

STATEMENT OF
ADMIRAL SAMUEL J. LOCKLEAR, U.S. NAVY
COMMANDER, U.S. PACIFIC COMMAND
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Chairman Frelinghuysen, Congressman Visclosky, and distinguished members, thank you for the opportunity to address the committee. This will be my fourth and final opportunity to provide an Indo-Asia-Pacific assessment since taking command of United States Pacific Command (USPACOM) in March 2012. For over three years, I have had the extraordinary privilege to lead Soldiers, Sailors, Airmen, Marines, Coast Guardsmen, and civilians selflessly serving our nation. These dedicated men and women and their families are doing an amazing job and I am proud to serve alongside them.

In concert with allies and partners, USPACOM balances historical and cultural factors against modern day political and economic events in an ever-evolving effort to manage friction and conflict in the most militarized region in the world. These actions are designed to defend the homeland, strengthen and modernize our alliances and partnerships, maintain access to areas of common interest, counter aggression, prevent the proliferation of weapons of mass destruction, and defeat violent extremism.

What follows is my assessment of the region's security environment, including the current and future challenges and opportunities for USPACOM forces. My testimony includes an update on major areas of concern in the security environment, allies and partners in the region, building and strengthening relationships, and maintaining an effective and assured presence.

Security Environment

The Indo-Asia-Pacific remains one of the most dynamic regions on earth. It is vital to U.S. economic and security interests, and activities in the region will shape much of our nation's future. The region encompasses 52% of the earth's surface and is composed of 83% water and 17% land. Over half of the people on the planet reside on that 17% of land, and by the middle of the century, the Indo-Asia-Pacific will potentially contain 70% of the world's population. This high population density coupled with destabilizing factors such as natural disasters, climate change, ideological radicalism, and population migration will continue to put immense pressure on regional governments. Contained in the thirty-six nations in USPACOM's area of responsibility are the world's two largest economies after the U.S. (China and Japan), and five smallest economies. The region also contains the world's most populous nation (China), the

largest democracy (India), the largest Muslim-majority (Indonesia), and the smallest republic (Nauru). It contains seven of the ten largest standing militaries, five nuclear nations, and five of the U.S.'s seven mutual defense treaty alliances. The socioeconomic diversity and population density throughout the USPACOM area of responsibility (AOR) create strategic long-term challenges. These challenges include: political instability, social inequality, poverty, increased sensitivity to climate change and natural disasters, risk of pandemic disease, and epidemic drug use and distribution.

In addition to these challenges, the U.S. must continue to deter North Korean provocation, ensure access to air and sea lanes, encourage peaceful resolution of territorial and maritime disputes in the East and South China Seas, respond to natural disasters and theater health issues, check the flow of violent extremists from the Middle East to violent extremist organizations (VEOs) in the Indo-Asia-Pacific, address transnational crimes, monitor an increasingly active Russia, and constructively engage a rising China. Despite all of the challenges, the theater possesses opportunities for the U.S., its allies, and its partners. In order to capitalize on these opportunities, foster the region's economic potential, and provide the security and stability necessary to protect areas of common interest, USPACOM remains engaged.

The Indo-Asia-Pacific requires stable political institutions to effectively govern and prosper. Overall, but with notable exceptions, the countries of the Indo-Asia-Pacific region are more politically stable than in previous years. The general health of democratic institutions across the region is evidenced by several critical leadership transitions which occurred last year. Successful, peaceful participatory elections occurred in India and Indonesia. Sri Lanka achieved a peaceful transition of power following its January election. Fiji took a major step toward moving past its 2006 military coup by holding elections last September. Citizens in many countries were able to peacefully protest without fear of oppressive action. While these activities are reassuring, challenges remain. For example, Thailand's military coup removed a democratically elected administration, and interim leaders have yet to restore a democratic government.

North Korea: North Korea remains the most dangerous and unpredictable security challenge. The regime continues its aggressive attitude while advancing its nuclear capability and ballistic missile programs. While the international community continues to urge North Korea to live up to its international obligations and return to authentic credible negotiations under the Six-Party Talks framework, North Korea has unfortunately shown no willingness to seriously discuss its denuclearization commitments and obligations, and additional nuclear tests remain possible. It is expected that North Korea will continue to showcase ballistic missile development (to include mobile intercontinental ballistic missiles and intermediate range Musudan missiles) and conduct launches in direct violation of several United Nations Security Council Resolutions (such as the short-range ballistic missile launches in March 2015). North Korea already announced its intent to conduct “annual and regular” drills to advance this prohibited capability.

Additionally, North Korea demonstrated the will to employ cyber techniques to impose costly damage to civilian companies, as was demonstrated in the high-profile attack on Sony Pictures Entertainment. North Korean cyber actors continue to conduct cyber actions against South Korean military and civilian networks. USPACOM remains concerned about the destructive nature of this state sponsored cyber-attack targeting a commercial entity and its employees in the United States. These actions demonstrate North Korea’s disregard for international norms. North Korea’s actions are beyond the bounds of acceptable state behavior in cyberspace.

Territorial and Maritime Issues: Territorial and maritime issues in the East and South China Seas, if not handled properly, may negatively impact stability in the regional and the security environment. The claimants' use of maritime law enforcement vessels to enforce their claims has largely kept these issues out of the military sphere, despite a steady increase in military air and sea patrols. While no country appears to desire military conflict, an escalation due to a tactical miscalculation cannot be ruled out.

In the East China Sea, Japan and China both claim sovereignty over the Senkaku Islands. While the United States does not take a position on ultimate sovereignty over the islands, it has long recognized Japanese administration of them. China’s behavior in the area has resulted in close encounters at sea, aggressive Chinese air intercepts of Japanese reconnaissance flights,

inflammatory strategic messaging, and the no-notice declaration of a Chinese Air Defense Identification Zone in the East China Sea.

The South China Sea issues are complex. Six claimants (China, Vietnam, Malaysia, Brunei, Taiwan, and the Philippines) have overlapping claims in the South China Sea. As the South China Sea claimants' populations and economies continue to grow, access to the oil, gas, minerals, and fisheries within the South China Sea becomes more important. Claimants appear to be asserting their claims through increased maritime patrols, outpost and facility construction, and land reclamation.

China has the broadest claim with its self-proclaimed "Nine-Dash line" that covers almost the entire South China Sea. China's lack of clarity with regard to its South China Sea claims, and China's attempts to unilaterally enforce its ambiguous claims, has created uncertainty in the region. Any use of the nine-dash line by China to claim maritime rights not based on claimed land features would not align with international law. The international community would welcome China to clarify or adjust its nine-dash line claim and bring it into accordance with the international law of the sea, as reflected in the Law of the Sea Convention.

To achieve its long-term goals in the region, China is executing a strategy that includes expanding outposts in contested areas through land reclamation on South China Sea features, taking actions to prevent other nations from establishing / maintaining outposts, exploring for natural resources in disputed waters, and increasing its naval and air forces' presence through exercises and patrols. China's aggressive land reclamation and construction projects at eight South China Sea military outposts include new buildings, more capable berthing space for ships, and presumably an airfield on the Fiery Cross Reef (China's largest reclamation project). Although land reclamation cannot, for example, change a submerged feature into a natural island that generates any legal entitlements to maritime zones, the completion of these projects will give China the ability for greater presence, increase dwell time for military and coast guard assets, and expand the areas covered by surveillance and area-denial systems. Examples of activities supporting China's long-term strategy include attempts to block resupply missions to the small Philippine garrison at Second Thomas Shoal and exclude Philippine and other

fishermen from the disputed Scarborough Reef. Last year, China also moved a China National Offshore Oil Corporation drilling platform into Vietnam's claimed Exclusive Economic Zone resulting in a tense standoff between Vietnamese and Chinese maritime assets substantially increasing the possibility of miscalculation between the two countries.

The U.S. does not take a position on issues of sovereignty with respect to territorial claims in the East and South China Sea, but we do insist that all maritime claims must be derived from land features in accordance with international law as reflected in the Law of the Sea Convention. The U.S. also continues to emphasize the importance that maritime and territorial disagreements be resolved peacefully in accordance with international law and opposes the use of intimidation, coercion, or force to assert claims. An example of such an attempt at peaceful resolution is the Philippines' arbitration against China under the Law of the Sea Convention that is being heard by a tribunal in The Hague. Of note, China has refused to participate in this arbitration to date.

Natural Disasters: The Indo-Asia-Pacific accounted for over 40% (1,690 incidences) of the world's reported natural disasters during the period between 2004 and 2013, and, because of the region's coastal population density, these disasters were particularly deadly, claiming more than 700,000 lives. The Pacific Rim's tectonic plate structure produces its well-known Ring of Fire, which regularly triggers earthquakes, volcanoes, and tsunamis. Weather extremes and anomalies continue to plague the region. Understanding the scope and severity of long-term climate change, unexpected climate shocks, and climate variability events such as El Nino are shared global challenges.

In addition to seismic and climate challenges, areas of large populations, dense living conditions, and poor sanitary conditions in the region create optimal conditions for the rapid spread of human- or animal-borne diseases. To address these challenges, USPACOM focuses on pre-crisis preparedness with training and exercises. For example, many of the lessons learned and preparedness measures implemented after Typhoon Haiyan (Operation Damayan, November 2013) resulted in less damage and loss of life when Typhoon Hagupit passed over the Philippines last December. U.S. forces regularly train with allies and partners on humanitarian assistance and disaster relief operations and stand ready to respond in support of interagency partners to a

natural disaster or the frequent vectors of disease that plague the region. Regional information sharing and rapid response to health crises are improving, but the danger remains high.

USPACOM will continue to focus on improving pre-crisis preparedness and working with allies and partners in the region to ensure an effective response when an event occurs.

Violent Extremism: The ongoing conflict in Syria and Iraq attracts foreign fighters from countries throughout the Indo-Asia-Pacific. Current assessments indicate approximately 1,300 foreign personnel fighting alongside the self-proclaimed Islamic State of Iraq and the Levant are from the Indo-Asia-Pacific. A small number of these combat-experienced fighters who return home could enhance the capability of regional extremist networks within the most densely populated areas of the world. In South Asia, partner nations maintain pressure on extremist networks but face a persistent threat from transnational groups that continue adapting to shifting geopolitical factors, competition among global extremist groups, and counterterrorism actions by the U.S. and its regional allies. Al-Qa'ida's increased rhetoric focused on South Asia and the announcement of a new affiliate, "Al-Qa'ida in the Indian Subcontinent," suggest Al-Qai'da will focus resources on uniting established terrorist groups to engage in jihad in South Asia. Lashkar-e Tayyiba and other Pakistan-based groups continue fighting in Afghanistan, but they will likely shift some of their operational focus to the Indian Subcontinent in the next one to three years as Coalition forces drawdown. In Southeast Asia, regional partners maintain persistent pressure on extremist networks; however, competing security priorities in the region, coupled with the sensationalism of developments in the Middle East, have pressurized counter-terrorism attention. Extremist groups are increasingly interconnected and the region remains a potential safe haven, facilitation hub, and area of operations for extremists.

Proliferation Issues: Rapidly developing technology manufacturing sectors in the Indo-Asia-Pacific region have in many states outpaced the concurrent development of those states' effective export controls. The region includes some of the busiest maritime and air ports in the world with shipments of proliferation concern likely passing through these ports almost daily. These shipments include dual-use items—commercial items controlled by the nuclear, ballistic missile, and chemical/biological weapons control regimes, others covered by associated catch all controls—manufactured in or re-exported from states with spotty export control enforcement.

Iran built its robust nuclear infrastructure and advanced its ballistic missile systems with materials that passed through the USPACOM AOR; North Korea continues to procure for its nuclear and ballistic missile programs—and proliferate conventional arms for revenue generation—using a network of individuals and entities throughout the region. PACOM engages regional partners in capacity-building activities designed to improve export controls and interdiction capabilities in the region. In August 2014 PACOM hosted personnel from 31 nations as part of the Proliferation Security Initiative (PSI) Exercise Fortune Guard, which marked the beginning of a six-year series of exercises that various “expert” nations in the region will host. (New Zealand, Australia, Singapore, Japan, South Korea and the United States) Exercises such as Fortune Guard provide nations a forum to demonstrate the intention to act and share the best tactics against proliferators, emphasizing a whole-of-government approach to confront this complex challenge.

Transnational Crime: There is a growing trend for regional human and drug trafficking organizations to operate as global enterprises. In addition to the devastating impact widespread drug use has on a society, the revenue generated from these illicit activities fund terrorists and Violent Extremist Organizations. Methamphetamine and amphetamine-type stimulants continue to be the primary drug threat in the USPACOM AOR. The majority of Methamphetamine available in the United States comes from Mexico, primarily across the South West Border Region, and an estimated 90% of the precursor chemicals used to produce Mexican Methamphetamine comes from China. Further, the annual volume of Methamphetamine seizures made along the United States South West Border Region has exceeded Cocaine seizures in the past three years.

Nearly 21 million victims of human trafficking are estimated worldwide and nearly two-thirds are from Asia, with India, China, Indonesia, Bangladesh, and Thailand among the countries with the highest number of victims. Women and children – especially those from the lowest socioeconomic sectors – are the most vulnerable demographics. Roughly a quarter end up in the commercial sex trade, while others are forced into difficult and dangerous positions in factories, farms, or as child soldiers. Still others are bound to families as domestic servants. Human trafficking victims often suffer physical and emotional abuse and social stigmatization while

being denied their basic human rights and fundamental freedoms. While awareness is rising, much remains to be done to combat this particularly heinous crime. USPACOM forces build partnership capacity and share intelligence in order to combat these transnational threats.

Russian Intent: Russia is reasserting itself politically and militarily in the Pacific. In the USPACOM AOR, Russian Navy and Long Range Aviation operational tempo have recently increased significantly, but not above Cold War levels. Though challenged by maintenance and logistical issues, Russian Navy cruisers, destroyers and frigates have increased their operations and reach. The Russian Pacific Fleet sent ships to support operations in the Middle East and Europe, while Russian ships from the Baltic and Black Sea Fleets deployed into the Asia-Pacific. Russian BEAR bombers and reconnaissance aircraft regularly fly missions in the Sea of Japan and continue operations as far east as Alaska and the west coast of the continental U.S. The anticipated fielding later this year of Russia's newest class of nuclear ballistic missile submarine (Borei-class SSBN) and upgrades to Russia's land-based ballistic missiles will modernize Moscow's nuclear capability in the Asia-Pacific. Russian ballistic missile and attack submarines remain active in our region. Russia aims to demonstrate military capabilities commensurate with its Pacific interests: ensuring Russian sovereignty, sovereign rights, and jurisdiction in the Asia-Pacific, strengthening its sphere of influence, and projecting a credible deterrent force.

Chinese Military Modernization and Strategic Intent: Recent statements by senior PRC leaders, such as PRC President Xi Jinping, suggest that the PRC may be attempting to advance a vision for an alternative security architecture in Asia that affords Beijing increased influence in the region and diminishes the role of the United States. This Chinese view was highlighted in Shanghai last summer at the Conference on Interaction and Confidence Building Measures in Asia. At the conference, President Xi Jinping called on all of Asia to support the development of a new security order centered on China. The proposed new order also requires a curtailment of alliance-strengthening diplomacy, of which the "U.S. Rebalance to Asia" is noted as the greatest offender. China is proposing an alternative strategy to regional security issues where the U.S. plays, at best, a deferential role.

China is engaged in a comprehensive military modernization program to transform its forces into a high-tech military capable of conducting complex operations. Many of China's initiatives are intended to develop capabilities to deter or counter third-party intervention in regional contingencies. These anti-access/area denial (A2AD) capabilities are focused on controlling access and freedom of operations in vast portions of the air and maritime domains, as well as space and cyberspace. These include a series of sophisticated and increasingly long-range anti-ship cruise missiles, ballistic missiles, air-to-air and air-to-ground missiles, and kinetic and non-kinetic counter-space systems. China is also making significant advances in electronic warfare capabilities, which are contributing to the A2AD challenge.

China continues an aggressive ship building program to produce and field advanced frigates, destroyers, and the first in-class cruiser-sized warship. Chinese shipyards are also producing newer, more capable submarines as they inactivate older submarines, resulting in a fleet that is not growing substantially in number but is significantly more capable. Advances in China's strategic capabilities remain significant. China now has three operational JIN-class ballistic missile submarines (Type 094), and up to five more may enter service by the end of the decade. The JIN-class submarine carries the JL-2 submarine launched ballistic missile with a range capable of reaching the U.S. and will give China its first credible sea-based nuclear deterrent. Nuclear deterrence patrols will likely commence this year. Lastly, we expect China to soon begin constructing an indigenous aircraft carrier.

China is using computer network exploitation capabilities to support intelligence collection to advance its defense and high-tech industries. Through a sophisticated cyber program, China is generating insights on U.S. security policies, defense networks, logistics, and military capabilities.

As the Chinese military modernizes its capabilities and expands its presence in Asia, U.S. forces are drawn into closer and more frequent contact and the risk of an accident or miscalculation increases. This places a premium on efforts to increase mutual understanding and trust in order to reduce risk. The Chinese Navy is more frequently operating in the Indian Ocean, expanding the area and duration of operations and exercises in the Western and Central Pacific Ocean, and

periodically venturing into other non-traditional areas, as exemplified by recent port visits to Europe. The complexity of the regional and global security environment, as well as China's military advancements, necessitates a continuous dialogue between the U.S. and Chinese militaries to expand practical cooperation where national interests converge and discuss areas where goals diverge, especially during periods of friction.

Allies and Partners

The U.S.' five treaty allies in the Indo-Asia-Pacific are: Australia, Japan, Republic of Korea, Philippines, and Thailand. In addition to U.S. treaty alliances, the U.S. continues to strengthen existing partnerships and build new relationships to advance common interests and address shared concerns. U.S. allies and key partners in the theater play a fundamental role in addressing the security challenges. Strengthening and modernizing alliances and partnerships is a top USPACOM priority.

Australia: Australia continues to be a close, steadfast, and effective ally in the Indo-Asia-Pacific. The alliance anchors peace and stability in the region, and Australia has taken a leading role in addressing regional security and capacity-building issues, including lead roles in Humanitarian Assistance and Disaster Relief events. Australia is also a key contributor to global security, including counter-ISIL efforts in Iraq and the Resolute Support mission in Afghanistan. With the ongoing implementation of the Force Posture Initiatives, which provide expanded opportunities for bilateral and multilateral engagement, the Marine Rotational Force-Darwin successfully completed its third rotation while increasing its presence from 250 to 1,177 U.S. Marines. The U.S. Air Force is increasing its rotation of aircraft to Australia. In addition to the Force Posture Initiatives, the U.S. and Australia are identifying additional opportunities to increase collaboration in counter-terrorism, space, cyber, and integrated air missile defense and regional capacity building. Australia is procuring a number of high-tech platforms that will increase interoperability such as the F-35 Lightning II, P-8 Poseidon, C-17 Globemaster III, and EA-18G Growler aircraft as well as Global Hawk UAVs and MH-60R helicopters. To ensure greater synchronization and integration, the Australian Government provides a General Officer and a Senior Executive to USPACOM, as well as another General Officer to U.S. Army Pacific, as tangible examples of a mutual commitment to the alliance.

Japan: The U.S.-Japan alliance remains strong and productive through both countries' shared commitment to a full range of military capabilities with expanding responsibility for training, exercises, interoperability, and bilateral planning. Japan's 2013 National Security Strategy and the 1 July 2014 cabinet decision on collective self-defense are positive developments and indicators of Japan's ability and willingness to assume a greater role in the regional security architecture. The Abe administration will submit implementing legislation to the National Diet during its spring session, and debate is expected to conclude in summer 2015. The US-Japan Guidelines for Defense Cooperation are being revised, and that process will conclude with public presentation of the Guidelines in the near future. We are hopeful that Japan's upcoming legislative changes support new and expanded forms of cooperation.

U.S. Forces Japan continues to build its close relationship with the Japanese Joint Staff to enhance interoperability and information sharing through realistic training, exercises, and bilateral planning. USPACOM will continue to maintain a robust military presence in Japan to meet future security challenges and encourage greater trilateral military engagements with the Republic of Korea (ROK) and Australia.

Efforts continue toward improving US-Japan-ROK trilateral coordination in response to North Korean provocative behavior. The December 2014 signature of the US-Japan-ROK Trilateral Information Sharing Arrangement is a positive first step toward greater information sharing on North Korean missile and nuclear threats.

As Japan increases its defense spending, it is procuring a number of high-tech platforms that will increase interoperability such as the F-35 Lightning II aircraft, MV-22 Ospreys, and the Global Hawk UAV, as well as upgrading existing AEGIS destroyers with the latest BMD capability and constructing two additional AEGIS destroyers (for a total of eight BMD capable platforms). Each North Korean ballistic missile provocation validates the investment of the AN/TPY-2 radars in Japan to provide ISR against missile threats. Last year's addition of the second radar in Japan and forward deploying two additional BMD capable ships will enhance our ability to defend our ally and the region, as well as provide early warning of missile threats to the U.S.

homeland. Lastly, Japan continues to make significant infrastructure investments in country that complement the realignment of U.S. Marines from Okinawa to Guam including expanding the airfield and associated facilities at Marine Corps Air Station Iwakuni and construction of the Futenma Replacement Facility. It is important that these initiatives remain on track.

Philippines: The U.S.-Philippine alliance remains a positive source of strength and regional stability. Building upon the 1951 Mutual Defense Treaty, the Enhanced Defense Cooperation Agreement (EDCA) between the U.S. and the Government of the Philippines was signed last April. Through enhanced U.S. rotational presence, the EDCA provides expanded opportunities to conduct theater security cooperation activities and supports the Armed Forces of the Philippines (AFP) as it shifts focus from internal security to external defense. Full EDCA implementation awaits the outcome of a case before the Philippine Supreme Court, where deliberations could last into this summer.

After more than a decade, the Joint Special Operations Task Force created to counter Violent Extremist Organizations in the Philippines will stand down and the AFP will sustain that mission. Training and advising objectives that were set to address organizations such as the Abu Sayyaf Group and Jemaah Islamiyah have been met. Although the Task Force is standing down, a small USPACOM footprint will remain embedded in the Philippines to continue working with the AFP leadership and planning staffs. The AFP has demonstrated an increased capacity and capability to handle domestic threats inside their country, but USPACOM will remain committed to supporting and advising the AFP at the operational level.

Competing claims in the South China Sea continue to be a source of friction and instability. China continues large-scale land reclamation around disputed features. Furthermore, periodic resupply and troop rotations to the small Philippine outpost at Second Thomas Shoal (also known as Ayungin Shoal) are well-known points of contention with the Chinese government.

Republic of Korea: The U.S.-Republic of Korea (ROK) alliance remains strong and vital, and enduring for over six decades. Our militaries integrate complementary capabilities and enhance the relationship with honest and frank dialogue. During the most recent annual discussions, the

U.S. and ROK agreed to delay wartime operational control transfer and adopt a conditions-based approach, rather than a calendar-based deadline. The U.S. and ROK intend to modernize the alliance to better inform the development or acquisition of Alliance capabilities required to address future threats from North Korea.

USPACOM will continue to work with the ROK to address the North Korean threat. North Korea continues to be a challenge due to provocations and uncertainty, which are viewed as a threat to peace and stability in the region. The ability to rapidly respond to aggression with combined U.S.-ROK-Japan capabilities is the best way to ensure deterrence and maintain regional stability. Trilateral cooperation will improve each participant's understanding of the mutual challenges and shared opportunities that exist in and around the Korean Peninsula.

Thailand: As Thailand is the oldest U.S. alliance partner(182 years), the U.S. values its friendship with the people of Thailand. The Thai military's decision to suspend its constitution and assume control of the civilian government has impacted that relationship. Military engagements and exercises have been appropriately adjusted in a whole of government response to the coup, pending a return to a democratically-elected government. USPACOM will continue to demonstrate commitment to the U.S.' ally while reinforcing democratic values and ideals. The annual COBRA GOLD exercise co-sponsored with the Royal Thai Armed Forces is an important multi-lateral warfighting training event. This year's exercise was significantly limited in scope and scale in response to the Thai coup, and heavily focused on humanitarian assistance activities.

India: Last year, India held the largest election in its history. With new leadership in place, India is energizing the U.S.-India strategic partnership. Prime Minister Modi has focused India's foreign policy on building strong regional cohesion in South Asia. India's two decade-long "Look East Policy" has resulted in growing partnerships with Southeast Asian countries.

The U.S. military remains heavily engaged with New Delhi's military, having conducted 69 major exercises in the past five years. The Indian Navy continues its strong participation in multilateral exercises including INDRA with Russia, MALABAR with the U.S. and Japan, and

RIMPAC with 23 navies from across the Indo-Asia-Pacific. India's participation in these exercises signals their commitment as a regional security provider. Additionally, over the past three years the U.S. has been India's largest defense trading partner. Through military modernization, robust defense trade (C-17s, C-130Js, and P-8Is, among other items), and a growing network of defense partnerships, India is asserting its role as an important regional actor determined to protect common interests and ensure free access to economically vital sea lanes, although with respect to military activities, India still asserts a security interest in its EEZ that does not conform to the law of the sea.

Indonesia: Indonesia is a capable security partner in Southeast Asia, and is increasingly focused on its role as a regional power, which USPACOM continues to support as a main pillar of mil-mil engagement. Presidential elections last July demonstrated a commitment to democratic principles, and the August opening of Indonesia's new Peace and Security Center to train regional partners on peacekeeping operations reinforces its position as a leader in security assistance. A growing area of cooperation with Indonesia is defense trade, which includes the sale of AH-64E Apache helicopters and initial delivery of F-16 Fighting Falcon aircraft. Indonesia remains concerned about maintaining security and stability in the South China Sea. While their Chief of Defense has articulated a zero-war policy in the South China Sea, there are signs they are increasingly concerned over China's so-called nine dash line overlapping with part of their claimed EEZ. While Indonesia continues a foreign policy rooted in the Non Aligned Movement, USPACOM has seen significant gains in security cooperation activities. Indonesia will continue to balance its partnership with the U.S. with other nations such as Russia and China, but security cooperation with the U.S. remains a top priority.

New Zealand: New Zealand is a respected voice in international politics and a recognized leader in Oceania that shares common security concerns with the U.S., such as terrorism, transnational crime, and maritime security. Military-to-military relations and defense engagements with New Zealand continue to improve, and the U.S. and New Zealand executed the second series of annual bilateral defense dialogues last year. New Zealand's establishment of a Consulate General in Honolulu has also provided additional opportunities for USPACOM and New Zealand to engage on issues of mutual interest. This new Consulate General addition to

Hawaii is timely as the U.S. celebrates the 100th Anniversary of ANZAC with New Zealand and the Australians this year.

Oceania: Maintaining our close partnerships in Oceania is important to national security. The provisions included in the Compacts of Free Association with the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are important mechanisms that guide the relationships. The U.S. meets its defense obligations to these nations through defense planning and preparation. In return, these compact agreements provide assured access to the three Compact Nations and their associated 5.5 million square kilometers of Pacific in a contingency situation. They also give the U.S. authority to grant or deny access to another nation's military forces, which allows the maintenance of a clear strategic line of communication across the Pacific. The U.S.'s continued commitment to defend the Compact Nations and to partner with other Pacific island countries sends a strong message throughout the region and reinforces its commitment to the Pacific Rebalance.

Fiji currently has its first democratically elected government since its military coup in 2006. In 2015, Fiji will re-enter into regional forums (e.g., Pacific Island Forum) and have new opportunities for engagement with the U.S. Several other countries (Papua New Guinea, the Solomon Islands, and Vanuatu) may face government reorganizations over the next year. These events may set back specific projects but will not likely impact stability or affect overall U.S. engagement.

Climate change will continue to be an important issue across the Oceania region. This year's forecasted El Nino event will likely result in drought and increased tropical cyclone activity. The Republic of Marshall Islands will almost certainly face water shortage resulting in requests for aid or disaster declarations under the Compact of Free Association. Fiji, Kiribati, the Federated States of Micronesia, Papua New Guinea, Samoa, and Tonga will likely face similar situations. The December 2014 United Nations Climate Change Conference addressed the impact of rising sea levels - a keen interest to Pacific Island Nations.

Singapore: Singapore continues its important role in regional security initiatives. Singapore's role as a 'Major Security Cooperation Partner' is underscored by longstanding support of U.S. naval forces. For example, USS Freedom completed a ten month deployment in 2013, and USS Fort Worth is currently on a 16 month deployment. These forward forces contribute to naval readiness and partner capacity building and enable rapid response to many crises, including Operation Damayan in the Philippines and Air Asia recovery efforts. Additionally, Singapore's Changi Naval Base remains a key enabler to providing critical support to the USS Fort Worth and other forward operating forces.

U.S. – China: In light of an increasingly complex regional and global security environment, including advances in China's military capabilities and its expanding military operations and missions, the overall U.S. approach to China calls for a continuous dialogue between the armed forces of both countries to expand practical cooperation where national interests converge and to constructively manage differences through sustained and substantive dialogue. As a key element, the U.S.'s military engagement with China, within the guidelines of the 2000 NDAA, benefits the region, improves transparency, and reduces risk of unintended incidents, contributing to overall regional stability. The U.S. military has increased the depth of engagement with China in recent years and executed over 50 bilateral and numerous multilateral engagements last year. While these engagements are critical to improving transparency and reducing risk, the U.S. military must continue to take a pragmatic approach as the U.S. attempts to help integrate China into the existing security architecture. China's military investments, including A2AD capabilities, focused on the ability to control access and deny freedom of operations in vast portions of the air, maritime, space, and cyberspace domains raise concerns. The U.S. will need more transparency and understanding of Chinese intentions in order to minimize friction and avoid miscalculation or conflict in the future. Absent greater transparency from China, its ambiguous dashed-line claim, military modernization efforts and aggressive land reclamation in the South China Sea have significant implications for regional stability and the current security architecture.

Over the past year, the U.S. and China have agreed to mechanisms such as the Confidence Building Measures (CBMs) on Notification of Major Military Activities and Rules of Behavior

(RoB) for Safety of Air and Maritime Encounters, designed to underscore and reinforce existing international law and standards while improving transparency, building trust, and reducing risk of unintended incidents. The surface-to-surface encounters annex of the RoB CBM was signed last year and the air-to-air annex is scheduled to be completed by the end of this year. These new Rules of Behavior are non-binding and capture existing legal rules and standards. Additionally, the U.S. and China continue to use the Military Maritime Consultative Agreement meetings to discuss safety in the maritime domain and avoid crises. As China continues to grow its military capacity and capability and operate further from its territory, these mechanisms become more important.

Both militaries have had success addressing areas of common interest, such as counter piracy, military medicine, and HA/DR. Some of the most successful engagements were focused on military medical cooperation and shared health concerns. For example, the USPACOM surgeon hosted Chinese counterparts in Hawaii and Washington, DC, which resulted in concrete opportunities for continued military medical cooperation focused on Disaster Response, Pandemic and Emerging Infectious Diseases, and Soldier Care. In January 2015, the PLA hosted the USPACOM Surgeon and component surgeons for a highly successful reciprocal visit. Demonstrating China's increasing ability to operate beyond the Western Pacific and a successful engagement on an area of common concern, last December, U.S. and Chinese ships conducted counter piracy exercises in the Gulf of Aden and off the Horn of Africa. China's participation in international efforts to address these problems and to operate and exercise with the U.S. and its allies and partners in a manner consistent with international law and standards is welcomed.

Building and Strengthening Relationships

The future security and prosperity of the Indo-Asia-Pacific depends upon building bilateral and multilateral relationships. Strong relationships, facilitated by a U.S. forward presence, advance common interests and address shared threats. USPACOM strengthens relationships with U.S. allies and partners through security cooperation and capacity building, bilateral and multilateral approaches, and senior leader engagement.

Security Cooperation and Capacity Building: USPACOM enhances interoperability and information sharing with allies and partners in order to cooperatively address regional challenges. USPACOM's Security Cooperation approach is focused on building partner readiness, assisting with partner capability gaps, identifying partner shortfalls, and addressing the most critical capacity shortfalls. Last year, USPACOM identified C4ISR as a top priority for Security Cooperation with the Republic of Korea (ROK) and contributed to the U.S. supporting the ROK purchase of Global Hawk – a High Altitude UAV platform that will help close the gap in some of the security challenges on the Korean Peninsula. Supporting USPACOM's approach to addressing partner capability and capacity shortfalls will reduce risk, effectively use Security Cooperation and Assistance resources, and maintain the momentum to bring the right capabilities into the AOR.

As mentioned earlier, the progress the Republic of the Philippines continues to make in addressing violent extremists groups inside their country is a testament to building capacity in USPACOM's foreign internal defense efforts. USPACOM is also building capacity to counter drug trafficking in the AOR through Joint Interagency Task Force – West (JIATF-W) engagements with China. Through a partnership with the Internal Revenue Service, JIATF-W has leveraged Department of Defense counternarcotic authorities to open up an additional avenue of cooperation with Chinese officials by providing anti-money laundering training linked to counterdrug efforts. These efforts are only just beginning, but show promise in improving communication, cooperation, and information sharing on significant criminal enterprises operating in both the U.S. and China.

Lastly, increasing international representation at the USPACOM headquarters has improved collaboration with allies and partners and created a more agile and effective command and control architecture. The new USPACOM model integrates sixteen foreign exchange officers and liaison officers from six countries and facilitates a seamless transition from routine business to crisis. Included in these numbers are three foreign exchange Flag Officers and Senior Executives in key billets on the USPACOM staff.

Bilateral and Multilateral Approaches: With the exception of North Korea, USPACOM continues to build and strengthen bilateral relationships with all of the nations in the Indo-Asia-Pacific. USPACOM maintains a close link with the five U.S. treaty allies and other partners in the region through a series of formal bilateral mechanisms. In Australia, key engagements stem from the ANZUS treaty obligations, guided by USPACOM's premier bilateral event with Australia, the Military Representatives Meeting. Similarly, USPACOM's military to military relationship with Japan is guided annually by the Japan Senior Leader Seminar, which USPACOM utilizes to ensure the bond with Japan remains strong. USPACOM continues to rely on the alliance with the Republic of Korea to maintain peace and stability in Northeast Asia, and the annual Military Committee and Security Consultative Meetings are the preeminent bilateral mechanism to guide this alliance forward. Each year, USPACOM co-hosts the Mutual Defense Board and Security Engagement Board with the Armed Forces of the Philippines to discuss ways this critical alliance can modernize to meet 21st-century challenges. Lastly, USPACOM depends on annual Senior Staff Talks with Thailand to address shared regional security concerns while reinforcing U.S. commitment to democratic principles.

Similar bilateral mechanisms exist with partners throughout the USPACOM AOR, including Bilateral Defense Discussions with Indonesia, Vietnam, and others, as USPACOM continues to foster bilateral ties to enhance regional stability. Bilateral mechanisms with allies and partners form the strategic foundation of the security architecture that ensures peace and stability while defending U.S. interests in the Indo-Asia-Pacific.

While bilateral mechanisms remain important, USPACOM continues to emphasize multilateral approaches. USPACOM works with regional forums such as the Association of Southeast Asian Nations (ASEAN) to encourage multilateral relationships that build trust, prevent misperceptions that can lead to conflict, and reinforce international standards of conduct. For example, USPACOM arranges an annual Chiefs of Defense (CHOD) Conference as its premier multilateral engagement tool for candid discussions with 20-plus Chiefs of Defense in the region. Each year the CHOD Conference alternates between USPACOM and a co-host country; Brunei hosted last year's successful conference. The 2015 CHOD Conference will be held in Hawaii and is designed to promote multilateral cooperation and provide a forum for the theater's military

leaders to share regional and global perspectives on common challenges. USPACOM also participated in other multilateral events in the region, such as the Fullerton Forum and Shangri-La Dialogue, to encourage multilateral solutions to shared challenges, as well as provide a venue for continued dialogue and strengthening security partnerships in the region.

One of the most important multilateral forums in the theater is ASEAN. The ten member states in ASEAN, under the chairmanship of Myanmar last year and Malaysia this year, seek to improve multilateral security activities and advance stability in the Indo-Asia-Pacific. Approximately \$5.3 trillion of global trade (\$1.2 trillion is U.S.) passes through ASEAN waterways each year. The ten member states of ASEAN form the fourth largest U.S. export market and fifth major trade partner. ASEAN continues to address common threats in the region including Maritime Security, Terrorism, Transnational Crimes, Cyber Security, and Humanitarian Assistance and Disaster Response. ASEAN demonstrated during past disasters, such as Typhoon Haiyan and the Malaysian Flight 370 search operations, that practical cooperation among member states can enable civilian and military agencies to be more effective and efficient.

Last April, Defense Secretary Hagel hosted the ten ASEAN Defense Ministers, the United Nations Office for the Coordination of Humanitarian Assistance (UNOCHA), and other non-government organizations in Hawaii to discuss disaster response and maritime security. UNOCHA hosted an Integrated Civil-Military Regional Response Planning Workshop for Large-Scale International Disaster Relief last October and the USPACOM staff will continue the maritime security dialogue by hosting a Maritime Domain Awareness discussion this May. USPACOM will continue supporting ASEAN as it builds regional tools and forums such as the ASEAN Economic Community by the end of 2015. Additionally, there is hope that the ASEAN members and China can conclude a binding and enforceable Code of Conduct mechanism for the South China Sea.

The Daniel K. Inouye Asia-Pacific Center for Security Studies (APCSS) also contributes to multilateral engagements and rules-based security governance. Through its executive education courses, workshops, and sustained alumni engagement activities, the Center contributes to the

USPACOM Theater Campaign Plan by building U.S. and partner nation capacities. Success stories include the APCSS-facilitated development of Papua New Guinea's first-ever national security policy, a framework for an Indonesian defense white paper, and Bangladesh's first comprehensive maritime security strategy proposal. Additionally, APCSS helped with the successful completion of Nepal's disarmament, demobilization, and reintegration program for dealing with Maoist ex-combatants, and the signing of an inter-party agreement to overcome political crisis—both led by a core group of APCSS alumni.

Senior Leader Engagement: USPACOM and its components leverage senior leader visits to increase dialogue on issues of shared concern, build and strengthen relationships, and convey U.S. commitment to the region. Each year, hundreds of senior military and government leaders address security challenges through counterpart visits which greatly enhance understanding, interoperability, and trust. Examples of senior leadership engagements in the Indo-Asia-Pacific over the past year include:

- The President attended the G-20 Summit in Australia, the Republic Day ceremony in India, the Asia Pacific Economic Cooperation Forum in China, and the East Asia Summit in Burma.
- The President also increased engagements in the theater to strengthen alliances in the Republic of Korea, Japan, and the Philippines, and to deepen ties with Malaysia.
- The Secretary of State visited the Republic of Korea; China; and Indonesia. He also traveled to India for the 5th Strategic Dialogue Conference; to Burma for a series of ASEAN discussions; Australia for annual Ministerial Consultations; and the Solomon Islands.
- The Secretary of State and Secretary of Defense held a 2+2 meeting with their ROK counterparts in Washington.
- The Secretary of Defense traveled to Japan for bilateral security discussions; Mongolia and Singapore for key leadership meetings; India for defense consultations; Australia for AUSMINs and to sign the Force Posture Agreement; and China for Confidence Building Measure discussions.
- The Chairman of the Joint Chiefs toured the Changi facilities in Singapore; participated in security and military discussions in Vietnam (first CJCS to visit since 1971); Australia for the

Defense Chiefs Strategic Dialogue conference and bilateral events; and both Japan and the Republic of Korea for key counterpart visits.

These senior leader engagements are critical to identifying opportunities and addressing security challenges in the region. Additionally, Congressional delegations to the theater are of significant benefit.

Effective and Assured Presence

Effective and assured presence of USPACOM forces is required to meet the challenges and opportunities within USPACOM's AOR. As strategic warning timelines decrease, early identification of potential crises is key to rapidly assessing and shaping events. It also places a premium on robust, modern, agile, forward-deployed forces, maintained at high levels of readiness. Assured presence is supported by posturing forward-deployed forces, fielding new capabilities and concepts, addressing critical gaps, and maintaining readiness in order to defend the homeland, strengthen and modernize our alliances and partnerships, maintain access in the air and maritime domains, counter aggression, and prevent the proliferation of weapons of mass destruction and violent extremism.

Posture: Sustaining effective and forward presence begins with having the necessary military infrastructure and access to support forward-stationed and rotational forces. USPACOM's posture effectively communicates U.S. intent and resolve to safeguard U.S. national interests, strengthen alliances and partnerships, maintain an assured presence in the region, prevent conflict, and if necessary, respond rapidly and effectively across the full range of military operations.

USPACOM faces three key challenges related to force posture. The first is operating in an AOR that covers 52% of the earth's surface. The vast distances complicate ISR, movement/maneuver, and sustainment, and require a geographically distributed force laydown to rapidly respond to crisis. The second challenge is the growth of military capabilities in the region. The Indo-Asia-Pacific is the most militarized region in the world. Maintaining the ability to defend strategic national security interests in an increasingly complex and lethal environment requires a force

posture that is operationally resilient. Finally, expanding access to regions in South and Southeast Asia requires access and forward staging arrangements that are politically sustainable. In support of USPACOM's objectives, the military services and our allies and partners are making investments to improve U.S. force posture. Examples of these investments are:

- Construction in Iwakuni, Japan to allow a carrier air wing to relocate from Atsugi
- Expanding base facilities and capabilities in Okinawa for Futenma replacement
- Operationalizing Enhanced Defense Cooperation Agreement with the Philippines
- Expanding future capabilities through construction at Camp Humphreys, ROK
- Reinforcing Guam's munitions and fuels piers at Apra Harbor
- Implementing Force Posture Initiatives through troop rotations and, ultimately, facility upgrades and construction in Darwin, Australia
- Building hardened C2 and aircraft shelters at Andersen AFB, Guam
- Installing and fortifying fuel nodes, manifolds, and lines in Guam and Japan
- Implementing rotational forces through USFK
- Developing divert options and training ranges in the Northern Marianas Islands
- Dredging port facilities to requisite depths to allow pier operations in Naha, Japan

These posture investments are part of USPACOM's holistic infrastructure investment strategy and are key to continued mission success.

Much of the supporting infrastructure in the Pacific and on the West Coast of the U.S. mainland was established during World War II and during the early years of the Cold War. The infrastructure now requires investment to extend its service life. The military services continue to invest in sustainment, restoration, and modernization (SRM) to provide quality facilities to support service members and their families; however, during times of austere budgets, the military services struggle to maintain infrastructure SRM funding levels. These forced decisions undermine the significant investment in facilities made by DoD and Host Nation Funded Construction programs over past decades.

Reduced SRM funding will negatively impact the ability to bring new forces and capabilities into the theater and maintain critical infrastructure. The U.S. and the theater benefit from the

significant levels of investment made by allies and partners. For example, the Republic of Korea is significantly contributing to the cost of keeping U.S. Forces on the Korean Peninsula. The Government of Japan has committed up to \$3.1 billion to help realign U.S. Marines from Okinawa to Guam and other locations and \$4.5 billion to expand the airfield and associated facilities at Marine Corps Air Station Iwakuni.

The Commonwealth of the Northern Mariana Islands (CNMI) Joint Military Training initiative (CJMT) is an important posture undertaking. CNMI remains strategically important as a forward and sovereign U.S. location with lease rights until 2033 and extendable to 2083. When the U.S.-Japan Defense Policy Review Initiative moves approximately 4,700 U.S. Marines from Japan to Guam, the CJMT will enable this U.S. Marine force to train and maintain operational readiness. Specifically on the island of Tinian, the CJMT initiative will provide live-fire ranges and training areas. The CJMT will optimize future training ranges for joint and combined exercises with allies and foreign forces. As a part of aviation resiliency initiatives, divert and alternate air fields are also being explored on the islands of Saipan and Tinian along with other locations in the broader Western Pacific.

Forward Deployed Forces: The tyranny of distance, which defines the USPACOM AOR, requires forward deployed forces to engage with allies and partners, respond rapidly to crisis or contingencies, defend the homeland, and reinforce U.S. commitment to the region. To increase USPACOM's forward deployed forces and capabilities, the military services are:

- Rotationally deploying Navy Littoral Combat Ships into Singapore
- Forward deploying two additional ballistic missile defense-capable surface ships to Japan
- Increased deployments and rotations of E-8 JSTARS, E-3 AWACS, and E-2D Advanced Hawkeye in theater
- Replacing the USS George Washington with the more capable USS Ronald Reagan aircraft carrier in Japan
- Installing an advanced radar in Australia
- Continuing to deploy and operate F-22s in theater
- Completing a second ballistic missile defense radar in Japan
- Stationing additional submarines in Guam

- Improving rotational force presence in the Philippines, Singapore, and Australia

New Systems and Operating Concepts: Crafting new concepts and fielding new systems is fundamental to employing a credible force. For example, the military services are:

- Replacing P-3 maritime patrol aircraft with newer and more capable P-8s
- Deploying tilt rotor aircraft for Marines and Special Forces and new unmanned capabilities throughout the AOR
- Forward stationing High Speed Vessels and Mobile Landing Platforms in the USPACOM AOR
- Introducing Naval Integrated Fire Control – Counter Air Aegis Destroyers
- Expanding the U.S. Army Pacific Pathways deployment concept
- Preparing for F-35 Joint Strike Fighters deployment with maintenance hubs in Japan and Australia

Addressing Critical Capability Gaps: The most technical, high-end military challenges are in the USPACOM AOR, and are growing. While many improvements to posture, forward deployed forces, capabilities, and concepts have been made to address these challenges, there are a number of mission sets and enablers that require continuous focus and attention. These include areas such as Undersea Warfare, Intelligence/Surveillance/Reconnaissance, space, battle management, command and control, cyber, munitions, Ballistic Missile Defense and Integrated Air and Missile Defense systems, and capacity shortfalls in theater enablers such as petroleum redistribution and lift.

Undersea Warfare is a mission set that requires constant attention to maintain a decisive advantage. Of the world's 300 foreign submarines, roughly 200 are in the Indo-Asia-Pacific region; of which, 150 belong to China, North Korea, and Russia. Countries operating these systems view the platforms as a mechanism to affect the balance of power in their favor. Even small navies that possess submarines hold a distinct advantage over a navy without the capability.

There is a significant leap underway in the Indo-Asia-Pacific in undersea capability as newer submarines replace older variants. In the past few years, Singapore, India, Vietnam and Malaysia have all received modern diesel submarines and China is on a modernization path to improve the lethality and survivability of its attack submarines with the introduction of quiet, high-end, diesel-powered and nuclear-powered submarines. Russia is also modernizing its existing fleet of Oscar-class multi-purpose attack nuclear submarines (SSGNs) and producing their next generation Yasen-class SSGNs.

In addition to attack submarines, there are important developments underway that will increase Chinese and Russian strategic deterrent patrol capability and capacity. China has three operational JIN-class ballistic missile submarines and up to five more may enter service by the end of the decade. Additionally, Russia is planning to field its newest Borei-class nuclear ballistic missile submarines in the Pacific later this year. Submarine detection and tracking is a complex problem set and will continue to be one of the most important functions of naval forces. A continued and sustained investment in the U.S. nuclear submarine force, advanced Undersea Warfare technologies, capabilities and capacity, and readiness is necessary to outpace the growing challenges.

Persistent and deep-look ISR capabilities and supporting architecture are required to prevent strategic surprise, assess the security environment, and support actions that impose cost or defeat potential adversaries. Although ISR capacity and capabilities have increased, significant capacity issues remain. Efforts to mitigate ISR capacity issues, as well as develop new capabilities, are ongoing. Additionally, an ISR processing, exploitation, and dissemination enterprise that is interoperable and shared with Allies and Partners is important. Without a concerted effort to continue advancing U.S. capabilities, the U.S. risks missing key indications and warnings in an environment where situational awareness affects decision space.

Satellite communications (SATCOM) is an essential enabler to exercise Command & Control (C2) and enabling ISR. Satellite space continues to grow increasingly congested and contested, and adversaries continue developing means to curtail access to space-enabled capabilities. A resilient space-based command, control, and ISR architecture remains a USPACOM priority.

There is a growing need to sustain and modernize airborne early warning systems to execute multi-mission, multi-domain integrated command and control. The cruise missile, air, and UAV threats in the USPACOM AOR require robust, long range Battle Management, Command and Control (BMC2) and Wide-Area Surveillance (WAS) platforms capable of operating in a contested environment. Developing and modernizing the capabilities within the BMC2 and WAS platforms to track and operate in a communications contested or degraded environment is necessary to meet the challenges of future operational environments in the Pacific; these platforms must be interoperable with military services, partners, and allies.

Related, the Joint Information Environment (JIE) increments I and II have the potential for consolidation of each military services' command, control, communication, and computers programs. JIE II will further strengthen collective cyber security and defense posture in the region, improve staff efficiency and support, and strengthen interagency and international relationships. JIE II will require an information infrastructure adaptable enough to accommodate multiple security classification levels with the interoperability and sharing capability to maximize mission effectiveness. JIE II is a necessary next step to mitigate the risk posed by persistent cyber threats. These threats continue to grow.

Increased cyber capacity and use, especially by China, North Korea, and Russia, underscore the growing requirement to evolve our command, control, and operational structure authorities. In order to fully leverage the Cyber domain, Combatant Commanders require an enduring theater cyber operational command resourced to provide regional cyber planning, integration, synchronization, and direction of cyberspace forces. The theater cyber operational command will provide direction of operations against increasingly capable threats in coordination with USCYBERCOM, the interagency, and allies and partners. USPACOM sees a future where Joint Force Cyber Component Command (JFCCC) are aligned regionally under Combatant Commands. JFCCCs will provide staffing and expertise required to oversee persistent operations and defense of theater information networks, synchronization of cyber risk assessments and intelligence, and development of flexible cyber effects.

Munitions are a critical component of combat effectiveness and readiness. A number of munitions improvements in lethality, production, and precision are required. There is a growing need for ship-to-ship and air-to-ship munitions to allow U.S. forces to defeat an aggressor from greater range. Specifically, there are troubling gaps in Anti-Surface Warfare capability and readiness that compel the accelerated fielding of a long range anti-ship missile. A long-range stand-off weapon, such as the Defense Advanced Research Programs Agency / Office of Naval Research developed Long Range Anti-Ship Missile, will meet the urgent need for an offensive anti-surface warfare capability against combatants in a contested environment. There is also a need for advancements in the air-to-air realm and for Hard Target Munitions capabilities to engage hardened targets that are growing in numbers and complexity. Area Effects Munitions are required to prevent open space aggression. Lastly, along with lethal munitions, non-lethal capabilities can prove equally valuable in supporting USPACOM's strategy and deterrence.

With North Korea continuing to advance its ballistic missile capabilities, USPACOM will continue its efforts in maintaining a credible, sustainable ballistic missile defense. The recent deployment of long range second TPY-2 radar to Japan (December 2014) along with THAAD on Guam achieving full Fully Operational Capability further enhanced U.S. homeland defense capabilities which are required to protect key regional nodes from aggressive action. In addition, over the last year the U.S., Japan, the Republic of Korea, and Australia have had better coordination and information sharing. USPACOM looks forward to continuing our work with our regional IAMD partners and expanding our ballistic missile defense cooperation and information sharing.

Equally important to having the right equipment and capabilities is the capacity of critical logistics. The time and distance required to move assets across the Pacific make it an imperative to preposition and secure munitions. Dedicated sealift must be adequately funded to posture munitions, fuel, and other supplies within theater. Agile, responsive, and sustained operations demand a resilient network of capabilities to deploy and sustain USPACOM forces.

USTRANSCOM's prepositioning strategy has emphasized positioning equipment and materiel afloat to optimize flexibility, ensure rapid responses to crises, and provide force presence; however, USPACOM still does not have enough lift to satisfy all operational requirements.

Readiness: Fundamental to USPACOM's mission is the ability to deter aggression and prevail in crisis. USPACOM's readiness is evaluated against its ability to execute operational and contingency plans, which places a premium on forward-deployed, ready forces that can exercise, train, and operate with our partner nations' militaries and follow-on forces able to respond to operational contingencies.

USPACOM maintains forward-deployed ready forces as credible deterrents, to support and defend national security interests, and to provide assurance and protection to allies and partners. Forward deployed forces, west of the International Date Line, remain responsive and relevant to mitigating risk in the event of escalating regional security events and greatly benefit from training with allies and partners in a complex environment. Ready, forward-deployed forces increase decision space and decrease response time, bolster allies' and partners' confidence, and reduce the chance of miscalculation by potential adversaries. However, redistribution of global forces that lead to moving forces out of the Indo-Asia-Pacific diminishes USPACOM's impact and effectiveness. Additionally, short-notice redeployment of USPACOM's ready, forward deployed forces to fill emergent requirements to other areas of operation increases risk to our nation's Indo-Asia-Pacific interests and objectives.

In addition to concerns with the forward deployed forces, there are troubling readiness trends associated with follow-on forces. The ability of the U.S. to surge and globally maneuver ready forces has historically been an asymmetric advantage that is now diminishing. Over the past year, the U.S. has been forced to prioritize the readiness of forward-deployed forces, at the expense of the readiness of follow-on-forces and critical investments needed to outpace emerging threats. A lack of ready surge forces resulting from high operational demands, delayed maintenance periods, and training limitations will limit responsiveness to emergent contingencies and greatly increases risk.

Budget reductions and uncertainty directly impact operations and combat readiness. Fiscal constraints disrupt the predictable, persistent funding needed to organize, train, and equip a ready force. Fiscal uncertainty degrades and disrupts long-term engagement opportunities with

strategic consequences to U.S. relationships and prestige. Resource pressures have triggered deferrals in exercises, operations, and senior leader engagement opportunities; have introduced regional doubt; and compound the risk to U.S. interests in the region. As the Service Chiefs recently testified, continuation of sequestration will further delay critical warfighting capabilities, reduce readiness of forces needed for contingency response, forego procurement of new platforms and weapon systems and further downsize weapons capacity...all of which are required for success in the USPACOM AOR. I am in full agreement with their assessments and remain deeply concerned about the growing risk to U.S. interests in the Indo-Asia-Pacific.

Conclusion

It has been over three years since the President announced the U.S. Rebalance to the Asia-Pacific. The Rebalance is focused on modernizing and strengthening treaty alliances and partnerships through cooperative agreements, building partner capacity, and increasing regional cooperation, interoperability, and security capabilities. From the military perspective, the U.S. is accomplishing what it set out to do and the Rebalance is working. However, fiscal uncertainty resulting from the Budget Control Act could arrest progress and place some initiatives at risk. Building on the positive momentum of the Rebalance to the Pacific is critical to protecting U.S. interests in the region. Thank you for your continued support to USPACOM and our men and women, and their families, who live and work in the Indo-Asia-Pacific.