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SEAPOWER AND PROJECTION FORCES CAPABILITIES TO SUPPORT THE ASIA–PACIFIC REBALANCE

HEARING

BEFORE THE

SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

HEARING HELD
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SEAPOWER AND PROJECTION FORCES CAPABILITIES TO SUPPORT THE ASIA–PACIFIC REBALANCE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES,
Washington, DC, Thursday, February 27, 2014.

The subcommittee met, pursuant to call, at 2:00 p.m., in room 2212, Rayburn House Office Building, Hon. J. Randy Forbes (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. J. RANDY FORBES, A REPRESENTATIVE FROM VIRGINIA, CHAIRMAN, SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

Mr. FORBES. I want to welcome all of our Members and our distinguished panel of experts to today's hearing focused on the military capabilities that will be necessary to support our enduring interest in the Asia-Pacific.

I want to apologize to our witnesses for us being a little bit late. We had votes, and that is why we are here. So we appreciate your patience with us.

Today we have testifying before us Admiral Patrick Walsh, U.S. Navy retired, and he was the former commander of the Pacific Fleet.

Admiral, thank you for your service and for being here.

Dr. Thomas Mahnken, professor of strategy at the U.S. Naval War College.

And we certainly appreciate your expertise and your taking the time to help us on the committee.

Dr. David J. Berteau, senior vice president and director of the Center for Strategic and International Studies [CSIS] National Security Program on Industry and Resources.

Thank you so much for taking your time to be with us.

And Dr. Ely Ratner, senior fellow and deputy director of the Asia-Pacific Security Program at the Center for a New American Security.

And we welcome all of you. Thank you for sharing your unique perspectives on this important topic.

With the support of my colleague, the ranking member, Mr. McIntyre, and the tireless efforts of Ms. Hanabusa and many other Members of Congress, we spent the last 4 months conducting a bipartisan Asia-Pacific security series to better understand our security posture in this critical area.

Today's hearing will conclude this formal effort, but I hope this process will only be the start of a surge in the committee's focus

and oversight of the shifting security dynamics in the Asia-Pacific region and what they will mean for our interest.

To this point we have heard classified and unclassified testimony from U.S. Government witnesses on our military posture in the region. Today we thought it would be valuable to hear a variety of alternative independent perspectives on how the United States should fashion its regional military posture for the decade ahead.

While we have maintained a regional military presence in Asia over the last 70 years that has successfully limited the escalation of conflict, I believe we will need to carefully reassess our posture in the years ahead to ensure we can continue to achieve our objective of sustaining a peaceful, prosperous, and rules-based Asia-Pacific order.

I believe the military modernization of the People's Republic of China [PRC] over these last two decades now stands to challenge our traditional regional objectives.

More specifically, the PRC's investment in ballistic missiles, cruise missiles, mines, submarines, fast attack ships, antisatellite capabilities, and cyber warfare, among others, all appear focused on developing a counterintervention strategy that can limit our military's power projection forces.

I worry that, absent a calculated adjustment by the Department of Defense, this modernization effort could undermine the military balance and call into question our alliance commitments.

The Pentagon had it right when it called for a geographically distributed, operationally resilient, and politically sustainable military presence across the Asia-Pacific region.

I am now curious what range of options we have and what tradeoffs we should be considering for implementing this approach. Should we invest more in long-range strike systems and less in short-range weapons? Are we too reliant on a small number of large bases instead of moving towards a more distributed presence? Are we investing in the right type of munitions? How do our operational concepts, doctrines, and capabilities align with those of our allies? Do we have the right mix of capabilities for both maintaining the peace and warfighting? And, finally, how will research and development investments drive the competition in the next decade?

I look forward to discussing this important topic with our expert panel of witnesses. And, with that, I turn to my good friend and colleague, the ranking member of the subcommittee, Mike McIntyre.

[The prepared statement of Mr. Forbes can be found in the Appendix on page 39.]

STATEMENT OF HON. MIKE MCINTYRE, A REPRESENTATIVE FROM NORTH CAROLINA, RANKING MEMBER, SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

Mr. MCINTYRE. Thank you, Mr. Chairman.

And thanks again to our witnesses for being here and for your patience.

Because of the voting schedule, I will be briefer than I had thought I would be. I may save some for questions.

But as we focus on the rebalance or pivot toward the Asia-Pacific, having just been there last week myself, I realize we are real-

ly looking at an arc that is the Indo-Pacific concerns as we look through at is occurring throughout the entire area.

And when we look at the economic usage through the Straits of Malacca and the 1.7-mile-wide stretch and we look at not only the economic trading, but, also, the energy trading and investment and what passes through that area, we realize how strategic it is and how important it is and we do have our concern about China's action in the South and East China Seas and the ramification that has for several of our allies in the region.

Australia, I know, is our closest and strongest ally that has been with us in every war that we have fought since they have become a nation, going back to 1901. And with the United States presence in that area—more than 80 ships, 300 aircraft, 2 Marine Expeditionary Forces and non-Army brigades stationed in the Pacific Command area—this presence certainly is serious and demands our attention.

So I want to thank you all for coming today. We look forward to hearing what your ideas are and your options are you see for enhancing our military posture in this region and make sure that we are effectively working with our allies to make sure that there is not a nation trying to dominate that region that does not have our interest at heart.

Thank you, Mr. Chairman.

Mr. FORBES. Mike, thank you.

And one of the things, as you begin, to tell you, we want to have that dialogue. So feel free to not have to say everything in your written statement. We are going to put that as part of the record.

Second thing: Despite the reputation this city has, this committee and especially this subcommittee is probably one of the most bipartisan subcommittees out here. We all have tremendous respect for each other. We work very well together.

So you may find us asking some questions maybe out of turn just to make sure we are elaborating on that, if that were to happen. But we want you to have plenty of time to give us your answers.

And with that, Dr. Walsh, we look forward to your presentation and ask you, if you can, on your opening remarks, to stick as close as you can to around 5 minutes so that we can get to those questions.

Mr. Walsh.

STATEMENT OF ADM PATRICK WALSH, USN (RET.), SENIOR FELLOW, TOWER CENTER, SOUTHERN METHODIST UNIVERSITY

Admiral WALSH. Thank you, Mr. Vice Chairman. Thank you as well for the invitation to be here today.

In my written statement, I had attempted to present a maritime perspective that offered context. By the very nature of it, it is integrative. It looks at not just the military order of battle, which I think, through a single lens, would take us down a path that lead to conclusions that are often erroneous. So you have to put this in its proper context.

When you walk into the area of responsibility that we call the Pacific, an area that is as vast as any that we have ever operated as a military, we are talking 100 million square miles and 15 time

zones. So we have the challenge of the vastness of the geography in a world that is very interconnected. It is steeped in history.

Consider what the community of nations looked like in 1946 as we came out of World War II, 51 countries compared to 194 today. It is a statement that suggests that we don't really understand the role of nationalism, sovereignty, cultural identity and how that underpins so much of the tectonic plates that move in Asia-Pacific.

So the area that we are talking about is very vast. And I think, when you—when you try and look at the future of seapower in a naval strategy, in particular, that represents national interests, then it begs for a strategy that looks for, "Where can I place resources that can have the potential for the most consequence, the most impact?"

Throughout history, there have been continental strategists who have tried to describe where that critical node is on land, meaning that, no matter which way you looked on a cardinal heading—north, south, east, or west—or which perspective that you adopted, whether it is political, economic, military, or diplomatic, you could have the greatest impact and influence from that region. That was known as the Great Game in Central Asia.

You can pull some of Mackinder's writing and thinking to help establish a framework for what matters today. I would offer to you that is the South China Sea. Whether it is $5 trillion of economic activity or 70,000 container ships that come through the Straits of Malacca each year, any disruption to the security and stability in that region can have potential impact in the daily lives, in the quality of lives, of those all around us.

Trying to narrowly define national interest in traditional terms will take us down an alley, I think, that will be not very—not very revealing or satisfying. The problem that we have with—today is that we no longer manufacture end-to-end products at home. It is done through a distributed network all around the world.

So that makes it increasingly difficult to define one nation's singular national interest inside the South China Sea. We all have interests there. So any disruption to that security and that stability and that sea line of communication can have impact for all of us.

When we think about some of the complexities of operating in that environment, in an area that continues to develop, we are seeing the underpinnings of nationalism and the drive for resources or resource nationalism. That is the complexity of the environment that we are in.

So whether it is the fight for fish or it is the drive for hydrocarbons in the South China Sea, we are seeing the dilemma paradigm play out in the economic exclusion zones.

So my counterparts are faced with the dilemma of whether or not they surveil and then enforce their economic exclusion zones or run the risk of a direct confrontation by doing so with a nation like China. That is the risk that they are taking.

I know of no country in the region that is downsizing its Navy. I know of no country in the region that is taking reductions in its maritime forces. If anything, for reasons that are sometimes a little difficult to understand, more nations are acquiring more maritime capability, even maritime capability where they have no history of undersea warfare.

So as six *Kilo*-class submarines arrive in Vietnam, it begs a number of questions in terms of how they are going to manage water space, how they are going to deploy those ships, and how they are going to use them. What historical concept of operations are they going to employ?

It is just an indicator that the region continues to now develop maritime capability. And because we have so much history in the region and because we have expended so much national treasure generation after generation, it is important to understand what is at risk.

What our forefathers did for us is set up a framework that has given us a very prosperous economy that has tentacles that reach around the world. With that, in the phrase that you described as a rules-based system, is a set of standards and understanding and a language of how we operate among nations.

When you fly to Beijing, you don't require a fighter escort. That is because the International Civil Aeronautics Organization Chicago treaty of the 1940s gave us a taxonomy, a language, a rule system, for how we would operate.

When you look at the sea, there is a lot of confusion in terms of how we look at the Law of the Sea, what role it plays, and now you are seeing, most recently, local interpretations from China in terms of how to manage and how to look at the South China Sea. In a word, they claim the South China Sea.

I look forward to your questions and the opportunity to respond.

[The prepared statement of Admiral Walsh can be found in the Appendix on page 41.]

Mr. FORBES. Admiral, thank you.

Professor Mahnken.

STATEMENT OF THOMAS G. MAHNKEN, PROFESSOR OF STRATEGY, JEROME LEVY CHAIR OF ECONOMIC GEOGRAPHY AND NATIONAL SECURITY, U.S. NAVAL WAR COLLEGE

Dr. MAHNKEN. Thank you.

Chairman Forbes, Ranking Member McIntyre, thanks for the opportunity to speak to you this afternoon. You have my written testimony. What I would like to do in the time allotted really is to just highlight several things.

In order to talk about strategy and force posture, I think we first need to talk about interests. And I believe the United States has a set of enduring interests in the Asia-Pacific region, interests that date back, in some cases, a half century, in other cases, much longer than that.

And those interests are really four: First, protecting American lives and territory, the most solemn responsibility of any government; second, helping to defend our allies in the region, our treaty allies in particular, treaties which bear the force of law in the United States; third, as Admiral Walsh has already alluded to, ensuring the free passage of goods and services across the global commons, something that has benefited America tremendously, but also benefited the world; and then, finally, ensuring a favorable balance of power on the Eurasian continent, something that we don't talk much about, but I think has been crucially important to us in the past.

So we need forces that are sufficient to preserve those interests across the spectrum of conflict. We need to demonstrate U.S. presence, shape the region. And in peacetime, we need to dissuade potential competitors, deter potential aggressors, reassure our allies, and, should it come to it, be able to fight and win.

Now, it is true that we have strengthened our position in the Asia-Pacific region. And that is a process that has gone on—been going on for more or less a decade, and it is a process that is—long-term process that has enjoyed bipartisan support.

So today we have more forces in the region—more modern forces in the region. But this is occurring in a situation where not just we are changing, but other actors as well, and the military balance in the Asia-Pacific region is changing.

Chinese military modernization has already been referred to. More generally, the modernization of Asian militaries is a fact of life. And the net result is that we face greater risk to our forces today than we did in the past. There are greater questions about our ability to support our allies, and, ultimately, there could be threats to our credibility within—within the region.

As I see it, there are really three alternatives that I will put forward as alternative force postures that we could think about.

The first is sort of a continuation of the status quo, to continue doing what we are doing, focused on relatively short-range assets concentrated in a relatively small number of bases, devoting a larger percentage of our—of our capabilities to the region, to be sure, but a larger slice of a shrinking pie.

My concern there is that we will face a growing gap between our interests and our capability to defend them. Our forces will face greater risk, greater vulnerability to our forces, and then, ultimately, I think we will face greater strategic risk, risk to our credibility, our ability to support our interests and pursue our interests.

A second alternative is to trim our commitments. It is the type of thing that is attractive in the abstract, but truly easier said than done. And I welcome a discussion on that. One variety of this approach would be to pull back, trade operational risk, trade the risk to our forces, trade space for time.

My concern with pulling back and focusing more on long-range platforms, for example, is that we would trade operational risk ultimately for strategic risk, that we would undermine our alliances and undermine stability in the region.

So the third alternative would be to try to close the gap between our commitments and our ability to meet them. And I think there are a number of things that we can do, particularly a number of things that we can do in conjunction with our allies in the region.

Greater focus on undersea warfare and greater cooperation with our allies in undersea warfare is one. Greater collaboration with allies and partners on intelligence, surveillance, and reconnaissance, particularly in disputed waters such as the South China Sea and the East China Sea. And then, third, to diversify and harden our basing structure, to make it more resilient, more credible, and diversify both on sovereign U.S. territory, but, also, on allied territory.

These are just a few of my ideas, and I certainly welcome the discussion to follow. Thank you very much.

[The prepared statement of Dr. Mahnken can be found in the Appendix on page 49.]

Mr. FORBES. Dr. Mahnken, thank you for that insight.

And now, Mr. Berteau, we look forward to your comments.

STATEMENT OF DAVID J. BERTEAU, SENIOR VICE PRESIDENT AND DIRECTOR, NATIONAL SECURITY PROGRAM ON INDUSTRY AND RESOURCES, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. BERTEAU. Thank you, Mr. Chairman.

I am reminded every time I sit in one of these that I am still a little bit of a troglodyte when it comes to electronic communications.

Thank you, Mr. Chairman and Mr. McIntyre, members of the subcommittee.

I am David Berteau from the Center of Strategic and International Studies. I should note that we are a bipartisan institution that does not take positions on issues and, therefore, that the views in my statement and that I am going to comment on today are entirely my own, although they are formed by our research and our experience and my interactions with our colleagues.

My written statement has a wealth of material, and I won't go through it all. I just want to highlight about three things, if you will, for our consideration this afternoon.

First is to go back to the Defense Strategic Guidance, January 5th, 2012. That is the basis of both the rebalance to Asia that we are talking about today and the broader focus of the strategy underlying the reductions under the Budget Control Act.

It essentially said with respect to the rebalance to Asia-Pacific, number one, its direction to DOD [Department of Defense] and to the military, rebalance towards the region, emphasize our existing alliances, and expand our networks of cooperation with emerging partners, if you will.

That is the guidance to the Defense Department. And if you listen to what Secretary Hagel said earlier this week in laying out his summary of what is going to be in the budget next week, it appears that that guidance still pertains today. So I think it is a very important starting point for our discussions.

As you know, Mr. Chairman, I had the privilege a year and a half ago with Dr. Michael Green of CSIS to do this report on the—an independent assessment of force posture strategy for the U.S. in the Asia-Pacific region, and we made four recommendations there that I think are still relevant today.

One is to focus on forward presence, including a better aligned engagement strategy. The second is to strengthen our alliances. The third is to add additional capabilities to U.S. forces in the Asia-Pacific region. And the fourth is to examine possible force posture and basing efficiencies, including—and both of my preceding members of this panel mentioned this—greater reliance on host nation capability on bases and forces and on rotations of U.S. forces. And I think that report and its recommendations, in my view, are still viable and relevant today as well.

The third thing I would like to raise during this opening comment is: What do you look for next week when you get the budget

detail? What does this subcommittee focus its attention on between now and markup?

And I think there are two key questions. One, is DOD properly planning and resourcing and preparing to carry out the rebalance to the extent it can under the authorized and appropriated funding? And the second is: Are we maintaining the industrial base that we need to support that over the long haul? Because it is not just the force posture. It is the capability that the industrial base provides us as part of that.

We are going to need to look at the report from the 2014 Quadrennial Defense Review that will come out pretty much simultaneous with the budget, we understand, and presumably the soon-to-be-forthcoming National Security Strategy as well. And one thing I would particularly look for there is the role of our allies and partners as envisioned in those strategy documents. How much of this is go it alone? How much of this do we want to rely on the region?

So what would you look for in the fiscal year 2015 budget and in the out-years of the Future Year Defense Program, or the FYDP? I think there are a couple of things that are going to be hard to find in the budget.

One of the most important, from my view, is the low-end shaping and engagement activities in the 30 countries throughout the region because, ultimately, it is about those countries, the U.S. engagement with them in the context of an emerging and growing China, but not necessarily in a bilateral, more in a multilateral kind of a framework.

A lot of those activities aren't budget line items. You are going to have to probe to get the information. But I would urge you to support that.

The second is the gaps between the strategy and what is funded both in the base budget and in this $26 billion Opportunity, Growth, and Security fund that we have heard about this week. It already could be acronymized as the OGS, but I don't know if that is quite yet appropriate. And I think those gaps are an important focus for the subcommittee, if you will.

The third is support for combined exercises. We have had good protection for the PACOM [U.S. Pacific Command] level, but I think you also need to look at the component level, the PACFLT [U.S. Pacific Fleet], the PACAF [U.S. Pacific Air Forces], and the component-level exercises, if you will. That is where a lot of that shaping and engagement goes underway. A lot of that, again, is not line items in the budget. You will have to get some requests in to the Department to get that.

I think it is critical for this subcommittee to support the need for forward presence. I think, with the drawdown in Afghanistan, there is a tendency to think we don't need anybody overseas. I would agree we don't need new bases overseas, but we do need to support and fund expanded overseas engagement and deployment, and we need to be explaining that to the American people and, frankly, to the rest of the Congress.

And you mentioned already the need to support investments in R&D [research and development] and in critical procurement programs like the *Virginia*-class submarine, et cetera.

These, I think, are some of the issues that you need to look for. And I will be happy to expand on those in the questions.

Mr. Chairman, members of this subcommittee, Mr. McIntyre, I am grateful for the opportunity to be here today. I thank you, and I await your questions.

[The prepared statement of Mr. Berteau can be found in the Appendix on page 59.]

Mr. FORBES. Thank you, Mr. Berteau.

And now Dr. Ratner.

STATEMENT OF ELY RATNER, SENIOR FELLOW AND DEPUTY DIRECTOR OF THE ASIA–PACIFIC SECURITY PROGRAM, CENTER FOR A NEW AMERICAN SECURITY

Dr. RATNER. Mr. Chairman, Ranking Member McIntyre, and other distinguished members of the committee, I will thank you as well for inviting me here today to discuss the U.S. rebalancing to the Asia-Pacific region.

As I am sure you agree, this is a critically important issue for America's economic and security future, and you and your subcommittee should be applauded for taking a leadership role in helping to clarify and refine U.S. policy in the region.

Our topic today is "Capabilities to Support the Asia-Pacific Rebalance," and the underlying question here, as I see it, is: How can the United States most effectively develop and leverage its military power to advance U.S. interests and maintain peace and security in Asia?

The first-order requirement, as the other witnesses remarked, of course, is to ensure that the United States maintains a robust and geographically distributed military presence in Asia while investing in the capabilities necessary to meet the challenges of the 21st century. The United States can also amplify its military capability by deepening its treaty alliances and other security partnerships.

Today, however, I want to address an additional means through which the United States can support its military and security interests in Asia, namely, the construction of an open and inclusive regional security order undergirded by widely accepted rules and institutions.

In my view, any strategy to enhance U.S. military capabilities in Asia must include efforts to shape a rules-based regional order that strengthens multilateral security cooperation while preventing and managing military competition and crises.

And with the balance of my time, let me highlight three of the eight recommendations that I put forward in my written testimony, and I think these are all areas where the United States can act immediately and where Congress can play a central role.

First, Congress should reinstate trade promotion authority in support of the Trans-Pacific Partnership [TPP] trade agreement. Although it may seem counterintuitive to begin a list of national security priorities with a multilateral trade deal, the successful completion of the Trans-Pacific Partnership both among the negotiators and on Capitol Hill is now the single most important policy issue currently affecting U.S. power and leadership in Asia.

Economics and security are inextricably linked in the region, and the United States cannot cement a long-term role in Asia through

military muscle alone. TPP is a strategic-level issue and must be treated as such by the U.S. Congress.

Second, in the context of continued engagement with Beijing, the United States needs a more coherent and proactive strategy to deter Chinese revisionism in the East and South China Seas. Over the past several years, China has engaged in economic, diplomatic, and military coercion to revise the administrative status quo in East Asia.

These are deeply destabilizing actions that, if permitted to continue, will increase the likelihood of serious conflict down the road. Given this pattern of behavior, the White House should lead an interagency effort to develop a comprehensive response that includes actions to impose costs on China if it continues engaging in acts of revisionism.

As part of this effort, the United States should build an international consensus on the legitimacy of international arbitration for maritime and sovereignty disputes and be unequivocal in rhetoric and action that it does not accept China's illegal seizure and occupation of Scarborough Reef in the South China Sea.

The goal here is not to contain China, Mr. Chairman, but, rather, to ensure that political disputes are managed through peaceful diplomatic means rather than through coercion and the use of force.

Third, despite the U.S. declaratory policy of rebalancing to Asia, there continue to be lingering concerns in the region about the long-term commitment of the United States, and intensification of these perceptions will undermine the development of a rules-based order by causing allies and partners to question the utility of working more closely with the United States while also diminishing U.S. influence in regional institutions and potentially encouraging countries to engage in acts of aggression or provocation that they otherwise would not.

The U.S. Government should therefore make a concerted effort to counter the misperception that the rebalancing to Asia is wavering or hollow. This can begin with statements by President Obama about the importance of the Asia-Pacific region as well as a clear articulation from the Administration about the intent, achievements, and future of the rebalancing strategy.

The Administration and Congress can also more clearly articulate how defense cuts will and will not affect U.S. military posture and presence in Asia, which will be particularly important in the wake of the release of the Quadrennial Defense Review.

Mr. Chairman, as the United States thinks about the capabilities it needs to maintain peace and security in Asia, they must prioritize not just boosting the warfighting capability of the United States, its allies, and partners, but, also, building a stronger rules-based regional security order.

Thank you again for this committee's commitment to U.S. policy toward Asia, and I look forward to your questions.

[The prepared statement of Dr. Ratner can be found in the Appendix on page 69.]

Mr. FORBES. Thank you, Dr. Ratner.

What a great opportunity. We have such an expert panel. We have a subcommittee that has an incredible amount of expertise on it.

I am going to defer my questions until the end because I want some of our Members to be able to express their thoughts and be able to explore their questions.

So I would like to recognize our ranking member right now, Mike McIntyre, for any questions he might have.

Mr. MCINTYRE. Thank you, Mr. Chairman.

And as I mentioned earlier about—and several of you have talked about ways to save cost, but, also, to make sure that we do have a forward presence and work with our allies more closely.

Mr. Berteau, I believe, if I pronounced your name correctly—"Berteau"—page 2 of your testimony—and you referred to this orally—the fourth item, four key elements, you say, "Examine possible force structure and basing efficiencies, including greater reliance on host-nation bases and forces and rotation of U.S. forces," and then over on page 5, you talk about the forward presence and it says it does not mean the United States should build new bases overseas, but it does mean the U.S. Government needs to support and fund expanded overseas deployments.

In that regard, I know, for instance, as I mentioned in my opening comments about Australia, that the blue-water port we have that we work with in Australia—that we work with Australia's port on the western coast, Perth, Stirling, that base.

Also, I have visited Techport, which is in South Australia, which is already built—as they say, built, operating, and ready. We have national security clearance of workers already there and they are out of range of ballistic missiles from North Korea and China.

Those two ports, for example, I think about in Australia, with a very, very strong ally—and then, of course, we have our Marines up in Darwin—to me, would seem to be examples of how we have someone already there, already an ally, already willing to work with us, and they are not coming to us asking for money and handouts and, "Will you come build us bases?", but, rather, they are in place.

I wonder if you agree with that assessment of our close ally, Australia, but also how you see us doing this similarly in other countries in the region when you talk about we don't need to go build bases, but let's find ways to work with our allies who we know have opportunities already in place for us to work with and that can save us money, yet strengthen our refocus or balance as we look toward the Indo-Pacific region.

Mr. BERTEAU. Thank you, sir.

I do agree with—I do agree with the supposition that we have a tremendous opportunity with Australia. As the chairman mentioned, they have been our partners and allies for more than a century.

I think it is also instructive to watch the way this has been unfolding, the movement of Marines into Darwin and the other options that come into place both with airfields at the northern side of the country and with ——

Mr. MCINTYRE. Yes. I meant to mention the airfields, also. Yes, sir. Go ahead.

Mr. BERTEAU. And they are moving at sort of a measured pace, if you will, not too rushed, not making too big of a step at a time.

I think that both solidifies the relationship with Australia, but it also responds to the second part of your question.

It gives a signal and a symbol, if you will, that we are not trying to create a huge American presence where it is not wanted. We want to move at a measured pace, engage one step at a time, and move through that.

And I think that is particularly key for many of the other countries in the regions with whom we don't have, for instance, treaty alliances that are already committed to us there.

The challenge is, in fact, if you are moving at a measured pace, not to lose momentum because you really need to maintain that momentum. And I think we focus a lot on the individual steps, but, also, the collective movement that is going forward.

I think, finally, the Australians offer us an opportunity in a multilateral or trilateral engagement in the region where it won't necessarily be the U.S. in the lead, but perhaps the Australians in the lead in a relationship with a third or fourth country, if you will.

So they offer us all three of those opportunities. We need to continue to take full advantage of that.

Mr. MCINTYRE. And do you see any other country similarly that we can look—when you say about working with our allies or other nations that we have a positive relationship with, do you see any other countries that we have a relationship with that we can move forward that would save us money, yet give us a strong presence?

Mr. BERTEAU. I think it is fair to say that there is nobody else like Australia, and that is a unique relationship in the region that we will maintain for a long time.

But I think there are probably six or eight other countries that we are already having discussions and engagements with, ranging from our treaty partners, like the Philippines and Thailand, to some of the lesser-known opportunities, if you will, including—and I would have never thought I would be saying this—Vietnam.

Mr. MCINTYRE. Okay. Yeah. All right.

Thank you, Mr. Chairman.

Mr. FORBES. Thanks, Mike.

As you know, Congressman Wittman is the chairman of our Readiness Subcommittee. And we now recognize him for 5 minutes.

Mr. WITTMAN. Thank you, Mr. Chairman.

I would like to thank our panelists for joining us today. Thank you so much. It is a great perspective that you are providing.

Admiral Walsh, I would like to begin with you and to get your perspective on where the United States is in building those relationships with our partners in the Asia-Pacific.

Having visited there and talked to the governing officials as well as military leaders in those nations, they are, in all cases, anxious to develop those relationships. They are doing that in the context of a China that continues to be more aggressive in the region and pursuing what I call a testing and response type of behavior, like the bully on the playground.

You know, they go up to somebody, kick them in the ankle, see what the response is, and then later shove them a little bit and see what the response is, and then later shove them to the ground and then see what the response is. Our partners there become more and more concerned about this aggressive behavior with China.

In that context, tell me, what should we be doing to grow our relationships there? How should we be interacting to make sure that we provide a strengthened relationship with those countries, but, also, one that sends a clear signal to China as a deterrent to that particular type of behavior? I wanted to get your perspective on that.

Admiral WALSH. Thank you.

I think first is an assessment of the laydown current U.S. posture in the Pacific. It is a legacy laydown from World War II in terms of brick and mortar and operating patterns.

And I think, for the Department of Defense, when both the President and the Secretary of State make in very clear terms the strategic value and importance of this body of water that we are talking about specifically in the South China Sea, I would look for the Department to now adjust its operating patterns accordingly.

So you would look for some sort of operational consequence as a result of new guidance that is being issued both at the national level and the DOD level.

For us in particular, what we did is we looked at ASEAN [Association of Southeast Asian Nations] in a different way. So, for example—and to be a little more granular—this year we will have a Rim of the Pacific Exercise [RIMPAC] that occurs every 2 years in Hawaii. It is an opportunity to bring ASEAN into this as an invited member in ways that we probably have never thought about before.

In my view, sir, there are more doors open to us in this line of questioning that you are suggesting than we have ever had before. And so how to leverage or capitalize or move forward in view of a door that is opened and do we recognize it, I think is the key sort of question.

In my view, we can do something that China cannot do and we need to highlight that, and that is lead, lead a multinational effort, lead a multinational coalition.

And in my view again, when China looks at our weapons, they can always reverse-engineer that. They can always then duplicate it and get their own.

But when it comes to the relationships with partners, that is the strategic power—relative power that we have in the area that they do not have.

And so, to the point raised, yes, in fact, the neighbors in the region are getting very concerned. And we are starting to push up against constitutional issues inside the Self-Defense Force in Japan, for example, because they are not sure exactly how they are going to react and respond to these moves that China is making.

It is in our interest to provide the reassurances that we can to all of our treaty partners, especially Japan, who is going through, I think, a very difficult period trying to understand how to react within their existing constitutional framework, and do it in a way that is responsive to the interests of Japan as well.

There is opportunities in ways that I think this is an area that requires much more development, and I think we can move much further forward than we already have.

Mr. WITTMAN. Let me ask this in our relationship with China.

How do you see the mil-to-mil relationship with China? Where should it go? And what is your view of the manning and training and equipping of the PLA [People's Liberation Army] Navy?

Admiral WALSH. To begin with, it took me 2½ years to have a meeting with my Chinese counterpart, Admiral Wu Shengli. And, finally, when I had an opportunity to speak with him, which was at a regional forum held in Singapore, I mentioned to him, "You know, you need to do more of this."

Because I think one of the challenges that the Chinese leadership has is understanding how the international community, not just the regional community, reacts and responds to the rhetoric that comes from PLA leadership.

From my own point of view, I saw developments taking place inside the PLA that put a lot of the Chinese national economy at risk in ways that I am not completely sure that the Chinese population was aware.

The idea that we would be ready for a confrontation over rocks, reefs, and shoals in the South China Sea and jeopardize all this economic framework and prosperity that has existed for so many decades seemed to be counterintuitive to me, but it underscored a reminder that the Chinese are acting in ways that represent a civilization and we tend to look at them as a nation-state and we get confused and we often talk past each other.

The dialogue, the importance of having them participate in a RIMPAC-like exercise, to me, the value of that comes from being able to see us in action with our partners in the region. That, to me, is a source of real strength, power, and optimism for the future.

Mr. WITTMAN. Very good.

Thank you, Mr. Chairman. I yield back.

Mr. FORBES. Thank you, Rob.

Mr. Courtney is recognized for 5 minutes.

Mr. COURTNEY. Thank you, Mr. Chairman.

And thank you to the witnesses for your outstanding testimony.

Admiral, you mentioned the sort of proliferation in Vietnam of the *Kilo*s that were purchased, and they are not alone in that region in terms of spending money in that area.

And I guess the question is: Is that sort of a symptom of people's insecurity about whether or not, you know, the U.S. is, you know, sufficiently invested in the pivot, in the—sort of an insurance policy, or is it just general high anxiety? And just—and how do these sort of unilateral decisions in terms of people's, you know, military budgets fit in with your notion of U.S. leadership for the region in terms of our allies?

Admiral WALSH. Sir, I know you are familiar with the town hall setting. I attended the town hall meeting in Hanoi with the Diplomatic Academy.

And to a person in the room—and there were close to 100—they wanted to know what we were going to do about China, which I found fascinating to take that kind of question. It is the latter of the two proposals.

I think there is a general anxiety about the emergence of China because it is—it has stepped away from its script. For many, many

years, generations, China was going to hide its capability and bide its time.

In the 2008–2009 timeframe, they got off script. It has a lot to do, I think, with the success of the Olympics, the success of the Chinese economic model while the world went downhill in terms of global economy, and the anniversary of the PLA.

They became very enamored with their own sort of name legacy and were ready to change the deck, so to speak, and what it did is it put the Chinese in a position where they lost a tremendous amount of goodwill at the international level because people went from concerned about China to being afraid. And then, when the confrontations take place, whether it is with Malaysian forces or Philippine forces or Vietnamese fishermen, now the region is getting very concerned.

So to the point about Vietnamese acquisition of the *Kilo* class, they simply don't want to be left behind, and the same is true for Indonesia or Singapore or Malaysia when it comes to the acquisition of maritime capability.

How they will use it and how they will employ it and does this mean we are on the brink of an arms race, I don't know that I would go that far because I simply don't know.

I get very concerned that there is no other outlet. There is no other way to frame this issue, and now we are going to resort to arms. And, to me, that is a formula where we have had miscalculation in the past.

And if anyone understands it, it is our country. In 1964, when we were conducting DESOTO [DEHAVEN Special Operations off TsingtaO] patrols off of Vietnam, I think the last thing we thought we were about to do is start a war or be involved in something that would start a war.

It just goes to the ambiguity that exists for commanders at sea trying to understand how far ships are away from land, how close ships are to each other, their geometry, the interpretation of what their actions are.

The idea of trying to evaluate intent now becomes something that is done at the commander level, and all it takes is a fire-control radar to go off or an inadvertent sort of action by one captain against another and you have something that quickly becomes far from local. It becomes state on state.

Mr. FORBES. Thank you, Mr. Courtney.

I would now like to recognize my colleague and partner in this Asia-Pacific series, Ms. Hanabusa, for 5 minutes.

Ms. HANUBUSA. Thank you, Mr. Chairman.

Mr. Chairman, I have a written testimony from one of my constituents, Jose Andres, from Makai Ocean Engineering, Inc., and I would like your permission to have it made part of the record.

Mr. FORBES. Without objection, it will be so admitted.

[The information referred to can be found in the Appendix on page 85.]

Ms. HANUBUSA. Thank you. Thank you, Mr. Chairman.

Admiral Walsh, I am quite sure that you have now read the statement of Secretary of Defense Hagel and what he views as—how he is going to effect this upcoming budget.

And one of things that, of course, I found very interesting was the fact that he is talking about reducing acquisition costs, maximizing resources, and buy and build new ships, but it is sort of within just the Navy and Marine Corps budget.

One of the things that I have always been interested in as we look at the pivot to Asia-Pacific is: What is the acquisition posture going to look like? Like what is the fleet going to look like?

We all—we have had great numbers. Three hundred six. We have had 346 and 347 between Former Secretary Lehman and Admiral Roughead. I mean, everyone has these numbers, and no one knows how it then breaks down.

You seem to be testifying that you believe that the concentration and the pivot to Asia-Pacific should be towards the South China Sea.

Are you then saying that one of the things that you foresee for us to do—as you know, in Singapore, we are looking at the LCS [littoral combat ship], but then Secretary of Defense Hagel says we are only going to built 32 and that is it.

So do you take issue with that or do you have any positions, since you were PACFLT? What should that fleet look like?

Admiral WALSH. If I may.

Ms. HANUBUSA. Yes.

Admiral WALSH. This will take just a minute.

If you were to look at the force that we had in Desert Storm across the range of military operations, we used a label for that force called "general purpose forces."

In the range of military operations, we would expect to see very utilization—a very small utilization of that force in counterinsurgency and very small utilization in thermonuclear war.

So it looked like a parabolic graph that said: You know what? We could use this one box of Armed Forces and we could swing it from one contingency to the next. The language we used was "lesser contingencies."

And 9/11 changed that. What 9/11 taught us was that, in this area of counterinsurgency, we are going to need to spend some time and resources, because the solution—the resource solution, the budgetary solution, to solve the counterinsurgency problem doesn't exist with the general purpose force because we will expend every resource possible and we will find dissatisfying results. And as a result, after 9/11, what this committee and others invested in was more investment in counterinsurgency.

What that programmatic solution looked like was that we needed pattern-of-life analysis. We needed to understand the impact that individuals were having at the strategic level. We needed to find, fix, and finish them, which required the fusion of intel and the ability to operate on that intel. That brought us LCS. That made sense because LCS fit into the battle force or mix of ships.

So what we are hearing today and what we are seeing today with China is the rise of the state actor. And as you try and think through the logical sort of outcome, to answer your question—because I don't have analysis to give an exact number—what you have to keep in mind is the LCS, which was designed for one spectrum of warfare, which made sense for shallow water in and out of the Philippines, Indonesia, working with coalition partners in

order to be able to have an impact on counterinsurgency and the leaders of it, now we are putting that up against a state actor.

And what the country is just not prepared for is now another level of investment for antisubmarine warfare, undersea warfare, integrated air and missile defense. I mean, that is substantial.

And, yet, we cannot allow that legacy force to just atrophy, because what happens over time is we lose the ability to deter. We are in a world that proliferates this kind of capability. So whether it comes out of China, shipped to Iran, and then modified by Hezbollah, as it was in 2006, we are going to have to deal with it.

And my preference is just deal with the technology rather than the flag because the flag complicates it. The technology is very real. And if we don't take steps in order to address that, then we lose in more ways than we realize.

So the answer to your question is, when you look at the LCS decision and the Secretary's most recent statement associated with it, the way I would approach it is: What is the force mix?

We agreed to LCS when we had cruisers. If we are laying up cruisers, now, what is going to be in the Pacific? What is the right sort of ratio here with heavy combatants and the ability to engage forces in shallow water that LCS brings us?

I hope that answers your question.

Ms. HANUBUSA. It does. Thank you very much.

I yield back.

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

Mr. LANGEVIN. Thank you, Mr. Chairman.

I want to thank all of our witnesses today for your very insightful testimony.

And before I begin, I also want to especially recognize and welcome Professor Mahnken from the Naval War College in Rhode Island. I appreciate the work that you are doing, Professor. It is good to have you with us this afternoon.

If I could—and, Professor Mahnken, if I understood what you said correctly—and I agree in your testimony that there very likely will be—might—very likely will be a growing gap between our interests and our ability to defend them as time goes on in the Asia-Pacific.

And on that point, as we do look to future scenarios in the Asia-Pacific region, it is clear that any military action will be highly dependent on enabling technology, such as undersea strike, directed energy, rail guns, cyber and electronic warfare, and spectrum dominance.

In your views—and each of you can certainly comment on this—are we adequately resourcing the research and development needed to realize necessary technological advances in these fields?

Dr. MAHNKEN. Thank you, Congressman Langevin, for that question.

Look, I think, historically, advanced technology and research development has provided the United States an asymmetric edge and, historically, the U.S. Armed Forces, you know, have looked to that asymmetric edge.

Periodically, that edge comes into question. That certainly happened a number of—a number of times in the post-World War II era and I think, you know, it is—we are in another era where peo-

ple are looking at the bottom line. They are looking at expenditures, and, you know, research and development is an easy—is an easy area to trim.

I personally believe that, you know, in an era like this where we are experiencing rapid change in the military balance, that we really do need to be investing in advanced capabilities. You named a number of them. In a way, we can't overinvest in those.

I think the big challenge will be then taking those—the R&D investments and then deciding when and how to weaponize them, when and how to bring them into the force posture.

But unless we are accumulating that deep bench of capabilities, we are going to be hard-pressed in the future when we need to call upon them to move forward and move them out into the fleet. So, in my view, you can't overinvest in those.

Mr. LANGEVIN. Thank you.

Admiral, you want to make any comment?

Admiral WALSH. One of the challenges that we have in this area is the ability to talk about it. So there is a number of investments going on in research and development that actually would help the U.S. narrative in the Pacific today, but because of the classification levels associated with that funding and those specific efforts, it is very difficult to weave that in.

It is needed. We need to be able to talk about this. We need to be able to say, "You know, I recognize and respect that new system that has just come up, but we have a plan for that." And, yet, we are not able to do it.

It would be very helpful, very useful, if we could find a way to weave that into our story because, as already mentioned, the investment that we have already made in areas has been a tremendous hedge, and we definitely do not want to lose that.

Thank you.

Mr. LANGEVIN. Thank you.

Anyone else care to add anything? Okay.

Let me ask this: Are the investments that we are making appropriately tied to an overarching strategic vision and nimble enough to respond to emerging threats?

Dr. MAHNKEN. I think that is an excellent question. And I think my answer would be that it is very difficult—it is very difficult to know. And here I will put my historian's hat on.

I mean, if you look at—if you look at the weapons systems, you look at the technologies that have proven decisive, say, for the United States or, more broadly, throughout our history, oftentimes they were developed for different purposes and under different circumstances than those in which they were ultimately employed. And so that goes back to my previous statement of why it is difficult to overinvest in R&D.

What you are doing is, hopefully, you are placing a whole series of bets, some of which will pay out because the technology matures, some of which will pay out because of the threats we face, but you really are trying to build a portfolio of capabilities. And I worry that we are, yeah, that we are not building a robust enough portfolio.

One final comment, if I could—and it was actually brought on by Admiral Walsh's comment—which is I think a key consideration for

us as a country, for the Defense Department, as we are developing these advanced technologies is when to show them and when to hide them.

We hide technologies to preserve an operational edge. We hide them for various reasons. But we show them, we demonstrate them, to send messages and to deter.

And I think we need a—you know, as we think about R&D and we think about new capabilities, we need to have an intelligent discussion about when to demonstrate those capabilities and when to keep them secret.

Thank you.

Mr. LANGEVIN. You know, that is a very good point. And, in fact, it calls to mind, during both the Iraq war and even Afghanistan, obviously, we revealed many of our capabilities, and that certainly was an eye-opener, I know, to many of our adversaries and they have subsequently adjusted accordingly and refocused their R&D and procurement as well. So point well taken.

Thank you, Mr. Chairman. I yield back.

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

Mr. PETERS. Thank you, Mr. Chairman.

I want to go back to Admiral Walsh to Ms. Hanabusa's question because I may be—I may just be slow, but I think that you explained the basis for an answer, but didn't really get to the answer of what the force should look like and particularly the naval force in the Pacific.

So you explained kind of the LCS issue. But how would it—what would it look like on a map and in terms of numbers of ships, if it played out?

Admiral WALSH. If I had another dollar, it would go to the South China Sea. If I had another ship, I would be very focused on the South China Sea in terms of security and stability operations.

Can you do that with an LCS? Yes, to a degree. I mean, you can have engagement with Indonesia and Singapore and Malaysia and partners in ASEAN.

But the mixed question is really what I am getting at. You can't have LCS at the expense of losing cruisers. You have got to have both.

And the reason I couldn't give her a direct answer on the number is because I just don't have the analysis to put that on the table. I would be simply guessing.

But the mixed question is critically important because what the cruisers offer to you is representations of real hard power. And that message is clear and understood in the region.

Mr. PETERS. Okay, I understand now.

So—but, geographically, you are talking about the South China Sea and that would be the resources deployed?

Admiral WALSH. Yes. So when you consider where we are—predominantly on the South Korean Peninsula and in Japan, with now growing presence in Australia—to me, the area that is open for question and discussion is the operating pattern for forward deployed forces that are in and around the South China Sea, East China Sea.

Mr. PETERS. Okay. And that is a question that is raised, but not answered, by the proposed budget?

Admiral WALSH. I don't know. I am not familiar enough with the budget. Sorry.

Mr. PETERS. Okay. Well, I appreciate that clarification.

Thank you, Mr. Chairman. I yield back.

Mr. FORBES. Thank you, Mr. Peters.

Mr. Mahnken, you teach strategy. One of the things we have heard over and over again from our allies is that they don't know what our current strategy is.

We have had experts, similar quality to each of you, who have sat exactly where you sit and we have asked them the question: Could you tell us today what our national defense strategy is? Could you articulate it? Could you articulate it to our allies? Can you make procurement decisions from it? Each of the ones we had said "no."

In your opinion, can you help us with that? Do we have a national defense strategy? How does what we have now differ from what we have had in the past?

Dr. MAHNKEN. Mr. Chairman, thank you for that question.

I would say—yeah. I am—I am a professor. I am also a recovering policymaker. So I have great sympathy for those whose job it is to develop strategy. I have been part of this sausage-making, and it looks better from a distance, of course.

Look, I think it is very difficult to develop—for the United States to develop a strategy—for the U.S. Government to develop a strategy for this region for several reasons.

One is I think we face across the government very different incentives even if we just focus on China for a minute, not even the full diversity of the region. Let's just focus on China.

Different parts of the U.S. Government face different incentives, have different stakes in our relationship with China, some parts much more towards cooperation, other parts much more towards competition.

So trying to—trying to forge a consensus across the U.S. Government, even within an administration, is exceedingly—is exceedingly difficult.

Second, we are—you know, we are in an era now where strategy documents are public documents. They are meant not only to guide action within the U.S. Government, but they are public documents that the U.S. public and foreign publics and foreign governments consume. Perhaps even foreign publics and governments consume them more than do domestic audiences. And all of that makes it very difficult to formulate a very clear—clearly articulated strategy.

Mr. FORBES. But isn't that exactly what we want to be able to do for an industrial base and for our allies, that we have clearly defined that strategy so they know where to make their investments and where to do procurement positions?

Dr. MAHNKEN. Absolutely right. I mean, I agree with you on the desirability of it. And it is highly desirable, but I have also—you know, I have seen and I have lived through the difficulty of actually doing it.

The four—you know, the four enduring interests that I listed in my written testimony and my oral remarks came not from any

strategy document. They came from, you know, a reading of U.S. strategic history.

And I think they are fairly uncontroversial aims, but you won't find them in a strategy document, because it is so difficult to state very plainly what our aims are and what our strategy is.

Mr. FORBES. Let me ask you this question. And I like all four of you. I respect all four of you. I read what you say. You know, I am listening to you.

My question, though, is this. You teach it.

Dr. MAHNKEN. Uh-huh.

Mr. FORBES. Could you teach the strategy? Do you know—I understand it is difficult, but do we have it?

Dr. MAHNKEN. I would say that we have a consistent historical pattern of behavior in the Asia-Pacific region.

Mr. FORBES. Is that a strategy?

Dr. MAHNKEN. I think—well, I think it certainly falls short—you know, for me, you know, I think—when I think back to the gold standard of sort of a national strategy, actually, I go back to the Reagan administration national security strategy and its strategy against the Soviet Union.

And I go back to that because it was coherent, laid out ends, it laid out ways and it laid out means. It also had the virtue of being a classified document, which meant that people—a small group of people could debate it, work it through and then get it signed. It is very difficult for the reasons I said to do that today.

Mr. FORBES. Mr. Berteau and Dr. Ratner, can the two of you—I know you are experts and have spent a lot of time doing this.

In terms of our holistic policy and our strategies for our agencies, would it be useful for us to have kind of a top-down review of the strategies that our agencies would be using in the Asia-Pacific area? And does that exist now? Have we done that? For both of you, whichever one of you wants to start, can you give us your feeling on that.

Dr. RATNER. Thank you, Mr. Chairman. It is a great question.

I think the first thing that I would say, I think the—you know, the Asia team in this Administration I think is quite capable, I think is quite sophisticated, and I think they do have—in many senses, they do have a series of policies that they have knitted together that one would consider a strategy.

So I think—and there are one—if you look at speeches and articles, you could probably knit together a relatively consistent story that tells—thinking about the complexities of the region, the degree it is changing and putting forward a comprehensive multilateral approach to that.

But I think you are right absolutely that there has not been a top-level official description of that. And one of the problems of that, you know, as you have described, our allies and partners are not always exactly sure what we are trying to do.

Our own bureaucracies, as you state very clearly, are not always sure what they are supposed to do. And there have been good reports by the Congressional Research Service and others looking at the way civilian agencies in the U.S. Government have or have not rebalanced to Asia in the way that one could argue the Defense Department is very proactively.

So I very much agree with you not only that it is important for our own bureaucracies and allies, but for the broader narrative in the region about what the rebalancing is about. And without an official U.S. statement, there are lots of descriptions of it from our own partners and potential adversaries in ways that it is counterproductive to our interests.

So I think what we do need to see is not just a Defense Department policy or strategy or a State Department strategy, but something that either—either a comprehensive statement by the President himself in the form of a speech that everyone can point to and say that is the President's policy or an official White House document out of the National Security Council or elsewhere that is an interagency document and not just a singular document out of one of the bureaucracies.

Mr. FORBES. Mr. Berteau.

Mr. BERTEAU. Mr. Chairman, my own background leads me to conclude that, left to its own, resources tends to drive strategy far more than strategy drives resources. And if you really want to know what the priorities are, look at where the money is being spent. That is a generic proposition, if you will.

I think, if you go back to that Defense Strategic Guidance that was laid out, which was not just the rebalance to Asia, but all of the broad elements of counterterrorism and Middle East defense and so on, what the Pentagon and the White House said at that time is you won't see a whole lot of it in the fiscal 2013 budget, which was the budget that was submitted as that document was being developed. You really see it in its fullness in the fiscal year 2014 budget and the associated FYDP.

Of course, something came along and got in the way of that, and that was cuts from the Budget Control Act and the implemented sequester for 2013, et cetera. So we have never seen the actual laydown of what that document would look like translated into resource priorities.

Ultimately, to me, as a resource and management guy, the value of that strategy is in setting priorities and enabling the framework for making the tradeoff so that, when you come down to that next dollar, as Admiral Walsh said, you know where you want to put it.

And this has been one of the strengths of DOD over the decade, is it knows where it needs to put its next dollar, should that dollar become available. And I think the ultimate test here is not the document itself, but the connection of that document to the priorities and the tradeoffs inside there. And that—we will see within a week what that looks like for the fiscal year 2015 and beyond.

But, as you know, we are not out of the woods yet. I mean, we have about a $140 billion gap between what the Defense Department thinks it needs over the next 5 years and what the Budget Control Act says they are going to get.

Admiral WALSH. Mr. Chairman, if I could, just to give you the net-net.

Mr. FORBES. Yes.

Admiral WALSH. So in view of the comments you have just heard, it is hard to imagine anything that would come out of the Administration that would try and change the status quo. I think the effort is to try and improve the status quo.

And in 1986, we needed to change the game. In 2014, we are trying to hold on to the framework that we laid down. And what you are sensing out of the Department is a reaction to some of the big movements that are taking place associated with the PLAN [People's Liberation Army Navy].

And, as a result, we are very reactionary. We continue to go through the budget bill process without any change of strategic direction because we are trying to get to the same end state, but we are starting to have difficulty in order to maintain that same status quo.

So it is not a very attractive end state to continue to try and promote the status quo, but at the same time it is very much in jeopardy when you consider the operating pattern of the current forces.

So, for example, with the 189 ships or so that were in Pacific Fleet, a force that was designed for rotation is really based on one-third of the force, one-third underway, one-third training, one-third in maintenance.

We were looking at percentages much closer to the mid-40s in terms of the total force underway at a given period of time. That becomes much more difficult to sustain, whether it is the status quo or something more than the status quo.

I think the effort for whole-of-government approach in terms of economic agreements and trade agreements in the region is terrific, but what we have learned over time is that certain parts of the government have a very clear direct relationship with their Chinese counterparts. The Department of Defense does not.

And, as a result, our trade can go up and down, our business community can go up and down in terms of their relationship with their counterparts in China, and not really feel like the whole relationship is threatened. DOD is not there yet with their counterparts in the PLA.

Hope that helps.

Mr. FORBES. It does.

Admiral, you also mentioned that China is acting like a civilization as opposed to a nation-state, if I understood you.

Can you just elaborate on that for us just a little bit as to what you mean by that.

Admiral WALSH. Sure.

If you look at the role that the Chinese Government plays inside the lives of individual Chinese citizens, it is promoting and advancing the interests of a civilization.

We tend to look at China as a nation-state and wonder why China is acting in the way it is. It does not seem rational to us. We come up with our own language of how we want to influence China, how we want to shape China.

China is the only country inside the international system where, rhetorically, we were asked the question, "Who lost China?" If you were to go back to Senate Foreign Relations Committee hearings in the 1970s where we brought back the China hands from 1948 and 1949, we said, "What happened?" We thought we understood China. We don't. We didn't.

The last time we had a chance to seriously influence China was after World War I. China had participated. China had helped. China wanted something out of Versailles. And what they got out

of Versailles was that Shandong Province—instead of going from Germany back to China, it went to Japan. And so the Chinese community shortly after that gives birth to the Communist Party, and ever since then we have been confused in terms of Chinese motivation and interests.

China has longstanding interests in China as a civilization. China is going to act in a way that advances the interest of its civilization. We are playing by one set of rules. They are playing by another set of rules.

We shouldn't be surprised by that, nor should we be surprised that, when we react and respond and try and say "no," that we are going to feel pressure. We shouldn't walk away from that and we shouldn't blink.

Mr. FORBES. Last question I would like to ask to each of you, and it is two questions.

As you know, sometimes we think of the larger conflict that could happen in the Asia-Pacific area. In reality, we are looking at the potential for these gray zones that I think the Japanese call it.

The question I would ask to you is: What can we do best to respond to those types of actions by the Chinese, one?

And the second thing we are always worried about here, that we get mired down so much in today that we sometimes miss the game-changers that could be out there that we should be worried about.

What would you tell us that we should be worried about as far as the game-changer that could happen that this committee should not miss?

So two things: How we respond to these smaller conflicts that are there and, number two, what is it we should be looking at that could be that game-changer that we are missing?

We will start with you, Admiral, and each one have a response.

Admiral WALSH. Sir, I think the answer to the second part of the question first is you have got to have surface-to-surface capability.

I would be most concerned about the surface fleet. I would be most concerned that the investments that we are making with regard to the surface fleet—read missiles—and the ability to defend ourselves against that type of environment. That, to me, is what has changed most dramatically in the last several years.

We built airplanes with attrition in mind. We don't build ships that way. So the seaworthiness and the combat-worthiness of our vessels in this type of environment, to me, is the primary concern and where we could do the most good in terms of game-changers because that helps change the narrative.

And to the point raised earlier about research and development, I think there is work that is being done in this area that would help assure allies in the region that, yes, in fact, we have a common interest, we have a common concern, we respect the technology that is coming on board, and we have a series of actions and investments that we are making in order to counter that, we are not just standing idly by.

Because what that allows us to do is to take the first question that you answered and to be very clear and very concise and very, very consistent with it, which is that we stand by our allies and friends in the region.

And so even though we don't want to get drawn into a situation where we are trying to arbitrate individual actions, we also want our allies and friends to know that we are going to be next to them if they start to feel the pressure and the coercion that comes from a big neighbor.

The Philippines have just submitted their concerns to the Law of the Sea Commission. In my mind, it would be worthy of the committee to take another look at this treaty. This is opportunity lost. We are in concert with Iran and Syria in terms of how we look at the treaty today. We are on the sidelines watching others assert their national interests and we are not in the game.

To me, this is the most consistent complaint that I hear from those in the region, which is that we helped write the language, that we helped write the language in 1982, that we modified—we, the international community, modified the language in 1982 when we objected to the redistribution of wealth that was going to come out of the seabed.

In 1994, they brought it forward looking for us to participate and to ratify. In 2004, it came out of the Foreign Relations Committee unanimous, and we have never been able to get an up or down vote on it.

Hope that answers your question.

Mr. FORBES. It does.

Dr. Mahnken.

Dr. MAHNKEN. Thank you.

I think you put your finger on a very important issue in highlighting these gray-zone challenges, again, as the Japanese term it in their national security strategy, and I think there are several things that we can do to react.

One is we already have a very powerful instrument, the U.S. Coast Guard, and I think the Coast Guard provides a very good channel for conversations with China and with other regional states on these issues. And building up Coast Guards within the Asia-Pacific region I think is an important lever for dealing with these types of challenges.

Related to that, you know, the term "building partner capacity" has had a lot of resonance in the Defense Department in recent years, both in the former Administration and the current one.

When we have thought about building partner capacity, though, we have tended to think about at the low levels. It has tended to be associated with counterinsurgency. I think we need to give a lot more thought to building partner capacity against higher-end threats.

And when you start to look at that, you know, what could we export to, say, the states in Southeast Asia that would help them defend their sovereignty and harden themselves to coercion, the answer is there is not—we don't produce as much as we might.

Things like smaller patrol craft, land-based anti-ship missiles, they are not in our tool kit. And we might want to think about some opportunities to do that, to build the capacity of regional states so that, you know, in the future maybe Vietnam doesn't go to Russia for *Kilo*s, but maybe there are some options from us.

In terms of game-changers, certainly at the tactical level, perhaps developments in directed energy, the rail gun, as Congress-

man Langevin mentioned earlier. If they pay off, I think those could be very powerful and could change naval warfare.

Certainly a number of developments in undersea warfare I think could prove to be game-changers both in terms of unmanned undersea vehicles, but also, submarines and submarine payloads.

And then, from a tactical all the way up to a political military level, I think there are all sorts of opportunities now for sharing intelligence, surveillance, reconnaissance data—imagery from unmanned aerial vehicles, for example—broadly sharing that and knitting together our allies and our friends and us in some relationships to share data, particularly when it comes to these contested areas.

At one level, I think it is very tactical, but it could be a game-changer in terms of building and maintaining a consensus in favor of the status quo and against revisionism.

So those are my thoughts.

Mr. FORBES. Good.

Mr. Berteau.

Mr. BERTEAU. Mr. Chairman, I would like to actually associate myself with the remarks of both Admiral Walsh and Dr. Mahnken. I think those are excellent observations, if you will.

I think, in terms of your first question, one of the critical elements that comes into play is not just the U.S. bilateral relation with each of the nations there, but the way in which we can get them to engage with one another. One way to do that, as Tom mentioned, is, in fact, through our own foreign military sales.

I think one of the manifestations of the comments you made earlier about what is the strategy and our allies and partners asking that, drill that question down one layer. If they come to us and say, "Okay. We have only got so much money. What do we need to spend it on?", we need to be able to have an answer to that question.

And the way in which we do these kinds of things today tend to be individual deals of individual systems rather than anything that is looked at in a more comprehensive manner, if you will.

And if we did that in such a way that it builds up the federated capability across the region rather than just a U.S.-only or a one-nation-only kind of a capability, I think that would add a lot of value.

The things that I worry about from a game-changer point of view—and, actually, yesterday my panel followed you and Congressman Smith over at that event across town and I was asked this very question, "What do you wake up at 3 o'clock in the morning worried about in this business?"

One of the vulnerabilities at the low end, and that is cybersecurity. I mean, it actually has high-end vulnerability as well in an electronic warfare sense, but the real vulnerability from across the region is at the low end. The other is space, and that is the vulnerability at the high end.

These are both much harder for us to get our arms around. In one case, in the case of cyber, the military alone can't defend America or the world. It is going to take the cooperation and collaboration of the private sector, the nongovernment sector, across the board.

And for the life of me, I don't understand why the business community in America can't see its own vulnerability here and get on board with the legislation that would help open and move in that direction, but that is obviously beyond the jurisdiction of this subcommittee.

The second at the space end suffers from the difficulties that Admiral Walsh was talking about of our general R&D, which is it is hard to talk about it; so, it is very hard to fix this stuff.

Ultimately, I think, though, we need to recognize that China tends to look at an awful lot of these things in a Metternichian kind of way. You are either on my side or you are on their side. And for many of the nations in this region, they don't want to have to choose. They want to be able to play both sides.

It is in our interest to help them do that in such a way that strengthens the overall capacity and capability rather than forcing people to line up on one side or another. That is hard.

Mr. FORBES. Good comments.

Dr. Ratner.

Dr. RATNER. Great. Thank you, Mr. Chairman.

I think this issue of gray zones is probably the toughest and most important strategic question in U.S. strategy in Asia right now. So I think a lot of people are struggling with this.

I think, if you read Danny Russell's recent testimony carefully, clearly the Administration, I think, has come around to understanding the importance of some of China's assertive actions and the gray-zone contestations that we are seeing.

I guess, in terms of response, I mean, clearly understanding the implications of this and the broader picture of China's rise and U.S. leadership in the region as opposed to thinking about—you know, people say, "Well, these are just rocks and islands." I think they are much more important than just that in their overall strategic significance.

So I laid out a number of things in my written testimony that I won't go into detail here. But I would echo Admiral Walsh's remarks about needing to support international arbitration.

Even if the Senate—even if we are not going to ratify UNCLOS [United Nations Convention on the Law of the Sea], I think supporting the current Philippines international arbitration in the South China Sea is critically important in the process, not necessarily the Philippines' claims.

I think we need to think about improving confidence-building measures in other ways to prevent and manage crises. Considering the code of conduct in the South China Sea, it is unlikely to be completed anytime soon. We should think about how we can take some of those mechanisms and advance them without the full agreement.

And I would echo Dr. Mahnken's suggestion about a common operating picture in the South China Sea. I think, fundamentally, it could be extremely helpful in terms of helping countries modify their own behavior as well as setting norms that others would be more likely to abide by.

But I think, at the end of the day, the underlying question here is about the willingness of the United States to impose costs on China, as I said in my statement.

And this is not about containment. It is not about a fundamental change in U.S.-China policy. It is about looking at our decades-long hedging strategy of engagement, on the one hand, and balancing, on the other, and deciding whether or not we have that mix right.

And the argument that I have been making and others is that we may need to beef up the balancing part of that mix of the policy so as not to create a permissive environment for Chinese assertiveness in these gray zones. And there are a lot of ways we can do that.

One, we can augment our military presence in the region. Senior White House officials raised that possibility in the context of ADIZ [Air Defense Identification Zone] in the South China Sea. We can think about expanding or more clearly defining our security commitments in the region, which are sometimes intentionally ambiguous. We can think about broadening the type of capabilities we are willing to transfer to certain partners.

We can think about—and this would be incredibly sensitive—but, in certain contexts, revisiting our neutrality on certain sovereignty issues. We can think about offering legal assistance to countries who are interested in international arbitration.

And as a final suggestion, I think one idea that we should consider—and it would have to be legal—we have to get into sort of legal and operational aspects of this—but I think the United States needs to think about, in cooperation with allies and partners, treating Chinese maritime vessels—nongovernmental maritime vessels and paramilitary vessels as naval combatants if they are engaging in acts of aggression and physical coercion.

China is clearly using Coast Guard-like vessels for essentially military coercion, and I think, as long as we draw a red line and say that is nonmilitary action, they are likely to do so and keep the U.S. response below the military threshold. And I think that only works to China's strategic advantage and against the interests of peace and stability.

Mr. FORBES. Good. Thank you.

Ms. Hanabusa, do you have a final question you would like to pose to the panel?

Ms. HANABUSA. Thank you.

Admiral Walsh, when we were discussing it earlier, my other question to you would have been—as you know, the Congress, primarily the House, has taken a very strong position against the retiring of the cruisers.

So I was very interested in what you were saying because the cruisers are scheduled to be retired and, as you know, we are going to lose at least possibly two or three at Pearl [Harbor].

And so, from what you are saying—and that is what I expected you to say, that we need a mix, and the mix will be determined by where we are. So the South China Sea, I understand you.

You seem to be saying that, for the general picture of the whole of PACOM AOR [area of responsibility], we are going to need more than just that. That is for that particular area. But if the player that we are all looking at is China, then we need the subs, we need the carriers, we need everything else.

Am I understanding you correctly?

Admiral WALSH. Yes. What I am suggesting to you is a line of questioning as the budget is revealed in terms of how to approach it.

And if the going-in concern is battle force mix, then it prompts now the conversation of, "Okay. How many? And what is the analysis of how many LCS and how many cruisers? And the decision associated with retiring or laying up cruisers, is that based on budget or is that based on changing scenarios in the Pacific that, in my mind, are playing out?"

We have to make adjustments with the budgetary plan because of changes that are taking place in the political and military environment in the Pacific.

So it was more of just sort of helping with the playbook when it comes down to trying to understand what the exact answer is.

And I have no agenda in this discussion, other than I am reacting to a concern that we are going to become LCS-dominant in the Pacific, and that was never part of the plan. That was not something we agreed to.

We were always going to have the cruiser capability, the carrier, the submarine capability. And when you put all of that together, now you can optimally place LCS where it belongs and where it fits into the overarching strategy.

Ms. HANABUSA. Mr. Chairman, may I ask one more question?

Mr. Berteau—am I saying that correctly?—you know, one of the things CSIS has always been in the forefront with has been the—and this is, of course, with Michael Green—has been in the discussion of what does it mean to have the pivot to Asia-Pacific.

We have heard various people tell us that there seems to be a lack of clear strategy of what does it mean when we say—when the United States says we are pivoting to Asia-Pacific or rebalancing. I have even heard recalibration. Whichever word you want you can use.

The question is: Do you see a clear strategy or is it something that you feel that we are sort of, you know, kind of finding our way around, which doesn't help us as the people who are finally going to make the decision as to where the money goes and what is going to be there? What is the strategy, if you feel that we have one, or if we don't have one, why do you think we don't have one?

Mr. BERTEAU. Such an easy question to ask.

Ms. HANABUSA. And my last question. It is all yours.

Mr. BERTEAU. I think that there are some sound elements of the current strategy that have been articulated and followed and, in particular—and I think Dr. Ratner mentioned this in his testimony—there is much more going on here than just military presence.

We tend to focus on the military presence side and on the elements of this that fall under the purview of the Defense Department, and it is clearly substantially more than that.

I won't pretend that I am tracking what is going on in the trade arena and the diplomatic arena, et cetera. It is a bit outside of my area. So I look at it from within the Defense Department's point of view.

I think there has been a consistent articulation of what constitutes a strategy that guides the theater campaign plan that the

Pacific Command has in place that allows the development of courses of action inside there, and I think there is plenty of work that has been done on that.

What I think remains to be articulated in a public way that you and I can read and understand—not a classified document, but a public document—is something that allows us to say, if you can only do so much of these actions in this campaign plan, which ones are the most important and which ones come first. That articulation I think still remains to be laid out there.

As to why it hasn't been put in place, I will tell you, I think a big part of the problem is just the fundamental budgetary and programmatic uncertainty that pervades the defense establishment today and makes it very difficult to think beyond where we are right now.

I mean, you look at this. We are on the eve of the 1st of March. We have 7 months left in this fiscal year. For the first time, actually, in 3 years, the Defense Department knows what it is going to have to spend in that 7 months, but they don't know what they are going to have to spend starting on October 1. Well, we sort of do. We are going to have a continuing resolution. But we don't know much beyond October 1, if you will.

That level of uncertainty, even though it is not strategic at all, I think permeates the environment in which any kind of a strategic thinking comes into play. That is the best explanation that I can put forward, I think, that looks there.

But I think there is one overriding important point that has changed dramatically, and Admiral Walsh alluded to this, I think, in his response to the very first question or the second question, perhaps, that was asked here.

We inherited a laydown of U.S. forces at the end of World War II that essentially was the basis of our Pacific posture, or at least after the Korean War, if you will.

One of the things that Dr. Green and I did when we undertook our study 2 years ago was said, "What if we were starting from a clean sheet of paper, I mean, literally, we had no basing structure in the Asia-Pacific region? Where would we want to be?"

Well, guess what. We would want to be in Korea because of the dynamic there. We would want to be in Japan because of the importance of the alliance. We would want to have a good physical presence in the first island chain, which we do in Okinawa. We would want to have a sound physical presence in the second island chain, which we do in Guam.

The big gap is everything south of there, Southeast Asia on around into the Indian Ocean. That is where the gaps were, if you will. And I think one of the things that time has precluded is we are not going to go build big bases there. We don't have the money for it. They don't have the appetite for it. But we do have to have the engagement that is coming into play.

This is both a strategic framework, but a very set of tactical decisions day to day at the very small unit level. And I think a lot of what I am seeing going on at the Marine Corps level, at the Pacific augmentation team level, small groups, country by country, location by location, engaging in dispersal opportunities at air bases

around the region, all fits into this pattern. But it is very hard to describe in a strategic sense.

So I am seeing a lot of positive activities, if you will, but it is going to take time before we can see how they play out in a strategic sense.

Mr. FORBES. Thank you.

As we mentioned at the beginning, the importance of this hearing is not just for the hearing itself, but for the transcript and the record we are making.

And we promised each of you we would give you just a few moments, if you needed it, at the end for anything that perhaps you wanted to wrap up with or anything that we left out in terms of our questioning.

So, Dr. Ratner, let's start with you. And we'll work our way back. Any closing thoughts that you have that we failed to ask or that we mischaracterized?

Dr. RATNER. Sure. Well, Mr. Chairman, thank you again for these hearings. I think this is a real service to U.S.-Asia policy. So congratulations. I think it has been a success already, and I hope to see more up here on the Hill.

Let me address the issue of how we should go about building our alliance and partnerships, because I guess I would somewhat disagree with how—some of the characterizations earlier that we're talking about. "Well, this just should be geared at the China threat. These countries are feeling more threatened; and, therefore, we should work with them to deal with that threat."

I think it is true that countries in the region are feeling increasingly insecure because of China's rise, but it is also true that they have deep political and economic interdependences with China and, whereas U.S. policy can blow hot and cold, China is a geographic reality for them that is not going away and, as a fundamental rule in the region, with a couple exceptions, countries really do not want to have to choose between the United States and China.

So when we think about engaging with allies and partners, yes, it should be about enhancing U.S. capability and deterrence, interoperability for warfighting. But more fundamentally, it has to be about building partnerships and having a more politically sustainable relationship, as we have said—as you said in your opening and as we have said, as official U.S. policy.

So we should think about how our partnerships can be integrated in regional institutions, for instance, how they can address nontraditional security threats or other threats that are locally important to our partners outside of major power war.

We should think about how to include engagements with China, whether it is in multilateral agreements or through our relationship with Australia, for instance, the fact we need to have a good relationship with China or at least a stable relationship with China to deepen our security partnerships with countries in the region who, again, don't benefit from a highly adversarial relationship between the United States and China.

And, finally, we need an economic component to these engagements such that security is not the overriding core or pillar of our relationships with these countries.

It makes it very difficult for a number of countries in the region, even allies like Australia and the Philippines and Japan, to go to their domestic publics and say, "Well, our relationship with the United States is all about security and, in some cases, all about deterring China." That is not what their publics are looking for out of their relationship with the United States or with China.

So I think we really do need to think about political sustainability and think about shaping a regional order rather than thinking about it in the terms of building some type of anti-China coalition or whatever you would call it that, really, most countries in the region will not sign up for.

Mr. FORBES. Mr. Berteau.

Mr. BERTEAU. Mr. Chairman, thank you.

Ms. Hanabusa's last question actually gave me the opportunity to say an awful lot of what I already put in my notes. To wrap up here, I would just add two final points.

One really piggybacks on Admiral Walsh's comment about China doesn't behave necessarily in ways that we interpret. They are playing by one set of understandings and we are playing by another.

I would note that that is not just true of the United States understanding of China. It is true, I believe, of the understanding of many other countries in the region of China. And they all look at it through a prism, and we need to keep that in mind as we go forward.

We are on an adventure here that there is no cookbook that tells us what to do. You know, to behave in such a way that it changes the evolution and development of a major power is something that is very rare in history that has been done in a coherent and peaceful way, if you will.

And I think the challenges that we have are enormous in this regard and it requires this kind of constant discussion and dialogue in the open that you have promulgated here that I think will be of enormous benefit as we go forward. So I thank you for all these hearings.

Mr. FORBES. Thank you.

Dr. Mahnken.

Dr. MAHNKEN. Thank you, Mr. Chairman.

And thanks to the committee for this important work that you are embarked upon.

Yeah. Let me just conclude by emphasizing my belief that, you know, the United States does need a long-term strategy to guide our investments and to help us compete in an increasingly challenging environment.

We need that strategy, first, to be a smart competitor. We are not going to, you know, spend ourselves to good strategy. We need to be a smart competitor.

We also need to be able to explain our commitment to the Asia-Pacific region to the American people.

And then, third, we need such a strategy so that we can work with our allies and with our friends in the region.

I think we are blessed with some very powerful allies in the region, and I think there are tremendous opportunities before us, very exciting opportunities before us, to work with our allies in

ways that benefit us, benefit our allies, but then together disproportionately benefit us as alliances. So we need to be alive to those opportunities.

Now, if we lack a strategy currently, well, partially that is because of us, and I talked about that. But, also, it is because of our—you know, the other members of the—the other states in the region and our competitors.

We have been talking about China and how best to understand China. I think we need to invest in capabilities to help better understand China and China as a competitor, because I think it is manifestly clear that we don't fully understand what is driving the party leadership and the PLA and Chinese actions.

So we need that as a foundation to develop a long-term strategy to guide our investments, guide our actions, explain to the American people and work with our allies.

So thank you again.

Mr. FORBES. Thank you.

Admiral, we will give you cleanup.

Admiral WALSH. Thank you. An observation and then a suggestion.

While I was the Pacific Fleet commander, I traveled with Kirk Campbell and a representative of the U.S. Agency for International Development and we hopscotched across the Pacific to 10 different stops. And in the course of that, we found the power of what we were doing as in the representation of a whole-of-government sort of approach, at least in the minds of the audience.

We have an opportunity coming up in Hawaii not long from now with the Rim of the Pacific Exercise that, if we really do think that these are matters of important concern, that I could envision a RIMPAC dialogue where you do have Department of State representation, where you do have academia that comes out of Singapore or out of Malaysia, to engage in a forum where there is an honest, open discussion about some of the maritime concerns that you have seen play out over the recent few years. And I could see China having an opportunity to present itself and participate in ways that I think would be very friendly and very encouraging.

It is just a suggestion. But it tells me that the traditional sort of approach that is DOD-centric has its limitations. And until we invite others under the tent with us here and engage in that kind of dialogue, then I don't think we are really going to be able to move much beyond where we are today.

Thank you.

Mr. FORBES. Gentlemen, thank you so much for all your work in these areas. They are vitally important to our future.

We thank you for taking time to be with us today and for your help with this committee, and we look forward to continuing to be able to utilize your expertise in the future. So thank you.

With that, we are adjourned.

[Whereupon, at 4:24 p.m., the subcommittee was adjourned.]

A P P E N D I X

February 27, 2014

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 27, 2014

Opening Remarks of the Honorable J. Randy Forbes
for the
Seapower and Projection Forces Subcommittee Hearing on
"Seapower and Projection Forces Capabilities to Support the Asia-Pacific Rebalance"

February 27, 2014

I want to welcome all of our members and our distinguished panel of experts to today's hearing focused on the military capabilities that will be necessary to support our enduring interests in the Asia-Pacific.

Today we have testifying before us:

- Admiral Patrick Walsh USN (Ret.), Former Commander of the Pacific Fleet
- Dr. Thomas Mahnken, Professor of Strategy at the U.S. Naval War College
- Mr. David J. Berteau, Senior Vice President and Director of the Center for Strategic and International Studies' National Security Program on Industry & Resources
- AND Dr. Ely Ratner, Senior Fellow and Deputy Director of the Asia-Pacific Security Program at the Center for a New American Security

Gentleman, thank you for appearing today to share your unique perspectives on this important topic.

With the support of my colleague Ranking Member McIntyre, the tireless efforts of Ms. Hanabusa and many other members of congress, I have spent the last 4 months conducting a bipartisan Asia-Pacific Security Series to better understand our security posture in this critical area. Today's hearing will conclude this formal effort, but I hope this process will only be the start of a surge in this committee's focus and oversight of the shifting security dynamics in the Asia-Pacific region and what they will mean for our interests.

To this point, we have heard classified and unclassified testimony from U.S. Government witnesses on our military posture in the region. Today, we felt it would be valuable to hear a variety of alternative, independent perspectives on how the United States should fashion its regional military posture for the decade ahead.

While we have maintained a regional military presence in Asia over the last 70 years that has successfully limited the escalation of conflict, I believe we will need to carefully reassess our posture in the years ahead to ensure we can continue to achieve our objective of sustaining a peaceful, prosperous, and rules-based Asia-Pacific order.

I believe the military modernization of the People's Republic of China over these last two decades now stands to challenge our traditional regional objectives. More specifically, the PRCs investment in ballistic missiles, cruise missiles, mines, submarines, fast-attack ships, anti-satellite capabilities, and cyber warfare, among others, all appear focused on developing a "counter-intervention" strategy that can limit our military's power-projection forces. I worry that absent a calculated adjustment by the Department of Defense; this modernization effort could undermine the military balance and call into question our alliance commitments.

The Pentagon had it right when it called for a "geographically distributed, operationally resilient and politically sustainable" military presence across the Asia-Pacific region. I am now curious what range of options we have and what tradeoffs we should be considering for implementing this approach. Should we invest more in long-range strike systems and less in short-range weapons? Are we too reliant on a small number of large bases instead of moving towards a more distributed presence? Are we investing in the right type of munitions? How do our operational concepts, doctrine, and capabilities align with those of our allies? Do we have the right mix of capabilities for both maintaining the peace and warfighting? And finally, how will research and development investments drive the competition in the next decade?

I look forward to discussing this important topic with our expert panel of witnesses.

With that, I turn to my good friend and colleague, the ranking member of the subcommittee, Mike McIntyre.

House Armed Services Committee – Subcommittee on Seapower and Projection Forces
27 February 2014

Capabilities to Support the Asia Pacific Rebalance – A Maritime Perspective
Witness Statement

In Asia-Pacific today, maritime considerations influence national security planning, economic exchange and societal development more than any other region, domain, or aspect of the global environment. Here, the maritime narrative influences the largest populations, economies, and militaries of the world, so nations that desire the capability to protect their economic interests, ensure stability, and secure the key lines of approach to their future, need maritime capabilities. As a result, decisions made about maritime forces directly impact the protection, representation, and ability of a nation to defend its sovereign interests at sea; in this region, seapower has returned to pre-eminence as an essential element of national power.

In the "Pacific Century," seapower resumes its traditional role in the sea lines of communication as an instrument of peace, stability, and protector of trade and development. For the US government, investments in the navy...as well as reductions contemplated in procurement, readiness, operations, and manpower, while other governments invest in their own maritime forces...have direct and predictable consequences that call into question the ability of the United States to remain engaged in the region, to defend its interests and those of its partners. I am not aware of any country in Asia-Pacific that is reducing the size or capability of its navy. Additionally, long-standing partners, friends, and allies in the region desire more American naval presence rather than less, because of concerns over tension and the potential for conflict.

In this context, the People's Republic of China drives any discussion about state interests and national security, regionally and globally. China has moved beyond a 'continental defense' strategy and her leaders are convinced that to defend China it is necessary to push foreign militaries out of its 'near seas' to the first island chain -- to include the Yellow Sea, East Sea, and South China Sea areas. This 'near-sea' defense strategy attempts to influence and to whatever extent possible, control all foreign military operations in adjacent seas, extending even to (and some cases within) the territorial seas of its neighbors. This strategy attempts to redefine the taxonomy, understanding, and use of the high seas in terms wholly unfamiliar to a region that is home to three of four of the world's largest economies, ten of the world's fastest growing economies, and one-third of global trade in transit. Today, maritime highways network and connect a regional, economic juggernaut made possible by US presence over the past six decades. To accede to the narrowly selective Chinese historic interpretation and expansive geographic claim in the South China Sea -- effectively makes 1600nm of water that conforms roughly to the shape of the extended southern Chinese coastline -- subject to internal Chinese law with sovereign, territorial rights attendant to it, which is unequivocally counter to the most

specific, unimpeachable axiom of the maritime commons, envisioned and practiced by nations for centuries in the form of customary international law.

As China has developed the technology, equipment, and confidence to execute this strategy, it has created hubris within its ranks and taken actions viewed and characterized by Japan and the ASEAN neighbors as 'over-reach' -- a term used to describe intimidating, aggressive behavior well-beyond acceptable norms. Assertive and expansive maritime territorial claims have touched-off and unleashed a volatile resurgence in nationalism, historic boundary disputes, and challenged access to resources in contested economic exclusion zones that fuel tension in the region.

We are witnessing the PLA growing rapidly in technical capability and industrial capacity symbiotic with an increasingly jingoistic fervor and rhetoric. We see evidence that technical military advancements have provided fertile ground for new diplomatic initiatives and concomitant challenges to established USG positions on: resource exploration, building ties to traditional US partners, maritime boundaries, and in other coercive ways that do not conform to international law, are antithetical to regional stability, and test globally accepted democratic principles at a time when our national mood has focused on domestic issues.

In looking at this half of the globe over the coming decades, relatively few topics have the potential to determine substantial political, economic, and military outcomes for such a large area of the community of nations as:

(a) PRC expansion of influence (economic, political, military)
(b) PRC near-sea defensive construct
(c) PLA role in China's internal/external policy-making process
(d) US posture, presence, and influence in the region
(e) US economic performance

For decades, the U.S. Pacific Fleet has focused its security responsibilities in support of the Taiwan Relations Act...today, as a result of a decade of military modernization, the flashpoint for misunderstanding and conflict at sea extends beyond the Strait. Since there are no conventional arms control regimes or pre-established frameworks designed to manage escalation, the real possibility exists for conflict in the maritime domain that is not at the time, place, or for the duration of our choosing. The absence of a regime or framework to de-tension the area also creates the equally real probability for conflict that is regional in context, extending beyond the borders of the Taiwan Strait and involving US treaty allies, regional partners, as well as multinational commercial interests.

For very real strategic as well as operational reasons, we place a high premium on deterrence and conflict prevention strategies based on a tested formula of forward presence and cooperative relationships with our allies. Reassurance to allies and partners is a critical function of forward deployed U.S. forces. Forward presence is the face of US resolve. It presents the nation with the necessary capability and opportunity to exercise US leadership through appropriate, timely, and consequential actions...actions that are designed to address or resolve the coercive, unsafe, or unhealthy conditions that can affect economies, populations, and nations.

For real world economic and political reasons, there are direct linkages between national imperatives and the need for a Navy responsive to US interests overseas. It is important during a period of declining budgetary authority to memorialize 'first principles' that support conflict prevention strategies with an American military capability that:
- is forward-deployed to a region of consequence;
- builds true, deep partnerships and sustains influence with allies and partners;
- sustains wholeness in fleet readiness;
- attracts and retains high quality people;
- makes wise investments in an era of frugality.

During a period of vulnerability that comes with recapitalization, there is a requirement for short-term mitigations to address the immediate concerns of the current security environment versus the long-term need for programmatic investments. For a comparatively modest investment, munitions are an important, credible element of the discussion: continued investment in both capacity and capability for Integrated Air and Missile Defense, continued development for long range surface-to-surface striking capability, and continued procurement for air-to-air capability in a complex electro-magnetic environment. Despite budgetary pressures to the contrary, the Navy must be prepared with responsive capabilities and sufficient power to deter armed conflict and suppress threats to commerce in the maritime domain.

Nations in the region are watching, with keen interest, the affect of US economic challenges and the strain of more than a decade of war on the Navy's ability to remain forward, engaged, and ready. The US fiscal environment and the Asia Pacific security environment are on diametrically divergent paths. In my former position in the Pacific Fleet, we recognized the fiscal constraints and understand that we must balance investments (as well as offsets) with the 'wholeness' of the force in an environment that is changing at an increasing pace. We have an immediate challenge to manage short-term issues, which involve increasingly higher levels of risk. We have been on this page of history before and our team has faced austere economic cycles in the past. While the American public has kept faith with the navy, they have not changed their view of our mission or their expectations for our response to crisis conditions. Over the course of our respective careers, we have witnessed a Navy engaged in a variety of operations in Europe, Asia, and the Middle East, sometimes focused on one enemy, as in the

Cold War against the Soviet Union, or sometimes deployed against a regional adversary, as in Vietnam or the Gulf War. In all that time, the U.S. Navy configured platforms for one contingency, but actually used it globally for many others, including humanitarian missions, well beyond the imaginations of those who laid the keel.

What has kept the Navy relevant since ship/submarine/aircraft design of our current fleet many years ago has been the skill and ingenuity of Sailors, young Americans, who continue to adapt, to think critically and address challenges for sustained operations from any location, at any time -- without caveats. I would suggest that the continued investments made in people have improved the relevancy and responsiveness of the fleet in an era of great challenge and change. It is our people who make contact in the region, who represent the national interest, who act on democratic principles that appeal to audiences well beyond the confines of a single mission or operation, and who demonstrate the leadership, commitment, and resolve of the American government. Our Sailors provide the best and brightest return for US government investment.

Admiral Patrick Walsh, United States Navy, (Ret.) is a Senior Fellow in National Security and Defense at the John Goodwin Tower Center for Political Studies at Southern Methodist University in Dallas, Texas. Additionally, he joined Academic Partnerships, LLC, in June, 2012 as the President of Strategic Programs where he has worked with servicemen and women who want to advance their higher education goals from public universities, with online degree programs designed to fit the requirements of a dynamic, professional career and meet the needs of a society that increasingly demands lifelong learning. On 24 February 2014, Admiral Walsh joined iSIGHT Partners, a Dallas-based cyber security company.

While in the armed forces, Admiral Walsh held consecutive assignments as one of the highest-ranking officers in the U.S. Navy from 2007-2012, first as the Vice Chief of Naval Operations and then as Commander, U.S. Pacific Fleet, where he commanded the largest fleet in the world. Admiral Walsh commanded the Joint Support Force, Operation TOMODACHI, in response to the Great Eastern Japan Earthquake, tsunami, and radiological crisis. He received the 'Grand Cordon - Order of the Rising Sun' from the government of Japan and was recognized by the Japanese Chamber of Commerce and Industry, with the 'Eagle on the World Award' – he is the first uniformed military officer to receive this prestigious recognition in the 27-year history of the award. He received similar recognition and awards from the Japan-America societies in Dallas-Fort Worth and Southern California. The Republic of Korea recognized him with the Tong-il Award, the nation's highest peacetime military honor.

In addition to operational duties that included assignments in combat and flying with the Navy Flight Demonstration Squadron – the Blue Angels, command of Strike/Fighter Squadron ONE ZERO FIVE, Carrier Air Wing ONE, Carrier Strike Group SEVEN, and U.S. FIFTH Fleet in the Middle East, ADM Walsh was a White House Fellow and served in the Office of Management and Budget.

ADM Walsh is a 1973 graduate from Jesuit College Preparatory School in Dallas, Texas, where he received the Distinguished Graduate and Distinguished Alumnus awards. He is a 1977 graduate from the U.S. Naval Academy and earned a Bachelor of Science degree. Additionally, he received a Master of Arts degree from Chapman University, a Master of Arts in Law & Diplomacy and Ph.D. in International Relations from the Fletcher School of Law and Diplomacy at Tufts University. Admiral Walsh received an honorary doctorate from the University of Dallas and is the Chairman of the Dallas Committee on Foreign Relations. He serves on the World Affairs Council, the Baylor Healthcare Foundation, is a member of the Council on Foreign Relations, and participates in several community and nonprofit organizations in the Dallas-Fort Worth area.

DISCLOSURE FORM FOR WITNESSES
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION

INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(5), of the Rules of the U.S. House of Representatives for the 113th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Committee on Armed Services in complying with the House rule. Please note that a copy of these statements, with appropriate redactions to protect the witness's personal privacy (including home address and phone number) will be made publicly available in electronic form not later than one day after the witness's appearance before the committee.

Witness name: **Admiral Patrick Walsh USN (Ret.)**

Capacity in which appearing: (check one)

X Individual

___Representative

If appearing in a representative capacity, name of the company, association or other entity being represented:

FISCAL YEAR 2014

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant

FISCAL YEAR 2013

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant

FISCAL YEAR 2012

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant

Federal Contract Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

Federal agencies with which federal contracts are held:

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

Aggregate dollar value of federal contracts held:

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

Federal Grant Information: If you or the entity you represent before the Committee on Armed Services has grants (including subgrants) with the federal government, please provide the following information:

Number of grants (including subgrants) with the federal government:

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

Federal agencies with which federal grants are held:

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

Aggregate dollar value of federal grants held:

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

TESTIMONY OF THOMAS G. MAHNKEN

JEROME E. LEVY CHAIR OF ECONOMIC GEOGRAPHY AND NATIONAL SECURITY

U.S. NAVAL WAR COLLEGE

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

SEAPOWER SUBCOMMITTEE

FEBRUARY 27, 2014

The opinions expressed herein are the personal views of the author and are not meant to represent the official views of the Department of the Navy or any other agency of the federal government.

Mr. Chairman, thank you for giving me the opportunity to address alternatives to address our security interests in Asia-Pacific region. To that end, I will first discuss America's enduring interests in the region. I will then describe the challenges, both international and domestic, to our continued ability to pursue our traditional interests in the region. I will then outline three alternative approaches before concluding with several recommendations to increase our ability to safeguard our interests in an increasingly challenging environment.

U.S. AIMS IN THE ASIA-PACIFIC REGION

There has been a bipartisan consensus in U.S. defense circles since the end of the Cold War that Asia's global strategic weight is growing. Although the Obama administration's announcement of a "pivot" or "rebalance" to the Pacific has justifiably received considerable attention, recognition of the increasing importance of Asia and calls for a growth in U.S. presence in the region have much deeper roots. The two East Asian security reports produced by the George H.W. Bush administration in 1990 and 1992 foretold the rise of Asia, whereas the 1995 and 1998 Clinton administration reports even more clearly pointed to rising Asia's importance to the United States. Subsequent strategy documents reiterated this importance, including the 2001 *Quadrennial Defense Review,* 2005 *National Defense Strategy*, the 2006 *Quadrennial Defense Review*, 2008 *National Defense Strategy*, the 2010 *Quadrennial Defense Review*, and the 2012 *Defense Strategic Guidelines*.

These policy pronouncements, which span four presidential administrations, are testimony to the fact that a favorable balance of power in Asia is key to protecting vital American interests. Although administrations may use very different words to convey U.S. objectives in Asia, the historical record of America's strategic behavior demonstrates remarkable continuity. As a result, it is likely that an emphasis on the Asia-Pacific region represents a long-term trend that will outlast the Obama administration.

The United States has pursued a consistent set of aims in the Asia-Pacific region, in some cases since World War II, in other cases for a much longer period of time. First and foremost, the United States has acted to defend U.S. territory against attack. This includes the need to protect the Continental United States, Hawaii, Alaska, Guam and the Northern Mariana Islands. The United States is also bound by treaty to defend American Samoa, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. Since World War II, U.S. strategy has been predicated upon meeting threats to the United States as far from America's shores as possible through the forward stationing and rotational deployment of U.S. forces to U.S. territory and allied territory in the Western Pacific.

Second, the United States is legally committed to protect its allies. In Asia, these include Japan, Australia, South Korea, the Philippines and Thailand. The United States is also obligated to help defend quasi-allies such as Taiwan. The Taiwan Relations Act requires the U.S. government to both provide arms and services of a defensive nature to Taiwan and maintain U.S. military capacity to resist coercion of Taiwan by China.

Third, the United States has acted over decades to assure access to the global commons in peacetime and commanding them in wartime. It does so through a strategy of forward presence. The U.S. Navy has, for example, repeatedly acted to defend freedom of the seas and the right of freedom of navigation. The U.S. Navy and Coast Guard have also worked together to combat piracy and human trafficking. Command of the commons has benefited not only the United States, but others as well. The free flow of goods, services and information has undergirded economic growth and prosperity for decades. It has lifted literally millions out of poverty and served as the midwife of globalization.

A fourth objective is less frequently discussed openly but nonetheless represents an enduring American aim: For the past century, the United States has sought to preserve a favorable balance of power across Eurasia. The United States has repeatedly used force when its territory or allies were attacked and when a would-be hegemon has threatened the balance of power in Eurasia. The United

States twice intervened on the European continent when it appeared that Germany was on the brink of dominating the Continent. Similarly, the United States resisted Japan's attempt at hegemony in the Pacific. During the Cold War, the United States sought to prevent the Soviet Union from becoming a Eurasian hegemon. And U.S. defense planning after the fall of the Soviet Union similarly sought to prevent a would-be hegemon from arising.[1]

Finally, the United States has acted for the common good by providing humanitarian assistance and disaster relief. Indeed, the United States generally leads international relief efforts. Moreover, the U.S. Navy, Marine Corps, and Coast Guard are often first on the scene to render assistance to those in need. The response to Typhoon Haiyan is but the most recent instance of such efforts. The United States is thus not only a global power, but also one that is active in the Asia-Pacific region.

CHALLENGES

Several developments are challenging the ability of the United States to pursue its traditional interests in Asia. The most consequential of these is the growth of Chinese power and Chinese military modernization, which threatens not only to deny the United States access to areas of vital national interest, but also to erode the alliances that have served as the foundation of regional stability for over half a century. Specifically, elements of Chinese military modernization give Beijing the ability to destroy fixed targets in the region (including on our allies' home territory) and threaten U.S. power projection forces. In addition, China's nuclear modernization, including the deployment of increasing numbers of nuclear ballistic missiles, could potentially decouple allies from the American extended nuclear deterrent by reducing the credibility of U.S. nuclear retaliatory threats.

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[1] See, for example, Eric S. Edelman, "The Strange Career of the 1992 Defense Planning Guidance," in Melvin P. Leffler and Jeffrey W. Legro, editors, *In Uncertain Times: American Foreign Policy After the Berlin Wall and 9/11* (Ithaca: Cornell University Press, 2011).

A second challenge arises from North Korea's communist regime, which has embarked upon increasingly aggressive behavior since it tested its first atomic weapon in 2006. It has tested nuclear weapons three times (in 2006, 2009, and 2013), and has also conducted four flight tests of long-range missiles. It is also a proliferator of nuclear technology, having sold a nuclear reactor to Syria and signed an identical cooperation agreement with Iran. The North Korean government is responsible for sinking the South Korean naval vessel *Cheonan* on March 26, 2010, killing 46 crewmen. P'yongyang is also responsible for shelling Yeonpyeong Island in May 2011, injuring 16 soldiers and 3 civilians. If the North Korean regime is bellicose, it is also weak. Looking to the future, the United States and its allies may face not only the need to plan to respond to North Korean provocation, but also the prospect of North Korean instability and collapse. Responding to a collapse of authority in North Korea, safeguarding North Korean nuclear material, and stabilizing the country could, in turn, require nearly half a million men to execute successfully.[2]

These challenges will persist despite sharp limits to the resources available for defense. Currently planned cuts to the U.S. defense budget will greatly reduce the ability of the United States to pursue its historical aims in Asia. Moreover, over the long term the United States – indeed, most advanced industrial countries – will face pressure on their defense budgets arising out of limited economic growth and increasing demands for social spending. Although the debate over defense spending in the United States has been on full display, it is but one instance of a much broader phenomenon. Naval budgets across much of the world are under pressure, and will continue to be. China's naval investments are a notable exception.

The defense budget squeeze is multiplied by the long-term growth in the cost of navies. Personnel costs have increased, and will continue to increase, as navies have to recruit, train, and retain skilled sailors. Similarly, the cost of naval combatants has risen with the incorporation of new technology. Although

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[2] Bruce W. Bennett and Jennifer Lind, "The Collapse of North Korea: Military Missions and Requirements," *International Security* 36, no. 2 (Fall 2011), 84-119.

individual naval combatants possess increasing capability, navies are able to afford fewer of them. Because capability is being concentrated in fewer and fewer platforms, the relative value of naval combatants is going up. As a result, naval combatants represent increasingly lucrative assets that leaders may be reluctant to put at risk. In addition, a naval combatant, no matter how powerful, can only be in one place at one time. The ability of naval forces to demonstrate presence, and potentially to deter and reassure, may therefore diminish over time, a trend magnified by the rise of China and Chinese military modernization

BALANCING ENDS, WAYS, AND MEANS

It is axiomatic that states formulate and implement strategy with finite resources. However, the United States will face increasing constraints in coming years, just as China appears to be catching its stride. For reasons of domestic politics as much as economics, resources for, and attention to, national security will likely be limited in coming years. The United States thus faces a growing gap between its commitments, which are, if anything, growing, and its ability to meet them, which is declining. In this situation, the United States will face three alternatives: accept greater risk, reduce commitments, or balancing risk.

An evaluation of these options should incorporate an assessment of the risks and rewards of each option. Moreover, it is useful to differentiate among different types of risk. We should, for example, seek to minimize *strategic risk*: that is, the risk to achieving our political objectives and safeguarding our interests. We should also, however, seek to reduce *operational risk*: that is, the risk that our forces face. An ideal strategy would seek to minimize both. Of the two, however, strategic risk the more dangerous: we should be more willing to risk our forces than jeopardize our interests.

The first strategic alternative that lies before the United States is to continue its current approach to the region – that is, to pursue broad objectives even as the military balance shifts against us. By relying upon increasingly vulnerable forward-

based forces for reassurance and deterrence, this approach would incur additional risk. Moreover, as the size of the Navy decreases, it will be increasingly difficult to maintain an American presence across the region. As a result, a continuation of the current U.S. posture in the region will over time lead to progressively greater strategic and operational risk.

The second alternative, favored by neo-isolationists of various stripes in both political parties, would be to scale back U.S. commitments and accept a narrower definition of America's role in the world than we have played for the better part of a century. Such a strategy would have the United States pull back from the Asian littoral and rely upon allies to shoulder a greater portion of the load, husbanding its resources against the possible emergence of a peer competitor.

Reducing commitments is, however, easier said than done. Protecting the United States against attack is one of our government's most fundamental responsibilities. Similarly, the United States would lose more than it would gain by abrogating any number of treaties that commit it to the defense of allies across the globe. A failure on the part of the United States to continue to command the commons would similarly incur great economic, political, and military costs. It would, in other words, trade reduced operational risk for increased strategic risk. Moreover, such an approach reflects a sense of defeatism that is unwarranted. Although complacency would be unwise, it would be misguided to argue that the only, or even the best, option for the United States is to reduce its commitments in Asia.

A third approach would be to adopt a strategy that would balance the need to reduce the vulnerability of U.S. forces while maintaining U.S. commitments. It would rest upon a mixture of forward-based and standoff capabilities. Moreover, in order to reduce operational risk while not sacrificing America's strategic interests, more than the current force posture it would feature greater specialization between forces employed in keeping the peace and those for fighting wars.

Such an approach would have four elements. First, there is a need to develop new approaches to presence. For the United, States, for example, this may involve moving away from reliance on carrier strike groups and toward networks of capable surface ships as the most visible symbol of U.S. presence.[3] The United States and its allies should also think creatively about how to network various sensors to increase maritime domain awareness in the Western Pacific. It should also continue to bolster its submarine fleet in the Pacific and think creatively about ways to use undersea forces as instruments of presence, deterrence and reassurance.

Second, the United States and its allies need to enter into a serious dialogue on extended deterrence and reassurance. The shift in the operational environment, and the shift in force structure and force posture to accommodate it, should be an opportunity to strengthen deterrence and reassure allies and friends.

Third, there is a need to change the character of its forward-deployed forces to make them more survivable and hence credible. The United States and its allies should, for example, harden and diversify their bases in the region and augment them with contingency operating locations. These should be balanced between bases on sovereign U.S. territory, such as Hawaii and Guam, and those on allied territory, such as Japan, South Korea, and the Philippines. Bases on U.S. territory guarantee access, whereas those on allied territory provide extended deterrence and reassurance.

Finally, the United States and its allies should increase their ability to strike at a distance in the face of growing anti-access threats. By bolstering the ability to strike precisely at a distance, they will not only strengthen deterrence, but also force competitors to increase their investments in active and passive defenses. Investments in defensive capabilities represent resources that will not be available for offensive arms.

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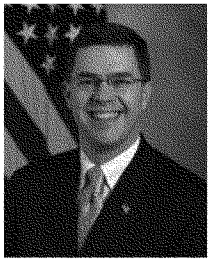
[3] For two recent proposals along these lines, see CAPT Robert C. Rubel, USN (Ret.), "Cede No Water: Strategy, Littorals, and Flotillas," *Proceedings* 139/9 (September 2013); ADM John Harvey, Jr., CAPT Wayne Hughes, Jr., and CAPT Jeffrey Kline, USN (Ret.), and LT Zachary Schwartz, USN, "Sustaining American Maritime Influence," *Proceedings* 139/9 (September 2013).

Although such a balanced strategy may be the best one, it is very likely that, the United States will continue with the *status quo*. Absent a catalytic event, the need to change will not appear to be convincing and the costs of doing so will appear too great. As a result, the United States will face increasing operational vulnerability and hence increasing strategic risk due to the eroding credibility of extended deterrence and reassurance.



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Strategy & Policy

Thomas G. Mahnken is currently Jerome E. Levy Chair of Economic Geography and National Security at the U.S. Naval War College and a Visiting Scholar at the Philip Merrill Center for Strategic Studies at The Johns Hopkins University's Paul H. Nitze School of Advanced International Studies (SAIS). Dr. Mahnken served as the Deputy Assistant Secretary of Defense for Policy Planning from 2006-2009. In that capacity, he was responsible for the Department's major strategic planning functions, including the preparation of guidance for war plans and the development of the defense planning scenarios. He was the primary author of the 2008 *National Defense Strategy* and contributing author of the 2006 *Quadrennial Defense Review.* He spearheaded the Secretary of Defense's Minerva Research Initiative, which will provide $100 million in grants to universities to conduct basic research in the social sciences, and led an interagency effort to establish, for the first time in five decades, a National Security Council-run interagency policy planning body

Prior to joining the Defense Department, he served as a Professor of Strategy at the U.S. Naval War College. From 2004 to 2006 he was a Visiting Fellow at the Merrill Center at SAIS. During the 2003-04 academic year he served as the Acting Director of the SAIS Strategic Studies Program. His areas of primary expertise are strategy, intelligence, and special operations forces.

Dr. Mahnken has held positions in both the government and the private sector. He served as Staff Director of the 2010 Quadrennial Defense Review Independent Panel's Force Structure and Personnel Sub-Panel. He served on the staff of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction. He served in the Defense Department's Office of Net Assessment, where he conducted research into the emerging revolution in military affairs. He also served as a member of the Gulf War Air Power Survey, commissioned by the Secretary of the Air Force to examine the performance of U.S. forces during the war with Iraq. Prior to that, he served as an analyst in the Non-Proliferation Directorate of the Office of the Secretary of Defense (OSD), where he was responsible for enforcing U.S. missile proliferation policy.

Dr. Mahnken is the author of *Technology and the American Way of War Since 1945* (Columbia University Press, 2008), *Uncovering Ways of War: U.S. Intelligence and Foreign Military Innovation, 1918-1941* (Cornell University Press, 2002), and (with James R. FitzSimonds) of *The Limits of Transformation: Officer Attitudes toward the Revolution in Military Affairs* (Naval War College Press, 2003). He is editor (with Thomas A. Keaney) of *U.S. Military Operations In Iraq: Planning, Combat, and Occupation* (Routledge, 2007), (with Joseph A. Maiolo) of *Strategic Studies: A Reader* (Routledge, 2007), (with Emily O. Goldman) of *The Information Revolution in Military Affairs in Asia* (Palgrave McMillan, 2004) and (with Richard K. Betts) of *Paradoxes of Strategic Intelligence: Essays in Honor of Michael I. Handel* (Frank Cass, 2003). He is the editor of The Journal of Strategic Studies. He has appeared on Fox News, CNN, BBC, and CBC, among other networks.

An Intelligence Officer in the U.S. Navy Reserve, he served as the Intelligence Plans Officer for Naval Special Warfare Task Group CENTRAL in Kuwait and Iraq during Operation IRAQI FREEDOM. He served with British forces in Kosovo during Operation JOINT GUARDIAN/Operation AGRICOLA and in Bahrain during Operation ENDURING FREEDOM. He is currently Deputy Chief Staff Officer of Navy Intelligence Reserve Region Washington, D.C.

Dr. Mahnken earned his master's degree and doctorate in international affairs from SAIS and was a National Security Fellow at the John M. Olin Institute for Strategic Studies at Harvard University. He was a *summa cum laude* graduate of the University of Southern California with bachelor's degrees in history and international relations (with highest honors) and a certificate in defense and strategic studies.

In 2009, Dr. Mahnken received the Secretary of Defense Medal for Outstanding Public Service

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Statement before the House Armed Services Subcommittee on Seapower and Projection Forces

"CAPABILITIES TO SUPPORT THE ASIA PACIFIC REBALANCE"

A Statement by:

David J. Berteau

Senior Vice President and Director, National Security Program on Industry and Resources

Center for Strategic and International Studies (CSIS)

February 27, 2014

2212 Rayburn House Office Building

Hearing on Capabilities and the Asia Pacific Rebalance

Subcommittee on Seapower and Projection Forces of the House Armed Services Committee

Statement of David J. Berteau
Center for Strategic and International Studies
February 27, 2014

Introduction

Mr. Chairman, Ranking Member McIntyre, and members of the subcommittee, thank you for the invitation to appear before you this afternoon in the company of my distinguished fellow panel members. I am David Berteau, and I am a senior vice president and the director of the National Security Program on Industry & Resources at the Center for Strategic and International Studies here in Washington DC.

It is important to note that, as a bipartisan think tank, CSIS as an institution does not take positions on issues. The views in my statement and in my comments this afternoon are entirely my own, informed by our research, experience, and interactions with my colleagues.

The Asia Pacific Rebalance

There have been a number of statements from the administration that outline the key elements or lines of effort in the Asia Pacific rebalance. CSIS experts have found considerable consistency on the military aspects of the rebalance. Starting with the Shangri-La speech of then-Secretary Robert Gates in June of 2011, the Department of Defense (DoD) has focused on what Gates called "geographically distributed, operationally resilient and politically sustainable" military presence across the Asia Pacific region. Later that year, Secretary of State Hillary Clinton wrote in Foreign Policy magazine about six lines of activity fundamental to the execution of a coherent regional strategy: 1) strengthening bilateral security alliances; 2) deepening U.S. working relationships with emerging powers, including China; 3) engaging with regional multilateral institutions; 4) expanding trade and investment; 5) forging a broad-based military presence; and 6) advancing democracy and human rights. President Obama's speech in Australia in November 2011 was consistent with the earlier statements by both Secretary Gates and Secretary Clinton.

The Defense Strategic Guidance

Although DoD pays close attention to speeches and press articles, it does not take direction from them; instead, it takes direction from specific guidance, issued by command authorities. The most important recent guidance is the Defense Strategic Guidance, announced by the president and issued by the secretary of defense on January 5, 2012. Its language directs that the U.S. military will "rebalance toward the Asia-Pacific region," will "emphasize our existing alliances," and will work to expand "our networks of cooperation with emerging partners throughout the Asia-Pacific to ensure collective capability and capacity for securing common interests." This

guidance addresses DoD's role within the larger context of the U.S. Government's approach to the region.

CSIS 2012 Study and Report on "U.S. Force Posture Strategy in the Asia Pacific Region: An Independent Assessment"

On the heels of that guidance, I was privileged to serve as co-director, with my CSIS colleague Dr. Michael Green, of the CSIS 2012 study of the U.S. force posture strategy in the Asia Pacific region. Then-Secretary of Defense Leon Panetta submitted this report to the Congress, including to the House Armed Services Committee. CSIS' recommendations included four key elements:

- Focus on forward presence, including better aligned engagement strategy;
- Strengthen alliances, including implementing both the April 2012 U.S.-Japan Security Consultative Committee agreement and the U.S.-Korea Strategic Alliance 2015 (albeit with caveats in both cases);
- Add additional capabilities to U.S. Pacific Command's force posture; and
- Examine possible force posture and basing efficiencies, including greater reliance on host-nation bases and forces and rotation of U.S. forces.

The report, its analyses, and its conclusions and recommendations remain, I believe, viable and relevant today, and I will be glad to elaborate on this study during this hearing or afterwards, if you wish.

The Budget Control Act

The test of any strategic document is not in how well it is written. It is instead in how well the execution of that strategy is planned, resourced, and carried out. The subject of this hearing, Seapower Capabilities and the Asia Pacific Rebalance, implies the application of that test. Is DoD properly planning, resourcing, and carrying out the rebalance, to the extent it can under authorized and appropriated funding?

To answer that question, it is useful to remind ourselves that the Defense Strategic Guidance was in part a response to perhaps the most significant event affecting the Asia Pacific rebalance: the passage by Congress of the Budget Control Act of 2011. As you will recall, under that act, DoD had to reduce immediately projected defense spending by $487 billion over fiscal years 2012 through 2021. The process and analyses that developed those reductions were in concert with the development and issuance of the Defense Strategic Guidance. At the time, Secretary Panetta and Chairman of the Joint Chiefs of Staff, General Martin Dempsey, warned about the difficulties of further cuts and the vulnerability of the strategy to such cuts.

As stated by current Secretary of Defense Chuck Hagel earlier this week, those further cuts have continued, and absent congressional action, deeper cuts in growth face DoD in the years ahead. I think that you will see the impact of those cuts in the details of the President's Budget for Fiscal Year 2015 (FY15) when it is submitted to Congress, beginning next week.

The Defense Industrial Base

To determine whether resources are aligned with the rebalance, members of Congress should examine several key areas of the President's budget request. First, I want to mention that the role of the defense industrial base is often overlooked as part of the Asia Pacific rebalance. Press reports and newspaper articles about whether to fund the overhaul of carriers like the USS George Washington is a decision that would only affect one carrier. Far more important is the question of whether to continue construction of new carriers.

Twenty years ago, DoD faced a similar challenge with regard to the industrial base for nuclear-powered attack submarines. With the fall of the Soviet Union and the end of the Cold War, the U.S. Navy had more submarines than it needed, and there were no requirements to build more for ten years or longer. The question was, could DoD shut down the submarine industrial base for a decade or more and then restart it? I led a DoD review on this topic in 1993. After careful analysis, the study concluded that the loss of skilled and nuclear-certified workforce, key supplier companies, component manufacturing and integration capabilities, and design engineering talent, among other assets, would place too great a burden on America's ability to restart design, development, and production of nuclear submarines. Ultimately, the risk was too high. As a result, DoD maintained that capability through the 1990s through a variety of relatively modest investments.

That same dynamic will be true going forward. If the United States eliminates orders from the shipbuilding industrial base for aircraft carriers, for example, that capability would likely not survive a break in production. I led a CSIS team in 2010, visiting all of the major U.S. shipbuilding facilities and several smaller ones. The team looked at processes, workforce demographics and skills, the supplier industrial base, and a host of additional attributes. Based on those visits and other analyses, if DoD shuts down the aircraft carrier industrial base, I do not believe that there would be enough time and money to restart it, should DoD require more ships.

There is a second critical part of the U.S. industrial base, one that does not show up in the budget and therefore somewhat undervalued. For decades, U.S technological superiority has depended on investments by DoD directly or by defense firms themselves, whether reimbursed by the government or investing from their own funds. Increasingly, CSIS experts are finding that it's also important to do a better job of incorporating innovation from the global commercial markets, not just from defense arenas and not just from within the United States. However, federal government cycle times for defining requirements, assembling and defending and appropriating budgets, and executing contracts can be far longer than the cycle times for new technology to be developed and deployed in the commercial sector. The future may require this cycle-time disconnect to be addressed. As the House Armed Services Committee looks at steps to improve DoD acquisition, a big part of it could be reconciling these cycle-time disconnects so that DoD can take better advantage of technology innovation in the global commercial markets.

The QDR and the National Security Strategy

The release of the 2014 Quadrennial Defense Review, or QDR, report will probably coincide with next week's official release of the President's FY15 budget request. The White House will

also likely release an updated National Security Strategy soon. CSIS experts will examine these documents closely and plan to provide the results of our analysis to the public; I would be happy to share details with you and your staff, should you desire.

From my perspective, it will be important to focus not only on China but also on other countries in the region and the U.S. relationships with them in the context of a growing Chinese economy, expanding Chinese influence, and accelerating Chinese military capabilities. That context underscores the potential effectiveness of shaping actions and engagement, not just preparing for major operational plans. That context also underscores the importance to the Asia Pacific rebalance of forward presence, not just in Japan and in the Republic of Korea but across the region. It's not about increasing the number of U.S bases. It's about integrating U.S. forces, planning, training, and equipment with partner countries across the region.

Each of these countries, from our strong allies Australia, Japan, the Republic of Korea, Thailand and the Philippines to the other partners like Mongolia and New Zealand, believe it is in their interests for the United States to be successful in the Asia Pacific rebalance. They all want the United States to keep at it. Part of their motivation is for their own security, in the face of an ambitious China.

However, they also depend on their relations with China. For many nations in the region, China is their largest trading partner, and revenue from trade with China is a significant element of their Gross Domestic Product. Dr. Henry Kissinger, who is a Senior Counselor at CSIS, stated clearly in his recent book, On China, that all of the nations in the region want two things from the United States: don't leave, but don't make us choose between the United States and China.

Balancing those two dynamics is not easy. This subcommittee could examine the QDR and the National Security Strategy to see how DoD and the administration plan to undertake that balance.

The FY15 budget and the FY16-19 Future Years Defense Program (FYDP)

As mentioned earlier, the President will likely release his budget request on Tuesday, March 4. What should this subcommittee look for in that FY15 budget and in the accompanying FY16-19 outyears of the FYDP? Let me touch on a few items.

First, I should note that some of the most important elements of the Asia Pacific rebalance are not going to be all that visible as budget line items; they will not necessarily have a budget exhibit. These elements include the daily interactions in shaping and engaging across the region, the hundreds of activities, for example, that are tracked in the Theater Campaign Plan at U.S. Pacific Command. Even though they are not budget line items and instead are built into several different defense operation and maintenance accounts, these actions need congressional support if the Commander of the U.S. Pacific Command and his component commands are to carry out their shaping and engagement efforts.

The budget will reflect gaps between what is funded in the base budget (which, based on Secretary Hagel's comments, will be compliant with the Budget Control Act level of $496 billion) and the separate $26 billion that is reportedly part of the forthcoming "Opportunity,

Growth and Security" fund initiative. As part of the FY15 National Defense Authorization Act, this subcommittee can work to help identify and reconcile those gaps and provide sufficient funding to meet defense missions.

You can look for and support funding for combined (i.e., bi- or multi-lateral) exercises across the region, not just for U.S. Pacific Command but for component commands like U.S. Pacific Fleet and U.S. Pacific Air Forces. Only a handful of regular, named exercises receive funding through line items; many exercises are included in the military service operation and maintenance budgets as part of shaping and engagement activities and are therefore "unseeable" in the budget request. A congressional question to the military services could help reveal these figures and enable this subcommittee to support them.

You can look for and support the need for forward presence. As the United States completes the drawdown of forces in Afghanistan, it is critical to explain to the public why U.S. forces need to remain forward deployed. This does not mean, in my view, that the United States should build new bases overseas, but it does mean that the U.S. Government needs to support and fund expanded overseas deployments. At CSIS, we will look for areas in the budget that support this.

You can look for and support investments in R&D and procurements for systems and capabilities that will complicate Chinese planning. Some of these, like the Virginia Payload Module for example, are not inexpensive, but they offer significant capabilities.

You can look for and support essential procurement funding for major defense acquisition programs, or MDAPs. Perhaps the single most critical MDAP in my view is to maintain the multiyear procurement of the Virginia-class nuclear attack submarine. Over the long run, we will need every submarine we can build. The time will come in about 10 years when the United States begins to retire four Los Angeles-class submarines each year. Even if we continue to produce and launch two Virginia-class submarines, we will be hard pressed down the road to maintain sufficient forward deployed presence. The best time to protect that capability is today.

Conclusion

Mr. Chairman, Congressman McIntyre, members of the subcommittee, these are some of the issues that you will face in the next few months as you mark up, report out, and vote on the FY15 National Defense Authorization Act. As you make progress on the bill, the prism of the Asia Pacific rebalance may offer one important aspect that will help you choose where to cut and where to invest. I hope that some of what we discuss here today will help you on that, and I thank you for the opportunity to appear here. I await your questions.

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FISCAL YEAR 2014

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant

FISCAL YEAR 2013

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
HQ0034-12-A-0022-0004	DOD	$74,779	Asia rebalance in age of austerity

FISCAL YEAR 2012

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
HQ0034-07-A-1007-0031	DOD	$676,554	US force posture in PACOM
W91WAW-12-F-0050	DOD	$272,870	US ground forces & challenges in PACOM/CENTCOM

Federal Contract Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2014):_____;
Fiscal year 2013:_____1_____;
Fiscal year 2012:_____2_____.

Federal agencies with which federal contracts are held:

Current fiscal year (2014):_____;
Fiscal year 2013:_____DOD_____;
Fiscal year 2012:_____DOD_____.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2014):_____;
Fiscal year 2013:_____force structure_____;
Fiscal year 2012:_____force structure_____;

Aggregate dollar value of federal contracts held:

Current fiscal year (2014):_____;
Fiscal year 2013:_____$74,779_____;
Fiscal year 2012:_____$949,424_____.

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Number of grants (including subgrants) with the federal government: N/A

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

Federal agencies with which federal grants are held: N/A

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.): N/A

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

Aggregate dollar value of federal grants held: N/A

Current fiscal year (2014):_____;
Fiscal year 2013:_____;
Fiscal year 2012:_____.

CONGRESSIONAL TESTIMONY

Rebalancing toward a Rules-Based Security Order in Asia

Prepared Statement of Dr. Ely Ratner

Center for a New American Security

February 27, 2014
Testimony before the House Armed Services Subcommittee on Seapower and Projection Forces

Prepared Statement of Dr. Ely Ratner
Senior Fellow and Deputy Director of the Asia-Pacific Security Program, Center for a New American Security

Chairman Forbes, Ranking Member McIntyre, and other distinguished members of the Committee, thank you for inviting me here today to discuss the U.S. rebalancing to the Asia-Pacific region. This is a critically important issue for America's economic and security future, and you and your committee should be applauded for taking a leadership role in helping to clarify and refine U.S. policy in the region.

Our topic today is "Capabilities to support the Asia Pacific Rebalance." The underlying question here is: How can the United States most effectively develop and leverage its military power to advance U.S. interests and maintain peace and stability in Asia? This is particularly important in the context of U.S. defense budget cuts and an evolving regional security environment.

The first order requirement, of course, is to ensure that the United States maintains a robust and geographically-distributed military presence in Asia while investing in the capabilities necessary to meet the challenges of the twenty-first century. The United States can also amplify its military capabilities by deepening its treaty alliances and other security partnerships.

Today, however, I want to address an additional means through which the United States can support its military and security interests in Asia: the construction of an open and inclusive regional security order undergirded by widely-accepted rules and institutions.

In my view, any strategy to enhance U.S. military capabilities in Asia must include efforts to shape a rules-based regional order that strengthens regional security cooperation while preventing and managing military competition and crises. Moreover, it is notable that such efforts often hinge on U.S. strategy and political will, not defense budgets and spending.

The construction of a rules-based regional order that comports with American values and interests is a central goal of U.S. Asia policy. It is also an aim that unites most of the region and elides the kinds of divisions and exclusions that sometimes frustrate U.S. efforts.

Before describing practical steps that I believe the United States should take to strengthen the rules-based security order in the region, I will begin by returning to the origin and purpose of the U.S. pivot to Asia. I

will then briefly describe the noteworthy achievements in U.S. Asia policy over the last five years and conclude with recommendations for eight steps the United States should take to strengthen the regional security order.

The Origin and Purpose of the U.S. Rebalancing to Asia

The U.S. rebalancing or "pivot" to Asia was officially announced in November 2011 as President Barack Obama and Secretary of State Hillary Clinton traveled to the region to participate in multilateral forums and meet with U.S. allies and partners.[1] The roots of the policy, however, are better understood in the broader context of U.S. foreign policy and national security strategy. With protracted conflicts winding down in Iraq and Afghanistan, the United States had the opportunity in the late-2000s to reassess its priorities in the world and determine where and how to focus U.S. attention and resources in the years and decades ahead.

Without discrediting the importance of other regions of the world, there was clear recognition among American strategists that the principal focus on the Middle East and South Asia in the wake of the September 11th attacks had come at the expense of U.S. policy in Asia. This was evident in where the United States had spent its money, deployed its military and sent its top officials. The rebalancing to Asia, in its most basic form, is an effort to ensure that the elements of U.S. power and statecraft are aligned with U.S. national interests.

On that score, the imperative of the Asia-Pacific region for U.S. national interests is indisputable. Asia occupies over half of the Earth's surface and is home to 50 percent of the world's population. It contains the largest democracy in the world (India), two of the three largest economies (China and Japan), the most populous Muslim-majority nation (Indonesia) and seven of the 10 largest standing armies.

The United States has five defense treaty partners in the region (Australia, Japan, the Philippines, South Korea and Thailand); strategically important relationships with Brunei, India, Indonesia, Malaysia, New Zealand, Singapore and Taiwan; and evolving ties with Myanmar. By 2025, Asia is likely to account for almost half of the world's economic output and include four of the world's top 10 economies (China, India, Japan and Indonesia).

The region is also the leading destination for U.S. exports, outpacing Europe by more than 50 percent. Both U.S. investment in Asia and Asian investment in the United States have doubled in the past decade; China, India, Singapore and South Korea are four of the 10 fastest-growing sources of foreign direct investment in the United States.

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[1] Hillary Clinton, "America's Pacific Century," *Foreign Policy*, October 11, 2011, http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century.

Social and cultural ties between the United States and Asia are no less robust. There are more than two million people each of Chinese, Filipino, Indian, Vietnamese and Korean origin living in the United States. Asians also make up nearly half of the more than 800,000 international students studying in the United States.

The Asia Pacific will continue to play an increasingly vital role in global economic and political issues, which means that rebalancing to Asia is less a choice than a necessity. Continued and enhanced U.S. engagement with the region will therefore advance U.S. economic, diplomatic and security goals. The question before us in the years ahead is whether the United States can revise its approach to Asia with the necessary resolve, resources and wisdom required to advance the many U.S. national interests at stake.

Considerable Achievements to Date

The United States is in the early stages of reorienting its foreign policy to better account for the growing significance of the Asia-Pacific region. Impatient commentators should be reminded that this is a decades-long project that will span multiple presidential administrations. It is a policy process that will require constant attention and adjustment over time, not a neatly packaged strategy that will be fully implemented and completed at any particular moment.

That being said, even in the context of this long time horizon, the achievements to date over the last five years have been considerable. Despite inevitable missteps and setbacks, the United States has made tangible progress across every element of the rebalancing policy, of which there are six principal components.

First, the bedrock of U.S. policy in Asia is the maintenance and strengthening of U.S. treaty alliances with Australia, Japan, the Philippines, South Korea, and Thailand. In nearly every instance we are continuing to deepen our strategic dialogue with these allies, strengthen our collective capabilities and revise our military partnerships to meet the challenges of the twenty-first century.

At the same time, as a second element of the rebalancing policy, the Administration has strengthened Washington's institutional and political relationship with Beijing, including on security matters and with respect to military-to-military relations. The unprecedented tempo of bilateral interaction at all levels of government has resulted in what both sides describe as a maturing of the relationship. While this will not resolve real differences between the United States and China on a number of critical issues, it can help to manage areas of competition and open potential avenues for cooperation.

Third, the United States has unequivocally deepened its engagement with the region's institutions, including the Association for Southeast Asian Nations (ASEAN) and ASEAN-centered meetings. In recent years, the United States has joined the East Asia Summit, signed the Treaty of Amity and Cooperation in Southeast Asia, placed a permanent ambassador to ASEAN in Jakarta, and taken a leading role in the ASEAN Defense Ministers Meeting Plus (ADMM+) mechanism. While there continue to be

debates about the relative efficacy of these institutions, ASEAN has been hosting increasingly substantive discussions and engaging in increasingly productive activities on issues of interest to the United States.

The maintenance of U.S. leadership and the development a liberal order in Asia require Washington to play a central role in the region's economic future. Enhanced U.S. engagement on trade and economics in Asia is the fourth component of the rebalancing strategy with the implementation of the U.S.-Korea Free Trade Agreement and the on-going Trans-Pacific Partnership (TPP) negotiations. U.S. officials have sought to employ more sophisticated tools of economic statecraft to advance U.S. financial, trade and development goals in Asia.

Fifth, the Administration has sought to rebalance U.S. policy within Asia by advancing partnerships in Southeast Asia to complement America's historical emphasis on Northeast Asia. The United States is therefore engaging with a more diverse set of regional partners to include Indonesia, Malaysia, Myanmar, New Zealand, Singapore, and Vietnam. This effort to deepen ties across the entire region is based on the recognition that Southeast Asia not only sits at the fulcrum of 21st-century geopolitics, but is increasingly home to emerging economic and military powerhouses in their own right.

Finally, the sixth element of the policy has been an effort to make the U.S. forward-deployed military presence in Asia more geographically distributed, operationally resilient, and politically sustainable. This has included the rotational deployment of Marines to Darwin, Australia, the rotation of Littoral Combat Ships in Singapore and ongoing discussions with the Philippines about new access agreements. These efforts are making significant contributions to building partner capacity and strengthening shared knowledge and capability. Some critics have belittled these initiatives as miniscule in scale, but the numbers themselves say little about the amplifying effect that U.S. forward presence can have on partner militaries, as well as the potential for surging U.S. capacity if necessary.

As the United States advances these six lines of effort, a connective thread throughout U.S. engagements in Asia is steady support for universal values, including human rights and democracy.

8 Recommendations for Advancing a Rules-Based Security Order in Asia

Taken together, the innovation and evolution in U.S. policy toward Asia has been significant over the last five years across economic, diplomatic and military domains. Nevertheless, despite a number of noteworthy achievements, much remains to be done as the United States is entering a highly consequential period in its Asia policy that will require continued policy entrepreneurship, not simply the implementation of existing efforts.

Let me now turn to eight specific recommendations for how the United States can further develop a rules-based regional security order. Note that these items are meant to supplement the already existent components of the rebalancing policy, which include strengthening U.S. alliances and security partnerships, deepening engagement with China and diversifying U.S. force posture.

1. Reinstate Trade Promotion Authority (TPA) in support of the Trans-Pacific Partnership (TPP)
Although it may seem counterintuitive to begin a list of national security priorities with a multilateral trade deal, the successful completion of the Trans-Pacific Partnership (TPP) – both among the negotiators and on Capitol Hill – is the single most important policy issue currently on the table affecting U.S. power and leadership in Asia. Economics and security are inextricably linked in the region and the United States cannot cement a long-term role in Asia through military muscle alone. The region is looking to Washington to take leadership on economic issues as well, which will in turn open avenues for deeper political and security cooperation. TPP is a strategic-level issue and must be treated as such by the U.S. Congress.

Reinstating Trade Promotion Authority (TPA), which would increase the likelihood of eventual TPP approval on Capitol Hill, would offer a much-needed and immediate boost to the negotiations by giving leaders throughout the region confidence that it will be worthwhile to make the necessary political compromises to reach a deal. No other act by Congress in the coming months would contribute more to U.S. foreign policy and national security interests in the region. President Obama will have to lead on this issue, but Congress has a vital role to play in setting the terms of the debate and ensuring that vital national interests are served.

2. Develop a strategy to deter Chinese revisionism in the East and South China Seas
Over the past several years, China has engaged in economic, diplomatic and military coercion to revise the administrative status quo in East Asia. This has primarily occurred below the military threshold with the effect of avoiding intervention by the United States military. The most egregious examples of this include China's illegal seizure and occupation of Scarborough Reef in the South China Sea and its ongoing efforts to undermine de facto Japanese administration of the Senkaku Islands. [2] These are deeply destabilizing actions that, if permitted to continue, will increase the likelihood of serious conflict down the road.

Given this pattern of behavior, the United States should develop an interagency strategy for deterring and responding to Chinese revisionism in the East and South China Seas. [3] In the context of continued engagement with Beijing, this strategy should consider ways to impose costs on China for undertaking acts of assertiveness. The strategy must also take effect in the short term, rather than relying only on efforts like building partner capacity and strengthening regional institutions that are vitally important but will take years to bear fruit. It is also clear that private bilateral diplomacy with Beijing and public multilateral diplomacy have in and of themselves been insufficient to stem Chinese revisionism.

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[2] See Ely Ratner, "Learning the Lessons of Scarborough Reef," *The National Interest*, November 21, 2013, http://nationalinterest.org/print/commentary/learning-the-lessons-scarborough-reef-9442.
[3] See Elbridge Colby and Ely Ratner, "Roiling the Waters," *Foreign Policy*, January/February 2014, http://www.foreignpolicy.com/articles/2014/01/21/roiling_the_waters,

The United States is ultimately tasked with the dual charge of deterring Chinese coercion without escalating tensions, while simultaneously seeking a cooperative relationship with Beijing that avoids creating a permissive environment for Chinese assertiveness. Assistant Secretary of State Danny Russel's February 5, 2014 testimony before the House Committee on Foreign Affairs and Secretary Kerry's remarks during his recent trip to the region demonstrate that the Administration is aware of this challenge and working through potential responses. [4]

To reiterate, the goal here is not to contain China, but rather to ensure that political disputes are managed through peaceful diplomatic means rather than coercion and the use of force.

3. Reject China's illegal occupation of Scarborough Reef

Related to the discussion above, the United States should be unequivocal that it does not accept China's illegal seizure and continued occupation of Scarborough Reef. U.S. officials have said repeatedly that the United States has national interests in the maintenance of peace and stability, respect for international law, freedom of navigation, and unimpeded lawful commerce in the South China Sea. China's behavior at Scarborough Reef has violated all of these principles.

Although the reef itself does not harbor specific economic or strategic significance, it is profoundly important that the United States, the region and the international community not accept the use of force and coercion as the arbiter of political disputes in Asia. In response, the United States should make clear in bilateral engagements with China and at multilateral meetings in the region that it expects China to withdraw from the disputed feature and return to the status quo that existed prior to China's 2012 act of revisionism. The United States military should also conduct freedom of navigation operations in areas surrounding the reef as demonstrations of its unwillingness to accept China's illegal occupation.

4. Build an international consensus on the legitimacy of international arbitration for maritime and sovereignty disputes

Consistent with U.S. policy, the United States should proactively support international law and arbitration on issues related to maritime and sovereignty disputes. As part of that, the United States should work to build an international consensus on the importance of the arbitration case that the Philippines has taken to the International Tribunal on the Law of the Sea. Without making judgments on the merits of the case itself, the United States can work with like-minded countries to build support for the process and highlight its significance as an unambiguous test of China's willingness to manage differences through peaceful means. This is a prime opportunity for leading European nations to make a key contribution to the maintenance of peace in the region in ways that comport with their comparative strengths in international law and regional institutions.

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[4] Daniel R. Russel, Assistant Secretary, Bureau of East Asian and Pacific Affairs, "Testimony Before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific," Washington, DC, February 5, 2014, http://www.state.gov/p/eap/rls/rm/2014/02/221293.htm.

Should this opportunity to support regional order and institutions slip by without sufficient diplomatic and political attention, it will set a terrible precedent for future disputes and could close off a critical avenue for the peaceful management of competition in Asia.

5. Support the "early harvest" of agreed-upon elements in the Code of Conduct for the South China Sea

There is little optimism that sovereignty disputes in the South and East China Seas will be resolved any time soon. Nevertheless, there is a pressing need for preventing and managing crises as the waters and surrounding airspace become increasingly crowded with government and military vessels. The principal mechanism for advancing multilateral maritime security and safety mechanisms has been the Code of Conduct for the South China Sea being developed by members of ASEAN and China.

Although the United States should sustain its full support for this process, it is also the case that negotiations have dragged on for too long, with China sending mixed signals about its willingness to enter into serious negotiations toward a binding set of rules. In this context, the United States should supplement its policy toward the Code of Conduct by supporting the "early harvest" of agreed-upon initiatives that could be implemented in the short-term without agreement on the full Code of Conduct, which may never occur. The United States, in cooperation with allies and partners, can consider leveraging ASEAN and ASEAN-centered institutions to implement these initiatives. Some could also be agreed upon and implemented by a majority of countries if universal consensus cannot be reached.

6. Develop a "common operating picture" for the East and South China Seas

The United States has been working on a bilateral basis with a number of states in Asia to build partner capacity in the area of maritime domain awareness. This is critically important for helping regional states monitor their territorial waters and respond to potential incidents. In cooperation with allies and partners, the United States should explore broadening this effort to construct a common operating picture for the East and South China Seas that would permit a broad selection of countries in the region to be aware of potentially destabilizing maritime activity. This would have the additional effect of deterring adventurous behavior that would be visible to all.

7. Ensure that the U.S. military presence in Asia is politically sustainable in the region

Current U.S. policy is seeking a more geographically-distributed force posture in Asia in response to the evolving regional security environment. This goal of diversifying the U.S. military presence in the Asia Pacific has included efforts to develop new presence and access arrangements in Australia, Japan, the Philippines and Singapore, and new opportunities for training and access in Brunei, Indonesia, Malaysia, Thailand, Vietnam and elsewhere.

Although threat dynamics open doors for the United States to deepen security ties with allies and partners, the ability of the U.S. military to establish new arrangements, deepen them over time and sustain

them in the long term will hinge on conducive political environments in partner countries. At this stage of developing a number of new arrangements in Asia, operational considerations cannot crowd out the fundamentally important task of ensuring political sustainability, without which U.S. force posture objectives in the region cannot be achieved.

The Center for a New American Security recently completed a yearlong study examining how the United States can most effectively achieve a politically sustainable military presence in Asia.[5] It concluded that U.S. policy should integrate posture initiatives within three broader objectives in U.S. defense and national security strategy in Asia: strengthening U.S. bilateral military and defense partnerships; building comprehensive bilateral relationships, including diplomacy and economics; and advancing U.S. regional strategy and multilateral cooperation. This research produced the following key principles within these three broader goals.

Objective	Key principles
Strengthening bilateral military and defense partnerships	• Require that new force posture initiatives directly support an explicit and shared vision for the future of the bilateral security relationship • Ensure that new force posture initiatives address the interests of partner countries and contribute to official and public perceptions of a mutually-beneficial partnership • Pursue an evolutionary approach that takes incremental steps, avoiding rapid and large-scale initiatives even if viable at particular moments in time
Building comprehensive bilateral relationships, including diplomacy and economics	• Ensure that U.S. policymaking, negotiations and engagement on posture issues are done within the broader context of alliance management, active diplomacy and official White House guidance • Take an inclusive and transparent approach to engaging partners on force posture issues across a broad spectrum of political actors, including lawmakers, opposition figures and local communities. • Maintain robust and reliable high-level U.S. engagement with regional states and institutions, and couple force posture announcements and activities with investment, trade and development initiatives
Advancing U.S. regional strategy and multilateral cooperation	• Ensure that force posture initiatives contribute directly to ASEAN-centered and other region-wide activities, using multilateral mechanisms to engage China and manage U.S.-China competition. • Take measures to reduce the likelihood that crises involving U.S. allies and partners occur because of accidents, incidents and miscalculation • Develop a coordinated communications strategy for audiences in partner

[5] Ely Ratner, "Resident Power: Building a Politically Sustainable U.S. Military Presence in Southeast Asia and Australia," Center for a New American Security, October 2013, http://www.cnas.org/files/documents/publications/CNAS_ResidentPower_Ratner.pdf.

	countries and the region

8. Continue to underscore the U.S. commitment to Asia

Despite the official U.S. policy of rebalancing to Asia, there continue to be lingering doubts in the region about the long-term commitment of the United States. This stems from any number of sources including continued U.S. attention to the Middle East, concerns about the effects of sequestration on America's military presence and power in Asia, grand strategic debates that question the utility of an internationalist U.S. foreign policy, the many effects of China's rise and more general worries that the United States by choice, limited resources or dysfunction will be unable to sustain itself as a reliable ally, partner or active participant in the region's economic and political affairs.

An intensification of these perceptions will undermine the development of a rules-based order by causing allies and partners to question the utility of working more closely with the United States, while also diminishing U.S. influence in regional institutions and potentially encouraging countries to engage in acts of aggression or provocation that they otherwise would not.

Some degree of doubt about the credibility of the U.S. commitment is inevitable, but the Administration should make a concerted effort to counter the misperception that the U.S. rebalancing to Asia is wavering or hollow. This can begin with statements by President Obama about the importance of the Asia-Pacific region and a clearer articulation from the Administration about the intent, achievements and future of the rebalancing strategy. The Administration can also more clearly articulate how defense cuts will and will not affect U.S. posture and presence in Asia, which will be particularly important in the wake of the release of the Quadrennial Defense Review.

Conclusion: Combining American Power with a Rules-Based Order

The U.S. approach to Asia in the years and decades ahead should largely mirror the principal components of U.S. foreign policy in the post-war period in which American power and leadership combined with multilateral rules and institutions to advance an open, peaceful and prosperous international order. Neither of these elements is sufficient in and of itself to sustain and achieve U.S. interests in Asia in the long term. Instead, as the United States thinks about the capabilities it needs to maintain peace and security in Asia, it must prioritize not just boosting the warfighting capability of the United States, its allies and partners, but also building a stronger rules-based regional security order.

Biography

Dr. Ely Ratner
Senior Fellow and Deputy Director of the Asia-Pacific Security Program, Center for a New American Security

Dr. Ratner is a Senior Fellow and Deputy Director of the Asia-Pacific Security Program at the Center for a New American Security (CNAS). His current research and writings focus on the U.S. rebalancing to Asia, the future of China's national security strategy, and maritime disputes in the Asia Pacific. Prior to joining CNAS, he served on the China Desk at the State Department as the lead political officer covering China's external relations in Asia. He has also worked as a Professional Staff Member on the U.S. Senate Foreign Relations Committee and an Associate Political Scientist at the RAND Corporation, where he conducted research on Chinese foreign policy, the People's Liberation Army (PLA), and U.S. military alliances with Japan and South Korea.

Dr. Ratner's commentary and research have appeared in *Foreign Affairs*, *Foreign Policy*, *The Washington Post*, *The New York Times*, *The Wall Street Journal*, *The Washington Quarterly*, *The National Interest*, *Journal of Conflict Resolution*, *International Studies Quarterly* and *Chinese Journal of International Politics*, among others.

He received his Ph.D. in Political Science at the University of California, Berkeley and his B.A. from the Woodrow Wilson School of Public and International Affairs at Princeton University, where he graduated Magna Cum Laude and Phi Beta Kappa.

DISCLOSURE FORM FOR WITNESSES
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION

INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(5), of the Rules of the U.S. House of Representatives for the 113th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Committee on Armed Services in complying with the House rule. Please note that a copy of these statements, with appropriate redactions to protect the witness's personal privacy (including home address and phone number) will be made publicly available in electronic form not later than one day after the witness's appearance before the committee.

Witness name: **Dr. Ely Ratner**

Capacity in which appearing: (check one)

_X_Individual

___Representative

If appearing in a representative capacity, name of the company, association or other entity being represented:

FISCAL YEAR 2014

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
n/a			

FISCAL YEAR 2013

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
n/a			

FISCAL YEAR 2012

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
n/a			

Federal Contract Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year
(2014):___ *n/a* _____;
Fiscal year
2013:_____ *n/a* _____;
Fiscal year
2012:_____ *n/a* _____.

Federal agencies with which federal contracts are held:

Current fiscal year
(2014):___ *n/a* _____;
Fiscal year
2013:____*n/a* _____;
Fiscal year
2012:___ *n/a* _____.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year
(2014):___ *n/a* _____;
Fiscal year
2013:_____ *n/a* _____;
Fiscal year
2012:___ *n/a* _____.

Aggregate dollar value of federal contracts held:

Current fiscal year
(2014):____ *n/a* _____;
Fiscal year
2013:_____ *n/a* _____;
Fiscal year
2012:____ *n/a* _____.

Federal Grant Information: If you or the entity you represent before the Committee on Armed Services has grants (including subgrants) with the federal government, please provide the following information:

Number of grants (including subgrants) with the federal government:

Current fiscal year (2014):___ *n/a* _____;
Fiscal year 2013: ___ *n/a* _____;
Fiscal year 2012:____*n/a*_____.

Federal agencies with which federal grants are held:

Current fiscal year (2014):___*n/a*_____;
Fiscal year 2013:____*n/a*_____;
Fiscal year 2012:____*n/a*_____.

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2014):___*n/a*_____;
Fiscal year 2013:____*n/a*_____;
Fiscal year 2012:____*n/a*_____.

Aggregate dollar value of federal grants held:

Current fiscal year (2014):___*n/a*_____;
Fiscal year 2013:____*n/a*_____;
Fiscal year 2012:____*n/a*_____.

DOCUMENTS SUBMITTED FOR THE RECORD

FEBRUARY 27, 2014

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Written Testimony of
Jose Andres, CEO, Makai Ocean Engineering, Inc

"Seapower and Projection Forces Capabilities to Support the Asia Pacific Rebalance"

Before the House Armed Services Committee
Subcommittee on Seapower and Projection Forces

February 27, 2014

Mister Chairman:

We thank you for the opportunity to provide written testimony to the Subcommittee on Seapower and Projection Forces. It is a privilege to offer our thoughts, observations and recommendations as the Subcommittee examines the U.S. Navy's capabilities to support the Asia Pacific rebalance.

Makai Ocean Engineering was founded in 1973 as a diversified ocean engineering company focused on providing design engineering and development services to a broad range of clientele including the Department of Defense and the commercial industry. For the past seven (seven) years we have been engaged in a research and development effort in support of the development of affordable submarine cables and arrays and providing software for mission planning and deployment control of surveillance arrays installed by NAVSEA.

In an article published by the US Naval Institute in August 2013, Rear Admiral Michael E. Smith recently stated, "A particular Navy focus for the [Asia Pacific] region will be fielding the necessary capabilities to maintain undersea dominance…" He continues to say that a critical part of maintaining undersea dominance is, "…developing integrated intelligence, surveillance, and reconnaissance (ISR) capabilities to gain and maintain awareness of [hostile nation] maritime operations…"

It is well established that the Navy places a high priority on undersea surveillance systems to gather intelligence. Particularly important to the Asia Pacific rebalance are covert surveillance systems in areas of increased tensions, where reports of US Navy activity could appear to a foreign nation to be an act of aggression.

The U.S. Navy's Maritime Surveillance Systems Program Office (PMS 485) from NAVSEA procures systems that provide real anti-submarine warfare tracking power with

versatile, wide-area ocean surveillance systems. They provide the Navy's only primary long-range undersea detection capability.

Principle peace time missions of PMS 485 are to provide Indication and Warning surveillance of potential hostile submarines in areas of U.S. interest, collect operational data on these vessels, and support Fleet readiness exercises. During periods of increased tension, these systems can maintain track of potential threat submarines and surface ships, conduct surveillance of seaports, transit lanes, and choke points, and provide area sanitization for carrier strike groups.

As part of a strategic littoral (or shallow water) surveillance system, PMS 485 has been developing surveillance arrays for shallow waters for the last two decades. A major goal of the program is to have a covertly-deployed, temporary, undersea surveillance system capable of detecting quiet nuclear submarines, diesel-electric submarines, ships exiting or entering ports, or mine-laying operations.

To meet this need, the Advanced Deployable Systems (ADS), started in 1992, was the first attempt to create such a system. Initially designed to be deployed from underwater platforms and later from Littoral Combat Ships (LCS), the ADS did not meet all the Navy requirements and this technology development program was terminated in 2006. From 2006 to 2009, the Deployable Autonomous Distributed Systems (DADS) program, a Future Naval Capabilities (FNC) program from the Office of Naval Research (ONR), tried to fill the U.S. Navy littoral surveillance need, with a goal to transition this technology by 2012. However, a cost-benefit study completed by the U.S. Navy for the DADS program determined that while the deployment techniques developed for DADS were found to be low-cost and reliable, the survivability of the exposed surveillance array due to fishing threats was found to be too low. Because of these findings, the DADS program was terminated in fall 2009.

Then, in 2010, the Office of Naval Operations, Submarine Warfare Division and PMS 485 completed a Shallow Water Surveillance System (SWSS) Analysis of Alternatives (AoA). They concluded that further risk reduction is required in order for PMS 485 to move forward with a Program Objective Memorandum.

As a part of this risk-reduction program, PMS 485 has established a requirement for a vehicle for surveillance array installation, henceforth referred to as the ABV (Array Burial Vehicle), which is compact, lightweight, low cost, and provides protection and survivability for the arrays. The purpose of this ABV is to navigate autonomously to a predetermined location, bury an array with integrated sensors (intended for multi-month operation) a nominal depth into the seabed, and then dispose of itself.

A proposed covert array deployment mission begins with the dropping of the ABV from a moving platform. Immediately following the drop, the surface platform disengages from any further control or communication. The satisfactory completion of the mission will be the burial of the cable and sensors in the prescribed pattern, and the self-disposal of the ABV.

From 2011 to the present, NAVSEA and ONR have funded the development of this Array Burial Vehicle (ABV) that accomplishes the above-stated goal. A prototype has been developed and demonstrated to reliably install and bury an underwater sensor array deep enough

in the seabed to protect it against fishing threats. The vehicle uses innovative technology to decrease drastically the size, cost and the power requirements when compared to conventional burying techniques. It is much more manageable and easily deployed from a variety of platforms, allowing the Navy to install arrays covertly in wider variety of soils and environmental conditions than conventional systems allow.

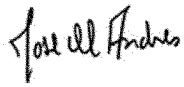
However, the current ABV prototype development has been primarily through a Small Business grant which will expire in mid-2014. This grant does not allow for sufficient reliability testing necessary to transition this technology to the fleet.

Captain Andrew C. Wilde USN, the head of PMS 485, has expressed great interest and satisfaction with the progress of the ABV, thus far. A prototype is already in place, but due to budget constraints, PMS 485 is unable to fund the additional reliability testing required to transition this prototype into a "mission ready" vehicle that can readily transition to the Fleet.

Therefore, we strongly support allocating an additional budget for this array burial vehicle (ABV) program to enable PMS 485 to increase their covert surveillance capabilities.

This unique technology will serve the goals of providing high quality, covertly deployable maritime surveillance systems and intelligence to the Fleet, which the Navy critically needs during this delicate period of rebalance towards the Asia Pacific region.

Respectfully,



Jose Andres, CEO
Makai Ocean Engineering, Inc.

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

FEBRUARY 27, 2014

QUESTIONS SUBMITTED BY MR. FORBES

Mr. FORBES. What flashpoints in the Asia-Pacific region are of most concern, and how does the rebalance address them?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. Provide your assessment of the rebalance to date. What are the most significant challenges and your concerns with respect to its implementation?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. What is your assessment of U.S. basing in the region? Is the U.S. military effectively positioned to respond to contingencies in the region? How can its positioning be improved?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. How is the force structure in each of the services being affected by the rebalance (e.g., end strength, training and readiness, investment and modernization)?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. How critical is forward presence to the rebalance as well as readiness of the commands in the theater? In what areas is PACOM lacking required forward presence?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. Does the Defense Strategic Guidance and refocus on the Asia-Pacific necessitate a change in our preposition strategy, including operational stocks?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. Discuss the importance of accessibility in the Asia-Pacific region, our current accessibility challenges, and how the rebalance addresses them?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. What capabilities, research and development (R&D) areas, and resources will be required to meet rebalance needs? What are our most significant gaps and shortfalls? How is the Department prioritizing those, and how have they changed to align with the rebalance?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. What are the implications of China's military modernization, specifically its power projection, anti-access/area-denial, counter-space and cyber capabilities? What is being done to address these threats?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. What should be the role of the U.S. military in the event of a contingency in the East China Sea or the South China Sea?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. FORBES. What flashpoints in the Asia-Pacific region are of most concern, and how does the rebalance address them?

Dr. MAHNKEN. I believe that the following flashpoints should be of greatest concern in the Asia-Pacific region: (1) the Taiwan Strait, (2) the East China Sea, (3) the South China Sea, and (4) the Korean peninsula. (1) I am concerned that despite the rebalance, the military balance across the Taiwan Strait continues to shift away from Taiwan and toward the PRC. Taiwan's armed forces are increasingly overmatched by Chinese military modernization. (2,3) In the East and South China seas, China has utilized a number of instruments of statecraft short of the use of force to establish a new status quo and coerce Japan into recognizing Chinese territorial claims. The United States and its allies need to develop a better understanding of these so-called "grey area" challenges and develop countermeasures to them. (4) The Kim regime continues to threaten stability on the Korean peninsula. I believe that that threat will remain as long as the Kim regime remains in power in P'yongyang, regardless of the rebalance.

Mr. FORBES. Provide your assessment of the rebalance to date. What are the most significant challenges and your concerns with respect to its implementation?

Dr. MAHNKEN. I believe the rebalance has provided needed attention to the growing strategic weight of the Asia-Pacific region. I also feel that the commitment to deploy an increasing portion of the U.S. armed forces in the region is wise, both given the United States' enduring interests in the region as well as the eroding military balance. My main concerns are two. First, U.S. forces in the Asia-Pacific region

represent an increasing slice of a shrinking pie. As a result, unless the United States adopts innovative approaches to force posture and force structure, it will continue to face a worsening military balance. Second, I am concerned that the United States is not exercising leadership among its allies in the region. Absent that leadership, U.S. allies are becoming increasingly concerned. In abdicating its leadership role, the United States is also sacrificing the opportunity for deeper collaboration with allies.

Mr. FORBES. What is your assessment of U.S. basing in the region? Is the U.S. military effectively positioned to respond to contingencies in the region? How can its positioning be improved?

Dr. MAHNKEN. I believe that the United States should harden and diversify its bases in the region and augment them with contingency operating locations. These should be balanced between bases on sovereign U.S. territory, such as Hawaii and Guam, and those on allied territory, such as Japan, South Korea, and the Philippines. Bases on U.S. territory guarantee access, whereas those on allied territory provide extended deterrence and reassurance.

Mr. FORBES. How is the force structure in each of the services being affected by the rebalance (e.g., end strength, training and readiness, investment and modernization)?

Dr. MAHNKEN. I do not believe that the rebalance has yet significantly affected the force structure of the each of the Services. A force structure that fully implemented the rebalance would feature a greater emphasis on naval and air capabilities; investment in new capabilities of particular importance to the theater, including unmanned strike, undersea warfare, guided munitions, and electric and directed energy weapons; the development of innovative operational concepts for projecting power in the face of anti-access/area denial threats; training focused on the unique features of the theater; and deeper collaboration with U.S. allies. Although the Services are undertaking a number of initiatives along these lines, I do not believe that they have progressed far enough to affect force structure.

Mr. FORBES. How critical is forward presence to the rebalance as well as readiness of the commands in the theater? In what areas is PACOM lacking required forward presence?

Dr. MAHNKEN. I believe that U.S. forward presence plays a critical role in dissuading aggressors, deterring aggression, and reassuring allies and friends. However, presence rests upon a foundation of credible warfighting capability. Although the United States maintains presence throughout the PACOM area of responsibility, I am concerned that as the size of the U.S. armed forces shrink, the credibility of U.S. combat power will be called into question. In particular, I am concerned that the decreasing size and increasing age of Navy and Air Force platforms will undermine deterrence and reassurance.

Mr. FORBES. Does the Defense Strategic Guidance and refocus on the Asia-Pacific necessitate a change in our preposition strategy, including operational stocks?

Dr. MAHNKEN. I believe that the growth and modernization of Asia-Pacific militaries means that wars in the region are likely to involve increasing expenditure of munitions and other expendables. I also believe that the growth and spread of precision-strike systems, particularly in the Asia-Pacific region, is ushering in an era of longer, costlier wars. As a result, I believe that the United States needs to rethink its strategy for acquiring and positioning operational stocks.

As part of this, I believe that the United States should enter into discussions with its close allies in the region on how to pool operational stocks, to include the acquisition of common munitions and shared contingency manufacturing.

Mr. FORBES. Discuss the importance of accessibility in the Asia-Pacific region, our current accessibility challenges, and how the rebalance addresses them?

Dr. MAHNKEN. Forward-based forces play an important role in U.S. strategy in the Asia-Pacific region. Access to the region is thus crucial to U.S. credibility. Forward basing on U.S. and foreign territory play complementary roles. Bases on sovereign U.S. territory, such as Hawaii and Guam provide assured access. By contrast, those on allied territory, such as Japan, South Korea, and the Philippines provide extended deterrence and reassurance. Although the rebalance has seen increased access to allied and friendly territory in the region, including Australia, the Philippines, and Singapore, I believe that more can and should be done. In particular, I believe there are opportunities for enhanced access to naval and air facilities in Australia and the Philippines.

Mr. FORBES. What capabilities, research and development (R&D) areas, and resources will be required to meet rebalance needs? What are our most significant gaps and shortfalls? How is the Department prioritizing those, and how have they changed to align with the rebalance?

Dr. MAHNKEN. I believe the United States faces shortfalls in the following areas. Unmanned Strike Systems: The United States requires greater investment in stealthy unmanned strike systems that can be launched well outside the growing range of increasingly precise long-range missiles and other so-called anti-access, area-denial (A2AD) systems. Undersea Warfare: The United States has built and maintained a comparative advantage in undersea warfare over the course of decades. I am concerned, however, that the United States is not adequately resourcing U.S. undersea capabilities I believe that the United States should commit itself to purchasing 2 Virginia-class SSNs per year, funding and procuring the Virginia Payload Module (VPM) and exploring the Towed Payload Module (TPM). The United States should also place additional emphasis on developing unmanned underwater vehicles (UUVs) that can complement current U.S. attack submarines. Guided Munitions: Current U.S. anti-ship and land-attack cruise missile designs date to the 1970s; the U.S. military urgently requires a new long-range anti-ship cruise missile to replace the Harpoon and a new land attack cruise missile to replace the Tomahawk. The United States should also increase its investment in research into autonomous systems, which offer the ability to operate in the face of enemy attempts to interfere with sensors and communication links. Electric & Directed Energy Weapons: U.S. forces are increasingly at risk from large salvos of guided rockets, artillery, missiles and mortars. Electric weapons, such as electromagnetic rail guns and high energy lasers, have the potential to possess both high rates of fire and very low cost per shot, making them probable game-changers for U.S. defense strategy if successfully developed and fielded. These systems deserve greater funding.

Mr. FORBES. What are the implications of China's military modernization, specifically its power projection, anti-access/area-denial, counter-space and cyber capabilities? What is being done to address these threats?

Dr. MAHNKEN. Chinese military modernization threatens not only to deny the United States access to areas of vital national interest, but also to erode the alliances that have served as the foundation of regional stability for over half a century. Three aspects are of particular concern: (1) Its growing ability to destroy fixed targets in the region (including on our allies' home territory) could weaken deterrence and reassurance. (2) Its growing ability to target U.S. power projection forces, including U.S. carrier strike groups, could not only deter the United States from intervening in a crisis or conflict in the region, but also degrade U.S. warfighting capabilities. (3) Its nuclear modernization, including the deployment of increasing numbers of nuclear ballistic missiles, could potentially decouple allies from the American extended nuclear deterrent by reducing the credibility of U.S. nuclear retaliatory threats. I believe that more needs to be done to address these threats. This includes investment in new capabilities, including unmanned strike, undersea warfare, guided munitions, and electric and directed energy weapons; the development of innovative operational concepts for the use of U.S. forces; deeper collaboration with U.S. allies; and measures to bolster nuclear deterrence.

Mr. FORBES. What should be the role of the U.S. military in the event of a contingency in the East China Sea or the South China Sea?

Dr. MAHNKEN. Much would obviously depend upon the circumstances. However, it is worth remembering that the United States has, for the better part of a century, served as a guarantor of stability and order in the Asia-Pacific region. As a result, in the event of a contingency in the East China Sea or the South China Sea, I believe that the United States should act to safeguard that order.

Mr. FORBES. What flashpoints in the Asia-Pacific region are of most concern, and how does the rebalance address them?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. Provide your assessment of the rebalance to date. What are the most significant challenges and your concerns with respect to its implementation?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. What is your assessment of U.S. basing in the region? Is the U.S. military effectively positioned to respond to contingencies in the region? How can its positioning be improved?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. How is the force structure in each of the services being affected by the rebalance (e.g., end strength, training and readiness, investment and modernization)?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. How critical is forward presence to the rebalance as well as readiness of the commands in the theater? In what areas is PACOM lacking required forward presence?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. Does the Defense Strategic Guidance and refocus on the Asia-Pacific necessitate a change in our preposition strategy, including operational stocks?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. Discuss the importance of accessibility in the Asia-Pacific region, our current accessibility challenges, and how the rebalance addresses them?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. What capabilities, research and development (R&D) areas, and resources will be required to meet rebalance needs? What are our most significant gaps and shortfalls? How is the Department prioritizing those, and how have they changed to align with the rebalance?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. What are the implications of China's military modernization, specifically its power projection, anti-access/area-denial, counter-space and cyber capabilities? What is being done to address these threats?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. What should be the role of the U.S. military in the event of a contingency in the East China Sea or the South China Sea?

Mr. BERTEAU. [The information was not available at the time of printing.]

Mr. FORBES. What flashpoints in the Asia-Pacific region are of most concern, and how does the rebalance address them?

Dr. RATNER. The most concerning flashpoints in the Asia Pacific are the Korean Peninsula, maritime/territorial disputes in the East and South China Sea, and the broader military competition with China. The rebalance to Asia seeks to address all of these issues through its multifaceted approach that includes:

—Strengthening traditional alliances;
—Building closer ties with emerging partners;
—Deepening political and institutional relations with China;
—Engaging the region's multilateral institutions;
—Diversifying the U.S. military presence in Asia; and
—Reinforcing U.S. economic leadership in the region.

Mr. FORBES. Provide your assessment of the rebalance to date. What are the most significant challenges and your concerns with respect to its implementation?

Dr. RATNER. The rebalancing policy has made considerable achievements over the last five years. In nearly every dimension of the policy, the United States has made significant and tangible advances. There is little evidence to support skeptics who argue that the policy is not real or is all rhetoric.

Sustaining and deepening the rebalancing will require continued political and financial commitment from the White House and Congress. Part of the task ahead is for U.S. political leaders to make the case to the American people about the importance of Asia's future for U.S. economic and security interests. The administration and Congress will also have to keep ensuring that the non-military elements of the policy receive sufficient attention, including for diplomacy, economic assistance, and trade.

Mr. FORBES. What is your assessment of U.S. basing in the region? Is the U.S. military effectively positioned to respond to contingencies in the region? How can its positioning be improved?

Dr. RATNER. The United States should continue seeking a more geographically distributed, operationally resilient and political sustainable military presence in the region. Presence and access agreements in Australia, Singapore and the Philippines are extremely important in this regard in terms of demonstrating U.S. commitment to the region, providing new operational and strategic advantages, and creating greater opportunities for building partner capacity and responding to regional crises.

Mr. FORBES. How is the force structure in each of the services being affected by the rebalance (e.g., end strength, training and readiness, investment and modernization)?

Dr. RATNER. The question is beyond the witness' scope of experience.

Mr. FORBES. How critical is forward presence to the rebalance as well as readiness of the commands in the theater? In what areas is PACOM lacking required forward presence?

Dr. RATNER. Forward presence and access agreements are extremely important in terms of demonstrating U.S. commitment to the region, providing new operational and strategic advantages, and creating greater opportunities for building partner capacity and responding to regional crises.

Mr. FORBES. Does the Defense Strategic Guidance and refocus on the Asia-Pacific necessitate a change in our preposition strategy, including operational stocks?

Dr. RATNER. The question is beyond the witness' scope of experience.

Mr. FORBES. Discuss the importance of accessibility in the Asia-Pacific region, our current accessibility challenges, and how the rebalance addresses them?

Dr. RATNER. See answers above.

Mr. FORBES. What capabilities, research and development (R&D) areas, and resources will be required to meet rebalance needs? What are our most significant gaps and shortfalls? How is the Department prioritizing those, and how have they changed to align with the rebalance?

Dr. RATNER. The question is beyond the witness' scope of experience.

Mr. FORBES. What are the implications of China's military modernization, specifically its power projection, anti-access/area-denial, counter-space and cyber capabilities? What is being done to address these threats?

Dr. RATNER. The question is beyond the witness' scope of experience.

Mr. FORBES. What should be the role of the U.S. military in the event of a contingency in the East China Sea or the South China Sea?

Dr. RATNER. The precise role of the United States military will, of course, depend on the nature of the contingency. Nevertheless, the United States could have a key role to play in terminating any conflict, either through the use of force or deterrent threats. Depending on the circumstances, failure to play that role could have significant negative effects on U.S. credibility, leadership and interests in Asia.

QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. Looking at the probability that future environments in the Asia-Pacific will be denied, are we making the right investments to ensure the adequacy and resiliency of our ISR capabilities?

Admiral WALSH. [The information was not available at the time of printing.]

Mr. LANGEVIN. In your views, have we placed appropriate strategic emphasis on matters other than high-end warfare in the Asia-Pacific, in particular on contesting the persistent low-level competition that seems endemic to the region?

Dr. MAHNKEN. The United States faces a number of challenges in the Asia-Pacific region. Of these, the most consequential would be a great-power conflict. It is not, however, the only contingency of interest. In particular, I am concerned about China's so-called "gray-area" challenges to the status quo in the region. China has utilized a number of instruments of statecraft short of the use of force to establish a new status quo and coerce regional states into recognizing Chinese territorial claims. The United States and its allies need to develop a better understanding of this strategy and develop countermeasures to it.

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