

STATEMENT OF
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BEFORE THE HOUSE ARMED SERVICES COMMITTEE
ON U.S. PACIFIC COMMAND POSTURE
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Chairman Thornberry, Congressman Smith, and distinguished members of the committee, thank you for the opportunity to appear before you today. This is my first posture assessment since taking command of U.S. Pacific Command (USPACOM) in May 2015. Over the past 9 months, I've had the extraordinary privilege to lead 378,000 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'm proud to serve alongside them.

USPACOM protects and defends, in concert with other U.S. Government agencies, the territory of the U.S., its people, and its interests. With allies and partners, USPACOM enhances stability in the Indo-Asia-Pacific region by promoting security cooperation, encouraging peaceful development, responding to contingencies, deterring aggression, and, when necessary, fighting to win. This approach is based on military preparedness, partnership, and presence.

The strategic importance of the Indo-Asia-Pacific region cannot be overstated. Recognition of clear military, economic, and demographic trends inspired President Obama to undertake a "Rebalance" strategy in 2011. The Rebalance, a strategic whole of government effort, guides and reinforces our military efforts, integrating with diplomatic, political, and economic initiatives.

In August of 2015, Secretary of Defense Carter described four elements of the military component of the Asia-Pacific Rebalance:

- 1) investing in future capabilities relevant to the challenges in the Asia-Pacific;
- 2) fielding the right numbers of existing capabilities to the Asia-Pacific;
- 3) adapting our regional force posture; and
- 4) reinforcing alliances and partnerships.

Despite other pressing challenges around the world, and because of the legislative and budgetary support of Congress, we achieved momentum in each element above. I believe we must continue, and even increase, this momentum, as the strategic imperative behind the Rebalance remains valid.

What follows is my assessment of the Indo-Asia-Pacific and USPACOM's part of the Rebalance. I will describe the security challenges and highlight regional opportunities with strategic value. I will discuss the value of U.S. strategic force posture and forward presence to the Rebalance - how it improves our readiness to fight tonight, enhances our ability to reassure allies and partners, and maintain stability. I will then explain how USPACOM strengthens our alliances and builds critical regional partnerships that deliver strategic benefit while enhancing U.S. readiness to protect and defend U.S. interests. Finally, I will highlight critical needs and seek your support for budgetary and legislative actions in the coming weeks and months.

Security Environment

The Indo-Asia-Pacific has been a largely peaceful region for over 70 years, in large part, because of the system of rules and norms established and underpinned by robust U.S. presence and anchored by a series of treaty alliances and bilateral relationships with countries in the region. Regional nations, including and perhaps especially China, have benefited because of the security architecture provided by the U.S. and our allies. The Indo-Asia-Pacific is critically important to U.S. commerce, diplomacy, and security. Estimates predict up to 70 percent of the world's

population will reside in the region by the middle of this century. Within the region are the world's two largest economies after the U.S. (China and Japan), and five of the smallest economies. The region contains the world's most populous nation (China), largest democracy (India), largest Muslim-majority state (Indonesia), and smallest republic (Nauru). It contains seven of the ten largest standing militaries in the world, five nuclear nations, and five of the U.S.' seven mutual defense treaty alliances.

The region's environment, history, cultural and political diversity, and robust military capabilities present dynamic strategic challenges. Self-interested actors challenge the existing international rules-based order that helped underwrite peace and prosperity in the region for over 70 years. North Korea continues its provocative, coercive behavior and weapons development. Chinese coercion, artificial island construction, and militarization in the South China Sea threaten the most fundamental aspect of global prosperity - freedom of navigation. Other challenges include the movement and facilitation of violent extremists to and from the Middle East, transnational criminal activity (including human trafficking and illicit drugs), and an increasingly revanchist and assertive Russia. USPACOM enhances U.S. force posture, presence, and resiliency in the region, modernizing U.S. force capability to ensure forces are ready to fight and win any contingency. USPACOM is working with allies and partners on a bilateral - and increasingly multilateral - basis to address these challenges. Together, we enhance capability and capacity to respond to the range of threats endemic to the region. We are stronger together.

Overview

A number of challenges has emerged over the past year that place stability and security at risk. In July 2015, China largely completed land reclamation at seven sites in the South China Sea and is finishing runways, infrastructure, and systems to militarize what are, in effect, man-made bases, significantly raising regional tensions. China views the South China Sea as a strategic frontline in their quest to dominate East Asia out to the Second Island Chain. I view their thinking as approaching a new "Great Game." Last month, North Korea conducted its fourth nuclear test in ten years and last August, raised tensions with a land-mine attack in the Demilitarized Zone (DMZ). Russia continues modernizing its military forces, homeporting its newest Dolgurukiy-class ballistic missile submarine in Petropavlovsk, and revitalizing its ability to execute long range strategic patrols, highlighted by last July's deployment of Tu-95 Bear bombers near Alaska and California, and last month's bomber flights around Japan. Terrorist attacks in Bangladesh and Indonesia underscore the fact that violent Islamic extremism is a global problem.

While these events threaten the region's peace and prosperity, there was positive progress as well. Last September, Japan passed its Peace and Security Legislation which authorizes collective self-defense in limited circumstances. The Philippines remained committed to solving its maritime dispute with China peacefully through arbitration under the Law of the Sea Convention. The Philippine Supreme Court upheld the Philippine's domestic approval of the Enhanced Defense Cooperation Agreement (EDCA), which will provide significant partnership and access benefits. India underscored its "Act East" policy by crafting a Joint Strategic Vision of the Asia-Pacific and Indian Ocean Region with the U.S. and is progressing toward signing essential foundational agreements that will enable deeper ties, improve interoperability, and increase cooperation. Singapore has increased routine access to U.S. military assets such as

Littoral Combat Ships and P-3/P-8 aircraft. Trilateral cooperation among allies is increasing and multilateral forums such as the Association of South East Nations (ASEAN) are focusing on shared security challenges in the region. These events demonstrate that Indo-Asia-Pacific countries are increasingly viewing the U.S. as their security partner of choice. That said, significant challenges remain.

Key Challenges

North Korea: Though North Korea is not yet an existential threat to the U.S., it remains the most dangerous and unpredictable actor in the Indo-Asia-Pacific. Kim Jung Un regularly conducts provocative and escalatory actions. Just last month, North Korea conducted an underground nuclear test, the fourth since 2006, which violated its obligations and commitments under international law, including several UN Security Council Resolutions. Additionally, this month, North Korea conducted a ballistic missile test under the guise of launching a satellite. These tests, coupled with the unprovoked mine attack on Republic of Korea (ROK) soldiers in the DMZ last August, are the latest in a series of actions intended to destabilize the Peninsula, challenge ROK President Park's leadership, and raise tensions.

While the international community urges North Korea to live up to its international obligations and return to credible negotiations under the Six-Party Talks framework, Pyongyang has shown no willingness to seriously discuss denuclearization. Kim Jung Un is on a quest for nuclear weapons, and the technology to miniaturize them and deliver them intercontinentally. Additional nuclear tests are likely to occur. North Korea will also likely test and field improved mobile intercontinental ballistic missiles and intermediate range ballistic missiles (MUSUDAN) capable of reaching Japan, and actively pursue its submarine launched ballistic missile development program. On 6 February, North Korea launched its second space vehicle in direct violation of several United Nations Security Council Resolutions, firing a complex, multi-stage rocket that also forms the basis of an intercontinental ballistic missile. North Korea announced its intent to conduct "annual and regular" drills to advance this prohibited capability. I have no doubt they will do so.

North Korea refuses to abide by the rules and norms of the international community and represents a clear danger to regional peace, prosperity, and stability. In the cyber domain, North Korea has lesser cyber technical capabilities than other states, but has already demonstrated them as a way to impose costly damage to commercial entities. This was demonstrated in the high-profile attack on Sony Pictures Entertainment. North Korea sells weapons and weapons-related technologies in conflict with United Nation Security Council Resolution restrictions.

Chinese Military Modernization and Strategic Intent: China's military modernization program is transforming its forces into a high-tech military to achieve its dream of regional dominance, with growing aspirations of global reach and influence. Given China's economic rise, the goal may be natural; however, the lack of transparency on China's overall strategic intent behind its military investments and activities creates instability and regional anxiety.

China's navy and air forces are rapidly fielding advanced warships and planes. Over the past decade, the Chinese navy has significantly increased in size and is much more capable in every way. Chinese forces are operating at a higher tempo, in more places, and with greater

sophistication than ever before. Chinese shipyards are constructing China's first cruiser-sized warship, their first indigenous aircraft carrier, and many classes of patrol boats, frigates, and destroyers. Newer, more capable submarines continue replacing older ones. New fighters (including the "Gen-5" J-31), bombers, special mission aircraft, and unmanned systems give China greater air capabilities, lethality, and flexibility. These advances have been aided and accelerated by systemic technology theft, enabling China to skip decades of research and development and go straight into production. Finally, the People's Liberation Army (PLA) is undergoing dramatic reorganization to improve its command and control of joint forces.

China's strategic capabilities are significant. The JIN-class ballistic missile submarine (Type 094) carries the JL-2 submarine launched ballistic missile capable of reaching parts of the continental U.S. and represents China's first credible sea-based nuclear deterrent. New road-mobile intercontinental ballistic missiles provide more strike options and greater survivability.

In the maritime domain, China's Navy (PLA(N)) is increasing its routine operations in the Indian Ocean, expanding the area and duration of operations and exercises in the Western and Central Pacific Ocean, and is beginning to act as a global navy - venturing into other areas, including Europe, North America, South America, Africa, and the Middle East.

While China's actions are causing concern among neighbors in the region, there are potential opportunities. Its small but growing number of bilateral and multinational exercises suggests Beijing's greater willingness to interact with partners. Support for UN Peace Keeping missions is an encouraging sign of Chinese willingness to play a more active and constructive role in international affairs. My goal is to convince China that the best way ahead is through peaceful cooperation, participation and conformance in a rules-based order, and by honoring agreements made in good faith.

Territorial Disputes: The political and military dynamic in the East and South China Seas is changing, and tactical miscalculations between claimants present threats to stability and security.

In the East China Sea, tensions between Japan and China over the Senkaku Islands continue. China seeks to challenge Japan's administrative control over the islands by deploying warships into the area, sailing coast guard ships inside the territorial waters surrounding the Senkakus, and intercepting Japanese reconnaissance flights. In April of 2014, President Obama affirmed that Article V of the U.S.-Japan Security Treaty includes the Senkaku Islands. I am bound to protect that promise.

In the South China Sea, the situation is more complex. There are six claimants to disputed features: Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam, and there are three notable disputes over territorial sovereignty. The first dispute is between China, Taiwan, and Vietnam over the sovereignty of the Paracel Islands, which China took by force from Vietnam and has occupied since 1974. The second dispute is between China, Taiwan, and the Philippines over Scarborough Reef, of which China seized control in 2012. The third dispute involves multiple claimants within the Spratly Islands where China, Taiwan, Vietnam, Brunei, Malaysia, and the Philippines each claim sovereignty over various features.

The U.S. takes no position on competing sovereignty claims in the South China Sea, but we encourage all countries to uphold international law, as reflected in the Law of the Sea Convention, which ensures unimpeded lawful commerce, freedom of navigation and overflight, and peaceful dispute resolution.

While China has not clearly defined the scope of its maritime claims in the South China Sea, China has unilaterally changed the status quo. Chinese leaders seem to believe that, through coercion, intimidation, and force, they can bypass accepted methods of dispute resolution. They have demonstrated this through aggressive artificial island building, and by growing a fleet of “white hull” ships and fishing vessels whose purpose is to dominate the area without the appearance of overt military force. China is now turning its artificial island projects into operating bases for forward-staging military capabilities - under the rubric of being civilian facilities. For example in January 2016, China landed civilian aircraft on its man-made airbase at Fiery Cross Reef. The PLA is installing new or improved radars, communications systems, and other military capabilities at seven separate reclaimed bases. The scale and scope of these projects are inconsistent with the China’s stated purpose of supporting fishermen, commercial shipping, and search and rescue. Although Vietnam, Malaysia, the Philippines, and Taiwan have also conducted land reclamation in the South China Sea, their total - approximately 115 acres over 45 years - is dwarfed by the size, scope, speed, and scale of China’s massive buildup. In a little over two years, China has constructed more than 3,000 acres of artificial land - heightening environmental concerns by destroying the fragile ecosystem of the South China Sea. Professor John McManus of the University of Miami has called this the most rapid rate of permanent loss of coral reef area in human history. Equally concerning is Beijing’s repeated pronouncements that it will not accept any decision issued by the arbitral tribunal in the case filed by the Philippines under the Law of the Sea Convention..

China’s actions undermine the international rules-based order. Furthermore, these actions have driven China’s South China Sea neighbors to expand their own military capabilities and seek stronger relationships with the U.S. and one another. The result is a situation that is ripe for miscalculation that could escalate to conflicts that no one wants, in an area vital to global prosperity.

While preventing conflict in South China Sea requires patience and transparency among all parties, time favors the Chinese. For the U.S. to continue to play a constructive role in preventing conflict and supporting peaceful dispute resolution requires national resolve and a willingness to apply all elements of national power in the right measure to influence all claimants to use international dispute resolution mechanisms. For example, USPACOM recently conducted freedom of navigation operations in the South China Sea- the continuation of a longstanding U.S. practice. These operations are an important military tool to demonstrate America’s commitment to the rule of law, including the fundamental concept of freedom of navigation. The U.S. will sail, fly, and operate wherever international law allows.

Russian Assertiveness: Though focused on Europe and the Middle East, Russia is engaged politically and militarily in the Indo-Asia-Pacific. Russian activity is assertive, but not confrontational. Ships and submarines of the Russian Pacific Fleet and long range aircraft routinely demonstrate Russia’s message that it is a Pacific power.

Russian ballistic missile and attack submarines remain especially active in the region. The arrival in late 2015 of Russia's newest class of nuclear ballistic missile submarine (DOLGORUKIY SSBN) in the Far East is part of a modernization program for the Russian Pacific Fleet and signals the seriousness with which Moscow views this region.

Violent Extremism / Foreign Fighters: The Indo-Asia-Pacific has the largest Muslim population on the planet and extremism is a rising challenge. Of the many extremist groups in the Indo-Asia-Pacific, those connected to Islamic State of Iraq and the Levant (ISIL) or Al-Qa'ida (AQ) are of greatest concern. Foreign fighters from the Indo-Asia-Pacific have contributed to violence in Syria and Iraq and pose a growing threat to security in their home countries upon their return. Attacks in Australia and Bangladesh underscore regional concerns about self-radicalized actors. Small but growing numbers of Bangladeshi, Indonesian, and Philippine extremists have pledged fealty to ISIL, and threats to host nation and Western interests are rising. USPACOM - in coordination with USSOCOM - and partner nations are focused on disrupting these extremist networks.

Transnational Crime: Transnational Criminal Organizations (TCOs), many operating sophisticated global enterprises that traffic in human beings, weapons, drugs, and other illicit substances, exist throughout the Indo-Asia-Pacific. The revenue from criminal endeavors threatens stability and undermines human rights. Corruption follows wherever these organizations flourish, weakening governments and contributing to regional instability.

Methamphetamine and amphetamine-type stimulants continue to be the primary drug threat in the region. Joint Interagency Task Force-West (JIATF-W) reports that at least 90 percent of the precursor chemical seizures potentially destined for illicit methamphetamine production originates in China. Maritime container shipments of China-sourced chemicals are diverted for methamphetamine and heroin/opioid production in Mexico - a direct threat to the U.S. homeland. The Asia-Pacific is also a growing, lucrative market for illicit narcotics produced in the Western Hemisphere. Just last week, JIATF-W coordinated with French authorities in French Polynesia to apprehend a sailing vessel located with almost 750 kilograms of cocaine.

Nearly 36 million victims of human trafficking are estimated worldwide and nearly two-thirds are from Asia. Women and children - especially those from the lowest socioeconomic sectors - are the most vulnerable. Roughly half of those 36 million victims end up in the commercial sex trade, while others are forced into difficult and dangerous positions in factories, farms, as child soldiers, or as domestic servants. While much remains to be done, USPACOM forces, including JIATF-W, are building partner capacity and sharing intelligence in order to combat these transnational threats.

Proliferation Issues: The Indo-Asia-Pacific region has the busiest maritime and air ports in the world. Developing technology has outpaced many nations' ability to effectively manage export controls. Trade includes dual-use technology - commercial items controlled by the nuclear, ballistic missile, and chemical/biological weapons control regimes, including manufactured or re-exported materials from other nations with limited export control enforcement.

USPACOM's Countering Weapons of Mass Destruction (CWMD) community supports counter-proliferation operations throughout the Indo-Asia-Pacific region. USPACOM addresses concerns through key leader engagements, combined and joint exercises, and international security exchanges focused on counter proliferation activities. Recent success stories include Vietnam joining 104 nations as an endorsee of the Proliferation Security Initiative (PSI). The PSI rotational exercise series provides a framework for partner nations to improve legal authorities and operational capabilities to interdict WMD, delivery systems, and other related materials. Proactive dialogue under PSI is vital to reducing WMD proliferation.

USPACOM works with the Armed Forces of the Philippines to enhance military to military interoperability and provide assistance to military first responders' capability to respond to a WMD. Under section 1204 of the FY14 National Defense Authorization Act (NDAA), the primary objective of USPACOM's WMD assistance is to train and equip first responders. In Aug 2015, USPACOM, Service Components, and combat support agencies such as the Defense Threat Reduction Agency provided the Armed Forces of the Philippines (AFP) a "first class" Chemical, Biological, Radiation, Nuclear (CBRN) Defense capability. Under these section 1204 authorities, USPACOM will begin to work with Thailand, Vietnam, and Malaysia to enhance their capacity to respond to a WMD event.

Natural Disasters: The Indo-Asia-Pacific remains the world's most disaster-prone region, experiencing over 2,700 disasters that affected nearly 1.6 billion people in the past decade alone. In addition to seismic and weather disasters, areas of large populations, dense living conditions, and poor sanitation in the region create optimal conditions for the rapid spread of diseases. U.S. forces regularly train with allies and partners in disaster relief operations and are called upon often to respond to tragic events.

USPACOM's Center for Excellence for Disaster Management (CFE-DM) increases regional governments' readiness to respond to natural disasters by developing lessons learned and providing best practices. Many of the lessons learned and preparedness measures implemented after Typhoon Haiyan (Operation Damayan, November 2013) reduced damage and loss of life when Typhoon Hagupit struck the Philippines in 2014. To help USPACOM rapidly respond to future natural disasters, Vietnam is allowing sets of vehicles, equipment, and supplies to be prepositioned within its borders for disaster preparedness purposes. USPACOM will continue improving pre-crisis preparedness and working with allies and partners to improve responses whenever disasters strike, but it is important to note that disaster preparedness cannot overtake traditional military readiness as our focus.

Strategic Force Posture in the Indo-Asia-Pacific

The tyranny of distance and short indications and warnings timelines place a premium on robust, modern, and agile forward-stationed forces at high levels of readiness. USPACOM requires a force posture that credibly communicates U.S. resolve, strengthens alliances and partnerships, prevents conflict, and in the event of crisis, responds rapidly across the full range of military operations. USPACOM's strategic force posture is also supported by the deployment of rotational forces and the fielding of new capabilities and concepts that address operational shortfalls and critical gaps.

Global Force Management (GFM): In support of the Rebalance, the Department has undertaken GFM initiatives that include the deployment of Littoral Combat Ships to Singapore, replacing the aircraft carrier USS GEORGE WASHINGTON in Japan with the more capable USS RONALD REAGAN, the deployment of two additional ballistic missile defense-capable surface ships to Japan, and the stationing of additional submarines and a submarine tender in Guam. The Air Force deploys a broad range of aircraft as part of its Theater Force Package model including B-52s, F-22s, F-16s, E-8s, and RC-135s. The Army forward deployed a second ballistic missile defense radar in Japan, maintained a THAAD battery in Guam, and delivered training and presence across the region through Pacific Pathways, enhancing partnership opportunities without permanent basing. The Army also continues updating Prepositioned Stocks (APS) and advocating for the placement of Disaster Response activity sets across Southeast Asia. The Marine Corps continues to execute the Defense Policy Review Initiatives (DPRI), which will reduce the Marine Corps footprint in Japan and distribute Marine Air Ground Task Force (MAGTF) capability across the region. The Marine Corps is also expanding rotational presence in Australia through its Marine Rotational Force-Darwin initiative. USPACOM plans to improve rotational force presence in the Philippines via the Enhanced Defense Cooperation Agreement (EDCA) and establishing USAF dispersal capabilities in the Commonwealth of the Northern Mariana Islands (CNMI) and in the Northern Territory of Australia. Rotational forces west of the International Date Line are positioned to deter and defeat potential aggressors in the region. Finally, we are beginning consultations with the government of South Korea for the placement of a Terminal High Altitude Air Defense capability on the Korean Peninsula.

Posture Initiatives:

The size and scope of forward stationed forces and the challenges within the security environment require recapitalization and improvement to infrastructure in theater. To that end, fiscal year 2016 military construction projects largely reflect requirements that support fielding new capabilities in the region, to include the F-35 Joint Strike Fighter, CV-22 Osprey, C-130J Hercules, and F-22 Raptor. Additional investments support resiliency initiatives and infrastructure recapitalization in Australia, Guam, CNMI, Hawaii, and Japan; critical munitions throughput recapitalization in California (Military Ocean Terminal Concord); and quality of life investments for our forces in South Korea and Japan.

Additionally, USPACOM's force posture strategy seeks to provide the correct level of capital investment to support established posture initiatives and commitments, including efforts in Korea (Yongsan Relocation Plan and Land Partnership Plan) and Japan (Okinawa Consolidation and the Defense Policy Review Initiative). In support of these initiatives, the Government of Japan 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. Korea and Japan maintain robust host nation funded construction programs, which play vital roles in supporting U.S. presence and enduring capabilities in the region. These vital partner contributions require the Services to program Planning and Design funds to ensure our allies deliver facilities that meet our requirements.

Furthermore, USPACOM is expanding its presence in various parts of the region to include completing the permanent stationing of THAAD on Guam, the addition of a submarine and sub

tender in Guam, additional Aegis BMD capable ships to Japan, and seeking the assignment of additional Intelligence, Surveillance, and Reconnaissance (ISR) assets in the region. In support of the Rebalance, USPACOM is in the midst of executing four major Force Posture initiatives: (1) U.S.-Japan Defense Policy Review Initiative (DPRI) / USMC Distributed Laydown, (2) U.S. Forces Korea Realignment, (3) Resiliency Efforts, and (4) Agile Logistics.

- **DPRI:** USPACOM is making progress on DPRI/USMC Distributed Laydown initiatives; however, significant Japanese political challenges remain. Consolidation of U.S. Marines in Japan is dependent upon completion of Okinawa construction efforts to include the Futenma Replacement Facility (FRF). In spite of the Government of Japan (GOJ) political resolve and dedication of resources, progress on relocating Marines from Futenma to Camp Schwab is slow going. GOJ budgeted \$258M in FY15 for 200 projects, but only 9 facilities have been completed with an additional 8 under construction. GOJ faces challenges in several areas, including overcoming Nago City obstruction impacting construction and controlling protester interference. The central government has dispatched police officers from the mainland to Okinawa to assist the Okinawa Prefectural Police in managing protest activity in and around U.S. bases in Okinawa. However, as of this writing, very little progress has been made in improving the situation and protests continue to escalate. While the issues in Okinawa continue, USPACOM made progress in laying the groundwork for relocating 5,000 Marines to Guam. Tied to the Guam effort, DoD is aggressively pursuing the establishment of the CNMI Joint Military Training (JMT) Area to mitigate joint training deficiencies in the region.
- **USFK Realignment:** The consolidation of U.S. forces in Korea via the Land Partnership Program (LPP) and Yongsan Relocation Program (YRP) is moving ahead at full-speed. Construction will triple the size of Camp Humphreys and increase the base's population to ~36,000 troops and family members. The ROK is bearing the majority of the relocation's cost, committing over \$7.5 billion to the project. USPACOM appreciates Congress' continued support of DoD's largest peace-time relocation project.
- **Resiliency Efforts:** USPACOM resiliency efforts include investment in a more robust transportation infrastructure in ally and partner countries, mitigation of single points of failure via the dispersal and optimization of critical enablers, such as communication nodes, fuel, medical, and logistic support equipment, and hardening facilities. For example, USPACOM is hardening facilities in Guam and CNMI as well as enhancing airfields at dispersed sites throughout the theater.
- **Agile Logistics:** Due to time and distance required to move assets within the USPACOM region, it is imperative to invest in infrastructure to ensure logistics commodities - munitions, fuel, and other war materiel - are properly prepositioned, secured, and available to meet requirements. USPACOM continues to build capacity for pre-positioned war reserve fuel stocks and invest in munitions, fuel, and other war materiel facilities and infrastructure throughout the theater. For example, critical munitions throughput recapitalization in California (Military Ocean Terminal Concord) is necessary to support USPACOM plans and operations.

Readiness: USPACOM is a “fight tonight” theater with short timelines across vast spaces. Threats such as North Korea - which has over a hundred thousand rockets aimed at Seoul - require U.S. military forces in the region maintain a high level of readiness to respond rapidly to a crisis. USPACOM’s readiness is evaluated against its ability to execute operational and contingency plans, which place a premium on forward-stationed, ready forces that can exercise, train, and operate with our partner nations’ militaries and follow-on forces able to respond to operational contingencies.

Forward-stationed forces west of the International Date Line increase decision space and decrease response time, bolster the confidence of allies and partners, and reduce the chance of miscalculation by potential adversaries.

The ability of the U.S. to surge and globally maneuver ready forces is an asymmetric advantage that must be maintained. Over the past two decades of war, the U.S. has of necessity prioritized the readiness of deploying forces at the expense of follow-on-forces and critical investments needed to outpace emerging threats. A shortage of ready surge forces resulting from high operational demands, delayed maintenance periods due to sequestration, and training pipeline shortfalls limit responsiveness to emergent contingencies and greatly increase risk. These challenges grow each year as our forces downsize while continuing to deploy at unprecedented rates.

Fiscal uncertainty requires the Department to accept risk in long-term engagement opportunities with strategic consequences to U.S. relations and prestige. Continued budget uncertainty and changes in fiscal assumptions in the Future Years Defense Program (FYDP) degrade USPACOM’s ability to plan and program, leading to sub-optimal utilization of resources. Services must be able to develop and execute long-term programs for modernization while meeting current readiness needs. 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 requires investment to extend its service life but the Services struggle to maintain infrastructure sustainment, restoration, and modernization accounts at appropriate levels. If funding uncertainties continue, the U.S. will experience reduced warfighting capabilities and increased challenges in pacing maturing adversary threats.

Allies and Partners

USPACOM’s forward presence, posture, and readiness reassure allies and partners of U.S. commitment to security in the Indo-Asia-Pacific. Strengthening these relationships is critical to meeting the challenges and seizing opportunities. Through bi-lateral and multi-lateral relationships and activities, USPACOM is building a community of like-minded nations that are committed to maintaining of the international rules-based order. The U.S.’s five Indo-Asia-Pacific treaty allies are Australia, Japan, Republic of Korea, Philippines, and Thailand. In addition, the U.S. continues to strengthen partnerships with New Zealand, India, and Singapore, and build new relationships that advance common interests with Vietnam, Mongolia, Malaysia and Indonesia. This year, USPACOM plans to leverage Fiscal Year 2016 National Defense Authorization Act, Public Law 114-92, Section 1263, “South China Sea Initiative” (Section

1263) authority, to begin implementing the Secretary's Southeast Asia Maritime Security Initiative (MSI) – an initiative Secretary Carter announced at the Shangri-La Dialogue that will increase the maritime security and maritime domain awareness capacity of the Philippines, Vietnam, Malaysia, Indonesia, and Thailand. The Secretary has made available \$50 million in FY16 funding and announced an additional \$375 million from FY17-20 to conduct MSI activities pursuant to this authority. MSI takes a regional approach to help our partners better sense activity within their sovereign territorial domain, share information with domestic joint and international combined forces, and contribute to regional peace and stability operations. I'm also looking forward to improving military-to-military relationships with Burma and Sri Lanka, once political conditions permit. Strengthening and modernizing alliances and partnerships is a top USPACOM priority.

Allies

Japan: The US-Japan alliance remains strong and operational cooperation between USPACOM and the Japan Joint Staff continues to increase. Our relationship is a cornerstone of regional stability. On September 19th, 2015 Japan's Peace and Security Legislation authorizing limited collective self-defense passed into law and will take effect this year. Japan's Peace and Security Legislation and the revised Guidelines for U.S.- Japan Defense Cooperation will significantly increase Japan's ability to contribute to peace and security. Japan's leadership has worked toward lessening historical tensions and improving cooperation and collaboration with the Republic of Korea (ROK) in areas such as information sharing and disaster response. The Government of Japan supports USPACOM activities to maintain freedom of navigation in the South China Sea. In another growing relationship, a Japanese destroyer participated in the U.S.- India-Japan trilateral exercise MALABAR in October and then transited the South China Sea in company with the USS Theodore Roosevelt in early November. Japanese P-3s exercised with the Philippines and operated in the South China Sea while returning to Japan from Southwest Asia.

Republic of Korea: The ROK alliance remains strong, and I am optimistic that the Japan-ROK relationship will continue to improve, which I hold as a top priority. The U.S. and ROK agreed to delay wartime operational control (OPCON) transfer and adopt a conditions-based approach, rather than following a calendar-based deadline. Secretary of Defense Carter and his counterpart, Minister Han, signed the Conditions Based OPCON Transition Plan (COTP) in November 2015 at the annual Security Consultative Meeting in Seoul. This is part of American and ROK efforts to modernize the alliance to better address continued threats and provocations from North Korea such as January's nuclear test and February's space launch. Trilateral cooperation with Japan is the next logical step to ensure both countries' mutual security.

Australia: The U.S.-Australia alliance anchors peace and stability in the region. Australia plays a leading role in regional security and capacity-building efforts and addressing disaster response. Australia is a key contributor to global security, contributing to counter-ISIL efforts in Iraq and the Resolute Support mission in Afghanistan. With the implementation of force posture initiatives, the Marine Rotational Force-Darwin successfully completed its third rotation while increasing its presence from 250 to 1,177 U.S. Marines. The fourth rotation begins in April 2016. The U.S. and Australia are increasing collaboration in counter-terrorism, space, cyber, integrated air missile defense, and regional capacity building. Australia is procuring high-tech

U.S. platforms that will increase interoperability. These include the F-35A Lightning II, P-8 Poseidon, C-17 Globemaster III, EA-18G Growler, Global Hawk UAVs, and MH-60R helicopters. To enhance synchronization and integration, the Australian Government provides a Flag Officer and a Senior Executive (civilian) to USPACOM and a General Officer to U.S. Army Pacific staffs on a full-time basis.

Philippines: The alliance between the Philippines and the U.S. has been important for more than 65 years. The Philippines Supreme Court recently upheld the Philippine's domestic approval of the Enhanced Defense Cooperation Agreement (EDCA) which will improve U.S. access and build Philippine military capacity by addressing capability gaps, long-term modernization, Maritime Security (MARSEC), Maritime Domain Awareness (MDA), and disaster response capabilities. USPACOM is exploring way to use MSI to realize Philippines MARSEC and MDA capability development. The Philippine Navy has made good use of two previously awarded Excess Defense Article (EDA) U.S. Coast Guard Cutters. During the 2015 Cooperation Readiness Afloat and Training (CARAT) exercise, one of the EDA cutters (BRP RAMON A. ALCARAZ PF-16) operated with the USS FORT WORTH, enhancing our shared security concerns. During the 2015 Asia-Pacific Economic Cooperation summit, President Obama announced the award of a third former U.S. Coast Guard cutter through the EDA program, which will significantly enhance the Philippine Navy's maritime security capabilities, and, through MSI, we are exploring ways to ensure that this vessel is delivered fully mission capable. U.S. P-3s and P-8s already operate from Clark Air Base on a rotational basis, and the EDCA will increase U.S. access in crisis to Philippine facilities that are important strategic locations. USPACOM provides information sharing and training for the Armed Forces of the Philippines in the areas of MARSEC and MDA, Additionally, USPACOM provided \$3.5 million in Chemical, Biological, Radiological, and Nuclear (CBRN) equipment and two years of sustainment training to the Armed Forces Philippines Defense Initiative through the CBRN Defense programs. USPACOM appreciates the continued support of the Defense Threat Reduction Agency, Joint Program Executive Office, and Joint Requirements Office in providing CBRN equipment and training to partners in the region.

Thailand: The U.S. and Thailand's long relationship began with a Treaty of Amity and Commerce in 1833, now 183 years old; that relationship expanded into a defense treaty in 1954, and the U.S. continues to value our alliance and friendship. Unfortunately, the Thai military's ongoing control of the civilian government since May 2014 undermines this important relationship. The U.S. encourages a return to democracy that will fully restore our bond; until then, military engagements and exercises will continue in reduced form. USPACOM will continue demonstrating commitment to our oldest ally while also reinforcing democratic values and ideals. Moving forward, it would be my hope that we use MSI to more fully support Thailand's maritime security and maritime domain awareness capability as an important member of the region. Moving forward, it would be my hope that we use MSI to more fully support Thailand's maritime security and maritime domain awareness capability as an important member of the region.

Partners

Singapore: Singapore is our most important partner in Southeast Asia. It has been a major security cooperation partner for over a decade and provides invaluable access for U.S. forces.

The rotational deployment of Littoral Combat Ships to Changi Naval Base has been productive, and P-8s now operate out of Paya Lebar Air Base on a regular basis. USPACOM conducts dozens of military exercises each year with Singapore's Armed Forces, Singaporean military officers regularly attend U.S. professional military education, and Singaporean military personnel participate in advanced military training that is conducted throughout the United States. Singapore hosts the annual Shangri-La Dialogue, a Secretary of Defense-level event that deepens regional ties and tables important issues for discussion. The combination of forward deployed forces and deep training relationships contribute to readiness, build deeper ties, and allow the U.S. to promote maritime security and stability with regional partners.

India: The new found momentum in our bilateral relationship with India represents USPACOM's most promising strategic opportunity. In January 2015, President Obama and Prime Minister Modi signed a Joint Strategic Vision of the Asia-Pacific and Indian Ocean Region. This landmark document presents shared views and interests for the region. The U.S. / India military-to-military relationship deepens as forces increasingly train and operate together. USPACOM intends to add momentum to an important relationship. Through this end, I have made improving the military-to-military with India a formal Line of Effort at USPACOM. In June 2015, during Secretary of Defense Carter's visit to India, the U.S. and India renewed the ten-year Defense Framework Agreement. In 2015, U.S. and India militaries participated together in three major exercises and 62 other military exchanges covering scenarios ranging from high-end warfare to humanitarian assistance and disaster response. The US-India Defense Technology and Trade Initiative (DTTI) further expands opportunities. Defense sales are at an all-time high and U.S.-sourced airframes, such as P-8s, C-130Js, C-17s, AH-64s and CH-47s, increase interoperability. USPACOM will advance the partnership with India by expanding the scope of military-to-military interactions.

New Zealand: Despite differences over nuclear policy, our military-to-military relationship with New Zealand, underpinned by the Wellington and Washington Declarations, is on solid footing. The New Zealand military has fought, flown, and sailed with U.S. forces since the beginning of Operation Enduring Freedom. New Zealand continues to be a respected voice in international politics and a recognized leader in the South Pacific that shares common security concerns with the U.S., including terrorism, transnational crime, and maritime security. Military-to-military relations and defense engagements with New Zealand remain strong.

Vietnam: Vietnam's growing economy and their concerns over Chinese coercion presents a strategic opportunity for the U.S. to add another regional partner. USPACOM is moving forward with Vietnam to improve Vietnam's capacity and capability in maritime security, disaster response. We are also exploring ways to use MSI to support Vietnam's maritime security modernization efforts, including in the area of search and rescue. In addition, Vietnam has agreed to allow U.S. prepositioning humanitarian stocks and supplies for disaster preparedness purposes.

Indonesia: Indonesia is an important security partner in Southeast Asia. President Joko Widodo's initiative to transform Indonesia into a global maritime "Fulcrum" demonstrates Indonesia's desire to play a larger role in international diplomatic, economic, and security issues. Again, USPACOM is developing ways to partner with Indonesian security forces through MSI

and other U.S. security cooperation programs to improve Indonesia's maritime security capacity and encouraging a collaborative regional maritime security architecture. Indonesia is not a claimant to territory in South China Sea maritime dispute, but it is reinforcing security on and around its Natuna Islands. Indonesia will maintain relationships with other influential nations such as Russia and China, but security cooperation with the U.S. is a top priority for Jakarta. As a tangible sign of this, the United States and Indonesia signed a ministerial-level Joint Statement on Comprehensive Defense Cooperation in October.

Malaysia: Malaysia is another important contributor to regional peace and security. Through the Comprehensive Partnership with Malaysia, the U.S. and Malaysia promote regional stability. Malaysia's regional leadership role, technologically advanced industry, stable economy, and capable military make it an important partner in securing peace and prosperity in Southeast Asia. USPACOM continues to assist Malaysia in building an amphibious force to address non-traditional threats in and around Malaysia's territorial waters. Malaysia seeks U.S. support in developing a more capable Coast Guard through the Malaysia Maritime Enforcement Agency. These capabilities and engagements demonstrate Malaysia's capacity and resolve to ensure regional and domestic security, and Malaysia develops opportunities for multilateral security cooperation through Cooperation Afloat Readiness and Training (CARAT) exercises. Like other Section 1263-designated countries, we are exploring ways that MSI can support Malaysia's maritime security requirements in each of these areas.

Sri Lanka: President Sirisena, elected in January, is serious about addressing Sri Lanka's human rights issues. We have an opportunity to expand U.S. interests with Sri Lanka - Asia's oldest democracy - and will proceed deliberately as progress is made. Given Sri Lanka's strategic location, it is in America's interest to increase military collaboration and cooperation. As conditions permit, USPACOM will expand military leadership discussions, increase naval engagement, and focus on defense institution building in areas such as demobilizing and military professionalism.

Others

In addition to Indo-Asia-Pacific allies and partners, USPACOM has many other unique relationships throughout the region with countries, jurisdictions, and international governmental organizations. These relationships are important parts of our overall strategy.

Taiwan: Free and fair democratic elections in January on the island of Taiwan reflect shared values with the U.S. The U.S. maintains its unofficial relations with Taiwan through the American Institute in Taiwan and we continue supporting Taiwan's security. USPACOM will continue to fulfill U.S. commitments under the Taiwan Relations Act; continued arms sales to Taiwan are an important part of that policy and help ensure the preservation of democratic government institutions.

The United Kingdom (UK), Canada, and France: Staunch NATO allies, the UK, Canada, and France are also Indo-Asia-Pacific nations, each with significant interests in the Pacific and Indian Oceans, including territories, allies, partners, and trade. Each participates in PACFLT's RIMPAC and other major exercises, and deploy ships, submarines, and other forces to the region for operational, partner capacity, law enforcement and disaster response missions. Canada has a

General Officer serving as a Deputy Director for Operations at USPACOM; the UK will assign a similar grade officer to serve as Director of USPACOM's Theater Security Cooperation effort. Each nations' leadership expressed renewed commitment to the region, and USPACOM welcomes and supports their efforts.

The Association of Southeast Asian Nations (ASEAN): While not a military alliance, ASEAN is among the most important multilateral forums in the region. The ten ASEAN member states, under the chairmanship of Malaysia last year and Laos this year, seek to improve multilateral security engagements and advance stability in the Indo-Asia-Pacific. ASEAN-centered political-security fora such as the ASEAN Defense Minister's Meeting Plus (ADMM-Plus) and ASEAN Regional Forum (ARF) have encouraged ASEAN members and China to conclude a meaningful, substantive Code of Conduct for the South China Sea. USPACOM investment in the ADMM-Plus, ARF and other U.S. ASEAN defense engagements improve multilateral defense cooperation and promote regional norms. Facilitating capacity building through incrementally increasing the complexity of ASEAN's recurring multilateral exercises is a priority. In 2016, USPACOM will participate in the second series of ADMM-Plus' three major exercises.

China: The U.S.-China relationship remains complex. While Chinese actions and provocations create tension in the region, there are also opportunities for cooperation. The U.S. approach to China encourages a 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 consultations. USPACOM's engagements with China, governed by section 1201 of the FY2000 NDAA, improve transparency and reduce risk of unintended incidents, enhancing regional stability.

USPACOM executed over 50 bilateral and numerous multilateral engagements last year with China. USPACOM supports our national effort to encourage China to support the existing security architecture; however, China's base-building and militarization in the South China Sea, its lack of transparency regarding military modernization efforts, and continued malicious cyber activity raise regional tension and greatly hinder U.S.-China cooperation. Instead of jointly working toward reinforcing international rules and law to promote regional peace and stability, U.S.-China engagements are often focused on reducing friction and avoiding miscalculation.

USPACOM hosted a U.S.-China Military Maritime Consultative Agreement plenary and working group focused on operational safety in November 2015. USPACOM also provided significant support to the development of the Rules of Behavior memorandum of understanding on safety in the air and maritime domain. Ongoing dialogues led to improved communications and safer encounters at sea and in the air.

There are areas where U.S. and Chinese militaries cooperate in areas of common interest, such as counter piracy, military medicine, and disaster response. The most successful engagements focused on military medical cooperation and shared health concerns. For example, in January 2015, the PLA hosted the USPACOM Surgeon and component surgeons in Beijing, Xi'an and Shanghai focused on Disaster Response, Pandemic and Emerging Infectious Diseases, and Soldier Care. In September, the USPACOM Surgeon sponsored the third acupuncture subject matter expert exchange between U.S. and PLA acupuncturists in Beijing, leading to collaborative

research on acupuncture treatment for post-traumatic stress disorder. USPACOM encourages China's participation in international efforts to address shared challenges in a manner consistent with international law and standards.

Bilateral and Multilateral Approaches: USPACOM is directly connected to regional leaders. I am in frequent communication with my regional counterparts and appreciate the ability to reach out at any time to share perspectives. USPACOM maintains a close link with allies and partners through staff exchange and liaison officers, in addition to a series of formal bilateral mechanisms. In Australia, key engagements stem from the ANZUS treaty obligations, guided by USPACOM's principle bilateral event with Australia, the Military Representatives Meeting. Similarly, USPACOM's military to military relationship with Japan is guided by the annual Japan Senior Leader Seminar. Military Committee and Security Consultative Meetings are the preeminent bilateral mechanisms that guide the ROK and U.S. alliance. Each year, USPACOM co-hosts the Mutual Defense Board and Security Engagement Board with the Armed Forces of the Philippines to deal with 21st-century challenges. USPACOM conducts annual Senior Staff Talks with Thailand to address security concerns and reinforce U.S. commitment to democratic principles. Bilateral mechanisms also exist with non-alliance partners throughout the region, including India, Indonesia, and Vietnam.

The future lies in multilateral security mechanisms. USPACOM is evolving key bilateral relationships into multilateral ones that will more effectively address shared security concerns. For example, US-Japan-ROK trilateral coordination in response to North Korean provocative behavior is improving. The ROK and Japan each recognize that provocative actions by North Korea will not be isolated to the peninsula and greater coordination and cooperation are required. The December 2014 signing of the US-Japan-ROK Trilateral Information Sharing Arrangement is an important step toward greater information sharing. This arrangement was first exercised in early January following the nuclear test in North Korea.

To encourage multilateral cooperation, USPACOM hosts the Chief of Defense Conference (CHODs) annually. The CHODs conference location rotates between Hawaii and a regional partner. In 2015, 31 countries attended the CHODs conference in Hawaii. USPACOM also participates in Australia-Japan-U.S. trilateral defense dialogues, including the Security and Defense Cooperation Forum (SDCF). The trilateral relationship between the U.S., Japan, and India is growing, as evidenced by the first trilateral ministerial meeting held last year. The U.S., Japan, and India share democratic values, interests in protecting sea lanes of commerce, and promoting adherence to international laws and norms. Next, USPACOM aims to build a powerful quadrilateral partnership framework of the most powerful democracies in the Indo-Asia-Pacific. India, Japan, Australia, and the U.S. working together will be a force for the maintenance of the regional rules-based order, counterbalancing and deterring coercion or unrestrained national ambitions.

Activities

Security Cooperation and Capacity Building: USPACOM's Security Cooperation approach focuses on building partner readiness, reducing partner capability gaps, and building partner capacity. One of the more powerful engagement resource tools is Foreign Military Financing (FMF). Favorable consideration for continued funding of FMF enables USPACOM to meet

regional challenges to include border security issues, disaster response, counterterrorism, and in particular, maritime security.

As I mentioned, USPACOM will leverage the FY16 NDAA section 1263 “South China Sea Initiative” authority to execute the Secretary’s Southeast Asia Maritime Security Initiative to build maritime security and maritime domain awareness of partners in the South China Sea region, through assistance to, and training of, partner nation maritime security forces. USPACOM will continue to rely on FMF as a source of providing major end items to eligible countries. MSI support notified pursuant to the new Section 1263 authority should be viewed as complementary and additive in nature to these FMF plans. Under MSI, PACOM plans to provide niche capabilities, more multi-mission type of equipment, and connective tissue that will help partners better deploy and employ these maritime security capabilities, both domestically to protect their sovereign territory, but also as a means of fostering greater regional interoperability.

Maritime Domain Awareness: Southeast Asian partners have expressed strong enthusiasm and support for U.S. security cooperation efforts in the area of maritime domain awareness (MDA). USPACOM will leverage MSI and the new Section 1263 authority to develop multilateral approaches to information sharing toward a regional common operating picture. This year, the Philippines, Australia and the U.S. are co-hosting a workshop to discuss regional best practices. This civilian-military workshop will facilitate whole-of-government discussions on maritime challenges that support creation of a regional maritime domain awareness network to share information across Southeast Asian partners - another multilateral approach to addressing security challenges in the region.

Global Peace Operations Initiative (GPOI): Indo-Asia-Pacific countries provide over 40% of the world’s uniformed peacekeepers to United Nations (UN) peacekeeping operations worldwide; half of those countries that provide UN peacekeepers are GPOI program partners. GPOI builds and maintains the capability, capacity, and effectiveness of partners to deploy professional forces to meet the UN’s needs in peace and security operations. Partners are meeting program goals achieving, or making progress towards achieving, self-sustaining, indigenous training capability. In 2016, USPACOM and Mongolia will cohost a multinational peacekeeping exercise called KHAAN QUEST, training personnel from 37 nations for deployment to UN peacekeeping missions. USPACOM expects 28 regional GPOI partners in KHAAN QUEST. USPACOM will continue improving partner military peacekeeping skills and operational readiness and provide limited training facility refurbishment. Indonesia’s plan to provide 4,000 deployable Peacekeeping Forces by 2020 is another opportunity for USPACOM to engage with Indonesian military forces.

Pacific Pathways: As an innovative way to overcome the Indo-Asia-Pacific’s vast time-distance challenges, U.S. Army Pacific (USARPAC) created Pacific Pathways which sequentially deploys small units to multiple countries for training. Their forward presence also enables rapid response to humanitarian emergencies or regional crises. This cost-effective program ensures that our regionally aligned Army elements know how to deploy and fight in the Indo-Asia-Pacific alongside our allies and partners. I support and encourage this kind of innovative thinking, and it pays major dividends in both relationships and readiness.

Joint Exercise Program: USPACOM's Joint Exercise Program intentionally synchronizes frequent, relevant, and meaningful engagements across the Indo-Asia-Pacific region. This important program, funded through the Combatant Commander Exercise Engagement Training Transformation (CE2T2), improves readiness of forward deployed assigned forces. Exercises and training strengthen USPACOM's military preeminence and enhance relationships. USPACOM appreciates Congress' support for continued progress.

Pacific Partnership: U.S. Pacific Fleet's (PACFLT) Pacific Partnership is an annual disaster response preparedness mission to Southeast Asia and Oceania regions. Pacific Partnership includes participation from U.S. allies and partners to improve cooperation and understanding between partner and host nations ahead of major natural disasters that require a multinational response. Last year, USNS MERCY conducted a four-month deployment to Fiji, Papua New Guinea, the Philippines, and Vietnam and provided healthcare and surgical procedures, community health engagements, and engineering projects including nearly 700 surgeries, 3,800 dental exams, and 10 renovation and new construction projects.

Joint Enabling Capabilities Command: One organization that supports USPACOM's ability to respond rapidly and effectively to events in theater is TRANSCOM's Joint Enabling Capabilities Command (JECC). The JECC is critical to USPACOM's ability to facilitate rapid establishment of joint force headquarters, fulfill Global Response Force (GRF) execution, and bridge joint operational requirements by providing mission-tailored, ready joint capability packages.

Counter-Narcotics: The drug trade continues to grow and threaten stability across the region. It has become a massive business, with sophisticated global networks. USPACOM combats drug trafficking in the region through Joint Interagency Task Force-West (JIATF-W). Building partner capacity to counter illicit trafficking of narcotics continues in areas such as the tri-border area of the Philippines, Malaysia and Indonesia, the coastal areas of Vietnam and Cambodia, and the border regions of Bangladesh. USPACOM is also fighting illicit trafficking across the Northern Thai border in the historic "Golden Triangle" area and beginning new partnerships with France to combat trafficking in and through French Polynesia and the Southern Pacific. Counter-narcotics programs support law enforcement and security forces, enhance relationships with partner nation law enforcement agencies, and impede the flow of narcotics and other illicit commodities.

JIATF-W engagements with China are an essential part of the counter narcotics effort. Maritime container shipments of China-sourced chemicals are often diverted for methamphetamine and heroin/opioid production in Mexico - a direct threat to the U.S. homeland. As much as 90 percent of the precursor chemicals used in methamphetamine production originates in China. Further, the annual volume of methamphetamine seizures going into the U.S. exceeded cocaine seizures on the southwest border of the U.S. in recent years. Through a partnership with the Internal Revenue Service, JIATF-W leveraged Department of Defense counternarcotic authorities to open an additional avenue of cooperation with Chinese officials by providing anti-money laundering training to counterdrug efforts. These efforts show promise in improving communication, cooperation, and information sharing on significant criminal enterprises operating in the U.S. and China.

The Daniel K. Inouye Asia-Pacific Center for Security Studies (DKI APCSS): DKI APCSS serves as a truly unique venue to empower regional security practitioners to more effectively and collaboratively contribute to regional security and stability. This center is one of our asymmetric capabilities. No other country has anything quite like it. Through its academic exchanges, workshops, and sustained alumni engagement activities, DKI APCSS helps build partner nation capacities and affirm U.S. interests in the region. DKI APCSS provides added support to the USPACOM mission in several uniquely focused areas: as one of the few organizations authorized to conduct carefully measured engagement with Burma defense officials; as the primary tool of security cooperation engagement with the Pacific Island region; and as USPACOM's lead in implementing the U.S. National Action Plan mandate to increase inclusion of women in the security sector under the Women, Peace, and Security program. Recent successes include development and implementation of a successful country-wide security plan for 2015 elections in Burma; building the capacity of government officials in preparation for the Lao 2016 chairmanship of ASEAN; enhancing the cybercrime investigation capability of the Bangladesh Police; developing rules of engagement for the Timor Leste police during peacetime; building a data system for collection of counterterrorism information in Vietnam; and improving coordination among Philippine national agencies, local government units, NGOs, and other stakeholders in disaster response.

Center for Excellence-Disaster Management (CFE-DM): The CFE-DM is USPACOM's executive agent for collecting lessons learned and developing and sharing best practices to prepare U.S. and partner governments for disaster response. CFE-DM recently completed a Joint After-Action Review of USPACOM's disaster response to the April 2015 Nepal Earthquake (Operation SAHAYOGI HAAT). The success of the response is a testament to Nepali preparation and disaster risk reduction efforts that were enhanced by our ongoing training assistance. The civilian national disaster management structures functioned, and the initial international response coalesced around the Nepal Army's Multinational Military Coordination Center (MNMCC). Five years of USPACOM Theater Security Cooperation initiatives with regional partners, organizations, and international agencies facilitated this collaborative foreign disaster response. CFE-DM supports USPACOM's efforts to increase resilience and more effective disaster response capabilities.

Critical Capabilities

The most technical, high-end military challenges in the region are growing. While many improvements to posture, forward deployed forces, and our relationships help address these challenges, USPACOM requires the best, high-end warfighting capabilities available now and in the future. As Secretary Carter recently said about deterring our most advanced competitors, "We must have, and be seen to have, the ability to impose unacceptable costs on an advanced aggressor that will either dissuade them from taking provocative action or make them deeply regret it if they do." There are a number of mission sets and enablers that requires continuous focus and attention. These include undersea warfare, munitions, ISR, cyber, space, and Integrated Air and Missile Defense (IAMD) systems. We must preserve our asymmetric advantages in undersea- and anti-submarine warfare, and we must regain and retain fading abilities to counter anti-access / area-denial (A2/AD) strategies.

Today, China is "out-sticking" U.S. air and maritime forces in the Indo-Asia-Pacific region in terms of ranges of anti-ship weapons. I need increased lethality, specifically ships and aircraft

equipped with faster, more lethal, and more survivable weapons systems. We must have longer range offensive weapons on every platform. Finally, we must have a networked force that provides greater options for action or response.

We face a significant A2/AD challenge in this region. Pacing the threat is not an option in my playbook. We must outpace the competition which requires continued investment in development and deployment of the latest technology to USPACOM. Examples include Navy Integrated Fires and the AEGIS Flight III destroyer and its Air and Missile Defense Radar (AMDR) – essential tools in the complex A2/AD battlespace in which our young men and women operate today. The arrival of the USS BARRY, USS BENFOLD and USS CHANCELLORSVILLE in the Western Pacific represent forward deploying cutting edge technology where it is needed.

Undersea Warfare: 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. China is improving the lethality and survivability of its attack submarines and building quieter high-end, diesel- and nuclear-powered submarines. China has four operational JIN-class ballistic missile submarines (SSBNs) and at least one more may enter service by the end of this decade. When armed, a JIN-class SSBN will give China an important strategic capability that must be countered. Russia is a Pacific threat, modernizing its existing fleet of Oscar-class multi-purpose attack nuclear submarines (SSGNs) and producing their next generation Yasen-class SSGNs. Russia has also homeported their newest Dolgorukiy-class SSBN in the Pacific, significantly enhancing their strategic deterrence posture. USPACOM must maintain its asymmetric advantage in undersea warfare capability including our attack submarines, their munitions, and other anti-submarine warfare systems like the P-8 Poseidon and ship-borne systems.

Critical Munitions: Critical munitions shortfalls are a top priority and concern. USPACOM advocates for continued investment, additional procurement, and improved munitions technologies to better deter and defeat aggression. Munitions are a major component of combat readiness. USPACOM forces need improvements in munitions technologies, production, and pre-positioning, but fiscal pressure places this at risk.

USPACOM weapon improvement priorities include long-range and stand-off strike weapons, longer-range anti-ship weapons (ship and aircraft-based), advanced air-to-air munitions, theater ballistic/cruise missile defense, torpedoes, naval mines, and a cluster munitions replacement. Our subsonic ship-to-ship munition, the Harpoon, is essentially the same missile we had in 1978, when I was a newly-commissioned Ensign. Nearly forty years later, competitors have developed supersonic ship-to-ship and land-based weapons that reach much farther, punch harder, and fly faster. USPACOM welcomes efforts to turn the tables back in our favor - quickly. In the air-to-air realm, USPACOM welcomes advancements in munitions that will provide an advantage in a complex air-to-air environment. Additionally, modernization and improvement to U.S. torpedo and naval mine capabilities and inventories are required to maintain U.S. undersea advantage. Continued improvements in the capability and capacity of ballistic/cruise missile defense interceptors will further enhance homeland defense capabilities and protect key regional nodes from aggressive action. In support of Korea, USPACOM supports efforts to acquire a replacement for aging cluster munitions.

Intelligence/Surveillance/Reconnaissance: The challenge of gathering credible ISR cannot be overstated, and it is a constantly evolving problem. The Indo-Asia-Pacific presents a dynamic security environment requiring flexible, reliable, survivable deep-look and persistent ISR to provide indications and warning and situational awareness across a vast geographic area. As previously noted, USPACOM faces a variety of challenges and potential flashpoints to include threats from North Korea, a resurgent Russia, an expanding China, terrorism, and territorial disputes. Several hundred thousand Americans live under a constant threat of attack by North Korea, with over a hundred thousand rockets able to range Seoul on little to no notice. These challenges require ISR to prevent strategic surprise and accurately assess the security environment and, if necessary, defeat potential adversaries. The Rebalance to the Asia-Pacific has increased USPACOM allocation of ISR resources. USPACOM will continue to require additional advanced ISR to avoid long-term risk.

Cyber and Space: The cyber domain, coupled with space, is the most likely “first salvo” in a future conflict. Increased cyber capacity and nefarious activity, especially by China, North Korea, and Russia underscore the growing requirement to evolve command, control, and operational authorities. I support a separate CYBERCOM functional combatant command that retains its “double-hatting” with the National Security Agency. I also believe that in order to fully leverage the cyber domain, USPACOM requires an enduring theater cyber capability able to provide cyber planning, integration, synchronization, and direction of cyber forces.

USPACOM relies on space based assets for satellite communications (SATCOM) and ISR across the range of military operations. The USPACOM region spans over half the globe and space based assets are high-demand, low-density resources. As the shared domain of space grows increasingly congested and contested, our adversaries are developing means to attack our space-enabled capabilities. USPACOM requires resilient SATCOM capability to support operations. China is pursuing a broad and robust array of counterspace capabilities, which includes direct-ascent anti-satellite missiles, co-orbital anti-satellite systems, computer network operations, ground-based satellite jammers and directed energy weapons.

Integrated Air and Missile Defense (IAMD): TPY-2 radars in Japan, the THAAD system on Guam, and the Sea-Based X-band Radar (SBX) based in Hawaii defend the U.S. homeland and our allies. USPACOM’s IAMD priority is maintaining a credible, sustainable ballistic missile defense by forward deploying the latest in ballistic missile defense technologies to the Pacific. For example, the U.S. Seventh Fleet is increasing its Ballistic Missile Defense (BMD) capability with the addition of the USS BENFOLD, which arrived in Japan last year, and USS BARRY scheduled to arrive in early 2016. These ships received a midlife modernization, making them the most capable BMD ships in the world. The addition of these modernized ships enables the U.S. Seventh Fleet to better support the U.S.-Japan alliance with a credible ballistic missile defense capability. USPACOM continues to work with Japan, the Republic of Korea, and Australia to improve coordination and information sharing with the goal of creating a fully-integrated BMD architecture.

Innovation: Innovation is critical to addressing USPACOM’s capability gaps and maintaining our military advantage. USPACOM partners with DoD-wide organizations, national

laboratories, and industry to provide innovative solutions to fill capability requirements. In particular, USPACOM maintains a strong relationship with the OSD Strategic Capabilities Office (SCO), which is developing game-changing technologies for the Indo-Asia-Pacific. USPACOM strongly supports Deputy Secretary Work's Third Offset Strategy and the associated effort to strategically advance areas where the U.S. can maintain dominance. The ability to quickly and adaptively change joint operational concepts and innovatively employ current capabilities in a high-end fight is critical.

Conclusion

It has been over four years since the President announced the U.S. Rebalance to the Indo-Asia-Pacific. There is much more to the Rebalance than military activity and the success of this strategic concept depends as much on our economic and diplomatic efforts as it does on our military efforts. From the military perspective, I believe the Rebalance is working. This success is due in no small part to the support of this committee and the Congress. But we are not done, and we must not lose momentum. USPACOM appreciates your continued support. I ask this committee to support continued investment in future capabilities that meet the challenges in the Indo-Asia-Pacific. I appreciate your help in continuing to field the right numbers of existing capabilities. I ask for your support to our plans to adapt our regional force posture. Finally, I ask your continued support for our efforts to reinforce and enhance alliances and partnerships. Thank you for your enduring support to USPACOM and our men and women in uniform, and their families, who live and work in the vast Indo-Asia-Pacific.