

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

Opportunities and Challenges in the Asia-Pacific

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

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

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

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

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

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

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

The Department of Defense Approach to the Rebalance

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

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

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

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

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

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

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

Progress with Allies and Partners

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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