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**REBALANCING TO THE ASIA-PACIFIC
REGION: EXAMINING ITS
IMPLEMENTATION**

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

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**REBALANCING TO THE ASIA-PACIFIC REGION:
EXAMINING ITS IMPLEMENTATION**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Tuesday, January 28, 2014.

The committee met, pursuant to call, at 10:01 a.m., in room 2118, Rayburn House Office Building, Hon. Howard P. “Buck” McKeon (chairman of the committee) presiding.

**OPENING STATEMENT OF HON. HOWARD P. “BUCK” MCKEON,
A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COM-
MITTEE ON ARMED SERVICES**

The CHAIRMAN. The committee will come to order.

Welcome to the committee’s first hearing in 2014. Before I begin, I would like to recognize our newest member of the committee. He attended the briefing we had last week, but this is his first full committee—Mr. Bradley Byrne.

Bradley is a former State senator, attorney, university chancellor from the shipbuilding district of Mobile, Alabama.

Glad to have you hear, Bradley.

We are glad to have him. We appreciate the strong support that his constituents provide to our military.

As a Californian, I have long understood the importance of the Asia-Pacific region to trade and our economic well-being, and that security underpins progress in the region.

I welcome the focus on the Asia-Pacific. However, time will tell whether words and promises are followed by action. There are some positive signs that U.S. forces in the Pacific are receiving less cuts and readiness is being maintained, but I am concerned about the total force.

When the President framed rebalance, he discussed how we could now safely turn our attention to Asia, because the war in Afghanistan was receding and Al Qaeda was on the path to defeat. I am concerned these conditions haven’t panned out.

Violence and instability rage in the Middle East and Africa. Preserving forces, readiness, and capabilities in PACOM [Pacific Command] means less elsewhere. Can we afford to take risk in CENTCOM [Central Command] or AFRICOM [Africa Command]?

Budget cuts only exacerbate the problem. There is some stability for the next 2 years with the budget that we just passed, but what happens after that? As we look forward, defense funding is basically flat out into the future. We are back to sequestration levels. And military leaders are left with no choice but to cut end strength, readiness, and capabilities. And that has consequences

for our security and military commitments in PACOM and across the globe, unless we adequately resource defense.

I just in the last couple of weeks I have had five ambassadors in to see me, concerned about where America is going, what are we doing. We hope we can get some answers to that today with the rebalance in the Pacific area.

We have with us Mr. Frank Kendall, Under Secretary of Defense for Acquisition, Technology and Logistics; Mr. Michael Lumpkin, Acting Under Secretary of Defense for Policy; and Vice Admiral Pandolfe, is that—that is good? Joint Staff Director for Strategic Plans and Policy.

I think Congress can play a constructive role in shaping the rebalance, but we must have a candid discussion on the opportunities, the challenges, and the risks in its implementation.

Mr. Smith.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 47.]

STATEMENT OF HON. ADAM SMITH, A REPRESENTATIVE FROM WASHINGTON, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SMITH. Thank you, Mr. Chairman, and thank you for having this hearing. I welcome our witnesses and look forward to their testimony and our discussion.

The Asia-Pacific region has been, for some time will continue to be, very critical to U.S. interests. I applaud the efforts of the Department of Defense and the administration over the course of the last couple of years, as they have outlined our rebalancing towards Asia, really a re-emphasis of how important Asia is to our interests, and the various allies' interests, and countries that we are concerned about in that region.

I think it is a very appropriate move.

Now the chairman correctly points out, it was done at a difficult time in two respects. One, the budget challenges remain. I share the chairman's opinion that it is good that we passed appropriations bills for fiscal years 2014 and fiscal year 2015, that we set in place a budget that is going to, at least, give us some stability.

But that has not changed the fact that cuts will come, nor has it changed the fact that sequestration is still out there, after fiscal year 2015, issues that we have to deal with. So we will have to look at this rebalance within the concept of a difficult budget environment.

And also, and I think it is clear the administration never meant that there weren't other parts of the world that will continue to be important. There are. Certainly we face challenges across the Middle East and North Africa and in a number of other places.

But when you look at the number of players involved in Asia, the economic impact, the importance of trade, the challenges to stability that are there, you understand why Asia is so important to us.

So I look forward to hearing from the witnesses today about how we can properly make this rebalance, what allies are critical, how we work to make sure that that region of the world knows that we will continue to be a Pacific power.

I think the biggest thing is the presence of the United States in Asia is something that helps bring stability to that region. And therefore we need to make sure we maintain that presence and be as strategic as we can in dealing with the many challenges that are there.

I, again, look forward to the testimony, and I thank the chairman for holding this hearing.

[The prepared statement of Mr. Smith can be found in the Appendix on page 48.]

The CHAIRMAN. Thank you.

Mr. Lumpkin, if you will go first, and Vice Admiral Pandolfe, and then Mr. Kendall.

**STATEMENT OF HON. MICHAEL D. LUMPKIN, PERFORMING
THE DUTIES OF UNDER SECRETARY OF DEFENSE FOR POL-
ICY, U.S. DEPARTMENT OF DEFENSE**

Mr. LUMPKIN. Thank you, Chairman McKeon, Ranking Member Smith, members of the committee. Thank you for the opportunity to discuss the Defense Department's role and the whole-of-government rebalance to the Asia-Pacific region.

I would like to express my appreciation for the support of this committee to our men and women in uniform and the civilians who support them.

Let me begin by telling you why we are rebalancing to the Asia-Pacific. The administration's focus on the Asia-Pacific is based on a careful assessment that America's prosperity and continued security are increasingly tied to the Asia-Pacific.

One-third of global trade, including \$1.4 trillion in two-way trade annually with the United States, is with Asia. Half of the world's shipping by tonnage passes through the waters of the South China Sea.

As countries and people throughout the region become more prosperous, it is ever more important to the global economy, the United States will be an active partner in the region's growth.

Rebalance also reflects strong and long-standing ties between the United States and the countries of the Asia-Pacific, where the United States has long supported security and stability with our military presence and partnerships.

I want to emphasize that the Department of Defense's role in the rebalance is only part of the broader U.S. Government effort that also includes our diplomatic, social, cultural, political, and trade initiatives.

The Defense Department contributes to the administration's aim of a secure and prosperous Asia-Pacific through five primary lines of effort: transforming and modernizing alliance and partnerships; enhancing our defense posture in the region; updating operational concepts and plans; investing in the capabilities we need to secure our interests throughout the region; and finally, strengthening multilateral cooperation and engagement.

Admiral Pandolfe and Under Secretary Kendall will have more to say about posture, plans, capabilities, so I will focus my opening remarks on what we are doing with allies, partners, and regional institutions to achieve our strategic objectives.

The Department is modernizing our defense alliances and partnerships, including with our five treaty allies in the region, to address the challenges of the 21st century.

With Japan's Ministry of Defense, for the first time since 1997, the Defense Department is reviewing the defense guidelines that underpin our cooperation.

We are also realigning our forces to ensure a sustainable presence over the long-term, most notably, our Marine Corps presence in Okinawa.

We are also cooperating to enhance defense and space architectures. A new cost-sharing agreement with the Republic of Korea, completed earlier this month, will help to ensure that we have the resources necessary for the combined defense of the peninsula.

We remain committed to the conditions-based transition of operational control. And together, we have developed a plan to effectively counter North Korean provocations.

With Australia, we are building upon the interoperability gained by fighting side-by-side in Iraq and Afghanistan, by rotationally deploying up to 2,500 marines and additional aircraft to the Northern Territory.

We are also deepening cooperation in areas like space and cybersecurity.

The Department is negotiating a framework agreement with the Philippines, which will provide U.S. forces the opportunity for greater rotational presence, and will contribute to the Philippine Armed Forces' modernization and capacity-building efforts.

We continue our work with Thailand's military to implement the Joint Vision Statement for the alliance, focused on supporting interoperability, encouraging Thailand to take a greater regional leadership role, and strengthening relationships at all levels.

In addition to this work with our treaty allies, the Department engages with many other partners throughout the Asia-Pacific to contribute to common security needs. For example, participation in numerous exercises in support to the Philippines, following Typhoon Haiyan, by the littoral combat ship USS *Freedom*, during its rotational deployment to Singapore; improving Indonesia's maritime security and international peacekeeping capability; increasing Vietnam's capacity to conduct maritime search and rescue activities; and working with New Zealand through renewed defense policy and military staff talks. A critical element of our long-term strategy in Asia is to build a strong relationship with India and China. As rising powers, they have a special role to play in the future security order.

With India, we are successfully moving toward a partnership based on shared interests, including maritime security, humanitarian assistance, disaster relief, and counterterrorism.

We are also deepening our discussions of defense trade, technology, and regional security.

The Department of Defense also continues to engage with China, where our cooperation directly supports the maintenance of the peace and stability in the Asia-Pacific, and is a key component to our overall approach in the region.

We have made progress in cooperative capacity-building in areas such as military medicine, counter-piracy, humanitarian assistance, and disaster relief.

With regard to Taiwan, the Department continues to comply with the one-China policy, three U.S.-PRC [Peoples' Republic of China] joint communiques and the Taiwan Relations Act, making available to Taiwan the defense articles it needs to maintain sufficient self-defense.

Our relationship with Burma is another area we expect progress in the coming years. Further progress on defense ties will be contingent on continued progress by Burma in the areas of human rights, democratization, national reconciliation, and suspending defense ties with North Korea.

We have also significantly increased our efforts to increase multilaterally, both through institutions such as ASEAN [Association of Southeast Asian Nations] Defense Ministers Meeting Plus [ADMM-Plus], and by enhancing trilateral cooperation with allies and partners on common interests. Last year, the ADMM-Plus hosted three multilateral exercises focused on maritime security, counterterrorism, and humanitarian assistance and disaster response.

These efforts offer a critical avenue for increasing familiarity and building habits of cooperation that help nations effectively work together and reduce the risk of miscalculation when military forces interact.

The Defense Department will continue to prioritize the Asia-Pacific region in our activities, exercises, and investments over the coming years. We look forward to the continued support and contributions of this committee and to ensure the United States is positioned to protect our interests across the region.

Thank you very much, and I look forward to your questions.

[The prepared statement of Mr. Lumpkin can be found in the Appendix on page 50.]

The CHAIRMAN. Thank you.

**STATEMENT OF VADM FRANK C. PANDOLFE, USN, DIRECTOR
FOR STRATEGIC PLANS AND POLICY, JOINT STAFF, J-5**

Admiral PANDOLFE. Good morning, ladies and gentlemen.

Chairman McKeon, Ranking Member Smith and distinguished committee members, thank you for the opportunity to offer my thoughts on the Asia-Pacific rebalance.

Every day, the joint force conducts real-world operations, exercises, and senior leader engagement in the Asia-Pacific region in support of the administration's rebalance policy. These activities facilitate greater interoperability with regional forces, mitigate risk of miscalculation, and reduce the likelihood of conflict. Supported by our robust regional force posture, U.S. engagement in the Asia-Pacific is essential to regional security.

I will speak for a moment about operations. The United States forces in the Asia-Pacific region operate continuously on land, in the air, and on the sea. These forces routinely conduct freedom-of-navigation operations, deployments, and port visits. They also work with regional partners to respond to natural disasters. Our presence deters North Korean aggression and ensures unrestricted access to the global commons.

As a recent example, U.S. forces responded quickly and efficiently by supporting the U.S. Agency for International Development's humanitarian response to the Philippines in the wake of Super Typhoon Haiyan in November of 2013. The scope and speed of our response—more than 13,400 personnel, 66 aircraft, and 12 naval vessels—clearly demonstrated the depth of U.S. commitment to the region.

By evacuating 21,000 people and delivering nearly 2,500 tons of relief supplies, U.S. forces again showcased the ability to respond rapidly and effectively. Activities like this increase interoperability with allies and partners, which in turn improves their ability to respond to a range of contingencies. U.S. forces' long-term operational presence in the region also serves to deter threats to peace and stability.

Let me turn for a moment to exercises. As Acting Under Secretary of Defense Lumpkin stated, regional relationships form the foundation of our alliances and partnerships in the Asia-Pacific. Solid relationships are built on familiarity, trust, and communication. These effectively increase our capability to work together in any number of scenarios.

Military exercises have proven to increase interoperability across key mission areas such as humanitarian assistance and disaster relief, counterterrorism, maritime security, and peacekeeping. As the rebalance continues, regional exercises continue to grow in scope, participation, and sophistication, ranging from basic unit-level training to complex, multinational exercises such as RIMPAC [Rim of the Pacific] and Cobra Gold. In 2014, RIMPAC will include Brunei and China for the first time. Thailand-based Cobra Gold will see participation by Indonesia, Japan, Malaysia, Singapore, and the Republic of Korea, among others.

Through our exercise program and other engagements, we are helping our partners take the lead in addressing regional challenges. Additionally, we are working closely with the Department of State to assist nations in strengthening their maritime security capabilities.

A few thoughts on senior leader engagement. Senior uniformed leaders are taking advantage of opportunities to reach out to our counterparts in the region. For example, Chairman Dempsey traveled to China in April 2013 for high-level meetings with the Chinese chief of the General Staff and other key Chinese leaders. And he will host a reciprocal visit in May. He hosted allied defense chiefs from the Philippines and Australia in 2013, as well as the Malaysian chief of defense just this month.

The chairman also accompanied Secretary Hagel to Korea for the annual alliance conference in September of 2013. PACOM commander Admiral Locklear and his service component commanders continuously engage with their regional counterparts, hearing their concerns, reassuring them of continued support, and demonstrating U.S. commitment to the rebalance.

Regarding force posture, this commitment is most vividly demonstrated by physical presence. Our close relationship with regional allies and partners is enabled by U.S. force posture in the Asia-Pacific, which assures access and reduces response time.

In addition to our long-term presence in Korea and Japan, rebalance initiatives in Darwin, Australia, and Singapore continue to bear fruit. Rotational Marine Corps deployments to Darwin began in 2012. We sent a company-level rotation of marines there for 6 months last year and will eventually grow this rotational presence to 2,500.

Additionally, the littoral combat ship [LCS] USS *Freedom* completed her first deployment to Singapore in November of 2013, and we will see up to four LCS rotationally deploy there by 2017. These are just two of a number of ongoing force posture initiatives in the region.

As the rebalance to Asia continues, our commitment to the region reassures allies and partners and deters those who would undermine stability. U.S. commitment to the region is demonstrated by our ongoing activities, our ongoing exercises, and senior leader engagement, all underpinned by our physical presence.

I look forward to your questions on these and other topics this morning. And please, accept my thanks to this committee for all you have done for our men and women in uniform.

Thank you.

[The prepared statement of Admiral Pandolfe can be found in the Appendix on page 57.]

The CHAIRMAN. Thank you.

Mr. Kendall.

STATEMENT OF HON. FRANK KENDALL, UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY AND LOGISTICS, U.S. DEPARTMENT OF DEFENSE

Secretary KENDALL. Chairman McKeon, Vice Chairman Thornberry, Ranking Member Smith, distinguished members of the committee, thank you for the opportunity to testify before you today also.

My responsibilities in the Pentagon are focused in large part on maintaining the military technological superiority of the United States. As Mr. Lumpkin and Admiral Pandolfe described, we face numerous challenges and opportunities in the region of the Asia-Pacific. The investments in technology and materiel we are making are intended to enable us to continue to effectively pursue America's interests in this region, particularly in the face of North Korea's nuclear weapons proliferation and missile programs and the increase in what we call anti-access area denial military capabilities.

North Korea's most significant development is in the area of medium- and long-range ballistic missiles that could be equipped with nuclear warheads. Our investments to counter these threats fall primarily into the area of missile defense, both national missile defense and regional missile defense. We are increasing the number of ground-based interceptors at Fort Greely, Alaska, have deployed a THAAD [Terminal High Altitude Air Defense] missile defense system battery to Guam, and are in the process of introducing a second TPY-2 [Transportable Radar Surveillance] ballistic missile defense radar into Japan.

These investments will enhance our ability to defend the homeland and Japan. These efforts complement our ongoing initiatives

to strengthen ballistic missile defense capabilities in general, including our SM3 Block IIA standard missile codevelopment program with Japan, and work on more capable and reliable interceptors, and on the ability to discriminate between reentry vehicles and other objects.

Anti-access area denial capabilities that concern us cover a range of conventional capabilities. In the case of China in particular, for example, they include space control investments; offensive cyber capabilities; conventional ballistic and cruise missiles with precision-seekers designed to attack both fixed land installations and surface ships, including aircraft carriers; air-to-air capabilities, including fifth-generation fighters; long-range missiles with advanced technologies seekers; and electronic warfare systems.

China is also developing and fielding advanced air defense systems. China is pursuing a long-term comprehensive military modernization program focused on anti-access area denial capabilities. Today, our investments, on the other hand, are being limited by budget cuts that fall disproportionately on modernization, research and development, and procurement.

The size of the immediate reductions we are experiencing is bad enough. Uncertainty about future budget reductions make sizing our force problematic and encourages a slower drawdown in our force structure. This in turn causes even larger reductions in modernization. This issue was highlighted in the Department's Strategic Choices Management Review last year. Until we reduce our force size to sustainable levels, we will be forced to disproportionately reduce modernization—the very investments that provide us with technological superiority in the Asia-Pacific region and elsewhere.

Despite our resource constraints, the Department has taken steps to address these threats. Over the past 3 years, but especially since the Defense Strategic Guidance was published 2 years ago, we have been making R&D [research and development] and procurement investments focused on the Asia-Pacific region and the type of concerns that I mentioned.

I cannot comment on planning for the fiscal year 2015 investments. However, I can discuss example fiscal year 2014 investments that were requested by the President, authorized by this committee, and appropriated by the Congress. These investments include the following categories: cyber defense, man-based key asset defense, surface ship defense, maritime surveillance, air dominance including electronic warfare, and precision strike.

I would like to conclude with the following key points. First and foremost, on the perspective of technological superiority, the Department of Defense is being challenged in ways that I have not seen for decades, particularly in the Asia-Pacific region. Technological superiority is not assured and we cannot be complacent about our posture. This is not a future problem. It is a here-now problem.

Second, our ability within the Department to respond to that challenge is severely limited by the current budget situation. While we wrestle with the uncertainty caused by sequestration and therefore the uncertainty about what force size we will be able to afford

over the long term, we are losing time, an asset that we can never recover.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Kendall can be found in the Appendix on page 62.]

The CHAIRMAN. Thank you very much.

Deterring a rising China and assuring our Asian allies and partners are critically important to the security and stability of the region. Our allies are wary, wondering if we will follow through on the rebalance. The worst thing we can do is build up expectations and not follow through. I welcome the focus on the Asia-Pacific and appreciate the priority given to our forces in the region.

However, as I said in my previous statement, when President Obama announced this rebalance, he assumed the war in Afghanistan was winding down and Al Qaeda was on the path to defeat. If you look at the headlines over the last year, you know that that is not the case. We are struggling now to see if we can even get the bilateral security agreement, if we can get through the elections, if we can leave a residual force to continue the training. So we still have serious problems there.

So how do we reprioritize the Asia-Pacific while also maintaining sufficient force posture in the Middle East and Africa, and sufficient force posture to meet the rest of our military commitments across the globe, and to respond to potential crises, all while our force size and defense budget are declining?

Our commanders in the Asia-Pacific are telling us they are being cut less than others. So prioritizing the rebalance does not mean prioritizing additional resources for the region; it really means being cut less. It also means the other geographic commands are being cut more.

So the question to follow up on is, What exactly is being rebalanced if the Department is still cutting PACOM and cutting other commands more? Additionally, we have to be worried about the volatility in the Middle East and Africa, and the likelihood of conflict there.

In order to support the rebalance to Asia, are cuts being made to forces and readiness in the Middle East and Africa? This sets us down a dangerous path towards one major contingency operation, where, in order to support one region, the PACOM, we are exposing another, the Middle East.

Now, I know that you don't create the budgets. This committee doesn't create the budgets. And I think we all have these same questions, but we want to hear from you how best we can deal with these situations in a really declining budget situation for our Armed Forces. How do we make—how do we do more with less, I guess is what my question is. How do you see us moving forward?

Mr. Lumpkin.

Mr. LUMPKIN. Mr. Chairman, thank you for the question.

The commitment to the Asia-Pacific rebalance is steadfast. However, I think what we will see as we have requirements in other theaters that our timing, and the pace of the rebalance, may be subject to adjustments as we move forward, depending on what the rest of the world has.

But we are 2 years into the rebalance, as we are moving forward; it was announced in 2012. And we are moving forward, and it is happening, as we outlined in our opening comments.

Admiral PANDOLFE. Sir, the situation you point out is very compelling. I would offer three thoughts to how to address as best we can, within the current set of circumstances, our goal of reorienting towards the Asia-Pacific.

First, we have to continue to prioritize the posture changes which are in play now and keep them funded so that the reallocation of forces from the Middle East back into, in this case, their home bases in Asia-Pacific region and the redistribution of forces within the Asia-Pacific region continues apace.

You have seen that with the Navy's intention and the Air Force's intention to rebalance their forces to roughly a 60/40 orientation. Additionally, the Marines are looking at relocating some of their forces, and the Army is having their forces return to home bases out there, now that Iraq is over and as Afghanistan winds down.

Secondly, I think we need to continue to focus on keeping our most capable capabilities flowing into that direction, and that is the intent.

And thirdly, to Mr. Kendall's world, we need to keep a sharp eye on R&D dollars to make sure that they are moving in the direction that is the most effective regarding the emergent challenges from that theater.

The CHAIRMAN. Thank you.

Mr. Kendall.

Secretary KENDALL. This is a little bit out of my lane, Mr. Chairman, but I just want to echo what Mr. Lumpkin said earlier, that this is a whole-of-government rebalance to Asia-Pacific. It is not just the Defense Department, and it is certainly not just about forces.

A great deal of what we are doing is partnership building. A great deal of what we are doing is senior leader tension in relationship-building in the area. Increased exercises, as Admiral Pandolfe mentioned. So a lot of those things can happen, even in a reduced-budget situation.

The CHAIRMAN. Thank you. Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman. Just seeking a greater clarity on what you mean by the rebalance. And I think it is more complicated than just: we are going to put more troops there. That, I don't even think is really the most important part of it, but I want to get some specifics.

And Mr. Kendall, you mentioned relationship-building. What are some of the key elements with whom—who—are we wanting to make—build these relationships with? And what are the key aspects of U.S. foreign policy that are going to be important in the rebalance, aside from the moment on, you know, how many ships, troops, or whatever we have in the region.

When you guys are thinking about, you know, whether or not the rebalance to Asia is going to be done, we are going to follow through on the commitment, as the chairman is concerned about. What are the three things you say that we need to be doing to make sure that the region knows that we have done this rebalance? I guess, outside of troop numbers, relationship-building. What is

really important to make sure that we know that we have a strong presence there and that we care about the region.

Secretary KENDALL. I will take my piece of that.

The CHAIRMAN. Sure.

Secretary KENDALL. And I think the others should comment as well.

In my own case, I have been to Asia twice within the past year. And it has been largely to talk to our friends and allies about cooperative activities.

The Asia-Pacific region includes India, which is very important to us. Japan, South Korea, Australia, Singapore, other nations out there that we are building our relationships with, where we are giving cooperation.

In my world of acquisition programs and technology development, that is just one facet of it, and I think the broader issues are more with the policy side of the house.

The CHAIRMAN. Mr. Lumpkin, you want to take a stab at that?

Mr. LUMPKIN. Absolutely. And I think it goes back to it, for three principal things we can do is—and that is to, as I mentioned earlier, is to modernize those alliances and partnerships, some of them going back a number of years, and to re-looking as the security situation in the region is changed, to make sure we are opening those dialogues, and continuing to update things as they go.

But also, it is the mil-to-mil [military-to-military] relationships as doing—increase our mil-to-mil engagements throughout the region.

And finally, I think another key piece to this is the focus on updating operational concepts. As we look at Air-Sea Battle, as we look at things of that nature, is to bring things and we can harmonize everything with, not only within the Department of Defense, but also within the region, based on the security concerns.

The CHAIRMAN. All right.

Mr. SMITH. It is not necessarily your lane, but on the economic side, obviously we have got the Trans-Pacific Partnership hanging out there. How important is that, and Admiral, I will ask you as the one in the region the most. You know, how important is that to the relationship? And what other things are out there on the economic side that are important to our rebalance to Asia?

Admiral PANDOLFE. Well, if I could, I would like to add to what these two gentlemen said regarding your initial question that, you know at the COCOM [combatant command] and fleet level, additional initiatives to pursue—pertain to continuing the exercise program and expanding it, as we are doing with traditional allies and with new friends.

Conducting operations together, when that becomes called-for, for instance, the typhoon response was an excellent example—

Mr. SMITH. Right.

Admiral PANDOLFE [continuing]. Of working together, and key leader engagement are the things that we do in our realm.

Pertaining to economics, it is not really my sphere. My understanding is that the conclusion of that agreement will foster economic growth in the area. And to Mr. Lumpkin's opening statement, the Pacific rebalance was really a whole-of-government approach, of which the military was a subset.

So that your focus on the importance of strengthening economic ties, I think, is absolutely critical, and my understanding is this vehicle is key to that effort. Unfortunately, it really isn't my area of expertise.

Mr. SMITH. Okay. Thank you.

I yield back, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Thornberry.

Mr. THORNBERRY. Thank you, Mr. Chairman.

You all may feel like you are getting a similar question several times, but if rebalancing is going to be something more than just a marketing label, then something has to change. Something has to be done differently than was previously done.

And so Admiral, I understand the point about "it is a whole-of-government, it is not all DOD [Department of Defense]," but, under, from an operational standpoint for DOD, if you had to tick off the three main pieces of evidence that show that something has been done differently over the past year or so, to show a rebalance to Asia, what are the three most significant things you would just tick off, right quick?

Admiral PANDOLFE. I think the first pertains to the chairman's comments about force flow.

The CHAIRMAN. Admiral, can you move that mic a little closer please?

Admiral PANDOLFE. How is that, is that better?

So I think I would start by commenting on force flow. During the previous 10 years, when we had two major conflicts raging in the Middle East, a disproportion of forces flowed to that area relative to where they would normally be operating.

So we became out of balance in terms of an equitable spread of force structure, and in terms of resource allocation. So the rebalance is really about restoring that balance: getting forces more equitably applied and in the case of the Asia-Pacific, applied to an area where we see great equity importance as we move forward.

And you are seeing the forces flow back into those bases as we have now have left Iraq and we are starting to build down in Afghanistan.

Secondly I think, I would look at, again, posture. And again, it is more of a policy lane, but the agreements we have made to relocate forces from say, Okinawa, and into Guam, et cetera, the agreements we have with Australia. Posture is just better, we feel, for the emerging challenges in that area that we may see in the future.

And thirdly, it gets back to the point I made a moment ago. We are evolving both our exercise program and our engagement program so that it focuses on the skill sets that we think will need to be strengthened and expanded in the area to best deal with the kinds of scenarios that we face.

So you see a physical movement. You see a quantitative adjustment. And you see an area of focus being sharpened, looking to the future in this area.

Mr. THORNBERRY. How many more people do we have in the Asia-Pacific region today than we had 3 years ago?

Admiral PANDOLFE. Sir, I would have to take that for the record and come back with a precise answer.

[The information referred to can be found in the Appendix on page 69.]

Mr. THORNBERRY. You think we have more or—

Admiral PANDOLFE. If you benchmarked it against the height of the wars in Iraq and Afghanistan, I believe forces have returned, and the answer is yes.

I would have to give you a year-by-year breakdown as to how that balance adjusted as we drew down in Iraq, and have drawn down in Afghanistan; and for instance, the 25th ID [Infantry Division] heads home, and these forces go back to their—and so forth, go back to their home bases.

Mr. THORNBERRY. Mr. Kendall, your last paragraph was kind of sobering, I think, about we are not necessarily guaranteed to maintain a technological edge, and particularly, with the Chinese putting a lot of investment into anti-access/area denial [A2/AD], counter-space and cyber.

And I guess, in this forum, I kind of—I guess I would like to know, are we keeping up? Because they are pushing a lot of money, resources, and effort, and making some progress, if you believe the press. We have budget constraints.

So the question is, how is this race going?

Secretary KENDALL. Overall, China's military investment are increasing in double-digit numbers each year, about 10 percent. Their budget is far smaller than ours. But their personnel costs are also far smaller than ours.

Our budget is going the opposite direction. So despite that metric alone, it is not positive.

I came back to the Pentagon about 4 years ago after having been away for about 15 years. And every morning I get an intelligence brief, which is largely technical intelligence, because of my position.

And I was struck immediately by the nature, scope, and quality of the investments that are being made in A2/AD, as we call it, anti-access or denial capabilities. And over the last 3½, almost 4 years, nothing has changed that initial impression.

The Department has responded to this. And it is very consciously responded to this as we have gone through, particularly, the strategic review we did 2 years ago.

As we go through our budget cycles, we are looking very carefully at specific commands' requirements and what they need for the operations in that area with potential future concerns Admiral Locklear might have. And we are prioritizing those investments. So we are responding.

As you mentioned, the constraints on budgets alone make it more difficult for us to do that. Couple that with the uncertainty about how much force structure we are going to be able to retain; the lack of a ramp to get us more gracefully to a future budget size you may end up with.

That all compounds the problem for us. So it is difficult to do everything we need to do right now.

The CHAIRMAN. Thank you. Mr. Andrews.

Mr. ANDREWS. Thank you, Mr. Chairman. I thank the witnesses for their excellent testimony.

I believe that this rebalancing is the right priority for the country. And I think that the strategy that you gentlemen have outlined to us this morning strikes a sober balance between an optimistic context in which our economic relations with the emerging Chinese power there are improving, and a more pessimistic sense that they may not.

I want to focus on that pessimism, since that is what Members of Congress are really very good at. And without being provocative or in any way jeopardizing relationships, let's look at the worst-case scenario.

I think it is the worst-case scenario, in which our relations with the PRC would turn quite frigid. There would be bellicose behavior by the PRC. And we find it necessary to position ourselves for the possibility of some conflict, kinetic activities in that area involving the PRC.

I think that is truly the worst-case scenario. I don't predict it. I don't wish for it. But I would like to know what we do about it.

How does this rebalancing position ourselves for that worst-case scenario?

Mr. LUMPKIN. I think the key focus of the rebalance here that exists there is building the relationships with our partners and our allies in the region to make sure we are all working together to make sure that this situation that you are hypothesizing actually doesn't come to be; that we have collective interests, and we work together, again, to make sure the security environment doesn't get us to that point.

Mr. ANDREWS. But what does that mean in practical terms? I mean, let me use this example: To the extent it would be necessary to establish significant operating bases in South Korea or Japan, how viable is that, given our present posture toward those nations and some of the legalities that exist?

I mean, if we had to turn South Korea into a Kuwait, for example, in terms of operational capability, how ready are we to do that under this rebalancing plan?

Mr. LUMPKIN. That is a hypothetical that I would prefer not to get into, just because I don't think it is helpful to that.

Mr. ANDREWS. And I fully appreciate that. Provocation is not the goal of these questions; a sober analysis is.

Let me ask it in a little less provocative way. Are there any shortages we have in our force structure, or our naval structure, our infrastructure? Are there any shortages that you see, and given the present budget realities, that would impede our ability to be as ready as we need to be under that worst-case scenario?

Mr. LUMPKIN. I would defer to my joint staff counterpart here.

Admiral PANDOLFE. So these are excellent questions, and we would be happy to address them in a closed session where we could get into some of the details.

Mr. ANDREWS. I would welcome that. I think that is appropriate as well. Yes.

Admiral PANDOLFE. So if you don't mind, I will leave it at that.

Mr. ANDREWS. Sure. Secretary Kendall.

Secretary KENDALL. I don't want to dig the hole deeper, but I will give you a very general answer.

First of all, it depends a lot on the timeframe. The situation today, I feel very comfortable about our capabilities. I am not sure we would be able to say that in 5 or 10 years down the road.

The trajectory for our relationship with China is uncertain today. Where are we going to go in the future? One of the reasons we are focused on Asia-Pacific is we want to exert our best influence, that trajectory, to go in a positive way, and not to get into a—

Mr. ANDREWS. If we had the ability to make the investments that would make you more confident about 5 to 10 years down the road, where would we put the first dollar in order to raise that confidence?

Secretary KENDALL. I think there are a range of things that deserve greater investment than we may be able to afford with the current levels. I would like to get into—it is very hard for me to talk about some of these without getting into classified matters.

Mr. ANDREWS. I understand.

Secretary KENDALL. Both with the point of view of our capabilities, and the point of view—

Mr. ANDREWS. I don't want to, in any way, come close to that line. So to the extent that you would like to pursue this in a classified setting, I would like that.

Just again, I think that these grim scenarios are the least likely. And I think that is great. But—and our history is dotted with circumstances where the grim scenario comes to being. And I just want to be sure, as we do this rebalancing, we thought about all of them; and in our role, as people who write the budget bills, and who do the oversight, that we are appropriately sober and aware about those risks.

I thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you. Mr. Forbes.

Mr. FORBES. Mr. Chairman, thank you, first of all, for holding this hearing, and for this important focus. Gentlemen, thank you for your preparation in coming here. I know you have all worked very hard and done so much in this area.

Mr. Lumpkin, much of the debate over American military strategy in Asia is focused on the high-end warfighting scenarios. And certainly, while this remains central, Chinese actions in recent months, including continued patrols in the Senkaku Islands, its declaration of ADIZ [Air Defense Identification Zone] in the East China Sea, the event involving the USS *Cowpens*, and the new Chinese fishing regulations in the South China Sea, have led some observers to conclude that the most likely competition in Asia today, and the most likely source of a crisis that escalates to conflict, is occurring in a state of perpetual low-level contest in what the Japanese call the gray zone between war and peace.

The administration has responded with efforts to build partner capacity and strengthen regional institutions. But this will take years, if not decades, to bear fruit.

And beyond the normal kind of roundup the usual suspects of, we need more diplomacy with the Chinese, we need to encourage our allies to do something, whatever that might be, we need to set up more talks, or express our frustration more boldly, what specifically can the administration do to defend its interest in this gray zone, in terms of acquisition and planning?

And then the second question, does the administration share the view that China's actions have violated U.S. national interests in the freedom of navigation, the free flow of commerce, and the peaceful settlement of disputes in accordance with international law?

Mr. LUMPKIN. Thank you for the question, sir. I would defer any acquisition, you know, to Under Secretary Kendall.

But I will tell you that as we look at China in our ongoing relationship, China is a rising power. There is no doubt. And as they build their military capability, they are extending their reach as it goes out throughout the Pacific region. And our interaction with them is going to continue to increase, just because of the size of—the ocean looks very big, but when you get ships out there, and you have people working in the same areas, they are going to run into each other. That is just the nature.

Mr. FORBES. But Mr. Lumpkin, I don't think these are just accidental run-ins. I think China has taken a policy of more aggression, wouldn't you agree with that, over the last year, 2 years?

Mr. LUMPKIN. Well, I would agree that, again, they are going out, and making their presence known in the region. For issues—for example, the ADIZ that was created, we don't recognize that. We are doing business like we were before.

So that said, I don't see that U.S. national security concerns are being directly challenged. I just think the interaction, as we have more assets together in the same area, our interaction is going to increase.

Mr. FORBES. So it would be your conclusion that none of the Chinese actions have violated any U.S. national interest in freedom of navigation, free flow of commerce, or peaceful settlement disputes in accordance with international law?

Mr. LUMPKIN. At this juncture, they have not done anything that we recognize as to be a violation of our national security.

Mr. FORBES. Mr. Kendall, if I could—my last minute and a half, if you could address maybe the acquisition part of it. I am going to follow up Mr. Thornberry's line of questioning. It concerns me on the technological situation, too, because throughout history, these things have been game-changers when they come up and surprise us.

One of my questions to you, along with what we can do additional in acquisition, is when did the Pentagon administration first realize that this technological superiority was challenged? Because we have had a steady decline over the last several years of cuts. So we had, first, \$100 billion, and then \$487 billion. We have been pleading with you guys to come over here and tell us the problem.

When did it first become a concern to you? And how come you guys haven't come over here and told Congress way before we got to January of last year, "Hey, this is a big concern, and we are worried about it"?

Secretary KENDALL. It became a concern to me personally fairly early in my tenure in this position. It became a more visible concern, I think, to the Department after the strategic review that we did when we were faced with the BCA [Budget Control Act] cuts, the first round of BCA cuts.

So I think that if you look at the documents we have been publishing each year on China, which Congress requested of us, and that review and the product that came out of that, with the rebalance Asia-Pacific is a central piece of that strategy that, for some time, we have been talking about this.

We have also been talking, I think, about the needs for modern weapon systems, in general, for quite some time. I don't think anybody has been quite as pointed as I may have—

Mr. FORBES. My time is up. But I would love to talk to you more about this and maybe put some response to the record because I appreciate all your work.

Secretary KENDALL. I would be happy to do that.

Mr. FORBES. Thank you, and I just—I apologize, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman, for calling this meeting.

And I have a question here for Secretary Lumpkin. As you know, the recently passed fiscal year 2014 defense bill provides resources and it loosens restrictions on the spending of Japanese funds for the realignment of Marines from Okinawa to Guam.

Now I am a strong proponent of this initiative, and I believe that it is the cornerstone of the rebalance effort, and it enhances our bilateral relations with Japan.

Can you comment on the tangible impacts or benefits that progress on the realignment that it has to do to our overall rebalance strategy? Does progress on this realignment help to demonstrate our commitment to allies in the region?

Mr. LUMPKIN. Yes, ma'am, absolutely it does. It does just that.

As we move from Futenma to the Camp Schwab, the northern part of Okinawa, we remove the U.S. Marine Corps concentration to a more—an area with less population and makes, provides less risk to the population there.

Also, the other key piece that it does is it firmly reestablishes Guam as a hub, as we move the up to 5,000 marines to that area, as we continue to build more assets.

So I think it does several things. One is that it does continue to demonstrate our commitment to the Japanese people and our treaties and partnerships. But also demonstrates to the region that Guam is going to be an increasingly pivotal player in the area.

Ms. BORDALLO. Thank you. Thank you very much.

I just returned with our chairman of the Readiness Subcommittee, Mr. Wittman, and we had a very thorough examination of Camp Schwab and Futenma and all the other camps in Okinawa.

Admiral, I have a question for you. As Readiness Subcommittee ranking member, I am concerned about the readiness of our military forces in the PACOM area of responsibility. Now do the military services have adequate capacities to meet the PACOM combatant commander's war plan requirements?

And if not, what are the consequences? And how is the Department working to address these shortfalls? In particular, is equipment from retrograde being prioritized to this region?

Admiral PANDOLFE. Well, again, as stated earlier, we really can't get into a detailed discussion of war plan execution. But I will take on the larger issue of readiness, to which you speak.

And we are concerned about the readiness of the force and particularly the consequence of sequestration on readiness. As you look at the way the budget cuts unfold—and I am a strategy guy, not a budget guy, but I follow this inside my service and others—readiness suffers first. And we have seen that.

The service chiefs, the service secretaries, the chairman and the vice chairman have been up on the Hill, they have made very clear their concern for the impact of sequestration both long-term and even under the latest respite that concern of the impact of these cuts on readiness immediately.

Ms. BORDALLO. Thank you. Thank you.

My last question is for Secretary Lumpkin. I am deeply concerned about the current status of relations between Japan and South Korea. Actors on both sides have either taken unfortunate actions or made unfortunate statements. Now how does this current situation impact our training and operations in the region? And does this make integration between South Korea and Japan more difficult? And how is the U.S. working to bridge the gap between our two most critical allies?

I really believe the U.S. needs to take a more proactive role and spend a little diplomatic capital to right the situation.

Mr. LUMPKIN. Well, we have a long, multilateral relationship, of course, with Japan and the Republic of Korea. And we continue to dialogue with them on issues of this nature.

I would argue that the relationship between the three, historically, is much larger and much deeper than these issues that we have seen as of late. So I remain very optimistic that we will get past some of these obstacles that have recently appeared. And I think we are—those dialogues and discussions are happening.

Ms. BORDALLO. Well, I hope you are right in that.

And Mr. Chairman, thank you. I yield back.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman. And thank you each for being here today.

It is an honor for me to follow Representative Madeleine Bordallo. She is such a dedicated Member of Congress, and we are very fortunate as we think of the Asia-Pacific area, how fortunate we are to have this strategic outpost, the great territory of Guam, the extraordinarily patriotic people of Guam.

And so as we look at the Pacific-Asia area, gosh, we can begin at Guam. And I am very pleased about that for each of you as we plan ahead.

Admiral Pandolfe, are we appropriately postured to address the intelligence challenges presented by denied environments? And if not, what investments do we need to make?

Admiral PANDOLFE. Well, clearly maintaining dependable and robust what we call intelligence, surveillance, and reconnaissance, ISR, is critical, both at the national level as well as the operational and tactical levels.

And as Mr. Kendall can elaborate, we have a set of initiatives to sustain our ability to assess the theater and to detect problems should they emerge.

To your point, sir, maintaining that capability is a critical focus of investment. And without getting, again, into sensitive programs, it is recognized that the realm of information management is critical in this age, and we are—that is one of the areas that we do focus on.

Mr. WILSON. And Mr. Lumpkin, how do the countries of the Asia-Pacific region view the rebalance strategy? How do these Asian-Pacific states perceive challenges, such as the fiscal constraints facing the U.S. military as it rebalances?

Mr. LUMPKIN. Thank you for that question.

Our partners and our allies are very pleased with the rebalance, as that we are shifting and our focus on the area, and they understand through senior leader engagements—the Secretary was—visited three times last year in the Asia-Pacific region. They enjoy the additional dialogue, focus, and effort.

So to date it has been very well received.

Mr. WILSON. And I have had the opportunity to visit with Congresswoman Bordallo, Vietnam, and the capability—capacity of POW/MIA [prisoner of war/missing in action] efforts. And it is really reassuring to me to see the new relationships that we have with the Republic of Vietnam and what this can mean for our security.

For each of you, what is your assessment of the U.S. military relationship with South Korea and Japan? And what is the potential of building trust and cooperation between these two countries to counter the threat of Pyongyang?

Mr. LUMPKIN. Again, the relationship remains very good with both. And our commitment on all three sides of this relationship is enduring. And I, again, remain extremely optimistic that together we are going to continue to do good things for the security and the economic prosperity of the region.

Mr. WILSON. And Mr. Kendall.

Secretary KENDALL. My experience of my area with both South Korea and Japan has been very positive. Japan, I think, is making some very constructive changes in terms of how it is organizing and manages its military, and how—its ability to interact with partners such as the United States.

Korea is wrestling with how to best modernize its force, given its resource constraints, but working very closely with U.S. Command in Korea, as it sorts all that out.

My own experiences have been very positive with both nations.

Mr. WILSON. Additionally, I am very grateful, I have been the chairman of the India Caucus. India, the world's largest democracy. America, the world's oldest democracy. What is our status currently with the military of India?

Mr. LUMPKIN. Our relationship with India continues to blossom, as we find common interests and work together throughout the region. We have done our military defense sales from a decade ago to now have increased from zero to a significant amount. So we have a very good relationship and we are continuing to build it.

Mr. WILSON. And in conclusion, my dad served with Flying Tigers, CBI, China-Burma-India. And as I was growing up, he told me how capable and confident the people of India are.

So thank you again for all of your efforts.

The CHAIRMAN. Thank you.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

Mr. Lumpkin, I just want to follow up on that first question that Mr. Wilson just asked about our allies' sort of, you know, belief that this rebalance is tangible.

The New York Times—and I will be very specific—the New York Times reported recently that there is sort of like a submarine acquisition and building boom going on in Asia right now, where, I mean, everybody from Vietnam, Malaysia, Philippines, India, are out buying or building submarines.

And it would seem that that is kind of happening kind of willy-nilly. And maybe in reaction to just sort of whether or not our Navy is going to be able to match the policy, again, because of the fiscal constraints.

So again, I just wondered if you could sort of use that as an example of whether or not people are in agreement with it, as you said, but whether they are still kind of hedging their bets with their own sort of build-ups?

Mr. LUMPKIN. Well, I think everybody realizes that a strong military-to-military relationship across the entire area based on common interests will support everybody equally. I think when it comes down to it, the proof is in the pudding. You know, in the long term, we have to follow through on everything that we have said we are going to do, not just the Defense Department, but again, the whole of government.

So we are 2 years into a kind of a multi-decade rebalance. So, we are kind of in the early stages right now. So, arguably our partners and allies are waiting to see us come through. And I would also argue that they are probably hedging their bets somewhat just to make sure that they can, you know, have the ability to self-defend on their own.

Mr. COURTNEY. Do you see that as a positive development? I mean, again, they feel—or that they are building up their navies and—I mean, they are our allies and, you know, we certainly support their—you know, their right to defend themselves. But it seems like, again, we are sort of—there is an arms buildup that is happening there.

Mr. LUMPKIN. Well, I actually think—I do see it as a positive issue. And the reason why is that we are not responsible, therefore, for the defense of everybody. We have partners that can provide forces based on common interests and it gives us the ability—mechanisms for us to work together with our allies and our partners. Again, I don't see it as a negative thing.

Mr. COURTNEY. A number of you mentioned in your testimony the 2014 RIMPAC [Rim of the Pacific] exercises that China is going to participate in. That is kind of extraordinary. I am trying to get my head around that. I mean, because obviously the A2/AD issue is one of the challenges that certainly our Navy—naval forces are going to have to contend with. And having China participate, can

you explain it a little bit, how that works and how—you know, the benefits of it in terms of having their participation?

Admiral PANDOLFE. The invitation for the Chinese to participate in the 2014 RIMPAC is part of the larger set of initiatives to engage China, to try to continue to integrate them into the family of nations as they become more prosperous and to expose them to the international norms by which the family of nations respects each other and cooperates in the international commons.

So, this was one initiative in a family of initiatives to include visits and talks aimed toward that end. In the exercise, they will participate. They will send a ship and they will participate in the humanitarian assistance, disaster relief, search and rescue, and medical end of the exercise.

Mr. COURTNEY. Okay, so those are sort of more in the benign, non-military end of operations, I guess. Is that a safe description of it or accurate description of it?

Admiral PANDOLFE. Correct.

Mr. COURTNEY. Thank you.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman.

I want to pick up a little bit on where the chairman and Mr. Thornberry were kind of going.

And that is a recognition that we have been at war with Islamist extremists, as the 9/11 Commission told us more than a decade ago; have done a lot of fighting. That war is still there whether we choose to recognize it or not because they have chosen to be at war with us. And we see actually growth and spreading of some organizations—Al Shabaab, Al Qaeda and Islamic Maghreb, in the Arabian peninsula, and so forth.

So, my point is that didn't go away. And as we start to rebalance to the Pacific, I am trusting that there is some significant effort in that war. Not that you can't have Islamist extremists in the Pacific, but clearly things in some parts of the world outside of Pacific Command are still in pretty tough shape.

So, I spent a lot of years in PACOM back in my uniformed days and I am a little bit excited about this. But I am concerned that we not try to move too quickly. And so, I want to go to Secretary Kendall. Some 20 years ago, we were just reminiscing, we were working down the hall from each other in the Pentagon. And I would argue that the defense acquisition system was in not the best of shape back then, and nor is it today.

So, this committee has worked on this. We had a bipartisan effort, sort of a special ad hoc committee that Mr. Andrews and Mr. Conaway put together talking about trying to straighten out a mess where you have got the Pentagon, whose finances are so bad it is not even capable of being audited. So, I would say that, Secretary Kendall, you have got a really big job because you have got an acquisitions system that is kind of a mess. And I see the title has changed over the years since I was there and you are the Under Secretary of Defense for Acquisition, Technology and Logistics. So you have got a pretty big handful.

And part of that logistics and so forth is you have got equipment that is still moving, trying to be moved back and forth from Afghanistan. And you have got equipment that has had to be replaced. The services have got some pretty aging stuff, and so you have got a replacement piece of this. You have got a modernization piece. And now you have got a rebalancing piece.

So, good luck, but my question—what I am trying to get to here is how are you, sort of, what is your workload? Are you mostly logisticians? Are you worried more about R&D? Where do you see this rebalancing changing any focus that you have?

Secretary KENDALL. Interesting question, Congressman. Great to see you again, by the way. And I apologize for remembering you as an Army officer earlier when you were actually a Marine. Excuse me for that.

Mr. KLINE. That hurt, but—

Secretary KENDALL. I know. But I was an Army officer, so take it as a compliment.

Mr. KLINE. And I have forgiven you that years ago, Frank. It is all right.

Secretary KENDALL. I said in my opening comments that a large part of my job was about technological superiority. The other large part of my job is about getting as much value as possible for the money we spend outside the Department with contractors. And that covers all those other areas you talked about. It covers all the services that we buy, as well as all the products that we buy. It encompasses, of course, acquisition, logistics and technology—all of those things.

I am on a long quest to make improvements in our efficiency and effectiveness of our acquisition system. Dr. Carter and I when I was his deputy started something called the Better Buying Power initiatives. And I have revised that and upgraded it and continued it in the last 2 years since I have been in the position.

We are going to keep doing that. I think there have been a lot of attempts to solve acquisition problems with silver bullets. None of them have ever worked. It is hard work. It is professionalism. It is attention to detail. It is 100 different things done well and we have got to be able to do all of them.

And it is just a continuing effort. It is a long-term effort. I have a rare opportunity for acquisition executives to be in this position over a number of years so I can keep that pressure on to improve how we do business. It is particularly important right now while we are under the resource constraints that we get as much as we can for every penny that we have. And that is what we are squeezing our workforce to make sure that they do.

But thanks for the question. It is a very, very important part of what I do.

Mr. KLINE. Well, thanks for the answer. And I meant it seriously, not flippantly, when I said good luck. You have got an awful lot to do. We want to be helpful and we will hopefully be able to continue to work with you to help improve that acquisition system. And then, of course, we have got the whole challenge of resources which we will be working on.

Mr. Chairman, I yield back.

Secretary KENDALL. If I could, Congressman, I just want to point out what Congressman Thornberry is doing in acquisition reform. We are working closely with him on that and we are very happy to be helpful as the committee moves forward.

The CHAIRMAN. Thank you.

Mr. Enyart.

Mr. ENYART. Thank you, Mr. Chairman.

Gentlemen, could you indicate what impact, if any, do you anticipate the downturn of the Chinese economy would have on their long-term military budgets?

Mr. LUMPKIN. Again, this is kind of speculation, is that my sense is that they will have to make some tough choices at that juncture as far as what do they resource—they will be in a similar situation as we are looking at as how do they spend their money. And my sense is right now because they are in the growth phase, they will probably be unlikely to level off for some period of time. But I think there is going to be some trade-space they are going to have to sit down and really consider on what they are going to do in the long term.

Mr. ENYART. What is the relative size of the Chinese military budget compared to our military budget?

Mr. LUMPKIN. I don't know that off the top of my head. I could take that for the record unless somebody here has that.

Secretary KENDALL. The published number is about a quarter of ours, but that is considered to be way under what they actually spend. The other thing to factor into the equation with China is that their personnel costs are much less than ours are. That skews the results a little bit.

Mr. ENYART. You had indicated that in an earlier answer, Mr. Kendall, could you tell me what the difference between personnel costs amounts to?

Secretary KENDALL. I will take that for the record, Congressman.

[The information referred to can be found in the Appendix on page 71.]

Mr. ENYART. Thank you.

Could one of you indicate for me what are the strategic implications of the aging Chinese population, and additionally, the strategic implications of the aging Japanese population?

Mr. LUMPKIN. Candidly, sir, that is outside kind of my—what I deal with as far as the economics and the population, but I could take that for the record and do some homework and work with the interagency to try to get something back to you.

[The information referred to can be found in the Appendix on page 71.]

Mr. ENYART. And can one of you indicate to me at what point the Chinese fifth generation fighter will be fully operational?

Secretary KENDALL. I think we would have to get into classified matters to talk about that, but it is the next few years in general.

Mr. ENYART. And this may verge into classified, too, but could you indicate what you anticipate the eventual size of the Chinese fifth generation fighter fleet to be and at what point do you expect it to reach that culminating point?

Secretary KENDALL. Those estimates would definitely be classified, Congressman.

Mr. ENYART. Okay.

Do we anticipate that the Chinese will be exporting the fifth gen fighter?

Secretary KENDALL. In general, we would expect the Chinese to have export versions of the equipment that they build. That is their pattern. I don't know if would be exactly the same or what time they would export it, but we can expect it at some point in time.

One of the concerns about China is not just that they are modernizing. We don't anticipate a conflict with China, certainly. But that they do export, and the focus systems that they develop, we would face potentially with other people.

Mr. ENYART. And at what point do you anticipate those exports might begin and to whom?

Secretary KENDALL. We would have to get into classified data to talk about that.

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

The CHAIRMAN. Thank you.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

Secretary Kendall, I want to come back and talk specifically about some of the intelligence, surveillance, and reconnaissance programs in the pivot. I was glad to hear you talk about value for the money. I represent Robins Air Force Base, which is home of the J-STARS [Joint Surveillance Target Attack Radar System]. It is certainly a battlefield management program that we couldn't have operated without high-demand, low-density.

And I would like to, you know, hear your thoughts on that platform as it relates to the Asia-Pacific region. Certainly their ability to give us the tracks and the targets that we need. And I would like to know, you know, when it comes to these ISR platforms, one of my concerns is that when we have a platform that is paid for by one branch, but predominantly supports the mission of another branch, as we get into the budget decisions, you are going to be the one that has to balance that. And, wondering if you have seen any difference there with what the branches have recommended in the future for ISR platforms.

Secretary KENDALL. Well, in general, I think the importance of ISR was highlighted by Admiral Pandolfe earlier. It is of course, important to us. It is particularly important in the Pacific region because just of the geography, the expanse of the Pacific region.

We are and have been considering all of the programs that are associated with that. I am not going to be able to get ahead of the Secretary and the President in terms of announcing budget decisions or talking about them, really.

Mr. SCOTT. Sure.

Secretary KENDALL. But, I will say that we are conscious of ISR requirements from our combatant commanders, and they are looked at both by the joint staff and at the Secretary and Deputy Secretary level to determine what the overall needs of the Department are and how to best meet those.

We do try to balance that across, and Admiral Pandolfe may want to talk a little bit about allocation of joint ISR in response to your question.

Mr. SCOTT. Thank you.

Admiral PANDOLFE. Well, once it is acquired and it is in the inventory, we have a global management process by which the competing requirements of the different combatant commanders are adjudicated and prioritized to try to ensure that the most critical needs are met for all of them, and that if there happens to be a particular focus at the moment that is driving a greater amount of need for that theater or for that time, that the emergent requirement is fulfilled as well.

So it is both. It attempts to be both equitable and somewhat predictable to allow for program management and budgeting. But also flexible enough to respond to emergent requirements.

Mr. SCOTT. I would like to again reiterate, you know, the J-STARS have been flying consistently for decades now. The battlefield management platform, I think, is extremely important to all branches. It is pretty much, you know, the guys on the ground, the Army guys, rely on it a lot. And I just want to make sure that when we get into reductions in spending that we are looking at the overall operations and the mission for the country as a whole and not getting into conflict among the different branches, if you will.

Secretary KENDALL. I can assure you that we are looking at it at the joint level, at the departmental level, and considering the whole, total requirements that we have.

Mr. SCOTT. Well, with that said, Secretary, if you have a chance to come to Georgia, I would love to take you on a flight on a J-STAR. Show you.

Secretary KENDALL. I have some history with J-STARS. I was in the Pentagon when we deployed it into the first Gulf War.

Mr. SCOTT. Right.

Secretary KENDALL. And we are lobbying very hard to see it deployed there. Also had a ride about a year ago and really enjoyed it very much.

Mr. SCOTT. Right.

Thank you very much. Mr. Chairman, I yield the remainder of my time.

The CHAIRMAN. Thank you very much. Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman.

Gentlemen, thank you for your service.

There are troop—we have withdrawn troops from Iraq. We will have all of our combat troops home from Afghanistan by the end of this year. Meanwhile, conflict continues to either rage or percolate throughout the Middle East. And we have had a diminution of resources to our Defense Department. And now, we are rebalancing to the Asian Pacific. What does this rebalance mean to our allies in the Middle East? What are the ramifications of the rebalance to our ability to sustain whatever level of operations are called for in the Middle East, and what are we looking at for our future?

Mr. LUMPKIN. Thank you for that question, sir.

As you are keenly aware, the way the Department on the military side is organized is by geographic combatant commanders. So each one of them has not only a focus, a long-term focus on their specific regions, and the two that you bring out specifically are the Pacific and the Middle East. So we have CENTCOM focused on there, who is always working to planning pieces and identifying the

force requirements, and we have the same thing in AFRICOM, focus in Africa, and throughout the globe.

So it is certain that there is a finite amount of military assets to cover the entire, you know, the globe, and the requirements out there will always supersede the demand signal, it will supersede what we have in our inventory. But we do have the ability to make those decisions to put the assets where they best serve U.S. national interest.

So I do not believe that we are going to see a significant degradation in capability in the Middle East or Africa based on the rebalance.

Mr. JOHNSON. Anyone else care to respond?

Admiral PANDOLFE. I would echo Mr. Lumpkin's comments that if you refer to the Defense Strategic Guidance, it points out two particularly critical parts of the world: one is Asia-Pacific, and the other is the Middle East. Our staying engaged in that part of the world is also critical.

And you know, to use your word, we are working very hard to sustain those commitments, to make sure that our allies and friends in that area understand that we remain dedicated to also addressing the challenges of that part of the world.

Mr. JOHNSON. Thank you.

Mr. Lumpkin, beyond its overt military capabilities, how does China utilize its economic and diplomatic instruments of power to wield influence in that region, and are those instruments effective?

Mr. LUMPKIN. There is no doubt that China is on the economic rise and therefore, it affects relationships, you know, free trade, and trade arrangements within the region.

So economically, as they continue to realize the growth that they are realizing, they have cash, and they have assets, and they have the ability to reach out and touch people throughout the region. So there is an effect, and again, I think that is why, as we look—we need to look at the entire region to make sure that our best interests are realized, and that we work to support with our allies to make sure our end states are achieved.

Mr. JOHNSON. All right. Thank you. I will yield back.

The CHAIRMAN. Thank you. Mr. Nugent.

Mr. NUGENT. Thank you, Mr. Chairman, and I appreciate this panel particularly. I want to thank Mr. Kendall for his graduation from West Point. I am a proud dad of two West Point grads, so it means an awful lot.

Secretary KENDALL. Beat Navy.

Mr. NUGENT. Go Army, beat Navy. It hasn't happened in 13 times, but we are pulling. Last time we won, was, my son was a plebe at West Point. My older son.

But getting on to the questions, I have many, but one is—it relates to CHAMP [Counter-electronics High Powered Microwave Advanced Missile Program]. And I am sure you are all aware of what CHAMP is. That is a non-lethal weapon. It uses a microwave emitter to knock out electronics of an enemy without causing damage to people or structures.

Now, I know the Air Force has successfully tested CHAMP on a cruise missile delivery vehicle in Russia. Fitting that weapon to cruise missiles is cheap for us to produce. We have them in our in-

ventory, and it will only take about 18 months to start delivering CHAMP cruise missiles to PACOM.

Where do we stand? I know the Air Force has talked about a different delivery vehicle which is obviously years down the road in acquisition and cost. Where do we stand in utilizing the current platforms that we have available to us?

Secretary KENDALL. Congressman, I am going to have to take that one for the record.

[The information referred to can be found in the Appendix on page 71.]

Mr. NUGENT. Okay.

Secretary KENDALL. I don't have a good answer for you right now, sorry. I am aware of the program but I am not that familiar—

Mr. NUGENT. I understand. There are a whole bunch of questions that can be asked, and I understand that you can't know all the answers, but I do appreciate you taking that for the record.

Secondly, there is—the Air Force—and this may be off-topic somewhat so you may have to answer this also, but the Air Force, in its allocation this year for a replacement of the, I believe it is the Pave Hawk, or the Pave.

Secretary KENDALL. Yep, Pave Hawk.

Mr. NUGENT. That is our search and rescue helicopter that was, in 2000, it was indicated that that bird should be replaced. And we know that we have issues in regards to keeping those in the sky, and it is particularly troubling for me as to the Air Force's position as to, are we going to actually do that contract starting this year? Because it is budgeted for.

Because I want to make sure that, you know, our airmen and soldiers and marines that are in combat, if needed, we have the resources to rescue them. So I want to know, and that may have to go to the record also, but could you comment on the acquisition of those?

Secretary KENDALL. In general, we had a procurement in process for that capability, but in the budget situation we are in, we had to revisit whether that could continue, and I am not going to be able to get into what is in the fiscal year 2015 budget at this point. It hasn't come out yet, so—

[The information referred to can be found in the Appendix on page 71.]

Mr. NUGENT. And lastly, on the issue of the National Guard. Obviously, the National Guard is of utmost importance to States. It is very important to the State of Florida, obviously the readiness. Deployments of National Guard resources are a plus for those guardsmen, because of particularly, on the training aspect of it, it gives them the ability to learn their craft, trade craft, better, particularly for our aviation assets.

Do you see that being utilized—National Guard rotations—to PACOM to assist, obviously National Guard, but to assist in the mission of PACOM?

Secretary KENDALL. I am sorry. I think we are going to have to take that one for the record also.

[The information referred to can be found in the Appendix on page 71.]

Mr. NUGENT. Okay. Well, I am sorry I stumped the panel. So three for three. So once again, we will leave it at that. And go Army, beat Navy. So thank you very much.

I yield back.

The CHAIRMAN. Thank you.

Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman.

I only have a couple of questions. A lot of good questions have been asked today. I got here late, so all my questions or most of my questions were asked. But a few that were not.

First off, for Mr. Kendall, in your comments, your written comments to the committee today, near the end you discussed the budget situation a little bit and challenges they have with regards to maintaining the investment in the technology that we need.

I am just curious. I am not asking you to divulge what is in the 2015 budget. But my understanding is that the direction the Pentagon received recently was to find a certain percentage cut in order to invest that into readiness, including cuts in technology.

So I am curious, generally, if that is the case? Second, if the debate within the budget, since in 2015 the administration will have about \$1 trillion and \$15 billion to split among the Defense Department and domestic agencies, if the budget deal that we passed in December holds. That is the discretionary budget.

If that, in fact, does hold, how much of this debate about the budget within the Pentagon has to do with Congress and how much of it has to do with the choices the Pentagon is going to have to make itself given the budget limitations?

I mean, in other words, is technology going to win or is readiness going to win?

Secretary KENDALL. Interesting way to put it. I think we will—I don't want to get ahead of the Secretary, but what we will try to do is strike the best balance that we can. We would do that under any circumstances, I think.

The problem that the Department has is a combination of the degree of cuts from what we wanted to meet our strategy 2 years ago, and the quickness with which those cuts occur. This is the problem of a lack of a ramp that was highlighted in the Strategic Choices Management Review.

There is also the other factor, which is the uncertainty about where we are going, which as I mentioned in my opening comments—I am not sure if you were here—makes it very difficult for us to plan.

I have never in—I have been doing this for about 40 years now, and I have never seen such a big disconnect between our budgets and our budget requests—and the potential that we would get back from the Congress. A \$50 billion gap between what we would request and what we would get back.

Our budget isn't just requests for money, it is also our plan. It is what we intend to try to execute. And it is what we think we need. So this large disconnect is creating a lot of problems with us, from a planning perspective.

In one sense, the budget is also the opening round of a negotiation over where we are going to end up. So it has that feature, as well.

What we have been wrestling with, and the Bipartisan Budget Act gave us a little bit of help, certainly in 2014, less so in 2015, is how do we work our way through this, deal with this uncertainty, deal with the potential lack of a ramp, knowing what we would like to have to meet our strategy and what we might actually end up? It is a real dilemma for the Department.

The Secretary will be over here to explain to you how he has tried to resolve that, he and the President have tried to resolve that, in a few weeks. And I don't want to get ahead of what they are going to come over here to talk about.

Mr. LARSEN. Thanks.

And then probably for Mr. Lumpkin, could you talk about, with regards to the rebalance, how we try to—I don't know the term—how does the U.S. try to massage itself into existing historic tensions that already exist in that region, even among allies? And how that impacts our ability to implement rebalance?

Mr. LUMPKIN. It is a great question because that is frequently what you are kind of doing, to use your word, massage. It is how you work the relationships to optimize the end states and to make sure that we are all working based on collective interests.

So I would argue that it is a process and it is done through increased dialogue and discussion. And this is why our multilateral partnerships are so important. Because you can bring multiple people to the table at the same time and find those common interests and to work to overcome those issues that you described.

Mr. LARSEN. Is there any—do we ever get any resentment or any sort of blowback sort of under the theme of “if you only knew,” “if you really understood it, America, then X?”

Mr. LUMPKIN. I haven't heard of any specifically, but I will tell you that it is a process. You know, it is just building on—there are personal relationships that go back decades, people who have been working these issues. And so—some discussions are more candid than others. And when you can achieve that where you are having very candid discussions on the issues is where you make the greatest gains.

Mr. LARSEN. Yes, there are just some issues outside of this committee's control or even outside of the administration's control we just have to work with.

Mr. LUMPKIN. Correct. Yes, sir.

Mr. LARSEN. Okay. Thank you so much. I appreciate it.

I yield back.

The CHAIRMAN. Thank you.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. Thank you all for being here.

I wanted to start off by asking a rather parochial question about San Diego. And if you could respond, obviously with a pivot to the Pacific, I think that San Diego has some expectations about the number of carriers in the future and also about the number of additional ships and high-technology ships in the region.

Could you respond in terms of whether or not that makes sense for San Diego? And whether or not we are sending that message to others as well that we are shifting some of our operations there?

Mr. LUMPKIN. Thank you for that question.

San Diego, of course, where I was born and raised, is a critical location for the Asia-Pacific region. We have the Navy, the Marine Corps team, RIT, working throughout the area. And we have a long and deep history there.

I don't have—you asked a question about carriers. I don't have that off the top of my head, but I can go ahead and take that for the record and what it will look like today and in the future.

But I do understand that there will be carrier swaps going on as we are doing refueling and things of that nature within Japan itself, but I can take that one for the record for you.

[The information referred to can be found in the Appendix on page 69.]

Mrs. DAVIS. So we certainly recognize the necessity in terms of maintenance and other issues, but I guess what I am wondering about particularly is the message that we are sending that we are beefing up our Pacific position and the role that San Diego might play in that.

Thank you. I appreciate it.

I also wanted to just to turn to it a second. We have been focusing a lot on budgetary issues, quite understandable, and certainly the concerns that we had over sequestration.

But I wanted to also ask about the increased military presence in the Pacific—PACOM AOR [area of responsibility], affecting deployment lengths, troop morale, and military families. We would anticipate more military members would be stationed overseas or outside the continental U.S.

And how are we planning for that and anticipating the need that that is going to have on our personnel issues?

Admiral PANDOLFE. Well, as we withdraw from Afghanistan, and we have completed the withdrawal from Iraq, we have reset a portion of the force, which has allowed us to gain some breathing space in the personnel tempo, which has been very, very high, as you know, for a number of years.

So there is some good news there. Counterbalancing that, however, is the fact that we are simply not as large as we used to be in the services. And as mentioned earlier, several times, the world remains a complex place, which generates significant demand on presence, not just in the Asia-Pacific region but elsewhere.

So the services are working very hard to try to find the balance between having the right forces forward to deter conflict and to respond effectively to crisis, but also maintain a quality of life for our volunteer force that would allow them to remain in for a career, and equally or more important, make sure their families get to see their loved one and they have a good quality of life.

Without getting into the next budget, that tension is going to be something that we have to keep a very close eye on.

Mrs. DAVIS. Are there issues, as well—we talk about the Pacific and we are obviously focused on the Navy, the Marines in the Pacific. But in terms of how we balance and align in the Pacific theater, we are also concerned about the Army and the role that they would be playing differently in terms of that joint force. How does—what are the questions, then, that have to be answered in that regard, as well, that would have a real impact on how we move forward?

Admiral PANDOLFE. So, so, you are absolutely right. The theater is heavily maritime and aerospace. My Air Force friends would tell me. And so—

Mrs. DAVIS. Yes, of course.

Admiral PANDOLFE [continuing]. Both the Navy and the Air Force are moving 60 percent of their force structure into the Pacific area by 2020, into that timeframe.

But the Army and the Marine Corps are also changing. The Marine Corps, as you know, is redistributing its footprint and addressing its emergent missions in a more efficient way, it feels, both in terms of operations but also in terms of host nation sensitivities, in the case of Okinawa.

For the Army, as I understand it, they have elevated the Pacific Army Commander to a four-star position. He is focusing on interacting with his counterparts in a heavily militarized part of the world. He has proposed some innovative ideas about how to train with his counterpart forces and train his forces to be complementary and effective, given the kinds of scenarios which we can foresee in that part of the world.

The CHAIRMAN. The lady's time has expired.

Mr. McIntyre.

Mr. MCINTYRE. Thank you, Mr. Chairman.

And thank you, gentlemen.

Mr. Lumpkin, I noticed in your testimony on page 4 at the top, you talk about our decade-long relationship with fighting side-by-side with Australia in Iraq and Afghanistan, and mention the Marine deployment to Darwin, and also the agreement for U.S. military aircraft to use Royal Australian Air Force facilities in Northern Australia. Is there any agreement with regard to—Admiral, you can answer this as well—with regard to the Navy and ships using the Australian ports for exercises that are occurring?

Mr. LUMPKIN. I will have to defer to you, Admiral.

Admiral PANDOLFE. We have been making port calls to Australia for many, many years. And they are a wonderful ally. My understanding is that the negotiations as to the longer-term relationship with Australia are still taking place.

So the focus of the effort has been on the rotational Marine presence. And I am really not in the position to comment beyond that.

Mr. MCINTYRE. Okay. Is that something you could get back to me separately?

Admiral PANDOLFE. Absolutely.

Mr. MCINTYRE. Could you do that in the next 5 business days?

Admiral PANDOLFE. Yes, sir.

[The information referred to can be found in the Appendix on page 69.]

Mr. MCINTYRE. Okay. That would be great. Thank you. And then to all of you, I wanted to just develop this a tad more.

We know that among the strategic initiatives that DOD is developing, is the new Air-Sea Battle Concept that is intended to increase joint operational effectiveness of U.S. Naval and Air Force units, particularly in operations for countering anti-access strategies.

What I am wondering is how are we resourcing this concept? And what next? What new next-generation capabilities will be required for these resources to be met?

Admiral PANDOLFE. I will start with the conceptual side, and I will hand off to Mr. Kendall for the specifics of the resourcing.

Air-Sea Battle is an operational concept. And the thrust of it is to find efficiencies, both business efficiencies and operational efficiencies between the services—specifically, the Navy and the Air Force, but other services as well—to ensure that we can maintain access around the world, wherever it might be threatened.

So Air-Sea Battle is something we are working on. It is a service-level initiative. And again, it is about planning and investing wisely to generate capabilities that are complementary, and optimized for the kinds of challenges we see coming at us in the decades ahead.

Mr. MCINTYRE. And what are we doing to resource it for the new next-generation capabilities?

Secretary KENDALL. The resources, it is more about how we use equipment than it is about what we buy. But there are some resource implications.

Increasingly, we fight as a network force. And to a degree, would make that network force joint, we could be much more capable. So systems like the F-35 will be coming into the inventory with the ability to fight as a team with other assets, including cost-service assets, much more capably than we can do today; also, some things in the command, control, communications world that we can do, dealing with current inventory.

The Navy has a concept called NIFC-CA [Navy Integrated Fire Control-Counter Air], which is basically integrated fire control for their forces, which we can expand. We are looking at integrated air and missile defense capabilities as well.

So there are a number of things we can do that essentially enable the kind of cooperative operations that are envisioned by the Air-Sea Battle Concept.

Mr. MCINTYRE. There were some comments in your remarks about space capabilities and reconnaissance in working, for instance, with the Australians on space. Does that mainly deal with defensive measures, or is that more research and exploration measures, with regard to space?

Secretary KENDALL. We do work with the Australians in a number of areas. Space is one of them. I can't get—I am not sure I can get into much more detail than that without getting into classified—trying to be careful here.

But they are one of our closest partners. And that is one of the areas where we are cooperating.

Mr. MCINTYRE. Thank you. Thank you, Mr. Chairman.

Mr. FORBES [presiding]. Ms. Speier is recognized for 5 minutes.

Ms. SPEIER. Mr. Chairman, thank you. And thank you, gentlemen, for your testimony. I was able to hear your testimony, but had to leave to participate in another committee hearing. So I apologize if these questions have been already asked.

But let me start by asking the question. There appears to be confusion by our Japanese allies about how much we are willing to commit to the Asia-Pacific corridor. And all intents and purposes,

it has been robust, even though there has been sequestration in other areas.

So I guess my question to each of you is, how do we go about clarifying that to them so they have more confidence in our commitment there?

Mr. LUMPKIN. We have regular dialogue with our Japanese counterparts on the rebalance and what we are doing particularly with regard to Japan; hence, the Futenma replacement facility movement, moving U.S. Marine Corps assets out of Okinawa.

So I feel actually quite comfortable that they are cognizant—

Ms. SPEIER. There is no longer confusion—

Mr. LUMPKIN. Yes. I don't see the confusion with where we are going or what we are trying to do.

Ms. SPEIER. All right. Mr. Kendall, in your testimony, you highlighted the P-8A [Poseidon] surveillance aircraft. And the Director of Operational Testing and Evaluation [OT&E] found the aircraft as not effective for the mission of hunting submarines or performing reconnaissance over large areas due to a number of, quote—"major deficiencies."

So tell me why the Department decided to go into full-rate production anyway?

Secretary KENDALL. The P-8 is being fielded in incremental capabilities. There is a pre-plan—this is all part of the way the program is laid out. It was laid out to fill a certain level of capabilities initially and then to add more capabilities in the next increment.

That increment is ongoing. It is in development. So the capabilities that the OT&E report talked about not being there are underway, they are coming. They just haven't gotten to that phase of development in the program yet.

The things that we did put in are working as expected. They are doing what we wanted them to do. That was our highest priority. We are going to move on to a wider area of surveillance capabilities within a few years.

So the aircraft actually is, I think, a relatively successful program, despite the tone of that report.

Ms. SPEIER. So you just dispute the report outright?

Secretary KENDALL. The report is factually correct, but it doesn't acknowledge the fact that this was the plan. The plan was to develop a certain set, and fill a certain set of initial capabilities for local anti-submarine warfare [ASW] capabilities, and then add capabilities to that in increments.

It is an acquisition strategy that has been used in a number of programs to—instead of trying to go for everything at once, you get the first capability first, and then you incrementally add more to that. That is exactly what we are doing. That was exactly what we had planned. And it is being executed successfully. We just are not there yet.

So he is right, in that we do not have all the capabilities we want to have. But we are going to get them.

Ms. SPEIER. Okay. So if there are major deficiencies right now in this one mission component—

Secretary KENDALL. But the other things that it was—

Ms. SPEIER. The others are working admirably.

Secretary KENDALL. It is local area, ASW, is the initial capability, essentially. And we get wider-area capabilities as we get additional centers, and additional processing, so on, on the aircraft. But that is underway. That is in process.

Ms. SPEIER. But have we continued the production of this particular component, even though it has major deficiencies, is my question?

Secretary KENDALL. When you say "deficiencies," what that means is it can't do certain things. It doesn't mean it is a bad design. It doesn't mean that there are problems with the airplane. It is a very good product.

It just hasn't put on to it yet the things that it needs to have on it to do the other jobs it is going to do. So as we put them on, it will not have those deficiencies. But they are not there yet, but they are going to be put on.

Ms. SPEIER. Okay. The report also speaks to the fact that the cybersecurity is quite poor. And maybe this has already been discussed during the hearing. But the report says, "Red Teams were consistently able to penetrate and exploit networks during testing, which showed that local network defenses are insufficient to protect against a determined or well-resourced cyber adversary. An execution of wartime missions should be considered at moderate to high risk until it can be demonstrated to be resilient."

I just left a committee hearing where our total focus is on whether there are cyber issues relative to the Affordable Care Act. And here, we already have a report that says this is a big problem.

And I guess my question to you is, what are we doing about it?

Secretary KENDALL. We are trying to strengthen our cyber defense capabilities across the board. Anything that hooks up to the Internet has some vulnerabilities built into it. And we put protections in place, but it is a constant struggle to stay ahead of potential adversaries, or people who are actually not potential adversaries, they are current adversaries. They are trying to get into our systems.

So we are continuously trying to improve the level of cyber defense that we have. But many of our systems do need to tie into commercial applications for supply reasons and so on.

The other thing that happens often in the red-teaming that OT&E does is that they are able to talk their way into the system somehow, gain the confidence of somebody and get into it. And that is one of the things that they often point out.

It is more of a training issue than it is anything else. It is what we call "hygiene," where people who operate the system have to understand their jobs, be much more careful about who they give access to. That is the other thing we actually have to work on more.

Ms. SPEIER. Mr. Chair, my time is expired. But I would like to have a more specific answer in terms of what tasks are being undertaken to prevent the cyber break-in.

Mr. FORBES. Thank you. So they can submit that for the record or in a private briefing, Ms. Speier.

[The information referred to can be found in the Appendix on page 70.]

Ms. SPEIER. Thank you.

Mr. FORBES. Gentlelady's time is expired. Gentleman from Virginia, Mr. Wittman, is recognized for 5 minutes.

Mr. WITTMAN. Thank you, Mr. Chairman. I would like to thank our witnesses for joining us today.

Secretary Kendall, as you know, I am a proponent for a robust naval fleet. One of the things that concerns me these days is making sure we have significant industrial base to be able to do that, and make sure we have a significant capacity and capability in our fleet for the future.

In that context, in these financially strained times, in making sure, too, that we are keeping in mind timeliness, how can we not continue the LPD-17 [Landing Platform Dock] class?

And I say that because we have now the LXR class to replace the LSD [Landing Ship Docks]. The LSD is an aging class. Those ships are going to be retired.

We have before us an opportunity to be able to make an efficient decision to make sure we meet the needs within our L-class ships, making sure that we meet the requirements that are out there, both in the rebalance to the Asia-Pacific, but also where other needs are.

And if we are really going to have a wise strategy to optimize our investments and make sure that our strategy going forward provides us the ships that we need, it seems like, to me, would be foolish to start from the keel up to start another class of ships that takes years to get to actually being at sea, and we are not going to take advantage of the economies that we have already gained by developing the LPD class to put a replacement in place for the LXR, or the replacement for the LSD class of ships.

Can you give us your perspective on where we need to go to optimize our strategy as far as shipbuilding, especially in light of constrained budgets and the timeframes that we are talking about, in trying to create a replacement class for LSD?

Secretary KENDALL. Well, first of all, the amphibious shipping is important to us. And in the context of the rebalance to the Asia-Pacific, obviously naval forces are important to us. That said, we have to live within our budget constraints.

I am not going to be able to comment on that specific plans at this point just because the budget hasn't come out yet. We are not prepared to do that. I can say that in the case of some of our amphibious shipping that the Navy is re-looking at some of their requirements to try to determine the best way ahead and some of that work is still ongoing.

Do you want to comment on that, Admiral?

Admiral PANDOLFE. As you know, sir, the LPD-17 is a superb ship. It had a little bit of a rough start. We have worked through those problems and it is an excellent ship and it fits within the family of ships. So, the Navy, and I am a joint staff officer at the moment, but I am sure they are looking at a number of options for the LSD replacement. But I cannot comment on what the preferred option could be. I don't have insights into that and at this point in the budget cycle, it wouldn't be proper.

Mr. WITTMAN. Well, let me ask you this—just your professional comment, then, from both you and Secretary Kendall. Based upon the cost of going through the development and design and then ul-

timately the build of a new class of ships, and knowing what the requirements are for the LXR, knowing what we have, and knowing the timeframe it takes to put a new ship class to sea.

And as you spoke about, the challenges in putting a new ship class through the paces to actually get it to work out the bugs, do you believe that using a whole form like the LPD in looking at the LXR class is a viable way to go about making sure that we look at cost and timeframes to get the new ship class to sea?

Secretary KENDALL. I think we are looking at—the Navy is looking at a range of options and it is—their re-look at all of this is driven by affordability constraints. So, we will be looking for the most cost-effective option when we make a decision. And if that is one of the ones that should be on that list to be considered, then I hope we will do so.

Mr. WITTMAN. Very good.

Admiral, let me ask, I was just in the PACOM AOR, had meetings there with our allies. And we have made a number of trips there. And the big thing that we are hearing back from allies there is, you know, we hear the words of rebalance, but we want to see what the commitment is as far as resources. We want to make sure that you have your forces here that are not just here, but are properly sized, properly trained, and properly equipped for the missions there in that particular AOR.

And knowing, too, that the requests from the COCOM specifically, the PACOM combatant commanders in their war plan requirements and their OPLAN [operational plan] requirements, will they be able to execute plans based on the current efforts within the PACOM AOR? And if the existing capabilities aren't there, will they be there? And do we have the resources necessary to place the necessary capabilities and capacities there in the PACOM AOR?

Mr. FORBES. We are going to have to ask you—unless you can give us a yes or no on that one, if you can submit that for the record, because the gentleman's time is expired.

[The information referred to can be found in the Appendix on page 70.]

Mr. FORBES. Mr. Kilmer is recognized for 5 minutes.

Mr. KILMER. Thank you, Mr. Chairman.

And I apologize in advance if any of these questions were previously asked and answered.

I have just got three questions. One, I am hoping you can speak, Mr. Kendall, to some of the implications of the pivot on maintenance of naval vessels. Should the committee be aware of any future stresses that may arise?

Secretary KENDALL. I am not aware of any. There is general stress in the Department on readiness, including maintenance at this point, because of sequestration or the potential for sequestration going forward. I am not aware of any specific issues that are focused on rebalance to the Asia-Pacific. Obviously, if we increase the size of the fleet there, we will have to increase the amount of maintenance we do in that area at the same time, but that goes with the force structure deployments.

Mr. KILMER. Thank you.

And any changes necessary related to overseas work and the deployment of civilians overseas? I know just in talking with the Fed-

eral workforce in my neck of the woods, sometimes some of the specialized work in Japan, for example, around nuclear engineering, it is hard to get folks to uproot their families and things of that nature.

Any changes we ought to be thinking about in that regard to deal with that challenge?

Secretary KENDALL. I can't give you any specific data on this, but in general, we are trying to find ways to save cost. And those do tend to be expensive. So if there are ways we can cut costs there and still get the job done, we would be very open to that. On the other hand, if there is a legitimate requirement and we need to have the people there, then we are going to have to do it.

Mr. KILMER. And then my final question is more, I guess, of local interest. Several minutes ago, I learned of DLA's [Defense Logistics Agency] interest in either reducing or closing the Defense Fuel Support Point—Manchester. This raises several concerns with regard to numerous national security missions that are carried out by the Army, Navy, Air Force, and Coast Guard who are customers of the facility.

I am concerned that a move of that nature would negatively impact the rebalance and unfortunately DLA I think hasn't sufficiently studied the effects of this intended action. To ensure that the subject is studied accurately, NAVSUP [Naval Supply Systems Command] has commissioned a business case analysis [BCA] of their own which is due out next month.

Could you please assure me that all of the findings from NAVSUP's BCA will be specifically addressed in DLA's BCA before it is approved?

Secretary KENDALL. Congressman, I am not familiar with that specific issue, but I will look into it and I will ensure that any appropriate input is taken into account.

Mr. KILMER. Thank you. I would be grateful if you could follow up with us.

Thank you. I yield back.

Mr. FORBES. Thank you.

The gentleman from Arizona is recognized for 5 minutes.

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

And thank all of you for being here.

Admiral Pandolfe, my first question to you, sir. There is really no doubt about China's increasing ballistic missile threat. I am especially concerned about their hypersonic technology. And I am wondering how do you think that our missile defense capability is postured to respond? And what should we be doing more and how should we be trying to involve our allies in what they can do more to help us deal with that growing threat?

Admiral PANDOLFE. Let me, Congressman, address the issue broadly first, and then, quite frankly, come back to you with a classified answer for the specific question you ask.

But ballistic missile defense, as you know, is a key area that we feel is vital to assuring access and protecting our allies in the immediate and far future. So we have taken a number of initiatives in the theater to upgrade sensors and shooters and to work with allies, with their capabilities—to further their capabilities in this vital area.

So, it is a recognized area of importance and it is an area that we are focusing on.

Regarding the specific technology you refer to, I would like to come back to you in a classified setting and give you a more detailed answer to that specific question.

[The information referred to can be found in the Appendix on page 69.]

Mr. FRANKS. Well, thank you, and I appreciate that and I look forward to that.

Secretary KENDALL. Congressman Franks, if I could?

Mr. FRANKS. Please, sir.

Secretary KENDALL. On hypersonics. This is a good example of an area of technology which is going to move forward whether we invest in it or not. We do have some investments in hypersonics. It comes in two forms—a ballistic missile boost glide vehicle, essentially, and cruise missiles that are powered flight within the atmosphere.

The high speed of these systems makes them much more difficult for air defenses to engage. China is doing work in this area. Admiral Locklear made a comment about it recently in something he said. When I spoke earlier about, you know, feeling reasonably comfortable about where we are today, but not necessarily so comfortable 5 or 10 years from now, this is one of the technologies that would be on that list of things that in 5 or 10 years we might have a much bigger problem with.

Mr. FRANKS. Well, obviously, the rationale for the question was that I completely embrace what you just said. I believe that to be absolutely true. And, you know, I served here on the Strategic Forces Committee for 11 years, and so let me just suggest to you that I—my purpose here is to try to elevate that concern because I think it is a significant one that especially given time will manifest.

So let me, if I could, just continue with you, Mr. Kendall. Contrary to what many in the administration, quite frankly, have said, Al Qaeda and its affiliates are really not on the run. There is a growing reach of Al Qaeda that really has a lot of us concerned and they are finding ways, of course, to try to terrorize the civilized world.

How does this Asia-Pacific rebalance affect our readiness posture and our resources in the Middle East and Africa that are meant to really counter this ongoing effort? If we are moving resources away from that effort, help me understand how we are keeping our eye on the ball here.

Secretary KENDALL. I am probably the wrong person to take that question. I think I will hand it over to Mr. Lumpkin. The short answer is that we are very aware of the threat of Al Qaeda and extremist organizations and we are trying to balance what we do to deal with that threat as well as the other priorities of the Department at the same time.

But I will let Mr. Lumpkin take the question.

Mr. LUMPKIN. Thank you.

To build on what Under Secretary Kendall was saying is that the rebalance to the Pacific is not truly at the expense of other ongoing operations; for example, at the expense of continuing to combat and

to defeat Al Qaeda. So we remain committed to that mission, whether it is in the Middle East or it is in Africa, but we remain committed to that mission.

Mr. FRANKS. A rebalance takes with it necessarily some sort of movement of resources in a finite source basis. So you think that—you are suggesting to me that our fight against Al Qaeda is not going to be diminished by this rebalance. Is that what you are saying?

Mr. LUMPKIN. I see us remain committed and we will have the assets necessary to continue that fight.

Mr. FRANKS. Okay. Slightly different answer, but close enough.

Secretary KENDALL. Congressman Franks, the resources we are applying against extremist groups tend to be more of the intelligence and special operations part of the force structure. Whereas, rebalance to the Asia-Pacific tends to be more about our air and naval forces. So it is not necessarily the same parts of the Defense Department that are engaged.

Mr. FRANKS. Well, thank you, gentlemen. I hope you keep doing good things. A lot of folks are counting on it. Thank you.

Thank you, Mr. Chairman.

Mr. FORBES. I thank the gentleman for his questions.

Ms. Duckworth is recognized for 5 minutes.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

And thank you, gentlemen, for being here. And a special personal welcome to Mr. Lumpkin. Good to see you again. We used to work at Veterans Affairs together. I understand your very personal commitment to our military men and women and our veterans as well.

My first question is going to be to Secretary Kendall. You know, at a time of the drawdown and the effects of the sequester, I really believe that the Foreign Military Sales [FMS] program has great potential as both a source of income and to cultivate better relations with our allies, especially in the Asia-Pacific region.

I visited Thailand last year and met with several military leaders. And some of the things I found is that they were not aware, for example, about the repatriation of our MRAPs [Mine Resistant, Ambush Protected vehicles] from Afghanistan; that there is potential that if they had wanted to purchase some of those and move them to Thailand on their own to use in the southern part of the country where they are experiencing a lot of land mine attacks, that would have been useful.

So can you tell me a little bit about what we are doing to increase our FMS program for equipment from the drawdown in Afghanistan and to fit the needs of our allies in Asia-Pacific region?

Secretary KENDALL. We are making equipment available as part of the drawdown. But in the specific case of MRAPs, we have a large, excess number of MRAPs. We bought—we are talking about 1,000 of them for the wars in Iraq and Afghanistan. Most of that excess is actually not in Afghanistan. A lot of it is in Kuwait. So it is much more accessible than the specific vehicles that are in Afghanistan are, although there is a small excess there as well we are having to deal with.

So we are making these available to people. It is disappointing that a country that was a friend and is interested in them was not aware of that.

FMS in general, Foreign Military Sales in general, we are encouraging that for a variety of reasons. It is very good policy to do that. It brings us closer to the people that we are working with in a number of areas, increases the strength of relationship.

It is also obviously good for our industrial base. It makes it easier for us to inter-operate with other people's forces if they are equipped with similar equipment. That simplifies things enormously for us from an operational perspective.

So we are very encouraging of FMS, particularly in a time when budgets are coming down.

One of the initiatives that I have is to try to put exportability features, the things that allow a product to be exported, to get a license for export, more easily into the design up front. So some of our newer systems that are now in development will be coming on-line in the next few years we hope we will be more ready for FMS at the time that they are initially going into production for the U.S.

Our biggest program by far is the F-35 fighter, right now. And that is a good example of, you know, a large, you know, many, initially eight partners originally, at least two FMS sales already, and then more coming. So, we are stressing FMS for the variety of reasons that I mentioned to you.

Ms. DUCKWORTH. I was pleased to see the first couple of Black Hawks show up in Thailand, as well, under that program.

Admiral, I wanted to chat with you a little bit about the State Partnership Program. This committee, in the past year, has heard from both EUCOM [European Command] commander and AFRICOM commander about how valuable the program is to them and that it is certainly one of the best tools in their toolbox when it comes to maintaining relationships with nations under—that they deal with under their command.

As far as the Pacific region is concerned, I know we have some partnerships, certainly fewer than in say, Europe or Africa. I know that, you know, Hawaii has had a long-time partnership with both Indonesia and Thailand, but I notice that, you know, Singapore is still not part of that program, and a nation like Malaysia, which has certainly done its share in terms of peace—providing peace-keeping forces to unite under the United Nations flag, we are still not engaging with them under the State Partnership Program. Could you talk a little bit about what your vision is for that, going into the future?

Admiral PANDOLFE. I don't know a lot about the program. What I have heard from the COCOMs is very positive. And they, as you say, see it as a valuable outreach effort and very helpful to them as they, as one more tool in the toolkit for helping strengthen friendships and alliances in the area.

Ma'am, with your permission, I will go back to PACOM and get from them their vision as to what the future of this program is in their area of responsibility, and provide you with a clearer picture as to the way ahead.

[The information referred to can be found in the Appendix on page 70.]

Ms. DUCKWORTH. Thank you. I think it will be very insightful, especially since the, you know, the unique capabilities of those National Guard troops. You know, the average guardsmen out of Ha-

waii that are second generation Filipinos, you know, can meld very easily into the cultures of the Philippines similarly with other nations in the Asia-Pacific region.

And I think, as we look to increase trade, increase our participation in the Asia-Pacific region, they will be a critical resource.

I yield back, Mr. Chairman.

Mr. FORBES. Thank the lady for her questions.

And gentlemen, once again, we thank you for all your service you do for our country. Thank you so much for your preparation and being willing to share your expertise with this committee, and with that, there are no additional questions, we are adjourned.

[Whereupon, at 12:02 p.m., the committee was adjourned.]

A P P E N D I X

JANUARY 28, 2014

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

JANUARY 28, 2014

**Statement of Hon. Howard P. “Buck” McKeon
Chairman, Committee on Armed Services
Hearing on “Rebalancing to the Asia-Pacific Region: Examining Its
Implementation”
January 28, 2014**

Welcome to the committee’s first hearing in 2014. Before I begin, I would like to recognize our newest member of the committee, Mr. Bradley Byrne. Bradley is a former State Senator, attorney, and University Chancellor from the shipbuilding district of Mobile, Alabama. We’re glad to have him and appreciate the strong support that his constituents provide to our military.

As a Californian, I have long understood the importance of the Asia-Pacific region to trade and our economic well-being, and that security underpins progress in the region.

I welcome the focus on the Asia-Pacific. However, time will tell whether words and promises are followed by action. There are some positive signs that U.S. forces in the Pacific are receiving less cuts and readiness is being maintained, but I am concerned about the total force.

When the President framed rebalance, he discussed how we could now safely turn our attention to Asia because the war in Afghanistan was receding and al Qaeda was on the path to defeat. I’m concerned those conditions haven’t panned out. Violence and instability rage in the Middle East and Africa. Preserving forces, readiness, and capabilities in PACOM means less elsewhere. Can we afford to take risk in CENTCOM or AFRICOM? Budget cuts only exacerbate the problem. There is some stability for the next two years, but what happens after that? We’re back to sequestration levels and military leaders are left with no choice but to cut end-strength, readiness, and capabilities. And that has consequences for our security and military commitments in PACOM and across the globe, unless we adequately resource defense.

Statement of Hon. Adam Smith
Ranking Member, Committee on Armed Services
Hearing on “Rebalancing to the Asia-Pacific Region: Examining Its
Implementation”
January 28, 2014

I would like to welcome our witnesses and to thank them for appearing this morning. I look forward to their testimony as we continue to examine the rebalance to the Asia-Pacific region.

The Asia-Pacific region is vital to our national interests, and it includes many essential allies and partners. Without question, U.S. service men and women play crucial roles in maintaining these vital relationships and in promoting peace in the Asia-Pacific region.

The current strategic guidance emphasizes a renewed focus on the region. It is both timely and appropriate for the United States to hone its Asian-Pacific strategy as that dynamic region continues to flourish. Our government’s rebalancing effort already relies on the U.S. military to support, and operate in concert with, the implementation of a wide variety of diplomatic, economic, and developmental priorities and objectives in the Asia-Pacific region.

As the rebalance gains momentum, the United States should continue to provide and maintain collective security; peaceably address concerns and mitigate disputes; promote shared interests and objectives; and cultivate healthy multi-lateral exchange. We should: work to establish a stable and mutually beneficial relationship with China; continue to contain and marginalize the dangerous and unpredictable North Korean regime; further develop our security relationship with India; encourage regional democratization efforts; and strengthen enduring ties with our allies in Japan, South Korea, Thailand, Australia, New Zealand, and the Philippines.

Transnational threats, such as violent extremism, and illicit trafficking in persons, narcotics, and weapons continue to menace the region. Unfortunately, disease, malnourishment, environmental degradation, resource scarcity, and natural disaster also persist. The more we can do to defuse tensions and to avoid conflict

through cooperative efforts with our allies and partners, the more we can help to realize growth and prosperity in the region.

The United States will continue to lead in the Asia-Pacific and to offer assurances through its strong forward presence in the region. The rebalance underscores the United States' firm commitment to surmounting regional security challenges now and in the future.

I look forward to receiving our witnesses' testimony and to expanding our dialogue on this important issue. I would especially appreciate our witnesses' views on how the United States might optimize its rebalancing efforts, particularly in this era of fiscal constraint, to impart a positive and lasting effect in the Asia-Pacific region. Thank you, Mr. Chairman.

Chairman McKeon, Ranking Member Smith, members of the committee, thank you for this opportunity to discuss with you the Defense Department's role in the whole-of-government rebalance to the Asia-Pacific. I would like to express my appreciation for the support of this committee to our men and women in uniform, and the civilians who support them.

Opportunities and Challenges in the Asia-Pacific

The Administration's focus on the Asia-Pacific is based on a careful assessment that America's prosperity and continued security are increasingly tied to the Asia-Pacific. One third of global trade is with Asia, including \$1.448 trillion annually in two-way trade with the United States. Half the world's shipping by tonnage passes through the waters of the South China Sea. As countries and people throughout the region become more prosperous and more important to the global economy, the United States will continue to be an active partner in the region's growth.

The rebalance also reflects strong and longstanding ties between the United States and countries in the Asia-Pacific, where the United States has long supported security and stability with our military presence and partnerships. I want to emphasize that the Department of Defense's role in the rebalance is only one part of the broader U.S. government effort. Along with our diplomatic, cultural, political, law enforcement, and trade initiatives, the Department of Defense is continuing to support an overall rebalance to the Asia-Pacific that will contribute to peace, prosperity, and security throughout the region.

Asia's importance to the world economy and to our own prosperity at home is clear. We will continue to play a strong role in supporting Asia's continued economic growth as we have for many decades. U.S. strategy will continue our constructive engagement with the Asia-Pacific even as it undergoes historic transformations: the rise of new powers, the rapid spread of technology, information, and materials; increasing environmental stress and competition for scarce energy resources.

The opportunities for engagement in Asia are clear and significant. At the same time, there are challenges that we must work with our Allies and partners to address as well to ensure continued progress and stability in the region. These include:

- The ongoing threat of the DPRK's nuclear weapons, proliferation, and missile programs and its dangerous and provocative behavior;
- Long-standing disputes over territory and resources, including in the South China Sea and East China Sea;
- The great human and economic toll of natural disasters like the recent Typhoon Haiyan in the Philippines;
- Illicit trafficking in persons, weapons, drugs, and dangerous materials including weapons of mass destruction;

- The risk of pandemic disease that can spread around the world;
- Environmental degradation and the threat posed by climate change; and
- Disruptive activities by State and non-state actors in space and cyberspace.

To address both the opportunities and challenges in the region and ensure the continued stability of the Asia-Pacific, the United States has consistently taken steps to strengthen the commitment throughout the region to: free and open commerce; a just international order that emphasizes the rights and responsibilities of nations and fidelity to the rule of law; open access by all to shared sea, air and space domains and globally connected cyberspace; and the principle of resolving conflict peacefully, without the use of force and in accordance with international law.

The Department of Defense Approach to the Rebalance

The Defense Department contributes to the Administration's aim of a secure and prosperous Asia-Pacific through five primary lines of effort: 1) Transforming and modernizing alliances and partnerships; 2) enhancing our defense posture in the region; 3) updating operational concepts and plans, 4) investing in the capabilities needed to secure our interests throughout the region, and 5) strengthening multilateral cooperation and engagement. Let me address these in turn.

The Department is modernizing our defense alliances and partnerships—including our five treaty alliances in the region with Australia, Japan, the Philippines, the Republic of Korea (ROK), and Thailand—to address the challenges of the 21st century. With all of our allies and partners, we have sought to define a new, forward-looking agenda based on enhancing security for our allies and partners, increasing the ability of militaries to work together seamlessly, and building their capacity to contribute to the region's security.

The Department is enhancing U.S. presence through a defense posture that is geographically distributed, operationally resilient, and politically sustainable. Highlights of this effort are our posture initiatives with respect to Australia, Singapore, ROK, Japan, and Guam, all of which are complemented by a range of bilateral and multilateral security cooperation activities.

We are also developing and updating operational concepts and plans to conduct a broader array of missions in the region. This includes closer cooperation with allies and partners and continuing to develop the Joint Operational Access and Air-Sea Battle concepts to ensure that our forces can operate in any and all threat environments.

To ensure the Department continues to retain the capabilities and technology needed to confront current and future challenges, we continue to invest in capabilities that are most relevant to the Asia-Pacific and that best promote peace and security in the region. For example, the fifth generation Joint Strike Fighter; the VIRGINIA class submarine and the VIRGINIA Payload Module; the P-8A maritime patrol aircraft; the Broad Area Maritime Surveillance

unmanned air system (BAMS); the Unmanned Carrier Launched Air Surveillance and Strike System (UCLASS); a new long-range bomber; the KC-46 tanker; international space efforts aimed at increased resiliency and space situational awareness capabilities; and enhanced intelligence, surveillance, and reconnaissance and space control systems.

We have also significantly increased our efforts to engage multilaterally, both through institutions such as the ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus) and by enhancing trilateral cooperation with Allies and partners on common interests. The United States strongly supports a future security order where regional institutions move beyond aspirational goals to achieving real results, and evolve from talking about cooperation to achieving real, tangible solutions to shared problems, including a common framework for resolving differences.

Progress with Allies and Partners

The Department of Defense is working closely with a wide range of Allies and partners to advance the strategic objectives of the rebalance. In the two years that we have been implementing the rebalance to the Asia-Pacific, we have achieved a number of concrete results. Let me highlight some of those, with a particular focus on our military-to-military relationships and multilateral engagement.

Our five treaty Allies in Asia remain the foundation for protecting our interests and achieving our security objectives. These are the countries with whom we work most closely and with whom we have the greatest interoperability.

Japan is the cornerstone of U.S. presence in the Asia-Pacific region. For the first time since 1997, Japan's Ministry of Defense and the Defense Department are reviewing the Defense Guidelines that underpin our cooperation, and ensuring that our alliance is capable of responding to 21st century challenges. We are also realigning our forces to ensure a sustainable presence over the long term. We will reduce the Marine Corps presence on Okinawa, primarily by relocating about 5000 Marines to Guam. When this effort is complete, we will have operational Marine Air Ground Task Forces in multiple locations across the theater, increasing our ability to respond quickly to regional challenges. The remaining Marines on Okinawa will be more concentrated in less populated parts of the island, and centered on a new air station that the Government of Japan will build. We are also cooperating with Japan on enhancing its own missile defense and space architectures to provide a stronger incentive for stability.

We are taking a number of steps to enhance our force posture and capabilities on the Korean peninsula, in response to DPRK threats. A new cost sharing agreement with the ROK, completed earlier this month, will help to ensure we have the resources necessary for the combined defense of the peninsula. We remain committed to Strategic Alliance 2015, and to a conditions-based transition of wartime Operational Control to the ROK. Working closely with the ROK, we have developed a counter-provocation plan, which will ensure our ability as an Alliance to respond effectively to DPRK provocations.

After more than a decade of fighting side-by-side in Iraq and Afghanistan, the United States and Australia are leveraging our close alliance to enhance regional security and bring our militaries even closer by deepening cooperation in areas like space and cyber security. In addition, two force posture initiatives announced by President Obama and then-Prime Minister Gillard in 2011 will significantly enhance defense cooperation between our two countries. First, we have agreed to the rotational deployment of up to 2,500 Marines to Darwin, which began in 2012. We have completed two company-sized rotations of approximately 250 Marines each, and intend to increase to a battalion-sized rotation this year, sending approximately 1,100 Marines to Darwin for a six month deployment. Second, the United States and Australia have also agreed to greater access for U.S. military aircraft to the Royal Australian Air Force facilities in northern Australia.

Building on a six-decade alliance with the Philippines, the Defense Department is continuing negotiations on a Framework Agreement, which will provide U.S. forces the opportunity for greater rotational presence, and will contribute to the Philippine armed forces modernization and capacity-building efforts.

We also continue to work with Thailand's military to implement the Joint Vision Statement for the Alliance, focused on supporting interoperability, encouraging Thailand to take a greater regional leadership role, and strengthening relationships at all levels.

In addition, the Department's efforts in Asia go beyond work with traditional allies. We also work with both emerging partners and rising powers to identify common interests and work together to achieve them.

The Department has worked in tailored ways with critical partners throughout the Asia-Pacific to increase their capability to contribute to common security needs. Examples include: participation in numerous exercises by the Littoral Combat Ship USS FREEDOM during its rotational deployment to Singapore, as well as delivering assistance to the Philippines following typhoon Haiyan; providing assistance to improve Indonesia's maritime security and support its international peacekeeping capability; increasing Vietnam's capacity to conduct maritime search and rescue activities; and we are once again working with New Zealand through renewed defense policy and military staff talks, including between our navies.

Longstanding U.S. policy toward, and Defense Department engagement with, Taiwan remains consistent. The Department continues to comply with the one China Policy, three joint communiques, and the Taiwan Relations Act, to make available to Taiwan the defense articles it needs to maintain a sufficient self-defense.

The U.S. vision for the Asia-Pacific is an open and inclusive one. Rising powers also have a special role to play in a future security order as they assume the responsibilities that come with having a growing stake in regional stability. To that end, a critical element of our long-term strategy in Asia is to build strong relationships with rising powers – including India and China.

The Department is investing in a long-term partnership with India that builds on the rapid transformation in the U.S.-India defense relationship over the last decade. We are successfully

moving our relationship from a buyer-seller dynamic to a partnership based on shared values and areas of interest, including maritime security, regional institutions, humanitarian assistance and disaster relief, and counter-terrorism. We are also deepening our discussions on defense trade and technology, and regional security.

The Department of Defense also continues to engage with China, where our cooperation directly supports the maintenance of peace and stability in the Asia-Pacific, and is a key component of our overall approach to the region. In 2013, Secretary Hagel and General Dempsey had several constructive interactions with their respective Chinese counterparts. In addition, we have made progress in cooperative capacity building in areas such as military medicine, counter-piracy, and humanitarian assistance and disaster relief. In 2013, we conducted the first U.S.-China disaster management field exchange; the second counter-piracy exercise in the Gulf of Aden between our two countries; and a naval search and rescue exercise. In 2014, we are planning for China to participate in RIMPAC, the Pacific's largest multilateral naval exercise which will be held this coming summer. And, along with the State Department, we are engaged in a multilateral effort, which includes China, to define norms of behavior in space.

I am encouraged by these developments in our relationship with China. Each engagement provides the Defense Department an opportunity to reinforce standards of behavior essential for peace and security throughout the Asia-Pacific. At the same time, we seek to balance these exchanges with continued, robust interactions with allies and partners across the region, and to ensure that we are creating a program of exchange that is sustainable over time.

Our relationship with Burma is another one for which we expect progress in the coming years. Since beginning the reform process two years ago, Burma has taken meaningful steps toward full reintegration in the international community. The Defense Department's military engagements with Burma remain limited and calibrated, including initial discussions and exchanges on human rights, the rule of law, and the law of armed conflict. Further progress on defense ties will be contingent on continued progress by Burma in the areas of human rights, democratization, national reconciliation, and suspending defense ties with DPRK. We will continue to calibrate our engagement in full coordination with the State Department, and in close consultation with the Congress.

In addition to the many bilateral initiatives that we have pursued, we have increased defense engagement through multilateral institutions in the Asia-Pacific, most notably with the relatively new ASEAN Defense Ministers' Meeting Plus (ADMM-Plus). In just over three years, the ADMM-Plus has established itself as a robust forum for dialogue and a vehicle for meaningful military-to-military exercises. Last year, the ADMM-Plus hosted three multilateral exercises, focused on maritime security, counter-terrorism, and a joint humanitarian assistance and disaster response and military medicine exercise that included all eighteen ADMM-Plus nations and some 3000 personnel. These exercises demonstrate willingness by countries throughout the Asia-Pacific to work together on common challenges. They also offer a critical avenue for increasing familiarity and building habits of cooperation that help nations work together effectively and reduce the risk of miscalculation when military forces interact.

The Defense Department will continue to prioritize the Asia-Pacific in our activities, exercises, and investments over the coming years. We look forward to the continued support and contributions of this committee to ensure the United States military is positioned to protect our interests across this region. Thank you.



Michael D. Lumpkin

**Assistant Secretary of Defense,
SO/LIC, Performing Duties,
Under Sec. of Defense for Policy**



Michael D. Lumpkin is currently the Assistant Secretary of Defense for Special Operations/Low-Intensity Conflict (SO/LIC), performing the duties of the Under Secretary of Defense for Policy. When performing the duties of USD (P), Mr. Lumpkin provides advice and assistance to the Secretary of Defense and Deputy Secretary of Defense on all matters concerning the formulation of national security and defense policy and the integration and oversight of DoD policy and plans to achieve national security objectives.

Mr. Lumpkin was sworn in as the Assistant Secretary of Defense for Special Operations/Low-Intensity Conflict (SO/LIC) on December 2, 2013, following his nomination by President Barack Obama and confirmation by the U.S. Senate.

In his role as Assistant Secretary (SO/LIC), Mr. Lumpkin is the principal advisor to the U.S. Secretary of Defense on Special Operations and Low Intensity Conflict. He is responsible primarily for the overall supervision, to include oversight of policy and resources, of special operations and low intensity conflict activities. These activities include: counterterrorism, unconventional warfare, direct action, special reconnaissance, foreign internal defense, civil affairs, information operations, and counter-proliferation of weapons of mass destruction. In his role as Assistant Secretary (SO/LIC), Mr. Lumpkin also oversees the Department of Defense counter-narcotics program, building partnership capacity initiatives and humanitarian and disaster relief efforts.

Prior to his assuming duties as Assistant Secretary (SO/LIC), Mr. Lumpkin served as a Senior Executive at both the Department of Defense and Department of Veterans Affairs. His previous positions include Special Assistant to the Secretary of Defense, Principal Deputy Assistant Secretary of Defense for (SO/LIC), and Deputy Chief of Staff for Operations at the Department of Veterans Affairs. Mr. Lumpkin has also significant experience in the private sector where he served as the Chief Executive Officer (CEO) at Industrial Security Alliance Partners and Executive Director of Business Development at ATI.

Mr. Lumpkin has more than 20 years of active duty military service as a US Navy SEAL where he held every leadership position from platoon commander to Team commanding officer. Mr. Lumpkin has participated in numerous campaigns and contingencies throughout the world to include both Operations Iraqi Freedom and Enduring Freedom.

Mr. Lumpkin holds a MA from Naval Postgraduate School in National Security Affairs. He is a recognized subspecialist in Special Operations/Low-Intensity Conflict and Western Hemisphere Affairs.



HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF
VICE ADMIRAL FRANK C. PANDOLFE, USN
DIRECTOR OF STRATEGY PLANS AND POLICY
JOINT CHIEFS OF STAFF
BEFORE THE HOUSE ARMED SERVICES COMMITTEE
ASIA PACIFIC REBALANCE
28 JANUARY 2014

HOUSE ARMED SERVICES COMMITTEE

Chairman McKeon, Ranking Member Smith, and distinguished Committee Members, thank you for the opportunity to offer my thoughts on the Asia Pacific Rebalance.

Every day, the Joint Force conducts real-world operations, exercises, and senior leader engagements in the Asia Pacific region in support of the Administration's Rebalance policy. These activities facilitate greater interoperability with regional forces, mitigate risk of miscalculation, and reduce the likelihood of conflict. Supported by our robust regional force posture, U.S. engagement in the Asia Pacific is essential to regional security.

OPERATIONS

United States forces in the Asia Pacific region operate continuously on land, in the air, and on the sea. These forces routinely conduct freedom of navigation operations, deployments, and port visits, they also work with regional partners to respond to natural disasters. Our presence deters North Korean aggression and ensures unrestricted access to the global commons. As a recent example, U.S. forces responded quickly and efficiently by supporting the U.S. Agency for International Development's humanitarian response to the Philippines in the wake of super typhoon Haiyan in November 2013. The scope and speed of our response—more than 13,400 personnel, 66 aircraft, and 12 naval vessels—clearly demonstrated the depth of U.S. commitment to the region. By evacuating 21,000 people and delivering nearly 2,500 tons of relief supplies, U.S. forces again showcased the ability to respond rapidly and effectively. Activities like this increase interoperability with allies and partners which in turn improves their ability to respond to a range of contingencies. U.S. forces' long-term operational presence in the region also serves to deter threats to peace and stability.

EXERCISES

As Acting Undersecretary of Defense Lumpkin stated, regional relationships form the foundation of our alliances and partnerships in the Asia-Pacific. Solid

relationships are built on familiarity, trust, and communication; these effectively increase our capability to work together in any number of scenarios. Military exercises have proven to increase interoperability across key mission areas such as humanitarian assistance and disaster relief, counter-terrorism, maritime security, and peacekeeping. As the Rebalance continues, regional exercises continue to grow in scope, participation, and sophistication, ranging from basic unit-level training to complex multinational exercises such as RIMPAC and COBRA GOLD. In 2014 RIMPAC will include Brunei and China for the first time; Thailand-based COBRA GOLD will see participation by Indonesia, Japan, Malaysia, Singapore, and Republic of Korea, among others. Through our exercise program and other engagements, we are helping our partners take the lead in addressing regional challenges. Additionally, we work closely with the Department of State to assist nations in strengthening their maritime security capabilities.

SENIOR LEADER ENGAGEMENT

Senior uniformed leaders are taking advantage of opportunities to reach out to our counterparts in the region. For example, Chairman Dempsey traveled to China in April 2013 for high level meetings with the Chinese Chief of the General Staff and other key Chinese leaders, and will host a reciprocal visit this May. He hosted allied defense chiefs from the Philippines and Australia in 2013, as well as the Malaysian Chief of Defense just this month. The Chairman also accompanied Secretary Hagel to Korea for the annual alliance conference in September 2013. PACOM commander Admiral Locklear and his service component commanders continuously engage with their regional counterparts, hearing their concerns, reassuring them of continued support, and demonstrating U.S. commitment to the Rebalance.

FORCE POSTURE

This commitment is most visibly demonstrated by physical presence. Our close relationship with regional allies and partners is enabled by U.S. force posture in the Asia Pacific, which assures access and reduces response time. In addition

to our long-term presence in Korea and Japan, Rebalance initiatives in Darwin Australia and Singapore continue to bear fruit. Rotational Marine Corps deployments to Darwin began in 2012; we sent a Company-level rotation of Marines there for six months last year and will eventually grow this rotational presence to 2500. Additionally, the Littoral Combat Ship USS FREEDOM completed her first deployment to Singapore in November 2013; we will see up to four LCS rotationally deployed there by 2017. These are just two of a number of ongoing force posture initiatives in the region.

As the Rebalance to Asia continues, our commitment to the region reassures allies and partners and deters those who would undermine stability. U.S. commitment to the region is demonstrated by our operational activities, ongoing exercises, and Senior Leader Engagement, all underpinned by our physical presence. I look forward to your questions on these and other topics this morning.

Finally, please accept my thanks to this committee for all you have done for our men and women in uniform. Thank you.



Vice Admiral Frank Craig Pandolfe
DIRECTOR FOR STRATEGIC PLANS AND POLICY
JOINT STAFF, J-5

Vice Adm. Pandolfe is the Director for Strategic Plans and Policy (J-5), Joint Staff, the Pentagon, Washington, D.C. He provides strategic direction, policy guidance, and planning focus enabling the Chairman of the Joints Chiefs of Staff to provide best military advice to the President, the Secretary of Defense and the National Security Council. He assumed those duties Dec. 4, 2013.

He grew up in New England, graduated with distinction from the U.S. Naval Academy in 1980, and was awarded a doctorate in International Relations from the Fletcher School of Law and Diplomacy at Tufts University in 1987.

At-sea, he served in USS David R. Ray (DD 971), USS John Hancock (DD 981), USS Hue City (CG 66), and USS Forrestal (CV 59). He commanded USS Mitscher (DDG 57) from 1999 to 2001, earning three Battle Efficiency Awards for operational excellence and three Golden Anchor awards for superior retention. He subsequently commanded Destroyer Squadron 18 from 2003 to 2004, operating as sea combat commander for Enterprise Carrier Strike Group in support of Operation Iraqi Freedom. From 2008 to 2009, he led Theodore Roosevelt Carrier Strike Group on a combat deployment in support of Operation Enduring Freedom in Afghanistan.

Ashore, he was assigned to the Navy Staff as executive assistant to the Chief of Naval Operations, the Joint Staff as the Deputy Director for Joint Strategic Planning, and the White House Staff as military aide and advisor to the Vice President of the United States, and Director, Surface Warfare Division, OPNAV N86. Most recently, he served as the Commander, 6th Fleet and, Striking and Support Forces NATO.

Pandolfe's personal decorations include the Defense Superior Service Medal, Legion of Merit, Meritorious Service Medal, and additional individual, campaign, and unit awards.



Updated: 3 January 2014

Testimony
Before the House Armed Services Committee

Witness Statement of
HON Frank Kendall
Under Secretary of Defense
Acquisition, Technology & Logistics

January 28, 2014

Chairman McKeon, Vice Chairman Thornberry, Ranking Member Smith and distinguished members of the committee, thank you for the opportunity to testify before you today. I am joined by Acting Under Secretary of Defense for Policy, Mr. Lumpkin, and Director for Strategic Plans and Policy Joint Staff, J-5, Vice Admiral Pandolfe. Mr. Lumpkin will focus on the policy aspects of the rebalance to Asia and the Pacific, Admiral Pandolfe will focus on operational aspects, and I will focus on investment aspects.

The rebalance as Mr. Lumpkin will expand upon, reflects our belief that the future security and prosperity of the United States is dependent on Asia's success. U.S. presence and activities have, for seven decades, supported security and prosperity that has transformed the Asia-Pacific. The rebalance is a whole-of-government effort and is not focused on any one country or issue. My responsibilities in the Pentagon, however, are focused on maintaining the military technological superiority of the United States, and our ability to confront the challenges we will face. As Mr. Lumpkin described, we face numerous challenges in the Asia-Pacific, across the spectrum of activities. The investments in technology and material we make now will enable us to continue to pursue America's interests in this region in the future, particularly in the face of the ongoing threat of North Korea's nuclear weapons, proliferation, and missile programs and its dangerous and provocative behavior and the rise of anti-access area-denial (A2AD) capabilities around the world.

North Korea's most significant development is in the area of medium and long range ballistic missiles that could be equipped with nuclear warheads. Our investments to counter these threats fall primarily into the area of missile defense, both national missile defense and regional missile defense. We are increasing the number of Ground Based Interceptors at Fort Greely, Alaska; deployed a THAAD missile defense system battery to Guam; and are in the process of introducing a second TPY-2 ballistic missile defense (BMD) radar into Japan, which will enhance our ability to defend the Homeland and Japan. These efforts complement our ongoing initiatives to strengthen BMD capabilities, including our SM3 Block IIA standard missile co-development program with Japan.

China's A2AD investments cover a range of conventional capabilities. They include anti-satellite investments, offensive cyber capabilities, conventional ballistic and cruise missiles with precision seekers designed to attack both fixed land installations and surface ships (particularly aircraft carriers), air to air capabilities including 5th generation fighters, long range advanced technology missiles, and electronic warfare systems. China is also developing and fielding advanced air defense systems designed to defeat our stealth capabilities and our networked precision strike capabilities. China is continuing to pursue a long-term, comprehensive military modernization program.

Today our investments are being limited by budget cuts that fall disproportionately on our investment accounts, research and development (R&D), and procurement. The size of the immediate budget reductions DOD has absorbed is challenging enough. Uncertainty over budget

top-lines makes decisions on future force structure sizing difficult, encouraging a slower drawdown of end strength. This issue was highlighted in the Department's Strategic Choices Management Review. Until we reduce our force size to sustainable levels we will be forced to disproportionately reduce R&D and procurement.

Despite our resource constrains, the Department is taking steps to address emerging threats. Over the past three years, but especially since the Defense Strategic Guidance was published two years ago, we have been making investments focused on the Asia-Pacific region. We have also taken organizational steps that are designed to help us make smarter investments. These include the formulation of the Air Sea Battle Office, the creation of the Research, Development and Acquisition Task Force, the creation of the Space Defense Office, and the creation of the Strategic Capabilities Office.

I'd like to discuss our investments in the following categories; cyber defense, land based key asset defense, surface ship defense, maritime surveillance, air dominance including electronic warfare, and precision strike.

The Department has budgeted more than \$4.5 billion in 2014 to support cyber operations, cyber security programs, information assurance, cyber capabilities development, and cyber forces and facilities. These investments will enable us to defend Defense networks, while rapidly building a trained and ready cyber mission force, and designing and fielding the tailored capabilities that will make them fully operational.

Major investments for Land Based Key Asset Defense included \$1.2 billion for THAAD and Patriot air and missile defense systems and facilities enhancements of \$800 million in Guam and Japan.

Ship self-defense investments in 2014 totaled \$1.6B for a portfolio of systems that provide defense of our naval forces from threat aircraft, ships, submarines, missiles, and torpedoes, including the Air and Missile Defense Radar, Ship Self Defense System, Standard Missile, Evolved NATO Seasparrow missile, shipboard Electronic Warfare systems, torpedo defense, mine countermeasures, and standoff anti-surface warfare missiles.

In terms of maritime surveillance, the Department is investing \$3.3 billion to procure P-8A Orion maritime surveillance aircraft and \$375 million to develop Triton unmanned aerial systems, which will provide broad area situational awareness to operational commanders in the Asia Pacific.

The primary investments for Air Dominance centered on tactical aircraft, air-to-air weapons, and electronic warfare capabilities. These include \$1.5 billion to enhance the air dominance features of the F-22 fleet; \$7.5 billion to develop and procure F-35 Joint Strike Fighter aircraft; \$520 million to modernize and procure long-range AIM-120D air-to-air

missiles; and \$2.1 billion to acquire additional EA-18G electronic support aircraft and develop long-range, standoff electronic warfare capabilities, including the Next Generation Jammer.

For precision strike, the Department is investing \$1.8 billion in 2014 to procure such systems as the Navy's Tactical Tomahawk cruise missile and the Air Force's Joint Air-to-Surface Standoff Missile while extending their range and accuracy. The Department also continues to develop longer-range standoff capabilities, including hypersonic vehicles, to counter increasingly complex integrated air defense systems.

I'd like to conclude with the following key points. First and foremost, from the perspective of technological superiority, the Department of Defense is being challenged in ways I have not seen for many years. Second, our ability within the Department to respond to that challenge is severely limited by the current budget situation. Finally, while we try to resolve the issue of the future size of the Defense Department, so that we can plan effectively and execute our budgets efficiently, we are losing time, an asset that we can never recover.



Frank Kendall

Under Secretary of Defense for Acquisition, Technology and Logistics



Senate Confirmed in May 2012, Mr. Frank Kendall currently serves as the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L). In this capacity, he is responsible to the Secretary of Defense for all matters pertaining to acquisition; research and engineering; developmental testing; contract administration; logistics and materiel readiness; installations and environment; operational energy; chemical, biological, and nuclear weapons; the acquisition workforce; and the defense industrial base. He is the leader of the Department of Defense's efforts to increase the Department's buying power and improve the performance of the defense acquisition enterprise. Prior to this appointment, from March 2010 – May 2012 he served as the Principal Deputy Under Secretary and also as the Acting Under Secretary.

Mr. Kendall has over 40 years of experience in engineering, management, defense acquisition, and national security affairs in private industry, government, and the military. He has been a consultant to defense industry firms, non-profit research organizations, and the Department of Defense in the areas of strategic planning, engineering management, and technology assessment. Mr. Kendall was Vice President of Engineering for Raytheon Company, where he was responsible for management direction to the engineering functions throughout the company and for internal research and development. Before assuming his current position, Mr. Kendall was a Managing Partner at Renaissance Strategic Advisors, a Virginia-based aerospace and defense sector consulting firm.



Within government, Mr. Kendall held the position of Director of Tactical Warfare Programs in the Office of the Secretary of Defense and the position of Assistant Deputy Under Secretary of Defense for Strategic Defense Systems. Mr. Kendall is a former member of the Army Science Board and the Defense Intelligence Agency Science and Technology Advisory Board and he has been a consultant to the Defense Science Board and a Senior Advisor to the Center for Strategic and International Studies. Mr. Kendall also spent ten years on active duty with the Army serving in Germany, teaching Engineering at West Point, and holding research and development positions.

Mr. Kendall is an attorney and has been active in the field of human rights, working primarily on a pro bono basis. He has worked with Amnesty International USA, where he served as a member of the Board of Directors, with Human Rights First, for which he was an observer at Guantanamo, and with the Tahirih Justice Center, where he was Chair of the Board of Directors.

Over the course of his career as a public servant, Mr. Kendall was awarded the following federal civilian awards: Defense Distinguished Civilian Service Medal, Secretary of Defense Meritorious Civilian Service Medal, Presidential Rank Award of Distinguished Executive (Senior Executive Service), Presidential Rank Award of Meritorious Executive (Senior Executive Service), and Army Commander's Award for Civilian Service. He also holds the following military awards (US Army): Meritorious Service Medal with oak leaf cluster, Army Commendation Medal, and National Defense Service Medal.

Mr. Kendall is a Distinguished Graduate of the U.S. Military Academy at West Point and he holds a Masters Degree in Aerospace Engineering from California Institute of Technology, a Master of Business Administration degree from the C.W. Post Center of Long Island University, and a Juris Doctor degree from Georgetown University Law Center.

**WITNESS RESPONSES TO QUESTIONS ASKED DURING
THE HEARING**

JANUARY 28, 2014

RESPONSE TO QUESTION SUBMITTED BY MR. THORNBERRY

Admiral PANDOLFE. There are approximately 40,000 more military personnel in the Asia-Pacific region today than three years ago. [See page 13.]

RESPONSE TO QUESTION SUBMITTED BY MR. MCINTYRE

Admiral PANDOLFE. Australia is one of America's closest and most steadfast Allies in the Asia-Pacific. We have operated routinely with their superb Naval Forces in the region and across the globe for many years. This interaction provides opportunities for port visits, both in conjunction with exercises and during routine regional operations. A key aspect of our rebalance will be increased opportunities to work with the Royal Australian Navy, to include additional port visits.

You asked about agreements that govern using Australian ports in conjunction with these interactions. They are conducted through various agreements and arrangements, including: the Security Treaty between Australia, New Zealand and the United States of America (ANZUS Treaty); the Status of Force Agreement between the United States and Australia; the Exchange of Notes constituting an Agreement between the Government of Australia and the Government of the United States of America concerning Mutual Defense Commitments (Chapeau Agreement); the Acquisition and Cross Servicing Agreement (ACSA); and the Agreement Concerning Cooperation in Defense Logistic Support. Individual military activities are also typically covered by tailored arrangements aimed specifically at such activities, including exercises, ship visits and aircraft visits. [See page 31.]

RESPONSE TO QUESTIONS SUBMITTED BY MRS. DAVIS

Mr. LUMPKIN. The Navy's Strategic Laydown and Dispersal (SLD) Plan is an annual process reviewed by the Chief of Naval Operations (CNO) and the Secretary of the Navy (SecNav) each year. The SLD13 plan, completed in March 2013 and based on the President's Fiscal Year (FY) 2014 budget (PB14), provided for up to three CVNs homeported in San Diego by FY 2018. There would be minor adjustments from year to year due to maintenance requirements that must be completed in Bremerton, Washington, or Newport News, Virginia. The plan also included stationing a Fifth Amphibious Ready Group of three ships in San Diego by FY 2018, including a big deck ship.

The 2014 SLD plan (SLD14) would be based on the President's FY 2015 budget (PB15) and should be completed in March 2014. PB15 may include impacts on the CVN Fleet that would require changes to the SLD13 plan. [See page 30.]

RESPONSE TO QUESTIONS SUBMITTED BY MR. FRANKS

Admiral PANDOLFE. While the hypersonic threat is nascent, DOD is evaluating defensive capabilities and working to identify potential solutions. The Missile Defense Agency is conducting a technical review of the threat implications of hypersonic technology.

DOD also is committed to improving the effectiveness of its existing detection and engagement systems in order to outpace the increasing near-term ballistic missile threat. Operationally, the United States' missile defense assets, including forward-deployed systems in Japan and Korea and the Ground-Based Midcourse Defense System (GMD) at home, are capable of providing defensive coverage of the United States against a limited long range ballistic missile attack. The FY14 President's Budget supports our commitment to increase our operational effectiveness. It includes \$9.5B in funding to: improve sensor discrimination capability, invest in advanced radars, upgrade land- and sea-based interceptor missiles, and conduct additional operational testing of the GMD. We will continue to advocate those priorities in the FY15 budget request.

America's allies in the Asia-Pacific region also are engaged in regional missile defense. Japan and the Republic of Korea have invested in missile defense capabilities that are largely interoperable with U.S. systems. DOD will continue to encourage these allies and others around the world to invest in missile defense technologies and to participate in multi-national exercises that enhance interoperability. [See page 38.]

RESPONSE TO QUESTIONS SUBMITTED BY MR. WITTMAN

Admiral PANDOLFE. [The information is classified and retained in the committee files.] [See page 36.]

RESPONSE TO QUESTIONS SUBMITTED BY MS. SPEIER

Secretary KENDALL. The cybersecurity of our networks is one of our top missions. Our goal is: "mission dependability in the face of a capable cyber adversary."

The recently released, "DOD Strategy for Defending Networks, Systems, and Data" positions the Department to execute its role in defending the nation against cyber-attacks through transformation of DOD cybersecurity and cyber defense operations; assuring networks and systems are capable of operating in contested cyber environments; and reshaping the Department's cyberculture, technology, policy, and processes to focus on achieving warfighter missions and needs.

The strategy identifies four focus areas and their critical elements as necessary to achieve the cyber mission now and in the future:

1) Establish a Resilient Cyber Defense Posture: Improving personal security practices, architecture and engineering, and delivery of new capabilities and solutions to address shortfalls in the current DOD Information and Communication Technology (ICT) infrastructure rapidly

2) Transform Cyber Defense Operations: Shift from reactive cyber defense operations to operations that focus a greater portion of their efforts on adversary activities and intent

3) Enhance Cyber Situational Awareness: Significantly improving the sensing infrastructure, focusing on intelligence collection and analysis, and applying advanced correlation and analytic techniques to the resultant "Big Data"

4) Assure Survivability against Highly-Sophisticated Cyber Attacks: Resiliency and regenerative methods, including strong, survivable approaches and architectures, will be employed to provide increased confidence that mission systems are neither compromised nor degraded to the point of unacceptable mission impact. [See page 34.]

RESPONSE TO QUESTION SUBMITTED BY MS. DUCKWORTH

Admiral PANDOLFE. The vision for the SPP in the Asia-Pacific is to reassure our allies through increased presence at nominal cost. Public announcement of new SPP partnerships over the next several years will demonstrate increased U.S. engagement in the Pacific. SPP will help build our partners' capabilities and capacity to respond to natural and man-made disasters and help strengthen collaboration on regional security interests.

There are seven (7) SPP partnerships in PACOM dating back to 2000: Alaska/Mongolia; Guam, Hawaii/Philippines; Hawaii/Indonesia; Idaho/Cambodia; Oregon/Bangladesh; Oregon/Vietnam; and Washington/Thailand. PACOM is in the final stages of acquiring its eighth state partnership; Nevada and Tonga will solidify their partnership in March. PACOM also intends to expand its SPP programs in coming years to other countries and is working with the Joint Staff and National Guard Bureau to finalize plans.

SPP has shown significant return on investment. For example, Mongolia agreed to become an Operation IRAQI FREEDOM coalition member contingent upon co-deploying with their SPP partner, Alaska. Since 2004, 3,500 Mongolians have deployed with 28 Alaskan Guardsmen during 14 rotations supporting Operation ENDURING FREEDOM. Mongolia currently deploys approximately 1,000 peacekeeping personnel to six UN peacekeeping missions, in part because of Alaska's close partnership in developing Mongolia's deployment capabilities.

Across the Asia-Pacific Region, this program plays a valuable role in achieving the goals and objectives of the PACOM Theater Security Cooperation Plan. Disaster preparedness and response are particular focus areas for PACOM. Existing National Guard capabilities in domestic security and disaster response are directly applicable

to building partner capacity to help secure these objectives. Additionally, SPP States are becoming fully vested in PACOM planning processes, attending key planning work groups and conducting ongoing coordination of bilateral engagements. Such efforts will ensure SPP contributions are fully aligned and synchronized with other USG activities in the region. [See page 40.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. ENYART

Mr. LUMPKIN. Demographic trends in China and Japan are important as they could, singly or in combination with other long-term trends such as economic growth or environmental quality, have an effect on the strategic, economic, and domestic policy priorities of both China and Japan, as well as other countries in the region. Although it is hard to forecast with precision if, when, and how the effects of these trends will manifest themselves, the Department of Defense considers them as part of our comprehensive assessments of the future security environment. [See page 23.]

Secretary KENDALL. The Chinese defense budget is not as clearly delineated as the U.S. defense budget, and comparing expenditures between the two is difficult. However, the Chinese Defense Ministry maintains publically that the official defense budget is divided into three roughly equal parts: personnel expenses, operating and official business expenses (including training), and equipment expenses. In the last military expenditure submission to the United Nations, China reported that 34.0 percent of its official budget went to personnel expenses. The Chinese Defense White Papers indicate that personnel costs include pay and living expenses for military personnel (civilians working for the People's Liberation Army (PLA) are considered military personnel in the budget and force structure numbers).

China announced that its official 2012 military budget was \$106.4 billion; however, we know that China's published military budget omits several major categories of expenditure, such as procurement of foreign weapons systems and equipment and research and development costs. Estimates of the actual military budget range from 1.5 to 3 times China's official defense budget. A senior member of a PLA-affiliated think tank stated unofficially that the budget was approximately 1.7 times the announced budget. Therefore, the percentage of personnel costs as part of the actual budget could range from 11.3–22.6 percent of the actual military-related expenditures.

By comparison, in the U.S. Defense budget for FY 2012, excluding Overseas Contingency Operations funding, was \$530.4 billion, and of that amount, DOD spent approximately \$253.7 billion on what would be considered military and civilian pay and benefit costs—nearly half of the budget in comparison to the Chinese personnel costs of 11.3–22.6 percent. [See page 23.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. NUGENT

Secretary KENDALL. There is no plan at this time to procure and deliver the Counter-electronics High-power microwave Advanced Missile Project (CHAMP) missiles in the Joint Capability Technology Demonstration (JCTD) configuration to U.S. Pacific Command. The U.S. Air Force is using the results from this successful JCTD to inform the non-kinetic counter-electronics effort, which is currently in the pre-material development decision phase. This effort seeks to have a procured and operational weapon system to support the targets and requirements of the Combatant Commanders in the mid-2020 time frame. [See page 27.]

Secretary KENDALL. The Fiscal Year 2015 President's Budget includes \$1B across the Future Year Defense Plan for Combat Rescue Helicopter, a replacement for the HH-60G Pave Hawk. The Air Force is proceeding toward a request for acquisition program approval to proceed into the Engineering and Manufacturing Development phase, contract award in June 2014, and the realignment of the necessary \$436M in offsets to fully fund the program. These offsets will be appropriately reflected in the FY16 President's Budget. Meanwhile, the legacy rescue platform has \$148M budgeted in the FY15 President's Budget for sustainment and operational loss replacement initiatives. [See page 27.]

Secretary KENDALL. The role of the National Guard in the USPACOM Area of Responsibility (AOR) is significant—and is diverse in nature. In terms of the Guard's contribution to Security Cooperation, their engagements cover an array of mission sets including:

- Humanitarian & Civic Assistance;
- Exchanges focusing on Aviation Maintenance, Air Defense, Engineering, and Medicine;

- Activities involving Port Security as well as Cyber Security; and
- Non-Commission Officer Development—just to name a few.

The level of National Guard soldier, airmen, and unit participation in a great many of our exercises is noteworthy as well. Since just 2010, more than 11,800 National Guard Soldiers from 33 different states/territories, including Florida, have been involved in exercise activity in over 15 different nations within the AOR. As for the involvement of Air National Guard (ANG) aviation assets, our exercise program provides the perfect opportunity for the ANG to train with Active Duty counterparts as well as with a host of countries within the region; in fiscal year 2014 alone, there are 19 such planned events, each with multiple State ANG participation, utilizing a wide variety of aircraft types in order to maximize total force training value.

USPACOM's focus on National Guard utilization in these exercises and events will continue to enhance operational readiness, interoperability, and valuable overseas deployment training for all forces involved, active and reserve alike. [See page 27.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

JANUARY 28, 2014

QUESTIONS SUBMITTED BY MS. HANABUSA

Ms. HANABUSA. Could you define the overall strategic importance of Hawaii to the rebalance?

Mr. LUMPKIN. Hawaii occupies a unique strategic position for the United States in the Asia-Pacific region. First, Hawaii possesses rich historical and cultural ties to countries throughout the region. Second, Hawaii has emerged as an influential center for scholarship of, and partnership with, the Asia-Pacific region. Hawaii-based, U.S. institutions—including the Asia-Pacific Center for Security Studies and the National Ocean and Atmospheric Administration's Daniel K. Inouye Regional Center—provide the United States opportunities to learn with and add value to our relationships with other countries. Third, Hawaii serves as the Headquarters of U.S. Pacific Command, the Combatant Command most often called upon to implement military elements of the rebalance approach. Hawaii will continue to play a strategic role in the ongoing rebalance to the Asia-Pacific region, including hosting rotational deployments of advanced capabilities.

Ms. HANABUSA. As you know, perhaps the premier training range existing in the Asia-Pacific is Pohakuloa Training Area. What is being done to expand its use? To include multilateral exercises with allies?

As you know, all service components are based on the island of Oahu and have high transportation costs to move equipment and personnel to address these costs. What initiatives have been undertaken to ensure that these costs are manageable?

High-speed vessels have been used to transport this equipment successfully, like the MV Westpac Express in Okinawa, which will give way to the USNS *Guam* (HST-1) this year. There is currently another high-speed vessel acquired by the Navy, USNS *Puerto Rico* (HST-2) that could be repurposed to Hawaii. Have any studies been conducted on this?

Mr. LUMPKIN. U.S. Army, Pacific, is conducting a review to develop a plan for establishing the Pohakuloa Training Area as a premier Regional Collective Training Center. A briefing to the Office of the Secretary of Defense on the requirements for this project is scheduled for May 2014, which will be followed by engagement with interagency partners and discussions with congressional staff members.

It is my understanding, from the Department of the Navy, that managing the cost of transportation remains a priority. Current sealift plans do include the replacement of the MV Westpac Express with the USNS *Guam* (HST-1) in order to support U.S. Marine Corps requirements in the region. DOD requires funding in order to convert the USNS *Puerto Rico* (HST-2) from civilian to military use and will continue to review the costs associated with the conversion.

Ms. HANABUSA. Another premier asset in Hawaii is the Pacific Missile Range Facility. What initiatives are currently underway to initiate total fleet inclusion at the range to expand its usage?

Mr. LUMPKIN. The Pacific Missile Range Facility's (PMRF) role in support of the U.S. Navy fleet has expanded over the last few years and will continue to grow. PMRF fleet training growth is directly tied to enhancing training support for our Forward Deployed Naval Forces (FDNF) in the Western Pacific (WESTPAC). Over the past five years, PMRF established training support capability personnel (primarily civil servants and contractors) to support the U.S. Navy fleet and other service training requirements. Our long range goal is to provide our forward deployed forces training comparable to that provided to CONUS forces.

In addition to PMRF's recent WESTPAC-driven mission growth, PMRF's Middle Pacific mission has systematically increased. PMRF has partnered with the U.S. Army's Pohakuloa training requirements. These enhancements include the installation of targets, aircraft tracking improving the training conducted during Rim of the Pacific (RIMPAC) exercises and the U.S. Marine Corps LAVA VIPER exercise events. They also provide added training value for transiting U.S. Pacific Fleet (PACFLT) Carrier Strike Groups and other forces (schedules permitting) en route to their deployed locations. PMRF increased its role in supporting advanced pre-deployment exercises for Oahu-based Fleet and Joint units, as recently demonstrated during EXERCISE KOA KAI. PMRF also modified their runway in support of

“short-field” training support to U.S. Air Force C-17s stationed at Joint Base Pearl Harbor/Hickam.

Currently, Commander U.S. Pacific Fleet is working with the Commander, U.S. Marine Forces Pacific to identify desired PMRF training support capability for the projected increased Marine Corps presence in Hawaii and the Marianas. PMRF capabilities will be leveraged to continue to support Marine Corps training including Unmanned Aerial System (UAS), aviation maritime gunnery, low-level flight, V-22 operations, and amphibious warfare training.

Ms. HANABUSA. As you know, 2,700 Marines will be relocated to Hawaii as part of the DPRI and recently a land use study was completed. What outcomes did you learn from this study about the infrastructure in Hawaii? Could Hawaii handle additional personnel if necessary?

Mr. LUMPKIN. It is my understanding from the Department of the Navy, that the U.S. Marine Corps Base Hawaii Optimization study, Oahu Land Use study, and Kalaheo evaluation reviewed possible bed-down locations in Hawaii for the additional Marines and determined that existing DOD property on Oahu could be utilized for the relocation. However, final basing decisions will not be made until after the National Environmental Policy Act (NEPA) Environmental Impact Statement (EIS) and Record of Decision are completed. The environmental assessment process will begin in 2019.

Ms. HANABUSA. Could you define the overall strategic importance of Hawaii to the rebalance?

Admiral PANDOLFE. Hawaii is a critical center of operations for the Asia-Pacific Region and will become more important as we continue to rebalance to the Pacific. Its location in the middle of the Pacific Ocean makes it the operational, logistics, and command and control hub for our Asia-Pacific forces.

Operationally, the state is a vital site as we redistribute the Joint Force between Japan, Korea, Australia, Guam, and Hawaii. Hawaii hosts the U.S. Pacific Command (USPACOM) headquarters, as well as headquarters of the U.S. Pacific Fleet, U.S. Pacific Air Forces, U.S. Army Pacific, and U.S. Marine Forces who deploy throughout the Asia-Pacific. From Hawaii, USPACOM oversees approximately 330,000 U.S. military and civilian personnel (roughly one-fifth of total U.S. military strength), approximately 180 ships (including five aircraft carrier strike groups) and nearly 2,000 aircraft.

Hawaii also possesses invaluable infrastructure that supports those forces. These facilities include many important repair and maintenance facilities, missile tracking sites, warehouses, ports and airfields, and range facilities. These facilities support both current and contingency operations throughout the region.

Hawaii also serves as the command and control center for major regional engagements and exercises throughout the region. These include TALISMAN SABER with Australia; COBRA GOLD with Thailand; BALIKATAN with the Republic of the Philippines; KEEN SWORD/KEEN EDGE with Japan; and RIM OF THE PACIFIC, which includes major allies such as Canada, Australia, Japan, South Korea, and the United Kingdom.

Ms. HANABUSA. As you know, perhaps the premier training range existing in the Asia-Pacific is Pohakuloa Training Area. What is being done to expand its use? To include multilateral exercises with allies?

As you know, all service components are based on the island of Oahu and have high transportation costs to move equipment and personnel to address these costs. What initiatives have been undertaken to ensure that these costs are manageable?

High-speed vessels have been used to transport this equipment successfully, like the MV Westpac Express in Okinawa, which will give way to the USNS *Guam* (HST-1) this year. There is currently another high-speed vessel acquired by the Navy, USNS *Puerto Rico* (HST-2) that could be repurposed to Hawaii. Have any studies been conducted on this?

Admiral PANDOLFE. The Army is interested in establishing Pohakuloa Training Area (PTA) as a Regional Collective Training Center. This center would provide a joint/multinational training site in the mid-Pacific and host biennial multilateral training exercises. The Army is developing a plan to provide intermodal transportation, suitable life support and infrastructure, and sustainable training facilities to meet Army and Joint training requirements. After the Army completes its plans, the DOD, Department of State, and other interagency stakeholders will have a chance to review them.

Ms. HANABUSA. Another premier asset in Hawaii is the Pacific Missile Range Facility. What initiatives are currently underway to initiate total fleet inclusion at the range to expand its usage?

Admiral PANDOLFE. The value and utility of the Pacific Missile Range Facility (PMRF) has expanded steadily and will continue to grow. Over the past five years,

PMRF has established training support capability for USN and USMC forces in Guam and Okinawa. PMRF also partnered with the U.S. Army's Pohakuloa Training Area (PTA) to improve range infrastructure in support of all Services' aviation strike training requirements. These improvements include the installation of targets and aircraft tracking systems and the deployment of portable electronic warfare support teams to the PTA. PMRF also increased its support of advanced pre-deployment exercises for Oahu-based Fleet and Joint units, as recently demonstrated during exercise KOA KAI. Additionally, PMRF has modified its runway in support of "short-field" training for USAF C-17's stationed at Joint Base Pearl Harbor-Hickam.

PACOM is also seeking expanded PMRF training support capability for the projected increase of Marine Corps presence in Hawaii and the Marianas. New or enhanced range capabilities could include unmanned aerial systems, aviation maritime gunner, low-level flight, V-22 operations, and amphibious warfare training areas. Our goal is to provide forward deployed forces training comparable to that provided to CONUS forces.

Ms. HANABUSA. As you know, 2,700 Marines will be relocated to Hawaii as part of the DPRI and recently a land use study was completed. What outcomes did you learn from this study about the infrastructure in Hawaii? Could Hawaii handle additional personnel if necessary?

Admiral PANDOLFE. Our plans call for up to 2,700 Marines and nearly 1,900 family members to relocate from Okinawa to Hawaii starting in approximately 2027. The land use study completed in December 2013 revealed sufficient land exists on DOD property in Oahu to accommodate additional personnel. The study did not propose any final basing decisions. Those decisions will occur after a National Environmental Policy Act Environmental Impact Statement and Record of Decision have been completed. The environmental review process is planned to begin in 2019.

Ms. HANABUSA. As you know, perhaps the premier training range existing in the Asia-Pacific is Pohakuloa Training Area. What is being done to expand its use? To include multilateral exercises with allies?

As you know, all service components are based on the island of Oahu and have high transportation costs to move equipment and personnel to address these costs. What initiatives have been undertaken to ensure that these costs are manageable?

High-speed vessels have been used to transport this equipment successfully, like the MV Westpac Express in Okinawa, which will give way to the USNS *Guam* (HST-1) this year. There is currently another high-speed vessel acquired by the Navy, USNS *Puerto Rico* (HST-2) that could be repurposed to Hawaii. Have any studies been conducted on this?

Secretary KENDALL. One of the Army's seven priorities in the Pacific is "to gain a mutually agreed Joint master plan for Pohakuloa Training Area/Center (PTA/PTC)." To this end, the Army is focused on establishing PTA as a premier Regional Collective Training Center in the mid Pacific. The Army is laying out an inclusive plan that provides efficient intermodal transportation, which could include a high-speed vessel, suitable life support and infrastructure, and sustainable training facilities and lands to satisfy Army and joint community current and evolving training requirements. PTA, Joint Pacific Alaskan Range Complex, and Yakima Training Center (in support of Joint Base Lewis McChord in central Washington) are to be U.S. Army Pacific's three primary collective training Centers of Excellence. Once the full set of requirements is identified, a resourcing strategy will be developed that will lead to a fiscally executable master plan. In the past, PTA has supported a series of Service bilateral exercises and training exchanges, mainly with Army, Marine Corps, and Special Operations forces. Most recently, elements of the Australian and Singaporean forces and the Japanese Ground Self Defense Force have trained at PTA. PTA is the U.S. Army's Training Center of choice for mid Pacific training.

Ms. HANABUSA. Another premier asset in Hawaii is the Pacific Missile Range Facility. What initiatives are currently underway to initiate total fleet inclusion at the range to expand its usage?

Secretary KENDALL. The Pacific Missile Range Facility (PMRF) is a critical training/readiness and test and evaluation (T&E) asset. PMRF's support to the U.S. Pacific Fleet mission has systematically increased. PMRF has partnered with the U.S. Army's Pohakuloa Training Area (PTA) to improve range infrastructure in support of all of the Military Departments' aviation strike training requirements. These enhancements include the installation of targets and aircraft tracking systems and the deployment of portable electronic warfare support teams to PTA—improving the training conducted during U.S. Pacific Command (USPACOM) Rim of the Pacific exercise and the Marine Corps LAVA VIPER exercise events. They also provide added training value for transiting Pacific Fleet Carrier Strike Groups and other forces (schedules permitting) enroute to their deployed locations.

PMRF fleet training growth is directly tied to enhancing training support for our Forward Deployed Naval Forces in the Western Pacific. Over the past 5 years, PMRF has established training support capability for Navy and Marine Corps forces in Guam and Okinawa. To provide this Training, PMRF “deploys” U.S. Government personnel (primarily civil servants) and utilizes contractors to support Navy Fleet and other Service training requirements. The goal is to provide to our forward deployed forces training comparable to that provided to forces based within the continental United States. PMRF increased its role in supporting advanced, pre-deployment exercises for Oahu-based Fleet and Joint units, as recently demonstrated during KOA KAI, the semiannual exercise in the waters around Hawaii. PMRF has modified its runway in support of “short-field” training for the Air Force C-17s stationed at Joint Base Pearl Harbor/Hickam.

Currently, the Commander, U.S. Pacific Fleet is working directly with the Commander, U.S. Marine Forces Pacific to identify desired PMRF training support capabilities for the projected, increased Marine Corps presence in Hawaii and the Marianas, leveraging PMRF capabilities. Unmanned Aerial Systems, aviation maritime gunnery, low-level flight, V-22 operations, and amphibious warfare are training areas in which enhanced capability may be warranted.

PMRF hosts both joint and coalition weapons systems T&E events. PMRF provides valuable T&E support to Aegis Ballistic Missile Defense, Standard Missile, Trident II, Minuteman II, and Missile Defense Agency programs. The Navy continues to program Major Range and Test Facility Base operations and maintenance funding to support PMRF’s Coherent Signal Processing (COSIP) radars, telemetry, optics, and the Mobile At Sea Sensor (MATSS) maintenance. The Navy also has programmed additional funding to improve and modernize PMRF’s COSIP radars and the telemetry system, and the MATSS recently was refurbished to extend its service life.

Ms. HANABUSA. As you know, 2,700 Marines will be relocated to Hawaii as part of the DPRI and recently a land use study was completed. What outcomes did you learn from this study about the infrastructure in Hawaii? Could Hawaii handle additional personnel if necessary?

Secretary KENDALL. The study was completed in December 2013 by the U.S. Marine Corps. They are currently evaluating its results. The study assessed the potential for optimizing space on Marine Corps Base Hawaii and potential available space on other Department of Navy and Department of Defense installations on the island of Oahu. The results of the analysis will inform a future National Environmental Policy Act analysis that will examine locations on Hawaii (Oahu).

QUESTIONS SUBMITTED BY MR. CARSON

Mr. CARSON. Given that sequestration has injected a level of uncertainty into our defense budget, what specific strategic objectives do you consider to be the highest priority in the rebalance in the Asia-Pacific? In the event that sequestration continues and budgets become tighter, which objectives would receive less focus?

Mr. LUMPKIN. The primary lines of effort for the Department of Defense’s effort to rebalance to the Asia-Pacific region are: transforming and modernizing alliances and partnerships; enhancing our defense posture in the region; updating operational concepts and plans, investing in the capabilities we need to secure our interests throughout the region; and strengthening multilateral cooperation and engagement. Should available funding be reduced as a result of sequestration, the pace and scale of implementation would be adjusted, possibly including changes to our rotational deployments or the pace at which new capabilities are available, or by altering the mix of forces available globally. The ongoing efforts to rebalance to the Asia-Pacific region would, however, remain consistent. Any decisions about specific changes would be made based on conditions at the time.

Mr. CARSON. Given that sequestration has injected a level of uncertainty into our defense budget, what specific strategic objectives do you consider to be the highest priority in the rebalance in the Asia-Pacific? In the event that sequestration continues and budgets become tighter, which objectives would receive less focus?

Admiral PANDOLFE. PACOM has strategic objectives derived from national-level guidance and the Secretary of Defense’s Guidance for Employment of the Force. Among our highest priorities are to strengthen allies, mature our military-to-military relationship with China, develop a U.S.-India strategic partnership, remain prepared to respond to a Korean Peninsula contingency, and counter transnational threats.

In the event of sequestration, PACOM’s strategic objectives will not change. However, budget cuts will impact the range of options available to meet those objectives.

We are concerned the cancellation or deferment of exercises and engagements will reduce opportunities to build partner capacity and interoperability. Sequestration also will impact PACOM's ability to respond to operations, crises, and contingencies due to force structure reductions that adversely affect capabilities.

Mr. CARSON. Given that sequestration has injected a level of uncertainty into our defense budget, what specific strategic objectives do you consider to be the highest priority in the rebalance in the Asia-Pacific? In the event that sequestration continues and budgets become tighter, which objectives would receive less focus?

Secretary KENDALL. In striving to achieve our strategic objectives, the Department will continue to rebalance and sustain its global posture, while appropriately managing risk, as necessary, given the challenges presented by a constrained budget environment and a dynamic global threat environment.

We will continue our contributions to the U.S. rebalance in the Asia-Pacific region, seeking to preserve peace and stability in a region that is increasingly central to U.S. political, economic, and security interests, particularly in the face of North Korea's long-range missiles and Weapons of Mass Destruction programs—especially its pursuit of nuclear weapons. As part of our broader efforts for stability in the Asia-Pacific region, the United States will maintain a robust footprint in Northeast Asia while enhancing our presence in Oceania and Southeast Asia. We will also invest in key capabilities that preserve or enhance our technological superiority over any potential adversary.

As we draw down forces in Afghanistan, we are prepared to transition to a limited mission focused on counterterrorism and training, advising, and assisting Afghan security forces. These objectives remain a high priority despite sequestration and a constrained budget.

QUESTIONS SUBMITTED BY MR. KILMER

Mr. KILMER. Several months ago, I learned of the DLA's interest in either reducing or closing the Defense Fuel Support Point Manchester. This action raises several concerns with regard to the numerous national security missions that are carried out by the Army, Navy, Air Force and Coast Guard who are customers of the facility. I am concerned that such a move would negatively impact the rebalance. Unfortunately, DLA is insufficiently studying the effects of their intended action. As such, many important factors may be missed. To ensure that the subject is studied accurately, NAVSUP has commissioned a Business Case Analysis (BCA) of their own which is due out next month. Could you please assure me that all of the findings from NAVSUP's BCA will be specifically addressed in DLA's BCA before its approved?

Secretary KENDALL. As the Department of Defense's Executive Agent for bulk petroleum, the Defense Logistics Agency's (DLA) mission is to deliver effective fuel support in the most efficient manner possible. DLA's ongoing review of Manchester and its fuel delivery network supports this effort. DLA understands the importance of working with all stakeholders to address their concerns to ensure exceptional warfighter support at the lowest cost to the taxpayer. Please be assured, all pertinent information, to include the NAVSUP BCA, will be addressed as part of DLA's Manchester review prior to any decisions.

QUESTIONS SUBMITTED BY MR. RUNYAN

Mr. RUNYAN. Secretary Kendall, as you may know, the Department of Defense has long been supported by the GSA's Eastern and Western Distribution Centers. One of the largest and most important missions of these centers is to supply much needed logistical items to our warfighters overseas. What are the projected outlays for costs to the DOD when GSA shuts down these Distribution Centers and shifts to full vendor support overseas?

Secretary KENDALL. Reducing cost is the whole premise of our Big 6 efforts with GSA, specifically the integration of the Eastern Distribution Center and Western Distribution Center into our distribution system; as well as the transfer of approximately 5,300 items from the General Services Administration (GSA) to the Defense Logistics Agency (DLA). While both the WDC and EDC have supported the Warfighters in the past, a majority of the items from these centers come through DLA's Central Control Points (CCPs) for further transfer to the requisitioning customer worldwide. GSA is transitioning stock from these depots to Direct Vendor Delivery (DVD) contracts, and the remaining 480 items are transferring to DLA ownership, where DLA will manage these items either via DVD or physically locating

them in our depots. The DLA solution will depend upon which is most cost efficient and effective to support the customer.

I am assuming the comment about full vendor support overseas implies that GSA will use DVD solutions to support overseas orders, primarily to DOD customers. In that context, we are working closely with GSA to ensure current and future GSA DVD contracts include the necessary provisions to ensure all packaging and labeling conforms to DOD and commercial standards and that shipments can go directly from their DVD vendors to overseas customers. If they cannot, then they will transit through our CCPs, but with proper labeling to ensure the cargo does not become misdirected, thereby delaying deliveries to the customer.

We do not anticipate any projected outlays in terms of cost as DLA has the current capacity within our depots for those items coming to DLA from GSA. Similarly, we already perform the CCP function for GSA on many of their items, so there are no additional costs associated with the CCP effort. As I previously mentioned, we anticipate a reduction in cost once the contracts have the correct provisions for shipping and labeling, as there will be a significant reduction in the level of effort required to process inbound shipments that in the past may have been misdirected.

QUESTIONS SUBMITTED BY MR. NUGENT

Mr. NUGENT. The Counter-electronic High-power-microwave Advanced Missile Project (CHAMP) is developing a non-lethal weapon that uses a microwave emitter to knock out the electronics of an enemy without causing damage to people or structures. The Air Force successfully tested CHAMP on a cruise missile delivery vehicle. Retrofitting this weapon on cruise missiles is cheap for us to produce and expensive for our adversaries to defend. It will only take 18 months before we can start delivering CHAMP cruise missiles to PACOM.

As the Chinese continue to expand their territorial claims and assert force over their neighbors, tensions will rise with the American forces operating in the same contested space. In the menu of options to calm an escalating situation and deter conflict, I would imagine a non-lethal weapon that renders our enemy without electricity would be a valuable tool.

Would you talk about some of the uses for the CHAMP non-lethal weapon system in the Asia-Pacific?

Secretary KENDALL. CHAMP was developed by the Air Force Research Laboratory and demonstrated under a Joint Capabilities Technology Demonstration program to determine the ability of an aerial platform with a high-power microwave energy source to disrupt, degrade, or disable critical electronic and communication equipment.

A non-kinetic weapon similar to CHAMP could reduce collateral damage and reconstruction costs, and would be non-lethal (no casualties). Due to its capability of attacking multiple targets with one weapon, the cost per target could be less than the cost of kinetic missile weapons, and thus it could be a force multiplier for commanders.