about how much does flow, gets there on time, gets there without being vandalized or lost.

Secretary FLOURNOY. Sir, if I could just add, since 2001, the Pakistani military has made keeping these lines open and securing the flow of goods through them a major priority. And this is one of the core functions of our Coalition Support Fund reimbursement is to reimburse them for that critical support that they are providing to keep our supply lines to Afghanistan open.

Mr. ORTIZ. Thank you so much. My time is about up. Thank you so much, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Franks, please.

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

Thank you all for being here.

General, I always want to say a special thank you to those that carry stars on their uniform. It is an indication of a life lived essen-

tially for the sake of freedom and others, and I appreciate your service.

General PAXTON. Thank you.

Mr. FRANKS. I guess I want to start by taking up, to some extent, where Congressman Bartlett left off. I will try to stay away from any areas that would even approach a classified nature. But I know, as you are very concerned, as well as all of us, that weapons of mass destruction, nuclear weapons falling into terrorists' hands are among our greatest fears, our greatest concerns. And my question revolves around, who is in charge of Pakistan's military and foreign policy? There is some debate whether that is Islamabad or the military.

In a Washington Post op-ed on Tuesday, Ahmed Rashid wrote that Pakistan's military has virtually been taken out of control of foreign policy, and strategic decision-making has been taken from the civilian government. And I guess that question seems critical to me, given the fact that, you know, even General Musharraf, in coming into power some years ago, essentially came into power with some fairly radical backing. And even though he did a lot to work with us, a lot of that mechanism still remains in the military. And of course, the concern would be that someone in control of nuclear capability might be compromised.

And so I guess my overall question is, is it possible to discern a trend on the issue as to whether the military or Islamabad is controlling foreign policy in that regard?

And I will direct the question to you, General, and also to Under Secretary Flournoy.

General PAXTON. Thank you, sir.

Pakistan, since the elections, is working through the civilian control of the military and, I wouldn't say—certainly a fledgling democracy, but a democracy that had been out of practice for some years when Musharraf cemented the power there. But I think, based on both civilian-to-civilian and military-to-military relationships, there is a respect for the obligations and the responsibilities on both sides of the aisle, whether it is a uniform or a suit. And I think that General Kayani is mindful of the obligation to control the nuclear stockpile and where it may be, but also responsive to where President Zardari and Prime Minister Gilani may go as the government continues to manifest itself.

Mr. FRANKS. And you share Secretary Flournoy's general conclusion that those nuclear weapons in Pakistan's arsenal are at least secure within civilian hands or civilian government to control?

General PAXTON. Yeah. And again, without going into closed session here, I mean, we are working under the expectation and from our contacts that they have an adequate internal, you know—we might not have perfect visibility, they have an adequate internal assessment of what they have and where it is, sir.

Mr. FRANKS. Secretary Flournoy.

Secretary FLOURNOY. I would certainly recognize and acknowledge that Pakistan's military has been a very strong institution historically and remains a strong institution today.

That said, it is also an institution that desires and accepts civilian control and wants civilian leadership. One of the things that was very striking, as we held our strategic dialogue with Pakistan

just a month or two ago, was the strength of the civilian ministers who came to the table and played a leading role in that dialogue, from the foreign minister, to the finance minister, to others in the cabinet. And they were fully engaged with their civilian counterparts on our side. And so I think, if you asked for a trend, we are moving in the right direction.

Mr. FRANKS. Moving in the right direction.

Well, thank you. Let me ask one last question, General Paxton. As far as your professional duties on the strategic importance of the tribal districts along the Afghanistan-Pakistan border, I know that there is a great effort to clear these areas, but is Afghanistan even winnable without Pakistan? Can it be made safe from terrorist attacks if we cannot clear these areas? What is your perspective?

General PAXTON. Yes, sir. I mean, obviously, we are using the same counterinsurgency model that met with a great deal of success in Iraq, but it is the shape, the clear, the hold, the build and then ultimately the transfer. And we have to be always mindful that you will not go in and clear an area unless you have every intention of holding it. And then when you hold it, you want to build it and transfer it. And you have to just make the assessment up front, am I going to transfer it to a local tribe? Am I going to transfer it to the provincial government? Or am I going to transfer it to a national government?

And we have to do our mission analysis to make sure we go in with reasonable expectations about what the threat is in the area and what the ultimate end state of the area either should be or what the tribes and the people in the area can support.

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

Thank all of you.

The CHAIRMAN. I thank the gentleman.

The gentleman from Mississippi, Mr. Taylor.

Mr. TAYLOR. Ms. Flournoy, I am curious. About three weeks ago the Chief of Staff of the Pakistani Army was in town and met with a number of us. I believe his name is General Kayani. And he expressed his frustration with our State Department getting helicopters to him. And I think my question to him was, are you looking for a lift; are you looking for attack? And his answer was, both.

Now, I realize there is a lot more than just delivering the helicopter; that you have to train the pilot, that you have to put together the logistics training. But I am curious, what is being done to address that, and what is your timeline for addressing that?

Secretary FLOURNOY. Sir, we have worked very hard on the helicopter issue. I have personally put hours and hours of my time into this. The first thing that we focused on was refurbishing their Mi-17 fleet, which was quite aged, needed a lot of spare parts, overhaul work. We have done that.

Mr. TAYLOR. Well, let's go to that point, Ms. Flournoy. Let's start with that. We have over 10 percent unemployment in this country. What is the logic of refurbishing a Russian-made helicopter when we make helicopters, the world's best helicopters, in this country?

Secretary FLOURNOY. The logic there is they have them today. They know how to fly them. In a matter of weeks, we can get them airborne again to support them in the current fight.

As a longer-term helicopter solution, we are working with the Pakistanis to look at a U.S. buy using FMF and so forth. And so that is something they may transition to.

But in the near term, for the current fight, we had to get what they had up and flying, and that is where we focused our initial effort.

Mr. TAYLOR. So what is the long-term plan to get Black Hawks or something like that to them?

Secretary FLOURNOY. This is something we are in discussion with them with regard to a 5-year defense plan that we are working with them to develop and a multi-year approach to security assistance in FMF. They haven't made a decision yet on that, but it is something we are actively discussing with them, and I think they are very open to, frankly.

Mr. TAYLOR. Well, my opinion is based on when the Marines, shortly after the fall of the Iron Curtain, thought they were getting a bargain on some iron ships made in the Soviet Bloc and modifying them and thought they were getting a bargain with the modifications; it ended up taking longer. We spent more money than purchasing an American-made product. I would certainly hope we would learn from our mistakes with that.

And secondly is, I am not so sure that a 5-year plan does the Paks a whole lot of good. I think they need help right now. And I realize it takes a while to train a pilot. It takes a while to put together the logistics training. But I would hope that we would have something better than a 5-year plan in mind. And I would hope that you would get back to me on what that plan is.

Secretary FLOURNOY. Sir, we are happy to do that once we have the details worked out with the Pakistanis.

Mr. TAYLOR. Lastly, General, since you touched on it, I do remain concerned. I do think that one of the vulnerabilities that we have in Afghanistan is that 21-day transit through Pakistan to get almost everything the troops need.

I am curious, has there been any sort of an uptick on attacks on—and I realize it is private contractors transiting through Pakistan, but also realize I think well over 100 drivers have been killed so far just transiting Pakistan. What has been the trend as far as the security on those convoys? Is it getting better? Is it getting worse? I realize that you have opened some routes through the former Soviet republics that are coming from the north. But I have got to believe that the vast majority of the things that make it to Afghanistan still flow through Pakistan. So what are the trends as far as in security?

General PAXTON. Sir, if you don't mind, I certainly would like to take it for the record and get you back some accurate statistics. I believe that the trend has been relatively consistent. We haven't seen any major upticks either going through the south, through Chaman, or through either the Northern Distribution Network or the Khyber area. We have had modest increases sometimes, whether it is a bridge blown out or a convoy attacked, but I don't think substantively in recent times we have had a big increase at all.

Mr. TAYLOR. But you will get back to me on that?

General PAXTON. I will get back with you, sir.

Mr. TAYLOR. Within a week or so?

General PAXTON. Absolutely, sir.

[The information referred to was not available at the time of printing.]

Mr. TAYLOR. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Coffman, please.

Mr. COFFMAN. Thank you, Mr. Chairman.

Secretary Shapiro, we are putting—U.S. tax dollars are flowing into Pakistan, and I guess this is Secretary Flournoy, too, to support the military buildup there, and particularly counterinsurgency capability of the Pakistan military. Yet the Pakistan military still seems to be very focused in terms of its capability against India. And it is building up its conventional capability and maintaining its conventional capability and not necessarily diverting enough resources of its own for a counterinsurgency fight. What are the initiatives of this Administration in terms of diffusing the tensions between India and Pakistan so that they can reorient their military to really what is their greatest threat, and that is Islamic fundamentalism within their own country?

Secretary SHAPIRO. Well, obviously, we are very supportive of efforts by India and Pakistan to reduce tensions. There was a recent meeting between the two governments, and we want to continue to encourage those types of efforts. On our security assistance, as we mentioned, we have been focusing a lot of resources through PCF and PCCF toward the counterinsurgency fight, so our resources are being used to help them in the counterinsurgency fight that they have. And then our FMF is designed to build—

Mr. COFFMAN. Let me step back. What I want to know is, is there a significant initiative by this Administration? Obviously, there is one in the Israeli-Palestinian question, unwelcomed by the Israelis, but is there one on the India-Pakistan question in terms of there ought to be a major initiative to diffuse those tensions so that we don't have to subsidize their military, that their military simply reorients itself based on what I would see as the greatest threat, which is an internal problem? But they have to have a resolution of the India-Pakistan problem in order to divert those resources. So what initiative, if there is one, by this Administration, or is there not one?

Secretary SHAPIRO. Well, I have with me Ambassador Holbrooke's deputy, Paul Jones, who I think would be well positioned to answer sort of on a regional perspective. And so with your indulgence, I could ask him to come up and address that question.

Mr. COFFMAN. Please.

Mr. JONES. Mr. Chairman, thank you.

Mr. Coffman, thank you very much. In answer to your question, Mr. Coffman, it is certainly a very high priority for the President, for Secretary Clinton, for this Administration, to be as supportive as we can in reducing tensions between India and Pakistan. We recognize that, in order to be most supportive, we have to do what both countries would like in terms of support. So we encourage, engage where we can. What we have seen is an interest on both sides. And just recently, in fact just today, there was a meeting between Prime Minister Singh and Prime Minister Gilani in which they announced the beginning of a dialogue process at that level

of foreign ministers, which had been interrupted after the Mumbai attacks.

So I would say it is something we are very focused on. It is a very complex situation, and the United States I think can, it is very clear that our support is best done in a quiet fashion and just encouraging the process and offering the support to the parties that we can.

Mr. COFFMAN. Thank you. Another question.

Certainly now the Pakistan military seems to be very engaged in fighting the Pakistan Taliban. Have we seen any evidence now that they are also willing to prosecute any activities against the Afghan Taliban on their side of the border?

General Paxton.

General PAXTON. Yes, sir. We believe with a fair degree of certainty that a lot of the extremists are a syndicated network. And they have loose ties; they have marriages of convenience, whether it is the Haqqani network, Commander Nazir, the Taliban, the TTP [Tehrik-i-Taliban Pakistan]. So that when you see evidence of the Pakistan security forces, whether it is the PAKMIL [Pakistan military], the Frontier Corps, when they are stepping up to take action against insurgents and militants locally, they are focusing obviously on the near-term target, who is creating the problem or creating the risk for them. But it is an increased evidence that they are willing to take on the entire syndicated network because they know there is movement between all of them, sir.

Mr. COFFMAN. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentleman.

Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman, and thank you all for being here.

Secretary Flournoy, maybe you can help settle this little factual point. But in the ranking member's opening statement, he said that Secretary Gates and Secretary Clinton had reversed themselves with regard to the Pakistan Counterinsurgency Capabilities Fund. My recollection was that in fact there was pushback from the Congress, specifically the House Appropriations Committee wanted to make that move, and that the Administration leadership responded, well, here is a way to do it, but it was not their preference. In fact, there was no reversal by Secretary Gates and Secretary Clinton. In fact, it was a response to the Congress saying, we are going to do this, what would be the best way to do it? What is your recollection?

Secretary FLOURNOY. Yes, I think Secretary Gates was very supportive of the idea of migrating the authority to State. And the question was how to do that without having any negative impact on performance and effectiveness. And so we set up a transition process that we would have sort of the first year be kind of to State, but a passthrough directly to DOD to sort of give us time to set up the appropriate mechanisms at State; that this year would be fully a State authority, that DOD executes per State direction and so forth.

So I think that is where we are now. So far, so good. It is working well. We have not seen any delays in terms of execution. And as Assistant Secretary Shapiro mentioned, we are working very

hard to ensure State has the capacity to do proper oversight of our execution of the program.

Dr. SNYDER. Any comments, Secretary Shapiro?

Secretary SHAPIRO. Yes. We have been working very closely together with DOD and indeed are very grateful for Secretary Gates' support for the State Department taking the oversight role of PCCF. And we are doing everything that we can to make sure that this program is administered properly. It is directly from the Secretary one of my top priorities, and we will not fail in the administration of the program.

Dr. SNYDER. Secretary Flournoy, I wanted to go back to the discussion about the helicopters because I didn't understand your exchange with Mr. Taylor. In your written statement, you say an urgent need for helicopters still remains. And I mean, they are at war. It is a huge amount of territory. The Pakistani military needs to be able to move troops around quickly, probably at multiple sites simultaneously. So I will take you at your word that an urgent need for helicopters still remains.

Would you outline for me the specific roadblocks? I don't understand where the roadblocks are. At a time of war, you said you have been working on this. Well, they are at war; they are losing folks. You acknowledge it is urgent. Where are the specific roadblocks to them getting the helicopters I think you all wanted to help them with?

Secretary FLOURNOY. There are two types of—their principal kind of workhorses are Mi-17s, which are a Russian-made system, and the Bell 412s, which are American made. In both cases, we are trying to provide spare parts, support for maintenance, overhaul, et cetera, to keep what they have in the air and flying at very high rates. In the case of the Mi-17, the parts—the helicopter is made by a company that is under sanction. So that has required us to seek a congressional—or, I am sorry, yes, a waiver to actually work to buy from the company, provide parts, provide support. But we have used a national security waiver to do that because we think it is so critical. On the Bells, obviously, that is something that we have had more ability to control directly, and I think we are moving forward in that area.

But longer term, they need some replacement helicopters. They need a new breed, if you will. And so we are right now in discussion with them to understand exactly what their requirements are, what they can afford, how many they need and so forth. And for that mid to longer term replacement program, we will be looking to use FMF to support that over the coming years.

Dr. SNYDER. General Paxton, will your counterpart of the Pakistani military, how will they respond to what Secretary Flournoy just said? If your commander is on the ground, do they respond to the urgent need? I am not putting her on the spot, as I think we have got some bureaucratic thing, but how do they see the situation?

General PAXTON. Sir, everyone in the military wants more and wants faster. The constant dynamic we have is to educate them about, what is your requirement, to tell us what the capability is that we are going to provide, and then how can we best sustain it?

And it goes to the discussion we had earlier about the value sometimes to getting the maintenance tail on a long-term program.

The CHAIRMAN. The gentleman from California.

Mr. MCKEON. Just a point of clarification if I might. Mr. Snyder likes to always correct my statements. And it is just a little thing that we have, but I unfortunately was out of the room this time. I would like to ask one question of Secretary Flournoy. The original proposal that was presented to us on the PCCF was that it would come under the Defense Department, is that correct?

Secretary FLOURNOY. Yes, the original proposal was that, and that was before we had reached—had further interagency discussions and worked out a transition plan that we were all happy with.

Mr. MCKEON. And that would be that he also requested for fiscal year 2010?

Secretary FLOURNOY. That was the transition plan that Secretary Gates and Secretary Clinton ultimately recommended.

Mr. MCKEON. He may have had that plan somewhere to ultimately transfer, but the request was—

Secretary FLOURNOY. Yes.

Mr. MCKEON [continuing]. For within the Department of Defense?

Secretary FLOURNOY. The original request was, yes, correct.

Mr. MCKEON. Thank you very much.

The CHAIRMAN. Mr. Wittman, please.

Mr. WITTMAN. Thank you, Mr. Chairman.

General Paxton, Secretary Flournoy and Secretary Shapiro, thank you so much for joining us today. I had an opportunity just recently a couple weeks ago to travel to Afghanistan and Pakistan and had an opportunity to meet with General McChrystal, with President Zadari, President Karzai and also Prime Minister Gilani. A great trip. I left there reinvigorated concerning our efforts in both countries.

Still challenges left. I think there are still things out there that we have to accomplish. But I got a good sense from our men and women on the ground there that things are going in the right direction and that we are making positive strides, and also with the leaders there and their governments that they are appreciative of our efforts there and they see the value of our efforts, so that is always an important part of that effort.

When I was in Pakistan, we met with General Kayani, had a long meeting with him, and asked him specifically about where he saw the current efforts, where he saw the needs. And we were there with Admiral LeFever, who heads our operations there with our support. And we asked him also within the same context. And both of them say that we are gaining a significant amount of momentum in the fight against the Taliban. And both of them emphasized our long-term success is going to be tied to maintaining that momentum.

And we were there meeting with General Tariq Khan with the Frontier Scouts and our folks there that are training them, a new training facility, things going in the right direction. Give me your thoughts about where we are going from your standpoint in maintaining that momentum. I know we are going to build some new

training facilities there. But give me your thoughts about how we maintain that momentum, and then how do we make sure that we watch that momentum extend past the FATA and the Northwest Frontier Province?

Secretary FLOURNOY. I think a key part of this is continuing to broaden and deepen the equipping and training and assisting relationship, as you noted. I think it is also as the Pakistan military and the Frontier Scouts have success in clearing areas that we help provide the broader Pakistani government with the resources they need to actually hold them and build governance capacity and the ability to provide basic services to the affected populations. This ESF [economic support funds] account that Assistant Secretary Shapiro described where \$10 million is going to be provided for DOD forces to work with PAKMIL to execute hold-build assistance that is a start.

I think one of the conversations the State Department will be having with its committees, we would like to have with this committee, is what additional work, what additional assistance can we provide in the hold-build area, and what kind of, what should that authority look like? And we are still conceptualizing that as an Administration, trying to figure out the best vehicles to use to ensure that it is flexible, but also that it can go to the right user. In some cases, it may be the military. In other cases, it will be a civilian agency on the ground.

Mr. WITTMAN. General Paxton.

General PAXTON. Sir, if I may. I certainly agree with Secretary Flournoy and the whole-of-government approach and the closeness between State and Defense. The other thing, as I alluded to earlier, is not to ever lose site of the other side of the border. So there is a tri-part relationship here. And just as we build enduring relationships and comfort level with Pakistan, we want to do it with Afghanistan, and then we want the two of them to do it. So our efforts on border control points and joint coordination centers and intelligence fusion cells is all good and kind of diminishes the perception of the threat there, sir.

Mr. WITTMAN. Great.

Secretary Shapiro.

Secretary SHAPIRO. I think Paul Jones is in the best position to talk about our efforts at economic development in hold-build.

Mr. JONES. If I may just briefly, sir. We enthusiastically agree with the importance of the civilian side, the Pakistani civilian side and the international, particularly U.S., effort to support that. We have an extensive civilian assistance program that is active throughout the tribal regions in the Northwest Frontier Province through USAID [United States Agency for International Development], through Office of Transition Initiatives, where we are working very closely to provide assistance. The World Bank has just set up a trust fund where a number of other countries can put assistance in. It has got \$110 million into it so far, just for those border regions, in a way that builds confidence.

What we have identified, as Under Secretary Flournoy was mentioning, that in some areas where—specific locations where there has been recent clearing operations and there isn't an ability for Pakistani or international assistance efforts on the civilian side to

be present there, what we thought is that the most appropriate use of a portion of the ESF funds is to, as we have outlined in testimony, to provide that for those who can have access in that area. And so I think that is a creative approach unique to this situation that we are very pleased, and I think it speaks to the civ-mil coordination we have in Pakistan.

Mr. WITTMAN. And one final comment. I want to emphatically support the need for helicopters there in Pakistan. Having ridden on some 40-year-old Hueys and almost not getting on board, I emphatically support whatever you need to do to get some new air platforms there for you.

Secretary FLOURNOY. Sir, we hear you. We all shared those experiences. I will just make one other point. And that is, in some cases, we may be competing with our own U.S. needs for helicopters in terms of getting in line for production, so that is a challenge.

The CHAIRMAN. Mrs. Davis, please.

Mrs. DAVIS. Thank you, Mr. Chairman.

Thank you to all of you for being here. I appreciate it.

Could you put in simple terms this balance that you are talking about of military and non-military assistance? Are we thinking in terms of percentages? What is it now, and where do you want to take that in about 3 years from now? I am trying to get a better handle on what that is and perhaps with—you have given a number of examples and you have spoken to that, but I am not sure whether there is a clear understanding of whether you are all on the same page on that.

Secretary FLOURNOY. I actually think within the Administration, there is a very strong shared sense of where we are trying to go. We have gone from a situation where the bulk of our aid was on the military side. Now, for fiscal year 2011, if you look at our proposals, it is close to 50/50. We have made a substantial commitment on the civilian side. And I am happy to let Paul speak to this directly. But we are really trying to fully invest in building capacity on the civilian side of government, which we think is critical to underwriting long-term security and stability.

Do you want to add what we are doing on the civilian side.

Mr. JONES. If I may, we have increased dramatically to \$1.5 billion a year in civilian assistance on a 5-year commitment, which I think, in our view, very much mirrors the intention of a 5-year military commitment as well on the FMF side. We have dramatically changed the way we provide civilian assistance in Pakistan. We had been doing a lot, not in coordination with the government of Pakistan. And what we are doing now is going through and seeing how closely we can align our assistance and also work through accountable ministries of the Pakistan government and provincial administrations in order to get the assistance through, build capacity to the Pakistani government.

Mrs. DAVIS. Is that trying to really reach individuals, or if you want to call them insurgents, in the FATA region, because there is a difference of opinion about why people there are fighting or not fighting against their own government?

Mr. JONES. We work very closely in the FATA through the FATA secretariat, enabling them to provide small project assistance in

communities that are vulnerable and to build communities' strength against extremism. We found that to be well received. It needs to be identified with Pakistan for security reasons, but also to build the capacity and the image of Pakistan's own capability. So that is a really critical part of our assistance strategy.

Mrs. DAVIS. We spoke earlier a little bit about what we call the shadow war between India and Pakistan, at least it has been phrased in that way. I am sure you are aware of that language. And in many ways, India is playing a role also, as well as Pakistan to a certain extent, in building up capacity in Afghanistan particularly. And I am wondering, is that something that we are working on with them and together? Is that helpful, and how are we doing that road building, other capacities within Afghanistan and whether or not that is seen as more tension building in the region, or is seen as helping the efforts that we have and certainly the dollars that are flowing into the region to try and help with that capacity?

Mr. JONES. If I may, India has been a major donor in Afghanistan, and we very much support that. India has made significant civilian investments in the areas of health, road building, and transportation. That has been a source of tension with Pakistan, as historically Afghanistan has been seen as a source of tension between India and Pakistan. We believe that, to the extent that all donors can be as transparent as they can, and we try to encourage the UN [United Nations] leads in that effort in Afghanistan, and we support it in every way we can, so everyone can see exactly what is being done, and that can ensure that it is not misunderstood by some of the neighbors. It is a complex neighborhood, not only between obviously Pakistan and India, and it is everyone's benefit to understand exactly what sort of civilian assistance is being provided.

Mrs. DAVIS. And with all that, could you just characterize how that is having an impact on the insurgency in Afghanistan, because so much of our effort has been directed to the FATA and to changing that. And I know that it is not a simple equation. In fact, I think, General Paxton, you suggested that what we have learned in Iraq has some applicability to Afghanistan. And certainly there is some, but there are a number of experts that would suggest that this is a different animal essentially. Can you—my time is up, but—

Secretary FLOURNOY. I think we are seeing—one of the goals we set for ourselves in Afghanistan was to really shift the momentum, and we are seeing the earliest signs of that. The addition of forces in Afghanistan, the focus on a much more effective approach to counterinsurgency is starting to put pressure on the Afghanistan side of the border in the south and the east in particular. At the same time, you have the PAKMIL operations that are pressing from the other side of the border. At the same time, you have enhanced counterterrorism cooperation pressuring the leadership of Al Qaeda. At the same time, you have people waking up to the fact that the U.S. isn't leaving this region any time soon. We have made a commitment, and we are going to stay involved in a very long-term sense. The nature of that involvement will change over time, but politically, economically, strategically we are going to stay invested in this region. And I think all of that is starting to have a

cumulative effect that is creating a lot of rethinking inside elements of the insurgency on both sides of the border. And that is exactly the kind of rethinking we want to stimulate ultimately.

Mrs. DAVIS. Thank you.

The CHAIRMAN. I thank the gentlelady.

Mr. Taylor asked about helicopters, and I am familiar with the request about Pakistan about helicopters. We are at war, and I am having a little bit of difficulty in understanding the lack of urgency. Is there something that I am missing?

Secretary FLOURNOY. Sir, there is absolutely no lack of urgency. And again, the thing we could do fastest was to get what they have flying. And we have increased manyfold their capacity just by getting what they have back in the air and consistently operating. We are now looking at the issue of replacement, but frankly, we have been focusing our energies, first things first, on getting them up and flying with what they have. And they are now developing a multi-year plan that we will be bringing to you for replacement. I don't know if you want to add anything.

Secretary SHAPIRO. I would just say—

The CHAIRMAN. Would you get something to us on that in the very, very near future?

Secretary FLOURNOY. Yes, we will.

The CHAIRMAN. Not just what you are rebuilding, but the future helicopters for which they ask. Will you do that for us please?

Secretary FLOURNOY. Yes.

Secretary SHAPIRO. And I would just add that we are using FMF to support procurement of two Bell 412 helicopter squadrons, \$204 million from fiscal year 2008 to fiscal year 2011, a \$60 million fiscal year 2010 sup [supplemental] request to the Hill supports this.

The CHAIRMAN. I think, Mr. Shapiro, this question should be asked of you. We had some experts on Pakistan some time ago that suggested that the real key to success and the greatest return on our investment is on the police in working with them. They are not tied to the territory vis-a-vis India. Is there some thought to helping them more than we are?

Secretary SHAPIRO. Well, that is a very timely question. There was—the State Department's INL [International Narcotics and Law Enforcement Affairs] bureau signed an implementation agreement with Pakistan in February 2010 that allows for training, infrastructure and equipment for police and aviation support. And the goal is to expand the number of elite police to recruit, vet, hire, train, and equip by July 2011 and to expand the infrastructure training for FATA forces as well. So we are devoting resources to this, and it is clearly a priority for us as well.

The CHAIRMAN. Could you get us something on that in more detail? We would certainly appreciate it.

Secretary SHAPIRO. Sure.

The CHAIRMAN. If there are no further questions, we certainly thank you very much for being with us.

Mr. TAYLOR. Mr. Chairman.

The CHAIRMAN. Mr. Taylor.

Mr. TAYLOR. Ms. Flournoy, you have been around long enough to know that we went through this with the Colombians on Plan Colombia, their request for Black Hawks. As a part of your presen-

tation when you get back to us, will you give us how this is going to compare on the timeline for the delivery of the Black Hawks to Colombia, the training, the equipping and how we are doing with Pakistan, I think that would be a very useful benchmark.

Secretary FLOURNOY. We will do that, sir.

Mr. TAYLOR. Thank you, ma'am.

Secretary FLOURNOY. And we would ask you all to support the \$60 million in the supplemental for helicopters for Pakistan. Thank you.

The CHAIRMAN. Thank you so much. We are certainly grateful for your being with us today and for your excellent testimony, and we look forward to seeing you again soon.

[Whereupon, at 11:45 a.m., the committee was adjourned.]

A P P E N D I X

APRIL 29, 2010

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

APRIL 29, 2010

Opening Statement of Chairman Ike Skelton
Full Committee Hearing on Security and Stability in Pakistan:
Developments in U.S. Policy and Funding
April 29, 2010

Good morning. Today we have with us the Honorable Michèle Flournoy, Under Secretary of Defense for Policy at the Department of Defense; Lieutenant General John Paxton, Director for Operations with the Joint Chiefs of Staff; and the Honorable Andrew Shapiro, Assistant Secretary for Political-Military Affairs with the Department of State.

Thank you all for being with us today to address developments in U.S. policy and funding involving Pakistan. Before we begin, let me remind Members that this is an open so today's discussion should solely address unclassified matters.

Pakistan's continuing security challenges have serious implications for our national and homeland security; for our efforts in Afghanistan; and for security in the region. In fact, there is no security relationship in the world today more important than the relationship between the United States military and the military of Pakistan. This relationship has experienced its ups and downs over the years, but today it is solid, and it must remain so if we are to truly serve the interests of both nations.

The relationship is founded on the fact that our national interests align in fundamental ways. It is also sustained, however, by the personal and professional relationships between the two

nation's officer corps. And not least, by the mutual support we provide each other in the fight against Al Qaeda and the Taliban. This committee has authorized a large share of the funding for the support we provide to Pakistan, and we are deeply interested in the logistical and operational support they in turn provide to us.

I am pleased that the Administration's strategy for Pakistan is already showing signs of success. Success due in large part to the increase in Pakistani operations, which have been largely successful. I applaud the recent detention of senior Taliban leaders inside Pakistan, the increased cross-border collaboration between Pakistan and Afghanistan, and the growing popular support for our shared counterterrorism objectives.

However, there is still a long way to go and hard work ahead. "Hold" and "build" capabilities are integral to counterinsurgency operations in Pakistan but they are not yet developed. Pakistan must have the civilian capacity needed for long-term security and stability in the country. Moreover, there is a need for greater international contributions to Pakistan.

The Administration's recent report to Congress on metrics for Pakistan was a disappointment. While the Administration has developed good metrics, and we are assured that you are tracking them, very little of this information has actually been provided to Congress. I trust that this deficiency will be corrected quickly, and not repeated in the future. The committee has previously received excellent briefings from Admiral LeFever on developments in Pakistan, so we know the work that is being done, but this knowledge makes the recent report that much more disappointing. Two other reports on Pakistan were due yesterday, but have not been delivered.

The information we are missing is important because the Administration has requested significant resources from Congress and the American people to continue efforts to support Pakistan. The Administration's fiscal year 2011 request includes an additional \$1.6 billion

for CSF (Coalition Support Funds) and \$1.2 billion for the State Department's Pakistan Counterinsurgency Capabilities Fund. In addition to examining the justifications for these amounts, the committee remains interested in determining what the future is for CSF as we wind down Operation Iraqi Freedom and start to look toward a gradual transition in Operation Enduring Freedom. We must ensure that authorities and resources achieve their intended goals and objectives and that our relationship with Pakistan is sustained.

Again, thank you all for being with us today. I look forward to your testimony.

Opening Statement of Ranking Member Howard P. “Buck” McKeon
Full Committee Hearing on Security and Stability in Pakistan:
Developments in U.S. Policy and Funding
April 29, 2010

Thank you to our Chairman, Ike Skelton, for holding today’s hearing on Pakistan. This morning’s discussion gives us an opportunity to focus on our policy toward Pakistan, our strategic interests in the region and the types of tools that are critical to expanding our partnership with Pakistani security forces, supporting their operations against extremists, and assisting in the development of their counterinsurgency capabilities. I would like to welcome our witnesses: Under Secretary of Defense Michèle Flournoy, Lieutenant General John Paxton, and Assistant Secretary of State Andrew Shapiro. I look forward to your testimonies and a candid dialogue on this important topic.

Almost one year ago to the day, this committee held a similar hearing focused on Pakistan. I think it is important to take a brief moment to highlight where we were then as compared to where we are today. At that time, the President had just released his strategy for Afghanistan and Pakistan and began to make the case to the American people that security and stability in the region are vital to U.S. national security interests. In Pakistan, instability and violence had reached new heights with the insurgency moving eastward toward the capital of Islamabad and bombings and suicide attacks on the rise.

In Congress, this committee, along with the appropriators, were in the midst of scrubbing the President’s wartime emergency supplemental request which included a new authority and funding stream called the “Pakistan Counterinsurgency Capability Fund” or PCCF, which was designed to improve the capacity and capabilities of Pakistan’s security forces to deny safe haven and to defeat Al Qaeda, the Taliban, and other extremists groups within Pakistani territory. We were also beginning to review legislation that

had been introduced in the House which called for “heavy” limitations and conditions on U.S. security assistance to Pakistan.

One year later, Pakistan continues to be crucial to regional and global security. The White House has moved from strategic reviews to implementation and assessment—although the Administration may have oversold their process for measuring progress and failed to meet expectations with their recent metrics report submitted to Congress. In Pakistan, the government and people are increasingly seeing the insurgency operating from the tribal border areas as the most existential threat to their country. Pakistani security forces have stepped up operations against insurgents in the Northwest Frontier Province (NWFP) and the FATA—retaking territory and making significant arrests, including Mullah Abdul Ghani Baradar, the Afghan Taliban’s top military commander and a key aide to Mullah Omar.

The PCCF has become a vital tool for the Commander of U.S. Central Command in his efforts to assist Pakistan in expanding its counterinsurgency capabilities. The Congress aligned the PCCF authority with the operational command consistent with the guidance in the COIN manual. During this same period of time, the Administration asked Congress to move the PCCF authority to the State Department. I will address my concerns with that decision in a moment. Congress passed legislation that was signed into law, providing \$7.5 billion in economic and civilian aid to the government of Pakistan without substantial conditions and limitations.

While much has evolved over the last 365 days, three things have remained the same: first, it remains in our national interest to defeat Al Qaeda and its extremist allies and ensure that they will have no safe havens from which to attack the American people. Second, Pakistan continues to be engaged in a tough fight against a complex insurgency. Third, Pakistan is an essential partner to the United States both in the near and long term and we must remain committed to building trust between our two nations.

While all of these factors are important to informing our overall approach to Pakistan and how we resource that effort, I would like to focus on the security environment in Pakistan. It is my view that the traditional peacetime framework for security assistance is inappropriate and no longer works. Despite Pakistan's increased military operations, the scale, nature and frequency of violence in Pakistan makes it a nation more appropriately comparable to a combat zone, such as that found in Afghanistan, and should be treated as such, rather than a central European country seeking foreign military financing.

That is why I supported the Administration's original request for a new authority and funding stream which resembled our train and equip efforts in Iraq and Afghanistan. Last year, Under Secretary Flournoy testified to this committee that the "PCCF will align authorities and funding to develop Pakistan's capability in current counterinsurgency operations with DOD's responsibility to implement the security portion of the Afghanistan-Pakistan strategy, including our own current operations." I agreed then and I agree now. Unfortunately, the next day, Secretary Gates and Secretary Clinton thought differently and ignored their own strategy. In 2011, the PCCF authority will reside in the State Department.

It remains to be seen how the State Department will manage the PCCF authority and if it has the right culture and capacity to adequately respond to the wartime needs in Pakistan.

In my mind, I still question the rationale to move PCCF to State when DOD has proven its ability to execute similar programs in Iraq and Afghanistan—authorities and funding streams which rightly remain in DOD. I think it is also fair to question if Congress will appropriate this year's money without strings attached and in a manner consistent with war-time contingencies, especially given last year's H.R. 1886 which would have placed conditions and limits on the equipment we provide to our Pakistani partners.

Mr. Chairman, I think our committee should continue to closely monitor the execution of PCCF and ensure the CENTCOM Commander, through the Office of the Defense Representative for Pakistan, maintains the speed and flexibility needed to take advantage of emerging and urgent opportunities with the Pakistan military. As I stated earlier, Pakistani security forces have increased their operational tempo and are improving their capacity to conduct counterinsurgency operations against insurgent networks on its side of the border—it is in both our nations' strategic interests to see this momentum continue.

However, as you all know, “clearing” is only one phase of an effective counterinsurgency strategy. As we've learned in Iraq and Afghanistan, the “hold” and “build” phases are equally important. I would like our witnesses to comment on the recent notification to Congress to use Economic Support Funds to provide quick-impact, small-scale assistance to benefit the local population. It seems to me that such funds, executed through DOD in coordination with the Chief of Mission and Pakistan are critical to building upon last year's military gains.

Lastly, I think Congress should also consider Coalition Support Funds (CSF) under this wartime paradigm. Let me be clear, it is our Congressional prerogative to conduct oversight and scrutinize funding, including CSF or any other funds in that matter. But we need to be careful that we seek to balance accountability with supporting Pakistan's ability to adapt and respond to the fluid and dynamic security situation on the ground. I hope to hear from our witnesses today why the CSF is critical to Pakistan's will and ability to conduct military operations and how we are working with the government of Pakistan to ensure that such reimbursing efforts directly support U.S. military operations in Afghanistan.

Thank you for being here. I look forward to your testimony and a candid discussion.

“Security and Stability in Pakistan: Developments in U.S. Policy and Funding”

Prepared Statement of

**The Honorable Michèle Flournoy, Under Secretary of Defense for Policy
LtGen John Paxton, USMC, Director for Operations, J-3, Joint Chiefs of Staff**

Testimony before the House Armed Services Committee

April 29, 2010

Mr. Chairman and Congressman McKeon, thank you for inviting us here today. I am pleased to have this opportunity to testify on the growing U.S.-Pakistan defense partnership.

As you know, the Administration’s core goal in the region is to disrupt, dismantle, and defeat al-Qa’ida, and ensure the elimination of al-Qa’ida safe havens. Pakistan is a critical ally in these efforts, and we have been focusing particular attention on supporting Pakistan’s efforts to disrupt violent extremist organizations.

At the same time, we are working to develop an enduring, broad-based strategic partnership with the Islamic Republic of Pakistan. Our shared interests extend far beyond combating violent extremism, and we are committed to building a long-term partnership with Pakistan that reflects the full range of our shared interests and concerns.

We are calibrating our assistance to strike the right balance between civilian aid and military cooperation in order to achieve what the President charged us to do – build an effective partnership with Pakistan that demonstrates that the United States will remain a strong supporter of Pakistan’s security and prosperity for the long-term. On the security side, our programs are designed to strengthen Pakistan’s capacity to target those groups that threaten both of our countries, the broader region, and the rest of the world. In the end, however, our material, financial, and other efforts are enablers that help reinforce the willingness of the Government of Pakistan and its security forces to take on these shared challenges. As Secretary Gates has said, Pakistan has its foot on the accelerator of this partnership, and we stand ready to be long-term partners.

We have reinforced our long-term commitment to Pakistan through steady and persistent senior-level engagement by DoD leadership. Secretary Gates, Admiral Mullen, General Petraeus, General McChrystal, and I have all visited Pakistan in recent months, and the

March U.S.-Pakistan Strategic Dialogue, hosted by Secretary of State Clinton, was an excellent opportunity for both nations to discuss their respective visions of our bilateral relationship. Together with Pakistani Secretary of Defense Athar Ali, I led a Defense break-out session, which continued to build on the momentum of the U.S.-Pakistan Defense Consultative Group discussions held in December 2009. The Department of Defense will continue to build on these discussions as we initiate a series of Exchanges on Defense Planning (EDP) this spring and summer. In Pakistan itself, the U.S. Office of the Defense Representative-Pakistan (ODRP) has also played a crucial role, leading to improved relations across the board with our Pakistani defense colleagues.

A number of significant security assistance events will take place by the end of this calendar year. These include the delivery of upgraded P-3C aircraft and the transfer of the *USS McInerney* (FFG-8) to the Pakistan Navy. Even more significantly, the delivery of 18 new Block 52 F-16s to the Pakistan Air Force will begin this summer, and will be marked by a public roll-out ceremony. The F-16 roll-out in particular will be a powerful symbol of continued U.S. security assistance to Pakistan.

We believe that these efforts to demonstrate our enduring commitment to Pakistan are bearing fruit. Over the last year, the Government of Pakistan has demonstrated a significantly increased commitment to combating violent extremist organizations that use its territory.

When I testified on this subject on March 29, 2009, the militants who constitute the insurgency along Pakistan's western border were entrenched, and were expanding their geographic influence into the settled areas of Pakistan. Extremists had expanded their reach to exercise effective control over the Swat valley in the North West Frontier Province (now renamed Khyber-Pakhtoonkhwa). At that time, our assessment was that opportunities for al-Qa'ida and associated groups to stage attacks against U.S. and Coalition forces were increasing – as was the direct threat militants posed to the Pakistani state.

Our Pakistani partners also recognized the growing militant threat to the Pakistani state. Over the last year, Pakistan has taken unprecedented military action against violent extremist organizations, capturing significant territory from insurgent groups and generating intense pressure that has also disrupted al-Qa'ida and its affiliates. In the face of a drastic increase in extremist bombings and suicide attacks that killed thousands of Pakistani citizens over the last year, the Pakistani people have demonstrated a resilient will to fight back against violent extremism. Widespread popular revulsion over militant

violence resulted in support for the Pakistani security forces taking significant military action against the militants.

Currently, Pakistani security forces are sustaining operations in Khyber-Pakhtoonkhwa and the Federally Administered Tribal Areas (FATA) on an unprecedented scale. In 2009, Pakistan committed more forces toward its western border with Afghanistan – nearly a 50% increase since 2008 – than ever seen before. Pakistani security forces conducted 203 brigade-sized operations in 2009, twice as many as in the previous two years combined.

Pakistani security forces deployed along the Afghanistan-Pakistan border now operate in six of seven tribal agencies and throughout Khyber-Pakhtoonkhwa, conducting clear/hold/build operations. Major Pakistani combat operations have recaptured strategically vital territory in Swat and Malakand Division, as well as in South Waziristan, Khyber, Orakzai, Kurram, Mohmand and Bajaur Agencies. These combat operations continue today.

It is important to recognize that the Pakistani security forces have paid a high price for these operations. In 2009, the Pakistani security forces sustained nearly 4,000 casualties. The perseverance of the Pakistani security forces in the face of such significant losses testifies to their commitment to fighting violent extremism. For the Pakistanis, fighting violent extremism isn't just a contribution to a global effort: it's critical to their own security and stability.

Pakistan also continues to support U.S. operations in Afghanistan by providing and securing our primary ground and air lines of communication. Today, 80% of the dry cargo required to support increased U.S. and NATO military operations in Afghanistan transits through Pakistan, as does most of NATO's fuel. Impressively, losses due to attacks and pilferage are under 1% – a loss-rate lower than that we see in U.S. commercial ports.

Additionally, Pakistan continues to be a leader in the multinational coalition carrying out maritime security operations off the Horn of Africa. In July 2009, Pakistan assumed command of Combined Task Force-150 (CTF 150) for the third time, and Pakistan also works under the auspices of Combined Task Force-151. The Pakistan Navy provides security for the sea lines of communication in the northern Indian Ocean, and for anti-smuggling and counter-narcotic efforts along the Makran Coast.

Pakistan has also become a leader in multinational peacekeeping operations. Today, Pakistan provides the second largest number of peacekeepers to international peacekeeping missions, including United Nations operations in Liberia, Sudan, The Central African Republic, and Chad.

Challenges and Opportunities

Pakistan has seen significant progress against the militant networks that threaten the Government and people of Pakistan. But even with the momentum of recent operational successes, Pakistan still faces a Herculean task.

The threat of militant violence against the Pakistani state is ongoing and severe. And although Pakistan will need strong, stable, and just governance institutions if it is to move beyond this period of violence and uncertainty, democratic governance institutions remain vulnerable.

The Pakistani people face daily risks and the continued reality of militant violence. Violent extremist organizations retain the capability to stage attacks, as demonstrated by the recent bombings of police stations, schools, hospitals, and camps for internally displaced people, as well as assaults on the foreign presence in Pakistan. Recent targets have included both the World Food Program and the U.S. Consulate in Peshawar. The human cost of the violence and instability is incalculable, and the financial strain of maintaining such a high operational tempo is also becoming evident, taking a toll on Pakistan's economy.

We face three significant hurdles in our efforts to assist Pakistan: Pakistani capacity, Pakistani threat perceptions, and Pakistani mistrust of the United States.

When it comes to capacity, Pakistan's security forces have made progress in sharpening their ability to clear territory – but the risk remains that this progress could be reversed. There is still significant need for assistance to enhance Pakistan's counterinsurgency and counterterrorism capabilities. The Government of Pakistan must have the capabilities needed to translate tactical successes into the permanent elimination of militant and terrorist safe havens. This may require prolonged security force presence in key areas, and Pakistani security forces and the Government of Pakistan as a whole need to develop the capabilities that enable “hold” and “build” activities.

This is not solely or even primarily a security force issue. Our interlocutors in the Pakistani security forces have emphasized that economic and political reconstruction are key to holding the ground that they have taken from violent extremist organizations. The

Government of Pakistan's ability to hold areas once cleared – and the military's freedom to move on to conduct operations in other critical areas – will be greatly enhanced by a stronger civilian capability to move development and governance resources into cleared areas rapidly. DoD is fully supportive of the U.S. whole-of-government effort to help build Pakistan's civilian capacity to administer reclaimed areas.

In particular, a true interagency effort is underway to transfer \$10 million from the Department of State's Economic Support Funds to DoD for execution under Section 632 of the Foreign Assistance Act. This novel approach takes advantage of DoD's ability to support the Pakistan military in non-permissive environments, while also being fully supportive of and integrated with the Ambassador's development assistance plans for Pakistan. We will continue to work with our interagency partners and Congress to develop flexible, responsive mechanisms for the unique challenges we face in Pakistan.

Another hurdle on the path to long-term strategic partnership relates to Pakistan's threat perception. Although extremist attacks have led to the repositioning of substantial Pakistani forces from the eastern border and stronger efforts to combat militants, Pakistan's strategic concerns about India remain preeminent. Any significant escalation of tensions between Pakistan and India could cause Pakistan to shift its large military presence in the western border areas back toward its eastern border with India.

We must continue to reassure Pakistan that as it combats the threats posed by its domestic terrorists, it is not exposing itself to increased risk along its eastern border. We should encourage and reinforce cooperation between India and Pakistan, and continue to urge both sides to engage in candid dialogue about the issues at the heart of their respective security concerns.

A final hurdle relates to the legacy of mistrust between the United States and Pakistan. Pakistan's experience of being subject to U.S. sanctions, its concerns about the growing U.S.-India relationship, and its skepticism about the U.S.'s staying power in the region have made it a wary partner. Similarly, reports of Pakistan's tolerance of and support for some violent extremist groups have created skepticism on the U.S. side. DoD leadership has expressed concerns about these impediments to mutual trust and a transformed relationship. This is a partnership that is both vital and delicate, and the need for candid dialogue and mutual reassurance remains strong.

The Role of U.S. Assistance

U.S.-Pakistan cooperation in the form of material assistance, training assistance, operational coordination, and reimbursement for operational costs has been critical in enabling Pakistani progress against insurgents.

The Pakistan Counterinsurgency Fund (PCF), supplemented by the Pakistan Counterinsurgency Capability Fund (PCCF), has proven to be a particularly effective and flexible tool in the effort to expand the counterinsurgency capabilities of Pakistani security forces. The flexibility of the combined total of \$1.1 billion of PCF and PCCF in FY09-FY10 has allowed DoD, in cooperation with the Department of State, to take advantage of emerging opportunities to equip, train, and coordinate with Pakistan security forces. In particular, PCF has enabled us to work with key elements of the Frontier Scouts, Special Services Group, and Pakistani Army, and with combat multipliers such as Pakistani Army aviation units and the Pakistan Air Force. PCF assistance has focused on enhancing key capabilities required to combat resilient insurgent networks such as air mobility, command and control, night operations, counter-improvised explosive device capability and survivability, close air support and joint fires, and combat logistics. For FY11, the Department of State has requested \$1.2 billion for PCCF.

Material support has helped Pakistani security forces operate and communicate in the challenging terrain of the western frontier. Within weeks of PCF availability, twelve Mi-17 helicopters were shipped from Pakistan for badly needed overhauls. Mi-17s, which provide heavy-lift capabilities, are important for Pakistan's air mobility and air assault capabilities – especially in the mountainous areas along the border where insurgents are present. They have been used extensively in the Swat Valley and tribal areas against insurgents. An urgent need for helicopters still remains, however.

Counterinsurgency training has also been important, helping to prepare the Pakistan Military and Frontier Scouts through courses in basic combat skills, sniper operations, small unit tactics, intelligence analysis, civil-military operations, and the law of armed conflict. Our training of the Frontier Scouts has led to real gains in capabilities that are being demonstrated on the battlefield. Overall, close coordination and training relationships have proven to be one of the most effective antidotes to mistrust.

DoD has supported enhanced coordination, both within Pakistan and among Pakistan, Afghan, and Coalition forces across the border. PCF's availability and flexibility have

allowed DoD to assist Pakistan in the formation of several intelligence fusion centers throughout the country, which have become increasingly valuable to Pakistan's ongoing operations. Separately, Combined Campaign Planning Conferences have allowed Pakistani, Afghan, and ISAF commanders to coordinate operations on both sides of the border more effectively.

In addition, Coalition Support Funds (CSF) allow us to reimburse Pakistan for logistical, military, and other forms of support that Pakistan provides to assist U.S. overseas contingency operations. Since 2001, Pakistan has received \$7.2 billion in CSF reimbursements for expenses incurred in providing critical support to U.S. military operations in connection with OPERATION ENDURING FREEDOM.

Our ability to make CSF reimbursements in a timely manner remains vital, as CSF provides the Government of Pakistan the financial capacity to maintain the necessary security forces and on-going military operations in its western border region and protect our ground lines of communications with greater consistency than Pakistan could otherwise provide. Prompt payment of claims while still ensuring that claims are carefully addressed is absolutely critical to our ability to influence and sustain Pakistani willingness to conduct combat operations. While Pakistan is expected to receive a significant portion of the FY11 CSF request, the funds are also available to reimburse 27 other eligible nations.

Finally, I would like to affirm DoD's strong support for Secretary of State Clinton's statement following the recent U.S.-Pakistan Strategic Dialogue on the goal of a multi-year security assistance package, including foreign military financing, based upon identified shared strategic objectives. We agree that such a package would further strengthen our long-term strategic partnership with Pakistan.

Mr. Chairman, our partnership with Pakistan is complex and fraught with challenges, but it remains absolutely vital to our overall goal of disrupting, dismantling, and defeating al-Qa'ida and enhancing stability in a critical region. We will continue to stand firm in our support for Pakistan's counterinsurgency and counterterrorism capabilities, and we will continue to seek broader and deeper cooperation with Pakistan.

I want to thank you and members of the Committee once again for allowing us this opportunity to testify today, and we look forward to working closely with you on these issues as we move forward.



Michèle Flournoy
Under Secretary of Defense for Policy



Michèle Flournoy was confirmed by the U.S. Senate as the Under Secretary of Defense for Policy on February 9, 2009. She serves as the principal staff assistant and advisor to the Secretary of Defense and the Deputy Secretary of Defense for all matters on the formulation of national security and defense policy and the integration and oversight of DoD policy and plans to achieve national security objectives.

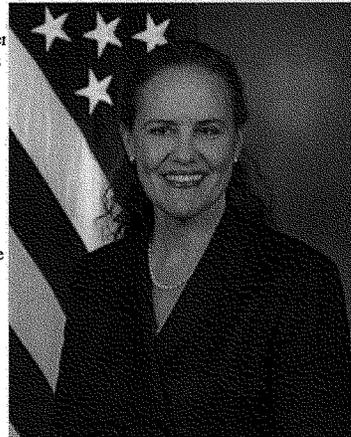
Prior to her confirmation, Ms. Flournoy was appointed President of the Center for a New American Security (CNAS) in January 2007. Before co-founding CNAS, she was a senior adviser at the Center for Strategic and International Studies, where she worked on a broad range of defense policy and international security issues.

Ms. Flournoy previously served as a distinguished research professor at the Institute for National Strategic Studies at the National Defense University (NDU), where she founded and led the university's Quadrennial Defense Review (QDR) working group, which was chartered by the Chairman of the Joint Chiefs of Staff to develop intellectual capital in preparation for the Department of Defense's 2001 QDR.

Prior to joining NDU, Ms. Flournoy was dual-hatted as Principal Deputy Assistant Secretary of Defense for Strategy and Threat Reduction and Deputy Assistant Secretary of Defense for Strategy. In that capacity, she oversaw three Policy offices in the Office of the Secretary of Defense: Strategy; Requirements, Plans and Counterproliferation; and Russia, Ukraine and Eurasian Affairs.

Ms. Flournoy was awarded the Secretary of Defense Medal for Outstanding Public Service in 1996, the Department of Defense Medal for Distinguished Public Service in 1998 and the Chairman of the Joint Chiefs of Staff's Joint Distinguished Civilian Service Award in 2000. She is a former member of the Defense Policy Board and the Defense Science Board Task Force on Transformation.

Ms. Flournoy earned a bachelor's degree in social studies from Harvard University and a master's degree in international relations from Balliol College, Oxford University, where she was a Newton-Tatum scholar.



Lieutenant General John M. Paxton Jr. Director for Operations, J-3



Lieutenant General Paxton is the Director for Operations, J-3, The Joint Staff. Prior to his current assignment, he served as the Chief of Staff for Multi-National Force Iraq in Baghdad and before that as Commanding General, 1st Marine Division. Additional General officer assignments include Commanding General, Marine Corps Recruit Depot/Western Recruiting Region, and Assistant Deputy Commandant of the Marine Corps, Programs and Resources (Director Programs).

General Paxton graduated from Cornell University in Ithaca, New York, with bachelor of science and master of civil engineering degrees. He was commissioned into the Marine Corps in 1974 through Officer Candidate School. A career Marine infantryman, the general has commanded Marines at every level from platoon through division and has served and commanded in all three active Marine Divisions (1st Battalion, 3rd Marine; 2nd Battalion, 4th Marine; 3rd Battalion, 5th Marine; 1st Battalion, 8th Marine; 1st Marine; 1st Marine Division). General Paxton has also served as an operations, plans and training (G3-S3) officer within Fleet Marine Force units at the battalion, regiment, division and Marine Expeditionary Force levels.

In addition to service in Iraq, General Paxton has operational tours supporting stability efforts in the Bosnian conflict with Landing Force Sixth Fleet (LF6F) and in Mogadishu, Somalia, as United Nations Quick Reaction Force (QRF), both while commanding Battalion Landing Team (1/8). Other staff and joint assignments include the Military Assistant to the Under Secretary of the Navy, Amphibious Operations Officer and Executive Officer Crisis Action Team (CAT) at UNC/CFC/USFK in Korea; and in Strategic Plans Branch, Deputy Commandant Plans, Policies and Operations, Headquarters US Marine Corps. Supporting establishment commands include Company B, Marine Barracks 8th & I as a captain and Marine Corps Recruiting Station New York, New York, as a major.

In addition to The Basic School, General Paxton's professional education includes US Marine Corps Amphibious Warfare School (non resident), US Army Infantry Officer Advanced Course, and the US Marine Corps Command and Staff College. He was a Federal Executive Fellow in Foreign Policy Studies at the Brookings Institution as a lieutenant colonel, as well as a Military Fellow at the Council on Foreign Relations as a colonel. He has also been a Marine Corps Fellow at Massachusetts Institute of Technology's Seminar XXI.

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Testimony of Andrew J. Shapiro
Assistant Secretary of State for Political-Military Affairs
U.S. House Armed Services Committee,
Hearing on Security and Stability in Pakistan:
Developments in U.S. Policy and Funding
April 29, 2010

Chairman Skelton, Ranking Member McKeon, members of the committee, thank you for the opportunity to appear before you today. I appreciate the opportunity to testify on the ways in which the State Department's security assistance programs contribute to our partnership with the Government of Pakistan in our joint endeavor to improve security and stability in Pakistan, in neighboring Afghanistan, and in the broader region and beyond.

Since being established a half century ago, the Bureau of Political-Military Affairs has served as the State Department's primary link with the Department of Defense. The Bureau's enduring and daily work is representative of the type of cooperation and teamwork that is essential in addressing the evolving security challenges that we cope with around the world.

A strong relationship between the Department of State and the Department of Defense is critical to addressing the serious international challenges that the United States faces today. Secretaries Clinton and Gates have publicly expressed their commitment to a State-Defense relationship that is complementary, not competitive. We in the State Department are working to fulfill that commitment. This close cooperation is essential in South Asia, where we are working with the Afghan and Pakistani governments and with our allies to defeat al-Qaeda and associated extremist groups.

As Secretary Clinton stated in testimony to the Senate last month, it is clear that our partnership with the Government of Pakistan and progress on the ground in Pakistan are keys to success in Afghanistan, and to the security of the United States. The Afghanistan-Pakistan border region continues to destabilize both countries and serves as a sanctuary for extremist groups who seek to harm the United States. Therefore, we are broadening and deepening our relationship with the Pakistani people and government. We have worked hard to build trust between our two countries, and have made genuine progress. Secretary Clinton's visit to Pakistan last fall was an important moment. And with the successful completion of the March 24-25 U.S.-Pakistan Strategic Dialogue meeting in Washington -- the

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first time this bilateral forum has been chaired by the Secretary of State and Pakistan's Foreign Minister – our partnership is on a significantly stronger foundation.

Consistent with the President's pledge of a long-term partnership with Pakistan and the passage into law of the Enhanced Partnership with Pakistan Act ('Kerry-Lugar-Berman'), we are making a substantial, long-term commitment of non-military assistance and directing it towards priorities identified by Pakistan's people and their democratically-elected civilian government. I am here today to talk to the security assistance that the State Department manages, which is complementary to U.S. assistance to civilian authorities and organizations.

In addition to working closely with our counterparts in the Defense Department, my bureau coordinates extensively within the State Department with the Office of the Special Representative for Afghanistan and Pakistan (S/SRAP) and the Bureau of South and Central Asian Affairs (SCA) to ensure the Department's security assistance programs are fully supportive of the overall effort in Pakistan and the region, and to make sure the programs are in sync with the Afghanistan-Pakistan Regional Stabilization Strategy issued by Ambassador Holbrooke's office in January of this year.

Security assistance funds managed by the Bureau of Political-Military Affairs, which collectively total over \$7 billion worldwide in the President's FY 2011 request, provide important tools to the United States in today's security environment. In Pakistan, the bureau manages security assistance through three accounts: (1) Foreign Military Financing (FMF), which provides grant assistance to purchase U.S. defense articles and services; (2) International Military Education and Training (IMET), which provides training and education on a grant basis to promote a more professional Pakistan military with a strong respect for civilian control of the military, democratic values, and human rights; (3) and the Pakistan Counterinsurgency Capability Fund (PCCF), which assists the Government of Pakistan in building and maintaining the capability of its security forces to conduct counterinsurgency and counterterrorism operations, and to clear and hold terrain in contested areas throughout the Federally Administered Tribal Areas (FATA) and elsewhere along Pakistan's border with Afghanistan.

U.S. security assistance programs aim to improve Pakistan's counterinsurgency and counterterrorism operational capacities, enhance U.S.-Pakistan interoperability, and help to deepen our bilateral relations and reduce the

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trust deficit between the United States and Pakistan. These programs also support ongoing Coalition activities in Afghanistan by improving Pakistan's ability to coordinate and synchronize operations along their side of the Afghanistan-Pakistan border. Our robust military-to-military relationship with Pakistan also underscores our long-term commitment to remain engaged in the region, as well as our commitment to regional stability.

I. Foreign Military Financing (FMF)

The FY 2011 Foreign Military Financing (FMF) request for Pakistan is \$296 million, which is in line with the average annual amount of \$300 million provided to Pakistan over the past six fiscal years. Pakistan is one of the biggest FMF recipients globally and it would be difficult to overstate the importance of this program to the U.S.-Pakistani relationship.

FMF is the foundation of a long-term U.S.-Pakistan security relationship. FMF supports the transformation and modernization of Pakistan's military into a more professional and capable force through equipment upgrades, training, and new acquisitions. It promotes closer U.S.-Pakistani security ties and enhances U.S.-Pakistani interoperability. Our assistance has been used to: maintain and modernize Pakistan's AH-1F Cobra helicopter fleet, which the Pakistan Army uses to provide persistent close air support to Army troops engaged in counterinsurgency operations in the border areas; procure tactical radios to allow the Pakistan Army and Frontier Scouts to more effectively conduct counterinsurgency operations; provide mid-life updates to enhance Pakistan's F-16 fleet to make it a more valuable counterinsurgency and counterterrorism asset for missions along the rugged Afghan-Pakistan border; and procure TOW-2A missiles, which are used extensively in support of Operation Enduring Freedom. To help the Pakistani Navy stem the illegal trafficking of materials along the Makran Coast, we provided FMF to update and refurbish seven P-3C aircraft, which broaden their maritime surveillance capabilities and enable Pakistan's participation in U.S.-led and supported Maritime Intercept Operations. We will also provide FMF to refurbish the frigate *McInerney* later this year, and plan on transferring additional Excess Defense Article frigates (as the *McInerney* was) as they are decommissioned over the next several years.

In addition to developing Pakistan's long-term counterinsurgency and counterterrorism capabilities, FMF enhances the ability of Pakistan's military to meet its legitimate defense needs. A continued robust FMF program is a long-term

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investment serving as the lynchpin for fostering Pakistan's institutional capacity and defense development and for assisting Pakistan in playing a greater role in enhancing regional security. In conjunction with other tools (e.g., PCCF), FMF supports broader U.S. strategy designed to enhance regional stability, combat terrorist threats, and promote Pakistani participation in stability operations.

Finally, sustained FMF for Pakistan demonstrates to the Government of Pakistan the United States' long-term commitment to a multi-faceted relationship that goes beyond what Pakistan views as a fleeting U.S. counterterrorism mission. By helping Pakistan meet its legitimate security needs, the U.S. confirms its role as an enduring partner over time in support of our mutual security interests.

II. International Military Education and Training (IMET)

The FY 2011 request for the International Military Education and Training (IMET) account for Pakistan is \$4.1 million. IMET is crucial to U.S. efforts to deepen the U.S.-Pakistani partnership. The program helps to enhance the professionalism and leadership of Pakistan's future military leaders and to strengthen the Pakistani military's ability to fight insurgency. We have been successful at almost doubling our IMET program with Pakistan in order to help build relationships and understanding between our two militaries. This year, along with Turkey, Pakistan is the biggest recipient of this important funding. IMET is central to our efforts to expose the Pakistani military to American perspectives and operational procedures and target the "lost generation" of senior officers who were unable to receive U.S. military training and exposure to the United States because of Pressler Amendment sanctions. The Pressler Amendment banned most economic and military assistance to Pakistan from 1990 to 2001.

Our DoD colleagues – led by Chairman of the Joint Chiefs of Staff Admiral Mullen and Commanding General of U.S. Central Command General Petraeus – are staunch supporters of IMET and have worked closely with us to gain more spots for Pakistani officers in military staff colleges. IMET is also strongly supported by Pakistani Chief of Army Staff General Kayani. General Kayani has stated that his time at the U.S. Army Command and General Staff College at Fort Leavenworth, Kansas, helped him learn a great deal about how our armed forces operate. We must continue to focus on these types of programs which allow Pakistani military officers to interact with professional members of the United States military and seek to build long-lasting, personal relationships.

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IMET courses provide valuable education and training on U.S. military standards and practices, including defense resource management, civilian control of the military, human rights, and rule of law. The courses also develop technical expertise to operate and maintain U.S. origin equipment. More broadly, IMET helps to develop a common understanding of shared international challenges and fosters the relationships necessary to counter those challenges in a collaborative manner. IMET also exposes U.S. military personnel to the experiences and perspectives of their Pakistani partners, facilitating future coordination and communication. Over 100 Pakistani military officers receive education and training in the United States each year.

III. Pakistan Counterinsurgency Capability Fund (PCCF)

In order to accelerate the development of the Government of Pakistan's capacity to secure its borders, deny safe haven to extremists, fight insurgents, and provide security for its indigenous population, the Administration has requested \$1.2 billion in FY 2011 for the Pakistan Counterinsurgency Capability Fund (PCCF). FY 2011 will be the first year the Department of State assumes full management of PCCF, a responsibility the Department takes very seriously and for which the Department has the capacity and capability to successfully execute.

PCCF is intended to be limited in time and purpose to address Pakistan's current and urgent needs as it struggles against militant extremists within its borders. Funds will continue to be targeted at building the capability of Pakistan's security forces directly engaged in combat operations and to clear and hold terrain in contested areas throughout Khyber-Pakhtoonkhwa (formerly Northwest Frontier Province), the Federally Administered Tribal Areas (FATA), and Baluchistan against al-Qaeda and associated extremist groups. A more capable Pakistani security force will diminish extremist access to safe havens from which attacks on Pakistan and on United States and international forces operating in Afghanistan are planned and executed. Supporting a better trained and equipped security force is a critical complement to our efforts with the civilian government as we work together to implement our \$7.5 billion, five-year civilian assistance strategy, which includes efforts to help the Government of Pakistan provide basic services to the Pakistani people in areas vulnerable to extremists.

The primary lines of operation continue to be: 1) training and equipping Pakistan's security forces with a focus on the Pakistan Army, the Special Service Group, Pakistan army aviation, and other enabling forces; 2) training and

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equipping the paramilitary Frontier Scouts (formerly the Frontier Corps) and; 3) providing training for humanitarian relief in post-combat operations. Capability focus areas include: command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR); air mobility; air assault; night operations; military intelligence; counter-improvised explosive devices; close air support; combat equipment; counterinsurgency training; civil affairs and humanitarian assistance; and forward critical medical care.

The \$1.2 billion PCCF program will formally transition from being a DoD-managed program in FY 2010 to a State-managed program in FY 2011. In the State Department, we are continuing to develop our oversight and management procedures for the PCCF with the goal of preserving the flexibility and agility needed to support the requirements in the field. Both State and DoD are committed to the successful implementation of the PCCF in FY 2011 with the shared goal of a seamless transition that has no discernible impact on U.S. implementers and Pakistani forces in the field. My Defense Department colleagues and I will continue to work with your committee, other DoD committees, and our own State Department oversight committees, and we will continue to keep you fully informed of developments in this critical program.

IV. Conclusion

While PCCF will enable Pakistan's security forces to clear and hold terrain, we recognize that the political and security situation in the FATA is likely to complicate "build-transfer" efforts for some time. As such, the Department is planning to transfer \$10 million in Economic Support Funds to DoD to enable U.S. military personnel to provide rapid humanitarian and community stabilization projects to help "hold" conflict-affected areas. This will help us fill a short-term assistance gap that exists in areas where clearing operations are ongoing and there are acute needs for civilian assistance, but civilians cannot currently access these areas. We are also working with Pakistan to find ways to afford civilians safe access to forward areas.

All of our efforts in Pakistan are geared toward creating the vibrant, modernizing, and democratic state that most Pakistanis desire and the U.S. envisions as a key partner in advancing stability and development in a key region of the globe. In keeping with the President's pledge of a long-term partnership with Pakistan, we are also making a substantial, long-term commitment of non-military assistance to Pakistan. The assistance is targeted at helping the Pakistani

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people overcome the political, economic, and security challenges that threaten Pakistan's stability, and in turn, undermine regional stability. With the Enhanced Partnership with Pakistan Act, which authorized \$7.5 billion in civilian assistance from FY 2010 to FY 2014, we are moving towards the most effective civilian/military assistance balance. Our three objectives are to: improve the deteriorating economic infrastructure that obstructs economic growth and the daily lives of ordinary Pakistani citizens; improve the Government of Pakistan's management capacity and commitment to policy reform; and reduce the poverty and lack of opportunity that breeds vulnerability to extremism. Additionally, we are concentrating on high impact, high visibility infrastructure projects that help Pakistan address its major water and energy challenges and demonstrate that the United States is committed to addressing problems that most affect the everyday lives of Pakistanis.

In closing, we in the State Department take very seriously our responsibilities in managing security assistance and ensuring this assistance continues to support our broader civilian assistance efforts. We fully understand the importance of successful implementation of these programs in Pakistan to our efforts across the border in Afghanistan and throughout the region.

In the dynamic security environment we face today in South Asia, with its constantly evolving challenges and opportunities, these programs provide our government with the necessary and flexible tools to advance U.S. national security interests in the region and around the globe.

Thank you for the opportunity to discuss these important programs with you this afternoon. I look forward to taking your questions.

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***Biography – Andrew J. Shapiro
Assistant Secretary of State
Bureau of Political-Military Affairs***

Term of Appointment: 06/22/2009 to present



Andrew J. Shapiro was sworn in as Assistant Secretary of State for Political-Military Affairs on June 22, 2009. Mr. Shapiro previously served as Senior Advisor to Secretary of State Hillary Rodham Clinton. Prior to joining the State Department with the Secretary, he served from 2001 to 2009 as Senator Clinton's Senior Defense and Foreign Policy Advisor. In this position, he was Senator Clinton's primary policy advisor on national security issues including Senator Clinton's work on the Senate Armed Services Committee. Mr. Shapiro also traveled with Senator Clinton extensively overseas, joining her on visits to the Iraq and Afghanistan areas of operation. He also served as a member of the Obama-Biden Department of Defense Agency Review Team before shifting to Secretary of State Clinton's confirmation and transition team once she was officially named.

Previously, Mr. Shapiro was counsel to the Justice Department's International Competition Policy Advisory Committee, and was an associate at the Washington, DC law firm Covington & Burling. He received a B.A. cum laude with honors distinction in Diplomatic History from the University of Pennsylvania and a joint law/master's in international affairs degree from Columbia University where he was a Harlan Fiske Stone Scholar. Prior to attending law and graduate school, he worked as a senior research assistant at The Washington Institute for Near East Policy. Andrew Shapiro is a recipient of the Gold Star Wives of America Appreciation Award and the National Guard Association's Patrick Henry Award. He is a member of the Council of Foreign Relations and the International Institute of Strategic Studies.