

STATEMENT OF
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ON U.S. PACIFIC COMMAND POSTURE
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Chairman Thornberry, Ranking Member Smith, and distinguished members of the committee, thank you for the opportunity to appear before you today. This is my third opportunity to present my posture assessment since taking command of U.S. Pacific Command (USPACOM) in May 2015. During my time at USPACOM, I have had the tremendous honor of leading the Soldiers, Sailors, Marines, Airmen, Coast Guardsmen, and Department of Defense civilians standing watch for the largest and most diverse geographic command. These men and women, as well as their families, fill me with pride with their hard work and devotion to duty. I'm humbled to serve alongside them.

Since its inception in 1947, USPACOM and the joint military forces assigned to it have served as a shield protecting the U.S., its territories, its people, and its interests throughout the Indo-Pacific region. To accomplish this, USPACOM works hand-in-hand with the other U.S. government agencies in this region to defend our homeland and our citizens. This is USPACOM's enduring responsibility and my #1 command priority. To enhance our efforts, USPACOM works with our allies and partners to improve stability in the region by promoting security cooperation, deterring aggression, responding to contingencies, and, when necessary, fighting to win. The path to security is based on our commitments to mutual interest and partnership, continuous military presence, and global readiness.

The U.S. has a lasting national interest in the Indo-Pacific. As I stated last year, I believe America's security and economic prosperity are indelibly linked to this critical region, which remains at a precarious crossroad where tangible opportunity meets significant challenge. Of the five principal challenges that drive U.S. defense planning and budgeting – China, Russia, Democratic People's Republic of Korea (DPRK), Iran, and violent extremist organizations – four are found within the Indo-Pacific. To protect the homeland, the American people, and the American way of life, we must target threats at their source and confront them before they ever reach our borders or cause harm to our people. America cannot ignore these challenges and should not allow any nation or treacherous non-state actor to erode the rules-based security order that has yielded tremendous benefits for our nation and this region for the last seven decades.

Following the upheaval of World War II, the rules-based international order – or what the 2018 National Defense Strategy described as a *free and open international order* – flourished to keep

the Indo-Pacific largely peaceful, creating the stability necessary for economic prosperity in the U.S. and countries throughout the region. Ironically, the country that has benefitted the most from regional stability is China. The collective respect for, and adherence to, international law and standards have produced the longest era of peace and prosperity in modern times. This was not happenstance. This was made possible by seven decades of robust and persistent U.S. military presence and credible combat power. America's security treaties with Australia, Japan, the Republic of Korea (ROK), the Philippines, and Thailand have buttressed this security order, which is consequently strengthened even further by growing partnerships with India, Indonesia, Malaysia, Mongolia, New Zealand, Singapore, Sri Lanka, and Vietnam. USPACOM recognizes the global significance of the Indo-Pacific region and that strong and independent states are the best hope for a peaceful world. Challenges are best met together; therefore, America will remain an engaged and trusted ally and partner committed to preserving the security, stability, and freedom necessary for enduring prosperity.

A free and open order encompasses a number of critical principles: the rule of law; adherence to international law and other international standards; peaceful resolution of disputes; freedom of navigation for all civilian and military vessels and aircraft; and open access to the sea, air, space, and cyberspace domains. The outcomes of these principles are enhanced security and open, legitimate trade. Sustainable security requires effective and enduring institutions, both civilian and military, that are guided by these principles. Defense, diplomatic, and development efforts are intertwined and continue to reinforce each other to promote stability to build and sustain stable democratic states.

The Indian and Pacific Oceans are the economic lifeblood that links the Indian Subcontinent, Australia, Southeast Asia, Northeast Asia, and Oceania with the U.S. Oceans that were once physical and psychological barriers keeping nations apart are now maritime superhighways that bring them together. Over half the global GDP comes from the region (including the U.S.) and roughly one-third of global shipping passes through the South China Sea. A quarter of U.S. exports go to the region, and exports to China and India have more than doubled over the past decade. This diverse region drives global growth and is home to the world's largest economies (U.S., China, and Japan) and six of the world's fastest growing economies (Cambodia, India, Laos, Burma, Nepal, and the Philippines). Unimpeded lawful commerce, fair market economies,

and free trade promote American prosperity and security, leading to a strong economy that protects the American people, supports our way of life, and sustains American power.

The Indo-Pacific has the world's most populous democracy (India) and the world's largest Muslim-majority state (Indonesia), both of which we see as key U.S. partners in the region. The area is home to more than half the world's population. Eleven of the 15 largest militaries in the world are in or adjacent to the region, as are six of the nine countries that possess nuclear weapons. These regional characteristics merely reinforce the need for a strong and persistent U.S. presence in the region to preserve peace through strength. To be blunt, the stability of the Indo-Pacific matters to America. And the region needs a strong America, just as America needs a vibrant, thriving Indo-Pacific that remains both politically and economically free.

It is not just history that necessitates our continued presence in the Indo-Pacific region; it is the future as well. The U.S. must maintain credible combat power across the region in order to defend against revisionist powers that seek to subvert democracy and undermine a free and open international order. It is to our long-term benefit to remain the region's security partner of choice by working closely with our allies and partners who share our commitment to uphold peace, economic prosperity, and security. We must not cede ground in this endeavor.

What follows is USPACOM's strategic approach to the region, as directed by the National Defense Strategy, including my assessment of the regional security challenges, the key strategic opportunities, and the capabilities necessary to preserve a free and open Indo-Pacific. I will emphasize critical needs in order to seek your support for budgetary and legislative action to improve our position and military readiness in the theater. I will detail the value of U.S. strategic force posture and forward presence, and describe how these preconditions improve the readiness of our joint force to fight tonight, while simultaneously enhancing our ability to reassure allies and partners. Finally, I will discuss how USPACOM can advance U.S. foreign policy by strengthening our existing alliances and cultivating important partnerships, thereby yielding strategic benefits that improve USPACOM's readiness to protect and defend U.S. interests.

Overview

Regional security and stability are threatened by a range of rogue and revisionist state and non-state actors who are challenging U.S. influence and the free and open international order that has helped underwrite peace and prosperity for America and throughout the region for over 70 years. The Democratic People's Republic of Korea (DPRK) has rapidly advanced and improved its ballistic missile capability and its nuclear weapons program. Sanctions, international condemnation, and even increased pressure from China, to date, have not yet compelled the DPRK to end their unlawful nuclear and ballistic missile programs. And while tensions in the East China Sea between China and Japan have stabilized, China's provocative and destabilizing actions in the South China Sea continue unabated. China's historically unprecedented economic development has enabled an impressive military buildup that could soon challenge the U.S. across almost all domains. Key Chinese advancements include: significant improvements in missile systems; 5th generation fighter aircraft capabilities; and increased size and capability of the Chinese navy. A major initiative for that growing navy is China's first-ever overseas base in Djibouti. I am also deeply concerned about China's heavy investments into the next wave of military technologies, including hypersonic missiles, advanced space and cyber capabilities, and artificial intelligence – if the U.S. does not keep pace, USPACOM will struggle to compete with the People's Liberation Army (PLA) on future battlefields. China's ongoing military modernization is a core element of China's stated strategy to supplant the U.S. as the security partner of choice for countries in the Indo-Pacific. Russia's interest and influence in the region continues to increase through national outreach and military modernization – in both its conventional forces and nuclear strike capabilities. The threat of ISIS in the Indo-Pacific changed drastically from inspiration and support to direct action as ISIS-Philippines seized control of the city of Marawi in May. The Armed Forces of the Philippines recaptured the city after a long fight and scattered what was left of ISIS-Philippines, but the incident highlights the dangerous and difficult problem transnational terrorism presents to the region. Drug trafficking, human smuggling, piracy, weapons proliferation, natural disasters – as well as illegal, unreported, and unregulated fishing – further challenge regional peace and prosperity.

The U.S. military remains the most powerful in the world, but our relative advantage and ability to counter these threats have declined. For USPACOM to continue to underpin U.S. diplomatic

efforts and deter future conflict against peer competitors, rogue states, and transnational threats, the joint force must maintain a clear ability to fight and win when called upon to do so.

Strategic Approach

The 2018 National Defense Strategy aims to Compete, Deter, and Win alongside our allies and partners. In support of these aims, USPACOM maintains a strategic approach to the region that encompasses four core elements:

- 1) Maintain credible combat power and work with the Services and Departments to build the right force of the future;
- 2) Maintain a network of like-minded allies and partners to cultivate principled security networks which reinforce the free and open international order;
- 3) Continue to fly, sail, and operate wherever international law allows and encourage others to do the same. Be ready to counter the coercive influence of regional competitors;
- 4) Counter transnational threat and challenges, including terrorism and illegal/illicit trafficking, and be ready to respond to natural disasters.

USPACOM recognizes the global significance of the Indo-Pacific and understands that challenges are best through a unified approach. Thus, USPACOM actions are guided by two unifying concepts: 1) communicate effectively and truthfully; and 2) synchronize efforts outside of USPACOM across the DoD, the interagency environment, and internationally with like-minded allies and partners. Together, fully aligned with our interagency, joint, and combined partners, USPACOM will remain prepared to meet the following key challenges.

Key Challenges

Democratic People's Republic of Korea (DPRK): Last year I testified that the DPRK was our most immediate threat, and since then the level of that threat has increased significantly. The past year has seen rapid and comprehensive improvement in the DPRK's ballistic missile and nuclear capabilities, despite broad international condemnation and the imposition of additional United Nations Security Council sanctions. This includes the first-ever launches of two different intercontinental-range ballistic missiles (ICBM) during three separate ICBM tests and six

launches of an intermediate-range ballistic missile (IRBM). Pyongyang emphatically states its ICBMs are only designed to target the U.S. and its IRBMs are only designed to strike Guam. Two missile tests overflowed sovereign Japanese territory, needlessly endangering Japanese citizens. Several commercial aircraft on standard flight routes also reported being close enough to see missiles in the air during tests, underscoring the DPRK's reckless research and development programs.

The DPRK still holds the distinction of being the only nation to have tested nuclear weapons in the 21st century, and the DPRK detonated its sixth and largest nuclear device at its underground facility at Punggye-ri in September 2017. Senior DPRK officials then threatened to conduct an air burst of a nuclear warhead mated to one of its long-range ballistic missiles. Although this has not happened, Pyongyang could potentially do so to further demonstrate capability or to prove that its design and technical functions work. The international community has cautioned against doing so, and is certain to condemn such an act if it occurs, but Kim Jong Un has demonstrated over and over again his disdain for international norms, responsibilities, and prudent conduct.

The combination of successful, or mostly successful, ballistic missile tests and the most recent nuclear test have advanced the DPRK's capabilities significantly. Following the 29 November 2017 Hwasong-15 ICBM test, Kim Jong Un declared with pride that they now have "finally realized the great historic cause of completing the state nuclear force." While some in the U.S. might dispute both the reliability and quantity of the North's strategic weapons, it is indisputable that Kim is rapidly closing the gap between rhetoric and capability. Our two close allies in Northeast Asia – the Republic of Korea and Japan – have been living under the shadow of the DPRK's threats; now the shadow looms over the American homeland. USPACOM and the entire DoD fully support the President's maximum pressure campaign, led by the State Department. Nobody seeks or desires conflict with the DPRK, but the U.S. and its allies must prepare for the full range of military contingencies.

Beyond the unanimous adoption of United Nations Security Council Resolutions (UNSCR) 2321, 2356, 2371, 2375, and 2397 in 2017, countries around the world are diplomatically and financially isolating the DPRK. In response to the efforts of Secretary Tillerson and other senior administration officials, the international community has drastically reduced trade with the

DPRK, frozen assets, expelled overseas DPRK workers, and more. China's actions are critical as China is the DPRK's largest trading partner (approximately 92% of all trade). To Beijing's credit, China has taken significant steps to enforce the various UNSCRs, but Beijing can and should do more. I am also concerned about Russia's limited contributions to the pressure campaign. While Moscow voted in favor of the recent Security Council resolutions, Russia has the capability to undermine the efforts of other countries, thereby playing the role of a spoiler as the DPRK approaches a full ICBM capability. Overall, the pressure campaign does appear to be affecting Pyongyang's calculus, but Kim Jong Un continues to channel his reduced resources to weapons programs and high profile "morale" projects that benefit only the elites, leaving the DPRK's citizens to suffer.

The DPRK's grossly oversized conventional forces provide the regime additional coercive options. Pyongyang's active military force of almost 1.2 million is the fourth largest in the world, though the DPRK's population (approximately 24.5 million) ranks as only the 52nd largest worldwide. By contrast, the 53rd most populous country, Australia, fields an active force of under 60,000. The DPRK People's Army boasts a substantial inventory of long-range rockets, artillery, and close-range ballistic missiles aimed across the Demilitarized Zone at the Republic of Korea and U.S. forces stationed there. Many of these systems are capable of delivering chemical and biological weapons. The DPRK's well-trained, highly disciplined special operations forces are another asymmetric option for Kim Jong Un. Additionally, the DPRK is arming its navy with longer-range anti-ship missiles and is continuing to work on a submarine-launched ballistic missile capability.

I said last year that it was critical that the U.S. maintain a strong sense of resolve in order to bring Kim Jong-Un to his senses, not his knees. That is even more true today.

China: The People's Liberation Army's (PLA) rapid evolution into a modern, high-tech fighting force continues to be both impressive and concerning. PLA capabilities are progressing faster than any other nation in the world, benefitting from robust resourcing and prioritization. During the 19th Party Congress in October 2017, Chinese Communist Party General Secretary Xi Jinping promised military development would remain a national priority, pledging to complete modernization by 2035 and to achieve "world class" status by 2049. On the current

trajectory, USPACOM assesses the PLA will likely attain these goals well ahead of the projected completion dates.

In the past year, PLA forces have become more expeditionary and more integrated. The reorganization that created geographically-focused Theater Commands is now two years old and the PLA is exhibiting a rapid maturation of processes and structures. As tensions on the Korean Peninsula increased, Chinese and regional press began highlighting exercises and preparations underway in the Northern Theater – the command responsible for Korean contingencies. Similarly, there was a variety of activities in the Western Command this past summer and fall during the standoff between Chinese and Indian forces at Doka La. While we assess the PLA will still face a number of challenges moving forward, the PLA has clearly embraced the need for increased joint interoperability.

Perhaps nowhere is the PLA making more dramatic progress than in ballistic missiles. While the PLA is rapidly expanding the number, type, and sophistication of all of its missiles, China has made the most progress in intermediate-range ballistic missile (IRBM) technology, with IRBMs now constituting approximately 95 percent of the PLA's overall missile force. Chinese media routinely trumpets missile developments, carefully noting their missiles do not target any specific country. However, a simple comparison of missile ranges with geography suggests where Chinese missiles would most likely be targeted – SRBMs against Taiwan and U.S. carrier strike groups operating at sea, IRBMs against U.S. bases in Japan and Guam, and ICBMs against the continental U.S. China's pursuit of advanced hypersonic missile technologies portends even greater challenges over the next few years.

The PLA Navy (PLAN) is in the midst of a massive shipbuilding program. If this program continues, China will surpass Russia as the world's second largest Navy by 2020, when measured in terms of submarines and frigate-class ships or larger. The first Type 055 (Renhai) guided missile cruiser was launched in June 2017 – the lead unit in a class of advanced multi-warfare ships that we expect will enter operational service next year. At least four more of these ships are under construction. Six Type 052 (Luyang III) Guided Missile Destroyers are operational, with another seven being built or fitted out. Amphibious capabilities are also growing. Four of an expected six Type 071 (Yuzhou) Amphibious Transport Docks have joined

the fleet in the past decade, and the first Type 075 Landing Helicopter Dock is under construction. In October 2017 China launched the lead ship in the Type 901 Fast Combat Support Ship class, the first logistics ship specifically designed to support China's aircraft carrier(s); the second PLAN carrier is in the water at Dalian and progressing toward sea trials. New submarines under construction include five more Type 039A (Yuan) and four more Type 093 (Shang) Nuclear Attack Submarines. All of these ships boast improved communications suites and defensive systems, as well as more lethal and longer-range weapons.

The advances shown in the PLA Air Force (PLAAF) and Naval Air Force (PLANAF) are less focused on new aircraft – though there are several noteworthy developments. Air and air-defense progress has been most evident in the increasing sophistication of operational training. When Chinese bombers began flying simulated strike profiles in the Philippine Sea, Sea of Japan, and South China Sea a few years ago, the exercises were very basic events. Now we see fighter escorts and supporting packages of other specialized aircraft, including aerial refuelers. Major training events are increasingly incorporating professional opposing forces, evaluators, and instrumentation to better challenge and assess capabilities. The J20 multi-role fighter program is progressing from development and prototypes into operational use. The J31 program appears to be advancing less quickly, but the two programs suggest a near-term capability for China to field 5th generation fighters within the next few years. At least two new heavy-lift transports (Y-20) are the leading edge of a fleet that will help the PLA overcome a long-standing inability to move troops and equipment anywhere in China or across the world. New and/or upgraded bombers, electronic warfare, command and control, and anti-submarine aircraft all expand PLA abilities to conduct a wide range of operations.

PLA ground forces are still in the midst of a force-wide reorganization as the PLA Army (PLAA) moves from divisions to combined arms brigades as its basic combat formation. These more flexible, integrated formations will give the PLAA the ability to respond more precisely to a wider variety of contingencies. Forces are training in unfamiliar locations, under challenging environmental conditions, and with increased realism in an attempt to gain proficiency across a range of circumstances. The expansion of the PLAN-Marines continues as well, as the force has grown from two brigades to possibly eight, with two brigades each allocated to most of the

Theater Commands. A contingent of PLAN-Marines continues to garrison the PLA's first overseas base in Djibouti, having arrived late last summer.

Following its establishment at the close of 2015, the PLA Strategic Support Force (PLASSF) has quickly matured to better manage and employ the PLA's impressive array of cyber, space, and other specialized capabilities. The PLASSF consolidates and employs specialized capabilities that could degrade or deny other countries the use of space, the electromagnetic spectrum, communications systems, and data networks. This joint organization reflects the PLA's emphasis on winning "system versus system" conflicts.

To operationalize these new and expanded capabilities, Chinese forces – especially the PLAN – are operating in more locations, more often, leading to greater degrees of proficiency. The PLAN's counter-piracy deployment to the Gulf of Aden is now in its ninth year, and has provided invaluable experience to many of the PLAN's surface ships and crews. Chinese submarines have deployed to the Indian Ocean seven times in the past four years, and Chinese ships have conducted dozens of port visits across Europe, Africa, the Middle East, and Asia. This does not mean the PLAN has become a global navy, but its presence and influence are expanding. Much of this activity is linked to China's ambitious Belt and Road Initiative, which is meant to increase China's global influence through a China-centered trading network. The majority of this activity was expected, and is consistent with the actions of a rising power, but some activities and China's lack of openness about its plans are reasons for concern. When the base in Djibouti opened last year, the base was touted as a logistics outpost; yet within the base's first few months of operation, PLAN-Marines held several live fire drills involving armored combat vehicles and artillery. This suggests the base also functions as a forward deployed location for expeditionary capabilities, rather than as simply a logistics hub.

Recent efforts to introduce clarifying legislation – in the form of the Foreign Investment Risk Review Modernization Act (FIRMA, aka "CFIUS 2.0") – seek to improve the national security focus of the Committee on Foreign Investment in the United States (CFIUS) and will help focus the lens on activities conducted by the Chinese. The economic stimulus of Chinese investment in the U.S. and across the Indo-Pacific region, including real estate transactions in the vicinity of military installations, threatens to undermine our national security objectives and those of our

allies and partners. I am fully supportive of these efforts, and believe we must view Chinese investment holistically to best understand Beijing's overall intent.

Territorial Disputes and Maritime Claims: Overlapping and competing territorial and maritime claims remain a source of friction in the region. I am most concerned about China's ongoing actions in the South China Sea. In 2017, China took significant steps to further militarize its bases on disputed features.

South China Sea: The U.S. takes no position on competing sovereignty claims to naturally formed islands in the South China Sea, but we do strongly call on all countries to ensure their claims and activities are consistent with international law. Specific to maritime claims and activities, countries should adhere to the law of the sea as reflected in the United Nations Convention on the Law of the Sea.

The most significant territorial disputes in the South China Sea include: 1) the Paracel Islands, between China, Taiwan, and Vietnam; 2) Scarborough Reef, between China, Taiwan, and the Philippines; and 3) the Spratly Islands, where China, Taiwan, Vietnam, Brunei, Malaysia, and the Philippines each claim sovereignty over some or all of the land features. It is the last one that has drawn much of the attention in recent years. On September 25, 2015, Chinese Communist Party General Secretary Xi Jinping stated in a Rose Garden ceremony that China did not intend to militarize its outposts on the Spratly Islands. The plain fact is that China has built a number of clear military facilities and capabilities on all of their seven outposts, and China continues to build more.

It is important to note that there are no military aircraft, air defense missile launchers, or anti-ship missile systems currently deployed to any of China's Spratly Island outposts. The only weapons present now are short-range defensive systems appropriate for close defense of the outposts. However, China has built a massive infrastructure specifically – and solely – to support advanced military capabilities that can deploy to the bases on short notice. The U.S. should assume Beijing plans to use these facilities for their clearly intended purposes at some point in the future. The Chinese also built the same sets of structures on each of its three largest outposts in the Spratly Islands (at Fiery Cross Reef, Mischief Reef, and Subi Reef), including:

- 10,000 foot runways capable of launching and recovering all military aircraft
- Fighter aircraft hangars
- Large aircraft hangars, capable of supporting larger aircraft such as bombers, AWACS, and transports
- Protected air defense launcher sheds
- Protected anti-ship missile launcher sheds
- Water and fuel storage tanks farms
- Ammunition storage facilities
- Barracks, communications systems, deep water pier facilities, military radars

These bases appear to be forward military outposts, built for the military, garrisoned by military forces, and designed to project Chinese military power and capability across the breadth of China's disputed South China Sea claims. China's explanation that Beijing was "forced" to deploy these capabilities in "response" to an "increased" U.S. presence – especially Freedom of Navigation Operations (FONOPS) – is disingenuous. The U.S. Navy has been navigating and operating in the South China Sea, and has been peacefully exercising freedom of navigation operations all over the world, for decades. On the other hand, China only recently began island reclamation earlier this decade. The overall design and execution of the projects strongly suggests a master plan was in place from the start. In July 2016, an Arbitral Tribunal under the Law of the Sea Convention issued its ruling in favor of the Philippines' South China Sea claims. Even though the Arbitral Tribunal is binding on both China and the Philippines, China has yet to abide by the ruling. The Philippines, preoccupied with the counter-terrorism fight on Mindanao and desirous of stable relations with China, has not pressed the issue since China is "allowing" Filipino fishermen some access to Scarborough.

Across the South China Sea, China's air force, navy, coast guard, and maritime militia all maintain a robust presence. Routine patrols and exercises ensure Chinese forces are in and around all the features, not just the ones they occupy. China routinely challenges the presence of non-Chinese forces, including other claimant nations and especially the U.S., often overstating its authority and insisting foreign forces either stay away or obtain Chinese permission to operate.

Since 1979, the U.S. Freedom of Navigation program has peacefully challenged excessive maritime claims by coastal states all around the world, including those of our friends and allies. This program consists of diplomatic communications and operational assertions, which are not provocative and are not a threat to any country. These operations are conducted globally to maintain open seas and skies, which underpins economic prosperity for the U.S. and all countries.

East China Sea: Tensions between Japan and China over the Senkaku Islands have largely stabilized since last year, but there is no long-term resolution in sight. With substantive military and coast guard assets in the area from both countries, the situation could easily lead to miscommunication, miscalculation, and escalation. China persistently challenges Japan's administration over the islands by sailing Coast Guard ships near the Senkaku Islands and protesting Japanese reconnaissance flights. Chinese exercises prominently feature military actions focused on the Senkaku Islands, including exercises training for a possible future physical occupation of the islands and establishment of a maritime blockade to isolate the disputed areas. Clearly describing Beijing's intent to the U.S. and Japan, Chinese media prominently features stories that highlight those specific capabilities and actions. America's policy is clear and has not wavered: the Senkaku Islands are under the administration of Japan and, as such, are covered by Article 5 of the U.S.–Japan Treaty of Mutual Cooperation and Security. The United States opposes any unilateral action that seeks to undermine Japan's administration of these islands.

Russia: Russian operations and engagement throughout the Indo-Pacific continue to rise, both to advance their own strategic interests and to undermine U.S. interests. Russia intends to impose additional costs on the U.S. whenever and wherever possible by playing the role of a spoiler, especially with respect to the DPRK. Additionally, Moscow seeks to alleviate some of the effects of sanctions imposed following their aggression in Ukraine by diplomatically wooing select states in Asia. Russia also sees economic opportunities to not only build markets for energy exports, but also to build – or in some cases rebuild – arms sales relationships in the region.

Russia's strategic nuclear forces are modernizing and routinely practice nuclear strikes against the U.S. homeland. The Russian Pacific Fleet's two Borey (Dolgorukiy-class) nuclear ballistic missile submarines (SSBN) have been integrated into operations since their arrival in 2015 and 2016, augmenting older Delta III SSBNs and substantially bolstering Russia's modern nuclear strike capabilities. Tu-95 Bear bombers fly off the coasts of Canada, Alaska, and occasionally the northwest part of the continental U.S. in profiles designed to train their crews and assess U.S. and Canadian responses. Additionally Russia uses its long-range aviation forces for strategic messaging on other issues, for example, flying around Japan or off the Korean Peninsula. Most recently, a pair of Tu-95s deployed to eastern Indonesia, passing by Guam during their transits each way. Land-based nuclear missile forces similarly exercise and test-fire missiles oriented toward North America.

Russian naval modernization is making their Pacific Fleet more capable and more lethal. The fleet is expected to receive as many as 10 new ships in 2018, including several combatants. The first Steregushchy-class guided missile corvette was commissioned in January 2017 with two more expected to arrive this year. This ship class is equipped with the advanced Kalibre missile system, a multi-functional weapons array that can fire a variety of long-range anti-ship and land attack missiles. The first of six modernized Project 636.3 (Kilo) nuclear attack submarines is scheduled to arrive in late 2018 (though it could slip into 2019), with all six in the fleet by 2021. The Russian Pacific Fleet's five Project 949A (Oscar II) nuclear-powered guided missile submarines are being upgraded to incorporate the Kalibre system as well. This will make these submarines, whose wartime missions include attacking aircraft carriers and other priority land and sea targets, much more lethal.

Ground and air modernization efforts continue as well, including state-of-the-art Bastion coastal defense cruise missiles, S-400 strategic air defense missiles, and new/upgraded helicopters and fighters. In 2017, Russian troops and warships held several combined training events with China and hosted India for their first tri-service bilateral exercise.

Of particular note are Russian efforts to build presence and influence in the high north. Russia has more bases north of the Arctic Circle than all other countries combined, and is building more with distinctly military capabilities.

ISIS/Violent Extremist Organizations (VEOs): One event dominated the counter-terrorism fight in the USPACOM AOR in 2017: the siege by ISIS in the Philippines (ISIS-P) and recapture by government forces of the Philippine city of Marawi. The crisis began in May 2017, following a failed operation by the Armed Forces of the Philippines (AFP) to capture the leader of an ISIS-pledged group. A range of extremist actors, motivated by ideology, financial reward, clan ties, adventure, or other reasons descended upon Marawi, where they found a historically marginalized, predominantly Muslim population. ISIS-P became a focus for global ISIS media publications and statements, many of which encouraged additional supporters to flock to Marawi. A few tried, not many made it. USPACOM – with Special Operations Command, Pacific (SOCPAC) in the lead – provided counter-terrorism support and assistance to the AFP, enabling the Philippine Security Forces to disrupt ISIS-P activities in the southern Philippines. After a protracted fight, the AFP recaptured the city and killed or drove out what was left of ISIS-P. According to the AFP, 962 ISIS-P, 165 AFP, and 47 civilians were killed during the siege and recapture.

Marawi underscores several important themes with regard to defeating ISIS in the Indo-Pacific. First, localized threats can quickly transform into international causes. Prior to Marawi, few, if any, ISIS leaders or media coordinators had ever heard of the location or key actors involved. Within weeks, Marawi was the cover story on ISIS' flagship media product. An early and effective response is vital to control the fight and own the narrative. Second, despite such media attention and calls for support, few extremists from within the region responded, and even fewer came from outside the AOR. This underscores our assessments that most issues in the Indo-Pacific are "local" and the desire and ability to join someone else's fight are limited. Third, counter-terrorism operations are extremely challenging, and most regional forces are poorly equipped for such fights. Our engagement strategy and capacity-building efforts have remained – and will continue to remain – focused on enabling regional counter-terrorism (CT) forces to win whatever fights they face.

USPACOM remains concerned about the potential for ISIS ideology to inspire terrorism in the Indo-Pacific, but cautiously notes that the number of successful attacks dropped significantly during the past year. The decline could be the result of an increased CT focus by governments

across the region, as well as more effective efforts by host nation intelligence and security services – Indonesia, Malaysia and Bangladesh are among the places where authorities have successfully disrupted plots. The decline might also be due to the diminished stature of ISIS and its ideology following losses in Iraq and Syria. However, the region is still fertile for radicals and extremists looking to affiliate with the ISIS brand.

Multinational partnerships represent the best method of countering VEOs across the region. USPACOM is engaging Malaysia, Indonesia, the Philippines, Australia, and New Zealand to degrade and defeat ISIS and other VEO threats. Many Indo-Pacific countries such as Australia, New Zealand, and Singapore have joined the coalition dedicated to ISIS' complete destruction. Through multinational collaboration, like-minded nations can eliminate ISIS before it spreads further in the USPACOM area of responsibility.

Countering violent extremism in the Indo-Pacific requires close collaboration with U.S. government interagency partners, such as the Department of State, the Department of Treasury, the Federal Bureau of Investigation (FBI), USAID, and the other agencies from the U.S. intelligence community. Through an interagency network reinforced by liaison officers embedded in USPACOM headquarters and Special Operations Command (SOCOM), we are able to leverage tools from across our government to fight terrorism and counter violent extremism.

Transnational Crime:

From finished opioids to industrial chemicals that support production of other illegal drugs, the Indo-Pacific is a key player in the global supply chain for the illegal drug market. Transnational criminal organizations, operating across borders and across the globe, are responsible for the vast majority of the illicit activities that spill drugs and related violence into American communities. Characteristics of these threat organizations continue to evolve. They use technology as an enabler to further disperse and decentralize their organizations, thereby making effective targeting of these threats more challenging. The opportunistic nature of drug trafficking organizations enables them to stay ahead of law enforcement.

At the same time countries in the Indo-Pacific are wrestling with growing internal drug consumption challenges. In the Philippines, the scourge of drug use has had multiple destabilizing effects, at the family-level, community-level, and the national level, as President Duterte's efforts to address the problems have created relationship challenges with the U.S. and others. Amphetamine Type Stimulant (ATS) use continues to grow throughout East and Southeast Asia, while heroin demand remains steady. Consistently high prices for cocaine in Australia and New Zealand support a small but extremely lucrative trade for Western Hemisphere drug traffickers.

Across the Pacific Island Nations, expanding ATS usage, concurrent with expanding crime and corruption, aptly demonstrates the symbiotic relationship between drugs and these corrosive effects. U.S. territories such as Guam and the Commonwealth of the Northern Marianas Islands (CNMI) face these same challenges.

Many of the drug trafficking challenges on America's southwest border start with the precursor chemicals that are sold through licit commerce, predominantly from China, and to a lesser extent, India. Criminal entities with ties to Mexican and South American drug cartels use these licit chemicals to produce methamphetamine, cocaine, and heroin.

Another drug, fentanyl-laced heroin, has been responsible for a spike in U.S. overdose deaths. Fentanyl, and its numerous analogs, originate almost exclusively from China. To combat these threats, the U.S. Government works closely with the government of the People's Republic of China in a Joint Liaison Group (JLG) on Law Enforcement Cooperation led by the Department of Justice.

Cyber: The importance of cyberspace is growing rapidly as the world becomes increasingly interconnected and networked. National power and security depend on the ability to operate securely in and through cyberspace. The two most capable cyber actors worldwide are Russia and China. Both of these countries have incorporated cyber into their joint warfighting doctrine and routinely exercise these capabilities alongside more traditional elements as a force multiplier. In fact, China values cyber so highly it created the Strategic Support Force to integrate and synchronize cyber operations. Meanwhile, a provocative DPRK continues to

employ cyber operations against its adversaries. Last May, the DPRK deployed the WannaCry ransomware attack, affecting over 300,000 computers in 150 countries. As regional interaction becomes increasingly dependent on cyber activity, these threats to cyberspace will become more concerning.

Proliferation: The Indo-Pacific has the busiest air and maritime ports in the world. Technological advances have outpaced many countries' ability to effectively manage export controls to counter the proliferation of component technology. Trade includes dual-use technology, such as commercial items controlled by the nuclear, ballistic missile, and chemical/biological weapons control regimes, including manufactured or re-exported materials from other countries with limited export control enforcement. USPACOM's Countering Weapons of Mass Destruction (C-WMD) community supports Special Operations Command (SOCOM) global counter-proliferation strategy by addressing regional concerns through key leader engagements, combined and joint exercises, and international security exchanges focused on counter-proliferation activities. Since 2014, an enduring Proliferation Security Initiative (PSI) Asia-Pacific Exercise Rotation (APER) is held annually between PSI Operational Experts Group (OEG) states in the USPACOM AOR. The U.S., New Zealand, Singapore, Australia, Japan, and Republic of Korea rotate hosting the PSI exercises. This year, Japan is hosting the PSI APER followed by the Republic of Korea next year.

Natural Disasters: The Indo-Pacific region continues to remain the most disaster-prone region in the world. About 75 percent of the Earth's volcanoes and 90 percent of earthquakes occur in the "Ring of Fire" surrounding the Pacific Basin. According to a 2015 UN report, disasters over the last ten years took the lives of a half a million people in the region, with over 1.5 billion people affected, and damages greater than 500 billion dollars.

While disaster response is not a primary focus for USPACOM, a key element of USPACOM's Theater Campaign Plan (TCP) is building capacity with allies and partners to improve their resiliency and capability to conduct humanitarian assistance/disaster response (HA/DR). HA/DR cooperation is also an effective means to deepen and strengthen relationships. USPACOM's Center for Excellence in Disaster Management (CFE-DM) serves as a regional authority on best practices for HA/DR and helps prepare regional governments for HA/DR events. Our service

components are repositioning HA/DR stocks to facilitate timely response and to build access in the region. When possible, U.S. military forces assist with their unique capabilities in the areas of air and sealift, infrastructure restoration, and emergency medical support. As just two examples, in 2016, USS SAMPSON (DDG 102) and Maritime Patrol and Reconnaissance Aircraft assisted New Zealand in its response to an earthquake on its South Island; and in 2017, USS Lake Erie (CG 70) supported Sri Lanka during flooding from a tropical cyclone and the rainy season.

Workforce Challenges for Military Realignments in the Pacific: I appreciate Congress' efforts in the FY18 NDAA to provide much-needed relief for DoD on the problem of construction worker shortages in Guam and Commonwealth of Northern Marianas Islands (CNMI). By extending the authority to grant H2B visas from 2018 to 2023 for military construction (MILCON) projects, Congress will help alleviate labor shortages in these areas that would otherwise drive cost increases and delays in key MILCON projects that support the realignment of U.S. forces in the region. However, the same labor shortages that threaten MILCON also threaten much needed civilian construction for these communities. Unless directly supporting a MILCON project, civilian construction efforts will not receive the same relief from H2B Visas. In addition to slowing the economic growth of Guam and CNMI, the insufficient number of workers is causing friction between the military and civilian communities. The local communities perceive that the U.S. has favored military construction at the expense of civilian construction.

Budget Uncertainty: Fiscal uncertainty breeds a significant risk to USPACOM's strategic priorities. The Budget Control Act and yearly continuing resolutions (CR) interrupt USPACOM's ability to work with the Services, Unified Commands, and Sub-Unified Commands to effectively plan for the long-term mission. According to the Government Accountability Office's (GAO) September 2017 report, "Budget Uncertainty and Disruptions Affect Timing of Agency Spending," we have had approximately 101 CR extensions between 1999 and 2017. This year added five more CR extensions. Under these conditions of perpetual uncertainty, we cannot efficiently and effectively plan and prepare our forces to meet today's challenges. This is no truer than in the Indo-Pacific.

Five years ago, sequestration cut almost every defense program equally. As a result, readiness and operational capability have suffered. While the recent tragedies in the Western Pacific involving surface combatants assigned to USPACOM were the direct result of gross negligence by the ships' crews, multiple reports cited additional contributing factors. Both the Secretary of the Navy's *Strategic Readiness Review* and U.S. Fleet Forces Command's *Comprehensive Review* identified the "imbalance" in surface combatant capacity and operational requirements. In fact, the *Comprehensive Review* noted that, "Under the Budget Control Act (BCA) of 2011 and extended Continuing Resolutions, the ability to supply forces to the full demand is – and will remain – limited." Additionally, the *Strategic Readiness Review* stated that, "the lean fiscal environment, worsened by the BCA, coupled with a high operational demand for forces and reduced fleet levels, challenged the Navy even more, placing a heavy strain on the service. Coincidentally, as the BCA further constrained the fleet, it became clear that China was emerging as a peer Navy competitor."

The lean fiscal environment, coupled with a high operational demand for forces and reduced fleet levels, challenged the Navy even more and placed a heavy strain on the service. As the 2011 BCA further constrained the fleet, it became clear that China was emerging as a peer Navy competitor. China's adoption of advanced technology, its increasingly dispersed operations, and its doctrinal writings make clear that it aspires to a more robust regional capacity and global reach. Our peer competitors like China and Russia are quickly closing the technological gap. I need weapons systems of increased lethality that go faster and further, are networked, are more survivable, and affordable. If USPACOM has to fight tonight, I don't want it to be a fair fight. If it's a knife fight, I want to bring a gun. If it's a gun fight, I want to bring in the artillery, and the artillery of all of our allies. I have said during my last two appearances before this Committee, that sequestration could reduce us to wielding a butter knife in this fight. This is unacceptable. We must not let that happen. In order to deter potential adversaries in the Indo-Pacific, we must build a more lethal force by investing in critical capabilities and harnessing innovation. We must develop a lethal, agile, and resilient force posture that decreases our vulnerabilities. The force posture must also reassure our allies and partners and encourage them to be full and cooperative partners in their own defense and the defense of the free and open international order.

Overall, I am grateful to Congress for the recent agreement on the DoD-budget caps for the next two years. The positive actions you took last week will help the DoD and USPACOM address many of the issues above, and I'm optimistic that the DoD is approaching an era of fiscal certainty. Over the long-term, fiscal certainty will allow us to build and train a force that is best postured to overcome the external challenges that we face in the Indo-Pacific.

Critical Capabilities

The most technological, high-end military challenges America faces in the region continue to grow. While forward presence, alliances, and partnerships address these challenges, USPACOM requires our most technologically advanced warfighting capabilities to fully meet them. The critical capabilities in this section demand our attention and treasure. We must preserve our asymmetric advantages in undersea and anti-submarine warfare, and we must strengthen our abilities to counter strategies designed to limit our freedom of action.

China has developed and fielded capability and capacity to challenge our regional maritime dominance. I need increased lethality, specifically ships and aircraft equipped with faster and more survivable weapons systems. Longer range offensive weapons on every platform are an imperative. We must also network this force and take advantage of man-machine teaming to improve our responsiveness.

Pacing the threats we face in the region is not an option in my playbook. We must work hard and invest the money to outpace the competition by developing and deploying the latest technology to USPACOM. Examples include: Navy Integrated Fires and the AEGIS Flight III destroyer and its new Air and Missile Defense Radar (AMDR); rotational deployment of Air Force and Marine Corps 5th generation fighters; and new systems capable of defending our vulnerable bases from the full spectrum of current and emerging threats (e.g., hypersonic missiles and armed unmanned aerial systems). These tools are essential in today's complex operating environment.

Munitions, Fuels, and Logistics Networks: Critical munitions shortfalls continue to be my top warfighting concern. Shortages in our munition inventories pose a significant threat to our

combat readiness and exacerbate the effects of the peer competitors who continue to modernize their weapon systems and expand their inventories. It is critical that we retain our capability to operate in contested environments, which requires dedicated investment in the industrial base and the development of new concepts and technologies. Additionally, we must continue to expand Intermediate Nuclear Force Treaty-compliant theater strike capabilities to effectively counter adversary Anti-Access/Area-Denial (A2/AD) capabilities and force preservation tactics.

My priorities include multi-domain kinetic/lethal strike capabilities, including hypersonic, long-range strike, air-to-air missile, long-range precision fires, maritime strike, and integrated air and missile defense. Additional requirements include the command and control (C2) and integration of long-range, high-speed, lethal, survivable, and precision munitions capabilities in ships, submarines, patrol craft, land-based formations, bombers, and fighters. With respect to ship-to-ship and air-to-ship munitions that allow us to defeat an aggressor from greater range, we are pursuing capabilities similar to Long Range Anti-Ship Missile (LRASM) and Joint Air-to-Surface Standoff Missile – Extended Range (JASSM-ER). In the air-to-air realm, I continue to seek advancements in munitions that will provide us an advantage in a denied environment, such as the AIM-120D and AIM-9X air superiority missiles. We must continue to modernize and improve our torpedo and naval mine capabilities to maintain our undersea advantage. I appreciate Congress' efforts to address LRASM, JASSM, air-to-air missiles, and undersea warfare capabilities in the FY18 NDAA. 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 the Korean Peninsula, the new policy on cluster munitions, signed 30 November 2017, helps to alleviate the capability gap created by the previous policy. However, I support efforts to acquire a replacement for cluster munitions – we need an area effects munition now.

As new inventory becomes available, storage capacity will become critical. As an example, we are beginning to see the storage capacity limitations play out as Services reposition munitions on the Korean Peninsula. Admittedly, this is a nice problem to have. Beyond the capacity challenges posed, our current, legacy storage locations are inadequate to store specific types of modernized munitions and meet the requirements of FY21 Department of Defense Explosive

Safety Standards. We are currently operating on waivers in many areas and assuming risk to meet mission requirements.

Fuel is the lifeblood of operations, and without resilient resupply capability, our operational effectiveness is severely degraded. Crucial to our ability to operate in increasingly contested and austere locations is the velocity of fuels support from source of supply to the point of use. Strategic positioning is a key pillar of our logistics posture. Ensuring we have the right fuel, in the right amount, at the right location, at the right time, is vital to USPACOM's ability to project power throughout the Indo-Pacific under combat conditions. USPACOM is closely integrated with the Defense Logistics Agency and the Services, and I am encouraged by the progress being made. In fiscal year 2018, investments are planned to increase fuels supply/operations infrastructure, storage, and resiliency in Guam, Japan, and Australia. I remain committed to building the capacity of our prepositioned war reserve stocks of fuel, including resiliency of the facilities, infrastructure, and distribution capabilities on which these stocks depend.

USPACOM's ability to project power is underpinned by strong airlift capabilities.

Unfortunately, budget instability and ongoing continuing resolutions have driven inflexibility into these critical areas while the global strategic environment requires increased flexibility. In today's global competition for airlift, increased demand and limited resources hinder the joint force's ability to promptly achieve operational objectives. In war, this shortfall will result in greater loss of life, increased risk to USPACOM forces, and increased risk to our nation's credibility with partners and allies.

Strategic sealift assets play a significant role in PACOM's success. Whether during a contingency or during peacetime, the ability to deliver forces and sustain them with timely equipment, critical logistics, and service support is essential. Our adversaries continue to strengthen their capabilities, while many of our assets and platforms are approaching the end of their service life, resulting in shortfalls which reduce our ability to maintain sea supremacy. In order to adequately support current operations and prepare for future warfighter requirements, it is crucial that we increase investment in strategic sealift assets.

As the Indo-Pacific region becomes more connected to other regions and more influential, we must be prepared to anticipate the need for key enablers that will ensure our influence in the region remains strong. Preparedness is underwritten by logistics and sustainment capability, capacity, resiliency, and agility. Our logistics capability is one of the U.S. military's key asymmetric advantages around the world. Unfortunately, due to budgetary pressures and decades of global engagement, our logistics systems and infrastructure are struggling to support the full range of military operations in the Indo-Pacific region. No one aspect of our logistics system is broken; but when examined as a "system of systems," executed by logisticians, engineers, and medical experts, the overall logistics enterprise has become more vulnerable, or brittle, because the system has fewer redundancies. More specifically, risk against each key functional area in our logistics system has risen over the last decade. The slow erosion of our logistics system has been manifested in manpower cuts to key areas like maintenance manning or the consolidation of our engineers in the Pacific. Each service has made difficult choices – balancing modernization with recapitalization and sustainment. Smaller munitions inventories mean the overall logistics enterprise must make up for that limitation by better, faster distribution processes to get the right munition to the right place at the right time to support operations. Additionally, the Services have consolidated and centralized important wartime materiel to better set the globe or have consolidated and reduced logistics staffs. Those changes have exacerbated the challenges associated with PACOM's "tyranny of distance." The time consumed by logistically supporting operations from greater distances reduces my decision space in a very dynamic and fast paced crisis or contingency.

Taken collectively, the complex problem of getting the right stuff to the right place at the right time in a contested environment is a vexing problem made worse by the slow erosion of capability, capacity, and agility. That reality requires that we make faster, more accurate logistics decisions to support operations. The Indo-Asia-Pacific Stability Initiative (IAPSI) is the single most important initiative that can reverse a dangerous trend toward an inevitably brittle Joint Logistics Enterprise in the Pacific, and I'm thankful for Congress' efforts to fund IAPSI. Our logistics systems, infrastructure, key supplies, and processes are in need of replenishment with new equipment, better infrastructure, additional trained professionals, and innovative logistics concepts to better prepare USPACOM for peer-level competition and large scale crises.

Air Superiority: For the last several decades the U.S. has enjoyed unmatched air superiority. The preponderance of aircraft ensuring this permissive air-domain has been 4th generation fighters and air-battle-management platforms, which have benefitted from a technology gap over any potential rival. Our potential adversaries, however, are rapidly closing this gap as both Russia and China have fielded their own versions of 5th generation fighters which threaten our ability to gain air superiority at a time and place of our choosing. In order to deter and defeat potential adversaries in the Indo-Pacific region, we must have the capability to quickly gain and maintain air superiority long enough to complete critical missions. The U.S. is now beginning to field 5th generation platforms in the Pacific; however, our legacy 4th generation platforms will be in our inventory for years to come, and we must be prepared to address future threats. While we continue to invest in 5th generation platforms, we must also find innovative ways to make our 4th generation aircraft and air-battle-management platforms more capable.

Undersea Warfare: 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. Roughly 230 of the world's 400 foreign submarines are in the Indo-Pacific, of which approximately 160 belong to China, DPRK, and Russia. Potential adversary submarine activity has tripled from 2008 levels, requiring an increase of U.S. activity to maintain undersea superiority. This growth of regional submarine fleets, and increasing demand from other Combatant Commands for SSNs, will challenge the Joint Force to address our SSN requirements in the decade ahead. The SSN imbalance will only be aggravated as the global U.S. Navy SSN inventory drops and submarines are retired faster than replacements are constructed. China is improving the lethality and survivability of its attack submarines, building quieter, high-end diesel and nuclear powered submarines, and has placed in service four nuclear-powered Jin-class ballistic missile submarines (SSBNs). An armed Jin-class SSBN will give China an important strategic capability that must be countered. Russia is modernizing its existing fleet of Oscar-class multi-purpose attack nuclear submarines (SSGNs) and producing their next generation Severodvinsk Yasen-class SSGNs. Russia has also homeported their newest Dolgorukiy-class SSBN in the Pacific, significantly enhancing its strategic capability. Current counter undersea capabilities include the Integrated Undersea Surveillance System (IUSS), including the Surface Towed Array Sensor Systems (SURTASS). While these platforms have operated since the early 1980s, these systems, along with the new

autonomous Unmanned Underwater Vehicle technologies, play a key role in theater operations and must be resourced appropriately to ensure they remain relevant and capable. Maintaining pace with submarine activity growth is necessary and I support the Secretary of the Navy's 2016 "Force Structure Assessment" which calls for a 355-ship navy, including 66 attack submarines.

Intelligence, Surveillance, and Reconnaissance (ISR): The challenge of gathering credible, deep, and penetrating intelligence cannot be overstated. The Indo-Pacific presents a dynamic security environment requiring persistent and intrusive ISR to provide indications, warning, and situational awareness across a vast geographic area. Our treaty allies rely on U.S. ISR capabilities to support mutual defense treaties. ISR is required to prevent strategic surprise, buy decision space for national leadership, accurately assess the security environment, and defeat adversaries, if necessary. The rapid modernization of our peer competitors requires additional advancements in how our intelligence is collected and processed, including the associated risks. Our ISR capabilities must be suited to our unique operating environment.

Space and Cyberspace: USPACOM relies heavily on space-based assets for satellite communications (SATCOM), Intelligence, Surveillance, Reconnaissance (ISR), Missile Warning, and Positioning, Navigation, and Timing (PNT) capabilities to support missions across the range of military operations. USPACOM's region spans over half the globe and space-based assets are high-demand, low-density resources. As the electromagnetic spectrum grows increasingly congested and contested, our adversaries continue to develop means to deny our space-enabled capabilities. China continues to pursue a broad and robust array of counter-space capabilities, which include direct-ascent anti-satellite missiles, co-orbital anti-satellite systems, cyber-attack and exploitation capabilities, directed energy weapons, and ground-based satellite and PNT jammers. DPRK continues to develop and employ SATCOM and PNT jammers, while also continuing their development and testing of nuclear weapons and ballistic missiles despite UNSCR 1718 prohibiting such activities.

USPACOM faces constant threats in the cyber domain from both state and non-state actors, such as China, DPRK, Russia, and criminal actors. The U.S. must ensure it has a robust and capable cyber force, as well as the equipment necessary to maintain command and control of our forces.

USPACOM requires an agile and defensible mission command network infrastructure to enable interoperability with our allies and mission partners to fully leverage our combined capacity. In addition, offensive cyber capabilities provide additional tools to use as part of tailored options that bolster multi-domain effects, but these capabilities must grow faster. As we work across the interagency environment to develop whole-of-government solutions, we require a workforce that strikes the right balance between cyber forces assigned in the theater, working directly for USPACOM and its subordinates, and forces assigned to USCYBERCOM and other U.S. government agencies at the national level.

Integrated Air and Missile Defense (IAMD): USPACOM faces unique Integrated Air and Missile Defense (IAMD) challenges despite efforts to forward station additional IAMD sensors and weapons capabilities in the Indo-Pacific to protect our forces and allies. Hawaii, Guam, and our Pacific territories are part of our homeland and must be defended. Hawaii is currently protected from DPRK intercontinental ballistic missiles (ICBMs) by the Ground-Based-Midcourse Defense System. This system includes Ground-Based Interceptors in Alaska and California; ground-, sea-, and space-based sensors; and redundant command, control and communications systems. For the defense of Hawaii, the Homeland Defense Radar - Hawaii (HDRH) siting process is near complete. The Missile Defense Agency (MDA) plans to compete and award a Pacific Radar contract in FY18 and deliver an initial capability by FY23. The new radar will provide an enhanced ballistic missile sensing and discrimination capability in the Pacific, and will increase the capability of the Ground-Based Midcourse Defense System to defend the state of Hawaii. This radar is being built to stay ahead of potential future threats. DPRK's 3 September 2017 nuclear test, its KN-22 "Hwasong-15" ICBM test launch on 28 November 2017, and DPRK's continuing research and development of submarine launch ballistic missile technology, demonstrates the DPRK's desire for greater technical performance and capability. Also, China and Russia continue to develop and operationally field advanced counter-intervention technologies which include fielding and testing of highly maneuverable re-entry vehicle/warhead (i.e., hypersonic weapons) capabilities that challenge U.S. strategic, operational, and tactical freedom of movement and maneuver. China and Russia also present other notable challenges in the form of cruise missiles and small-unmanned aircraft systems (s-UAS) which fly different trajectories, making them hard to detect, acquire, track, and intercept

due to unpredictable low-flight profiles and high-potential use of countermeasures. I support MDA's intent to formally study the efficacy of putting an interceptor capability in Hawaii.

USPACOM's IAMD priority is to establish a persistent, credible, and sustainable ballistic missile defense presence by forward deploying the latest advancements in missile defense technologies to the Indo-Pacific. Through their forward and persistent presence, these active missile defense capabilities help mitigate the risk to missile threats that USPACOM faces in the AOR. USPACOM continues to work with the Department of Defense (DOD), our academic institutions and industry to improve or deploy systems capable of countering the missile threat challenges in the Indo-Pacific.

USPACOM maintains an active Terminal High Altitude Area Defense (THAAD) battery on Guam to protect our fellow citizens and strategic military capabilities from the threat of DPRK intermediate-range ballistic missiles (KN-17 and MUSUDAN). USPACOM also employs additional radars across the theater to support homeland defense and testing of the Ballistic Missile Defense System (BMDS). Additionally, USPACOM is supporting MDA's siting-study to identify a home for the new Homeland Defense Radar in Hawaii.

USPACOM and USFK, with the support from the MDA and the DoD, deployed a Terminal High Altitude Area Defense (THAAD) battery to the Korean peninsula in 2017 that is fully operational. The U.S. Navy is moving forward with the port shift of the USS MILIUS from San Diego to Yokosuka, Japan this spring. This port shift provides the U.S. Seventh Fleet with improved capability to support the U.S.-Japan alliance. USPACOM will continue working with Japan, the ROK, and Australia to improve our level of staff coordination and information sharing with the goal of creating a fully-integrated Ballistic Missile Defense (BMD) architecture that addresses the increasing cruise missile threat.

USPACOM continues to support MDA and the Services to develop and test emerging missile and counter-small UAS defense capabilities through modeling and simulation, as well as live-fire testing conducted at the Pacific Missile Range Facility, the Ronald Reagan Test Center at Kwajalein Island, Point Mugu, and other testing ranges located on the continental U.S. and Alaska. These tests encompass a number of developmental flight tests including: Standard

Missile-3 (SM-3) Block IB Threat Upgrades; Distributed Ground Tests to assess the performance of the Ballistic Missile Defense System; two Standard Missile-6 (SM-6) missiles against a complex medium-range ballistic missile target; and SM-3 Block IIA allowing longer flight times and engagements of more complex threats higher in the exo-atmosphere. USPACOM will continue to support future flight tests to help improve the Ballistic Missile Defense System performance against more complex threats. Going forward, USPACOM supports all efforts that improve the capability and capacity of ballistic missile, cruise missile, and UAS defense technologies to further enhance Homeland defense capabilities and protect key regional locations from aggressive action. The development of a credible and effective defense against advanced and future missile and UAS threats remains vital to our operational plans and critical to the continued defense of the U.S.

Innovation: USPACOM increasingly relies on innovation to address USPACOM's capability gaps and maintain our military advantage. This includes testing and integrating new technologies, developing new capabilities, and exploring new concepts of operation and employment. This multi-pronged approach to innovation is paying dividends, and my innovators are getting these capabilities into the hands of the warfighters quickly in order to enhance our ability to fight tonight. Advances in man/machine teaming, artificial intelligence, machine-learning, hypersonic technology, autonomy, and command and control will enable the Joint Force to maintain a velocity of precision operations our adversaries simply cannot match. USPACOM's ability to conduct operationally realistic exercises where we can rigorously test our innovative ideas makes me confident we will continue to identify, test, evaluate, and integrate the best technology our industry offers.

Capitalizing on the vast open spaces of the Pacific, USPACOM runs the most complex field exercises in the world. For example, the Joint Pacific Alaska Range Complex (JPARC) is a premier location to focus on joint air and electronic warfare exercises, while the Pacific Missile Range Facility and ranges near Guam provide excellent opportunities to test naval and missile innovations. USPACOM forces conducted over 50 more warfighting experiments in 2017 than any year before. I believe we can take this construct to the next level by combining innovation across multiple areas: operational planning, cutting-edge technologies, modeling and simulation, and execution of multi-Combatant Command exercises.

Our innovation successes would not be possible without strong partnerships. USPACOM benefits from our continued relationships with organizations across the DoD, including the Defense Advanced Research Project Agency, the Defense Innovation Unit-Experimental, Service laboratories and innovation offices, national laboratories, university-affiliated research centers, and industry. USPACOM has also significantly increased its interaction with U.S. Special Operations Command, and we continue to work closely with the OSD Strategic Capabilities Office (SCO) to develop and field game-changing technologies for the Indo-Pacific.

Fires...Achieving Multi-Domain Battle (MDB): Multi-domain battle is the ultimate joint concept that allows commanders to achieve cross-domain effects while mitigating significant advancements in our adversaries' ability to out-range and out-gun some of our most advanced platforms and systems.

We have made significant progress in the past 12 months. This year, the Army and the Marine Corps "signed out" Version 1.0 of this warfighting concept in a document titled *U.S. Army and Marine Corps Concept, Multi-Domain Battle: The Evolution of Combined Arms for the 21st Century*. This concept describes how U.S. and partner forces organize and employ capabilities to project and apply power across domains, environments, and functions over time and physical space to contest adversaries in relative "peace" and, when required, defeat them in "war." The concept of MDB seeks a common and interoperable capability development effort to provide Joint Force Commanders complementary and resilient forces to prosecute campaigns and further the evolution of combined arms for the 21st century.

In execution, MDB broadens the options for Joint Force Commanders and poses a corresponding dilemma for our adversaries. Version 1.0 of this concept formally transitions emergent concepts and ideas to experimentation. The complementary capabilities described in this concept provide an initial set of ideas to test with regard to employment and capability requirements, while supplementary capabilities required for combined arms and maneuver serve as a starting point for common capability development efforts between the Army, Marine Corps and their joint partners. Our joint forces will revise this concept to Version 2.0, refining ideas and corresponding solution set by incorporating the results of experimentation, as well as other Service and Joint perspectives.

I recently asked the USPACOM component commands to test MDB operational concepts as part of our Joint Exercise Program, to include demonstrations in one of our major capstone events – the Rim of the Pacific exercise (RIMPAC '18). Implementing a “crawl-walk-run” methodology, we will move from discrete events across domains to the fusion of joint capabilities across domains in a sensor to shooter agnostic environment that is both contested and integrated across the combined force. In keeping with the MDB concept vision – we will progress from experimentation to validation of concepts, culminating in a validation and demonstration of the Army’s new Multi-Domain Task Force during the RIMPAC '20 exercise.

We will capitalize on the existing MDB capabilities resident in much of our force, but in order to maintain our competitive edge, we must continue our rapid pursuit of new technologies and approaches. One of the biggest capability gaps in terms of joint effects is the lack of complete connectivity and integration between the Services’ operational and tactical ISR, target acquisition, and fire control systems – such as the Navy's Cooperative Engagement Capability (CEC), the Army’s Advanced Tactical Field Artillery Target Data Systems, Army's THAAD and Patriot Systems, and the USMC's C2 systems. Together with the Services, USPACOM is working to solve these problems with the Joint Staff and OSD.

Strategic Force Posture in the Indo-Pacific

The Joint Force is forward-stationed throughout the Indo-Pacific region to deter conflict or to defeat adversaries should deterrence fail. The tyranny of distance, mobilization timelines for reserve component enablers, and strategic lift constraints hinder the ability to generate force flow early in a crisis. While USPACOM remains focused on fielding credible combat power, gaining access to new locations, upgrading existing operating locations, and encouraging whole-of-government approaches to deter and confront regional adversaries are all critical to preserving our positional advantage in the region. As challenges in the Indo-Pacific region continue to evolve, the importance of infrastructure recapitalization and the fielding of advanced capabilities have increased.

Global Force Management (GFM): Credible combat power offers the greatest potential for meeting the Indo-Pacific region's complex security issues and enables our ability to prevail in combat. The DoD continues to strongly support USPACOM GFM priorities through the assignment of critical platforms and capabilities in Alaska and on the West Coast. USPACOM continues to prioritize forward stationing and deployment of 5th generation aircraft in the Indo-Pacific, to include the first Marine Corps F-35B Joint Strike Fighters to Japan in January 2017 and the first Air Force F-35A squadron to the Republic of Korea in November 2017. In addition, U.S. commitment to the Indo-Pacific is further evidenced by the deployment of our newest and most advanced aviation platforms such as the P-8 Poseidon, RQ-4 Global Hawk, MV-22 Osprey, EA-18G Growler, E-2D Hawkeye, and C-130J Super Hercules.

The long-range capabilities of U.S. bombers are well suited for the Indo-Pacific region due to the vast distances and unique challenges. This mission enables Joint Force readiness and commitment to extended deterrence, offer assurances to our allies and partners, and strengthen regional security and stability in the Indo-Pacific region.

In addition to the Pacific Pathways deployments and posture commitments, the Army is assessing existing U.S. inventories to prioritize requirements for focused readiness, critical munitions, sustainment stocks, mobility shortfalls, chemical defense, and facility operations within the region.

The culmination of joint and combined force operations with our Service components and our partner nations in the Indo-Pacific region in 2017 was the three-carrier strike force exercise in the Western Pacific. USS Ronald Reagan (CVN 76), USS Nimitz (CVN 68), and USS Theodore Roosevelt (CVN 71) strike groups conducted coordinated operations in international waters to demonstrate the Navy's unique capability to operate multiple carrier strike groups as a coordinated strike force effort.

Force Posture Initiatives: USPACOM's ability to execute national tasking and meet national objectives is reflected in military construction investments that support increased resiliency for the Joint Force via projects in Japan, Guam, the Commonwealth of the Northern Mariana Islands (CNMI), and Australia. The vast distances associated with the Indo-Pacific, coupled with the

short timelines to respond to crises, require investment in infrastructure to properly preposition capabilities and capacity throughout the region. Military construction supports critical capabilities to include Unmanned Aerial Vehicles for increased intelligence, surveillance and reconnaissance (Republic of Korea), Cyber Mission Force teams (Hawaii), Special Operations Forces (Japan), increased critical munitions storage capacity in Washington State, and quality of life investments for the Joint Force and their families in Guam, Republic of Korea, Japan, and the Republic of the Marshall Islands.

Host country support at 23 established operating locations in the Indo-Pacific region remains robust overall. The U.S. military receives approximately \$37 billion in new construction at a cost of less than \$7 billion to the U.S. taxpayer in the Indo-Pacific region. The Government of Japan committed resources in 2013 that continue to assist in the strategic realignment of U.S. Marine forces from Okinawa to Guam and other locations as a part of the Defense Posture Realignment Initiative (DPRI). Additionally, the Government of Japan is supporting the airfield expansion work underway at the Marine Corps Air Station Iwakuni, Japan and the Futenma Replacement Facility. The Republic of Korea continues to support the work on the Land Partnership Plan and Yongsan Relocation Plan, which are estimated to be finished within the next four years. Outside of the above initiatives, Japan and the Republic of Korea continue to provide other funding and support, which play a critical role in sustaining U.S. presence in the region.

USPACOM continues to execute five major force posture initiatives: (1) U.S.-Japan Defense Policy Review Initiative (DPRI) / USMC Distributed Laydown; (2) U.S. Forces Korea Realignment; (3) Resiliency; (4) Agile Logistics; and (5) Agile Communications.

Defense Posture Realignment Initiative (DPRI)/USMC Distributed Laydown: DPRI is a vital part of the larger U.S. military Integrated Global Basing and Presence Strategy. A major goal of DPRI is to create an environment that is geographically distributed, operationally resilient, and politically sustainable to better support the enduring presence of U.S. forces in Japan.

USPACOM maintains significant focus and effort on these initiatives. DPRI is one of the largest construction efforts since the end of the Cold War. Much work by both the U.S and Japan remain, but progress is being made towards realigning some U.S. Marines from Okinawa to

Guam and build-up of facilities at other locations such as Marine Corps Air Station (MCAS) Iwakuni, Japan. Military construction investments in the FY18 NDAA include projects for DPRI in Guam and Iwakuni. Another critical cooperative effort, the Futenma Replacement Facility (FRF) at Camp Schwab/Henoko will enable the U.S. to fulfill its security obligations to Japan while also enabling the return of MCAS Futenma to Okinawa. In the past year, top leaders from the U.S. and Japan have reaffirmed the commitment of both countries to construct the FRF. This solution maintains our presence at MCAS Futenma until the FRF is completed.

USFK Realignment: The consolidation of U.S. forces in the Republic of Korea via the Land Partnership Plan (LPP) and Yongsan Relocation Plan (YRP) continues to progress as planned. Posture priorities remain the relocation of thousands of U.S. personnel to bases south of Seoul and setting conditions to support United Nations Command and the ROK-U.S. Combined Forces Command. The U.S. is committed to maintain the current level of U.S. military personnel assigned to the Republic of Korea through the next five years, at which point the Joint Force will become strategically flexible and exercise freedom of action throughout the AOR.

Resiliency: The Joint Force remains ready to fight tonight across all domains in the Indo-Pacific. USPACOM ensures sustained power projection capabilities exist forward in theater, and generates resiliency through the dispersal of our capabilities and the decisive aggregation of effects. USPACOM resiliency efforts include investment in more robust infrastructure in ally and partner countries and the hardening of critical facilities. USPACOM also works to disperse critical enablers, including communication nodes, fuel repositories, medical readiness centers, and logistic support equipment.

Agile Logistics: Combat operations in a contested environment require U.S. forces to disperse across multiple locations, both inside and outside the enemy's operational reach. We can no longer rely on the past strategy of consolidating in large, central locations that position combat capabilities close to the fight to maximize efficiency and time on target. To survive, our warfighters must move quickly in and out of enemy fire, placing a greater burden on the units that support them. Logistics plans can no longer construct central basing stockpiles of critical sustainment materiel without fear of attack. USPACOM must disaggregate those stockpiles, anticipate demand, and adapt to the speed of operational maneuver. Supported by other

Combatant Commands and strategic partners, USPACOM is working to develop an agile, resilient logistics network, to include sophisticated logistics decision support tools.

Agile Communications: USPACOM must work with mission partners in order to further national objectives throughout the Indo-Pacific region. Five of seven U.S. Mutual Defense Treaties exist in the USPACOM area of responsibility (AOR), which translates to five alliances of national militaries that must operate together as a unified force on a daily basis and through all phases of planned operations. Similarly, USPACOM does not have formal agreements for exchanging information with many of the nation states or organizations within the USPACOM AOR, giving rise to the need for dynamic information technology capabilities to support the full spectrum of military operations. Agility with coalition information sharing environments that allow for the rapid addition or removal of mission partners must be available on short notice to adequately respond to natural disasters and contingencies in order to synchronize efforts, achieve synergistic results and to ensure forces do not interact with each other in a negative manner. As a result, we are not fully postured with the latest technology to interoperate with multiple partner combinations over all the phases of military operations. Furthermore, we will not have the communication capacity and sharable encryption capability to support the most modern warfighting platforms and associated weapon systems as they are built and deployed.

Indo-Asia-Pacific Stability (IAPSI) Initiative: I'm grateful for the inclusion of IAPSI in the FY18 NDAA. IAPSI supports a number of the force posture initiatives addressed in this section, including enhanced resiliency and increased logistical agility. Overall, IAPSI helps USPACOM fully leverage the capabilities of our allies and partners, while also signaling our persistent commitment to the region.

Readiness: USPACOM is a "fight tonight" theater with short response timelines across vast spaces. Threats as discussed earlier require U.S. military forces in the region maintain a high level of readiness to respond rapidly to 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 to respond to operational contingencies. Forward-stationed forces west of the International Date Line increase decision space and decrease response times, 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 prioritized the readiness of deploying forces at the expense of follow-on-forces and critical investments necessary to outpace emerging threats. As a result of high operational demands, delayed maintenance caused by sequestration and ongoing Continuing Resolutions (CR), and training pipeline shortfalls, a shortage of ready surge forces limit USPACOM's responsiveness to emergent contingencies and greatly increases risk. These challenges grow each year as our forces continue to deploy at unprecedented rates. We are overstressing the force as the Services are unable to establish conditions to reset their force elements with the current fiscal instability.

Past budget uncertainty degraded USPACOM's ability to plan and program, leading to sub-optimal utilization of resources. Fiscal uncertainty forces the Department to accept risk in long-term engagement opportunities with detrimental strategic consequences to U.S. relations and prestige. Services must be able to develop and execute long-term programs for modernization while meeting current readiness needs. Constrained budgets over the last few years forced choices within the Services that have limited procurement and fielding of 5th generation fighter aircraft (F-35) in sufficient quantities and modernization of 4th generation aircraft (F-15, F-16, F/A-18) essential to prevent capability gaps and to maintain pace with potential adversary advancements. Much of the supporting infrastructure in the Pacific and on the West Coast of the continental U.S. 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. Similarly, the shadow of budget uncertainty has exacerbated the industrial base's inability to meet and respond to increasing requirements to replace expenditures and field new systems and technologies. If funding uncertainties continue, the U.S. will experience reduced warfighting capabilities and increased challenges in pacing maturing adversary threats.

Allies and Partners

U.S. national power depends on more than a robust economy and military strength: we need allies and partners. Our network of alliances and partnerships, established over the past 70-plus years, has contributed to the free and open order that we enjoy today. These countries do not follow U.S. lead on all issues, but allies and partners provide a foundation for like-minded nations to draw upon when dealing with major issues or crises. Australia, Japan, Republic of Korea, Philippines, and Thailand have all been long-standing allies, but Congress' designation of India as a "Major Defense Partner" in 2016 provides USPACOM the opportunity to forge a new relationship with the world's largest democracy. A robust network of allies and partners creates an environment of cooperation to work together on shared challenges.

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 Australia-New Zealand-U.S. security treaty and are guided by USPACOM's principal bilateral event with Australia, the Military Representatives Meeting, which leads up to the Australia-U.S. 2+2 Ministerial Meeting with SecDef/SecState and their Australian counterparts. Similarly, the annual Joint Senior Leader Seminar guides USPACOM's military-to-military relationship with Japan. The Military Committee and Security Consultative Meetings are the preeminent bilateral mechanisms that guide the U.S. alliance with the Republic of Korea (ROK). Each year USPACOM and the Armed Forces of the Philippines co-host the Mutual Defense Board and Security Engagement Board 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. USPACOM also conducts annual formal bilateral activities with non-alliance partners throughout the region, including Bangladesh, India, Indonesia, Malaysia, Singapore, and Vietnam.

Our multilateral cooperation is further enhanced by numerous Flag and General Officer (FOGO) exchange officers that work for the U.S. at USPACOM. These foreign officers from our "Five Eye" (FVEY) partners (Australia, Canada, New Zealand, and United Kingdom) serve under my

Command as fully integrated members of the USPACOM team. Our operations and intelligence watch centers are FVEY environments and FOGOs are embedded within USPACOM and our service components

Bilateral and Multinational “Partnerships with a Purpose”: The future lies in multilateral security mechanisms. USPACOM is broadening key bilateral relationships into multilateral “partnerships with a purpose” that will more effectively address shared security concerns. For example, the U.S.-Japan-Republic of Korea multilateral coordination in response to the DPRK’s provocative behavior, while challenging, is improving. The ROK and Japan each recognize that provocative actions by the DPRK will not be isolated to the peninsula and greater coordination and cooperation are required. Historical tensions between the nations remain, but cooperation and collaboration are slowly improving. The November 2016 signing of the Japan-Republic of Korea General Security of Military Information Agreement (GSOMIA) is a major accomplishment in improving bilateral relations between Seoul and Tokyo; the GSOMIA lays an essential foundation for expanding cooperation and enables the U.S. to work more closely with both allies. Recognizing the benefits of this bilateral agreement, in November 2017, the Republic of Korea and Japan renewed GSOMIA for another year. I look forward to increasing the frequency and complexity of multilateral information sharing while simultaneously enhancing multilateral security cooperation.

To encourage multilateral cooperation, USPACOM hosts the Chiefs of Defense Conference (CHODs) annually. The CHODs conference location normally rotates between Hawaii and a regional partner. In 2017, 30 countries attended the CHODs conference in Victoria, Canada. USPACOM also participates in Australia-Japan-U.S. multilateral defense dialogues, including the Security and Defense Cooperation Forum (SDCF).

The multilateral relationship between the U.S., Japan, and India is growing stronger as well. All three countries share democratic values, interests in protecting sea-lanes of commerce, and respect for international law. On the security front, all three countries participate in India’s increasingly complex annual Malabar military exercise as well as the multinational Rim of the Pacific exercise.

In Southeast Asia, Indonesia, Malaysia and the Philippines formed a multilateral relationship aimed at countering violent extremists through coordinated maritime and air patrols. Additional Southeast Asia nations, such as Brunei and Singapore, and other Indo-Pacific regional nations, such as the U.S., Japan, and Australia are all supporting the multilateral initiative through various support missions.

Allies

Australia: The U.S.-Australia alliance anchors peace and stability in the region. Australia plays a leading role in regional security, capacity-building efforts and addressing disaster response. Australia is a key contributor to global security and a significant contributor to counter-ISIS efforts in Iraq and Syria and the Resolute Support mission in Afghanistan. With the implementation of force posture initiatives, the Marine Rotational Force-Darwin successfully completed its sixth deployment while maintaining a presence of 1,250 U.S. Marines. The seventh deployment begins in April 2018 and will consist of approximately 1,500 U.S. Marines with future growth informed by capability requirements and budget resource availability. The 2018 deployment will include ten MV-22 Osprey aircraft, providing a more robust capability. The deployment of USAF F-22s to Australia for integration with Royal Australian Air Force E/A-18G, F/A-18F, and/or E-7A as part of the Enhanced Air Cooperation force posture initiative will build upon the initial activities that occurred in 2017 by increasing the complexity of mutual tactics, techniques, and procedures. 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 further 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 interoperability, the Australian Government provides a General Officer to USPACOM and a General Officer to U.S. Army Pacific on a full-time basis. Australia has also set a goal of reaching 2% of its GDP on defense spending over the next decade.

France: As a NATO ally, France has significant equities in the Indo-Pacific, and I welcome France's growing involvement in the region. The French territories in Polynesia and New Caledonia make France the sixth largest nation on the planet by area, which translates into an

Economic Exclusion Zone (EEZ) of over 166,000 square miles. The French navy maintains a professional military force in both territories, focused primarily on maritime security. But, France aims to become more involved across the Indo-Pacific writ large. Not only is France providing submarines to Australia and India, France is currently operating a combatant frigate (FF VENDEMIARE) in the East and South China Seas with U.S. Pacific Fleet. France also maintains a contingent of forces on New Caledonia and remains active in support of regional Humanitarian Assistance and Disaster Relief operations. During my recent visit to New Caledonia, the French military Commander indicated a strong desire to increase their training interaction with USPACOM forces, and we are developing opportunities for increased interaction. Overall, I am very excited about France's increased willingness to stand by the U.S. as we confront revisionist state and non-state actors across the region.

Japan: The U.S.-Japan alliance remains the cornerstone for peace and stability in the Indo-Pacific region. Operational cooperation and collaboration between USPACOM and the Japan Joint Staff continue to increase. Japan's Peace and Security Legislation authorizing limited collective self-defense operations and the revised 2015 Guidelines for U.S.-Japan Defense Cooperation have significantly increased Japan's ability to contribute to regional stability more broadly. Japan continues to support USPACOM activities to maintain freedom of navigation in the South China Sea, and remains concerned about Chinese activities in the East China Sea. We are strengthening our alliance with Japan, including through reviewing our roles, missions and capabilities, to ensure seamless alliance responses across a full spectrum of situations amid an increasingly challenging regional security environment. Japan is procuring high-tech U.S. platforms that will increase interoperability such as the F-35B, E-2D Hawkeye, Global Hawk UAS, and MV-22 Osprey; it has also announced its intentions to procure AEGIS Ashore.

Republic of Korea (ROK): The U.S.-ROK alliance is ironclad, and our commitment to the Republic of Korea is unwavering. We continue to work with our close friend and ally, as it moves toward obtaining the capabilities required under the Conditions-Based Operational Control (OPCON) Transition Plan (COT-P). In response to the evolving threat posed by the DPRK, the U.S. in coordination with the Republic of Korea, deployed a THAAD system to improve alliance missile defense posture. The Republic of Korea is also procuring high-tech

U.S. platforms that will further increase interoperability to include the F-35B, P-8 Poseidon, AH-64 Apache, and Global Hawk UAS.

The resumption of inter-Korean dialogue in January and the North's decision to participate in this month's PyeongChang Olympic Games are encouraging developments, but any future talks with the DPRK must be focused on achieving a complete, verifiable, and irreversible denuclearization of the Korean peninsula. Accordingly, the alliance will maintain a high military readiness posture and will continue to provide support for the diplomatic pressure campaign through credible combat deterrence.

The Philippines: The U.S.-Philippine alliance has demonstrated resilience through President Rodrigo Duterte's pursuit of an independent foreign policy. The tenor of our bilateral relationship has improved over the past year, due in part to the relationship-reset in President Duterte's personal interactions with President Trump. Through frank and frequent dialogue with Philippine leadership, we continue to maintain a robust defense relationship comprised of 261 activities for calendar year 2018, slowly expanding parameters of military-to-military cooperation. In particular, we have obtained Philippine commitment to resuming live fire exercises and close air support training. The attack on Marawi City in Mindanao by ISIS-P posed a significant challenge to the Armed Forces of the Philippines (AFP) and served as a reminder of the value of our alliance to Philippine security and stability. U.S. support, primarily in the form of providing Intelligence, Surveillance, and Reconnaissance (ISR), tactical advice, and the use of our Mutual Logistics Support Agreement (MLSA) to assist in the timely delivery of weapons and ammunition, proved crucial in the AFP's defeat of ISIS-P in Marawi. Our quick response to addressing AFP needs helped to bolster the bilateral relationship. Our military cooperation supports a broader whole-of-government approach to countering terrorism and building resiliency and capacity in Mindanao, as well as continuing to work together to modernize the AFP. While the government of the Philippines refocused attention on internal security to address short-term security and political challenges in Mindanao, we must not lose sight of the long-term objectives of building a territorial defense capability and creating a modern and self-sufficient AFP. Strategic patience has helped recalibrate the alliance relationship. I am convinced that the relationship pendulum will continue to swing in a positive direction and will continue to stabilize the region as it has for over 60 years.

Thailand: Our deep and longstanding military-to-military ties with Thailand go back to our 1950 Agreement Respecting Military Assistance between the Government of the United States of America and the Government of Thailand. Despite recent challenges, we remain close allies and important security partners. Our alliance is back on track at senior levels, capping off a year of re-engagement that included multiple 4-star visits, Secretary Mattis' visit to Bangkok for the Royal Cremation, and POTUS' hosting the Prime Minister at the White House. These discussions aimed to "Reinvigorate the Alliance," and we have communicated that strengthening the alliance is a shared responsibility. Overall mil-to-mil engagements are also on a positive trajectory. Thailand facilitates world-class training opportunities for U.S. personnel across all services, and co-hosts Exercise COBRA GOLD with us, Asia's largest multinational military exercise. Thailand provides logistical nodes essential to our forces operating throughout the Indo-Pacific region. Funding for International Military Education and Training (IMET) and Foreign Military Financing (FMF) are currently restricted, but a Foreign Military Sales (FMS) and Direct Commercial Sales (DCS) relationship continues. Thailand has publicly committed to hold national elections in November 2018, and our continued engagement with military leadership remains the best way for the U.S. to promote regional security and healthy civil-military relations in Thailand.

United Kingdom: I'm excited about the trend of UK involvement in the Indo-Pacific. As a key NATO ally, the UK continues to support U.S. logistics and ISR operations across multiple Combatant Commands from the Indian Ocean territory of Diego Garcia. The UK is also looking to become more involved in maritime security in the Indo-Pacific. The HMS SUTHERLAND, a Type 23 Frigate, is currently conducting combined maritime operations with U.S. Pacific Fleet in Southeast Asia, and I expect this type of interaction will increase in the years to come.

Partners

India: The U.S.-India strategic partnership continues to advance at a historic pace and has the potential to be the most consequential bilateral relationship of the 21st century. The U.S. and India maintain a broad-based strategic partnership that is underpinned by shared democratic values, interests, and strong people-to-people ties, and I expect 2018 to be a significant and

eventful year in U.S.-India relations. The U.S. and India are natural partners on a range of political, economic, and security issues. With a mutual desire for global stability and support for the rules-based international order, the U.S. and India have an increasing convergence of interests, including maritime security and domain awareness, counter-piracy, counterterrorism, humanitarian assistance, and coordinated responses to natural disasters and transnational threats. India will be among the U.S.'s most significant partners in the years to come due to its growing influence and expanding military. As a new generation of political leaders emerge, India has shown that it is more open to strengthening security ties with the U.S. and adjusting its historic policy of non-alignment to address common strategic interests. The U.S. seeks an enduring, regular, routine, and institutionalized strategic partnership with India. USPACOM identifies a security relationship with India as a major command line-of-effort. Over the past year, U.S. and Indian militaries participated together in three major exercises, executed more than 50 other military exchanges, and operationalized the 2016 Logistics Exchange Memorandum of Agreement (LEMOA). Defense sales are at an all-time high with India operating U.S.-sourced airframes, such as P-8s, C-130Js, C-17s, AH-64s, and CH-47s, and M777 howitzers. USPACOM will sustain the momentum of the strategic relationship generated by the POTUS-Prime Minister-level and the emerging 2+2 Ministerial Dialogue through strengthening our military-to-military relationship and working toward additional enabling agreements to enhance interoperability. At the moment, India is considering a number of U.S. systems for purchase, all of which USPACOM fully supports: the F-16 for India's large single-engine, multi-role fighter acquisition program; the F/A-18E for India's multi-engine, carrier-based fighter purchase; a reorder of 12-15 P-8Is; a potential purchase of SeaGuardian UAS; MH-60R multi-role sea-based helicopter; and F-35 Joint Strike Fighter.

Indonesia: Indonesia plays an essential role as the maritime fulcrum of Southeast Asia. We maintain a robust defense relationship comprising over 200 annual activities as part of our Strategic Partnership. USPACOM continues to partner with Indonesia, particularly in maritime security. Indonesia desires to play a larger role in international economic and security issues. Their goal to provide 4,000 deployable peacekeeping troops by 2019 is another important area where we can engage. Indonesia continues to build and exercise in strategic maritime border areas to bolster its defense capabilities, and has concerns with Chinese activities in the vicinity of the Natuna Islands. The money spent on professional military education and technical training in

Indonesia has borne fruit in terms of Foreign Military Sales of excess defense article F-16s and new AH-64 Apaches. The Government of Indonesia is also considering the F-16 for the recapitalization of the Indonesian Air Force's aging fleet of fighter aircraft, most of which are of Russian origin.

Malaysia: Our close security ties with Malaysia are based on our Comprehensive Partnership. Malaysia's regional leadership role, technologically advanced industry, sizeable economy, and capable military make it an important partner in securing peace and prosperity in Southeast Asia. Over the past year, Malaysia has implemented air and maritime patrols in the Sulu and Celebes Seas in accordance with a multilateral arrangement with the Philippines and Indonesia due to increased security concerns in East Malaysia. We have worked closely with Malaysia as co-chairs of ASEAN's Humanitarian Assistance and Disaster Relief (HADR) working group. Malaysia also has an on-going dispute with China with respect to the Luconia Shoals, which China also claims. Malaysia has demonstrated the capacity and resolve to contribute to regional security, and we continue to support Malaysia's emerging security requirements. Malaysia recently selected MD-530 attack helicopter, and the U.S. is also providing Malaysia with secure communications equipment to increase interoperability in maritime security and counter-terrorism missions.

Mongolia: Mongolia endures as a small, yet strong, partner in Northeast Asia and continues to demonstrate staunch support for U.S. regional and global policy objectives – especially those linked to the Global Peace Operations Initiative and security operations in Afghanistan. The government engages with the U.S. and other countries as part of their “Third Neighbor” policy. Mongolia also markets itself as a model for emerging democratic countries such as Burma, Nepal, and Timor Leste. My deputy visited Mongolia last summer and spoke at the Exercise KHAAN QUEST 2017 closing ceremony, reaffirming that USPACOM's goals are to assist the Mongolian Armed Forces through their defense reform priorities. These priorities include: development of professional military education for officers and non-commissioned officers; developing a professional NCO corps; and developing an Air Force and ready reserve force. The Mongolians punch above their weight and we should continue to support them where we can.

New Zealand: The U.S.-New Zealand partnership remains on solid footing and continues to evolve. New Zealand is increasing its leading role in regional security and capacity-building efforts while addressing disaster response in the South Pacific and Antarctica. New Zealand is a key contributor to global security and a significant contributor to counter-ISIS efforts in Iraq and Afghanistan. The U.S. is thankful for the New Zealand Defense Force's gracious offer of the Royal New Zealand Navy ship Te' Kaha to replace the USS Fitzgerald after she was involved in an unfortunate mishap in summer 2017 during the USS Nimitz Carrier Strike Group deployment. We commend New Zealand's commitment to planned defense capability improvements identified in their 2016 Defense White Paper. These improvements acknowledge the threats posed by the rise of China's strategic influence in the Indo-Pacific, an escalation of military spending across Southeast Asia, and increasing challenges to the rules-based international system. Military-to-Military relations and defense engagements with New Zealand remain strong. New Zealand is procuring the P-8 Poseidon – continuing the strong legacy of interoperability among Maritime Patrol and Reconnaissance Aircraft with the U.S.

Singapore: Singapore remains a steadfast partner in Southeast Asia with a strong commitment to promoting a free and open Indo-Pacific. We owe Singapore our sincere gratitude for its assistance in the aftermath of the USS John McCain accident and timely aviation support to Hurricane Harvey relief efforts this past year. Singapore leaders believe the U.S. plays an indispensable role in bolstering the region's economic and security frameworks. Though not a formal treaty ally, Singapore provides us invaluable access to the strategically located entrance of the Malacca Straits and South China Sea. Singapore also hosts Littoral Combat Ships, rotational Maritime Patrol Aircraft, and Seventh Fleet's Logistics Force headquarters, while maintaining training detachments in the United States for Singapore Air Force F-15SGs, F-16C/Ds, CH-47 Chinooks, AH-64 Apache helicopters, and the Singapore Army's High Mobility Artillery Rocket System. We conduct dozens of high level and increasingly complex military exercises with Singapore each year to increase our interoperability. Furthermore, Singapore officers regularly attend U.S. professional military education at all levels, developing relationships that span careers. The combination of a shared outlook on regional security and prosperity, strong support for U.S. presence, and a deep and broad defense relationship enables the U.S. to promote our interests abroad and focus on shared regional challenges. Overall, we remain their defense partner of choice despite intense Chinese pandering of economic influence.

USPACOM was excited to support Singapore's request for an F-22 and an F-35B static display at the 2018 Singapore Air Show in February – a great opportunity as the Government of Singapore considers a purchase of F-35B in the future.

Sri Lanka: The trajectory of U.S.-Sri Lanka relations continues to ascend, with Sri Lanka emerging as a significant strategic partner in the Indian Ocean region. Despite recent political turmoil, President Sirisena, elected in January 2015, remains committed to reforms and addressing Sri Lanka's human rights issues. Over the last year he continued Sri Lanka's path toward reconciliation and democracy following its multi-decade civil war. I believe it is in America's interest to continue to increase military collaboration and cooperation with Sri Lankan forces. Accordingly, USPACOM expanded bilateral defense ties, military leadership discussions, rule of law training, increased naval engagement, and focused security cooperation efforts on defense institution building in areas such as demobilizing, peacekeeping, and military professionalism. In October 2017, the USS Nimitz became the first U.S. aircraft carrier to visit Sri Lanka in over thirty years. This visit, along with granting Sri Lanka an excess U.S. Coast Guard cutter, underscores the deepening relationship between the U.S. and Sri Lanka.

Vietnam: Vietnam is currently our boldest regional partner in standing up to China's provocative behavior in the South China Sea. A series of high-level bilateral visits in 2017 helped deepen our partnership, including visits to the U.S. by Prime Minister Phuc in May and Defense Minister Lich in August, as well as President Trump's travel to Vietnam in November and Secretary Mattis' visit in January. In March 2018, the USS Carl Vinson will make an historic port visit to Da Nang, Vietnam – an indication of the significant progress in the bilateral security relationship. Last year, we transferred a 378 foot former U.S. Coast Guard High Endurance Cutter to the Vietnam Coast Guard. Over the next few years, we expect to continue to assist the Vietnamese to build their capacity for maritime domain awareness. In addition, we signed the Cooperative Humanitarian and Medical Storage Initiative (CHAMSI) Memorandum of Understanding in May 2017. When implemented, CHAMSI will allow USPACOM to store humanitarian assistance and disaster relief equipment in Vietnam increasing our mutual ability to train for, and respond to, natural disasters in Vietnam.

Other Key Actors

Oceania: Maintaining strategic relationships in Oceania is becoming ever more important to U.S. national security. The provisions included in the Compacts of Free Association with the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are important mechanisms that guide the relationships, including U.S. obligations for their defense. In return, these agreements provide assured access to the three Compact Nations in a contingency situation. They also give the U.S. authority to grant or deny access to another nation's military forces, which allows the U.S. to maintain a clear strategic line of communication across the Pacific. I am grateful to Congress for fully authorizing the 2010 Palau Compact Review Agreement in the FY18 NDAA and would ask that Congress appropriate all required funds. The implementation of this legislation will have a significant impact on our defense relationship with Palau, and will provide a measurable advantage in our strategic posture in the Western Pacific. Continued U.S. commitment to defend the Compact Nations and to partner with other Pacific island countries enhances American influence and sends a strong message of reassurance throughout the region.

ASEAN: ASEAN turned 50 last year and the U.S. commemorated its 40th year of U.S.-ASEAN dialogue relations. The U.S. and ASEAN share the common principles of a rules-based order, respect for international law, and the peaceful resolution of disputes. The ten ASEAN member states, under the chairmanship of the Philippines last year and Singapore this year, continue to seek ways to improve multilateral security engagements and advance stability in the Indo-Pacific. During this past year, the U.S. strengthened its commitment to ASEAN with engagements at the Secretary of Defense and Presidential levels where we reached agreement on whole-of-government approaches to shared challenges in areas of maritime security and maritime domain awareness. USPACOM is committed to strengthening regional institutions such as ASEAN, ASEAN Defense Ministers' Meeting-Plus, the East Asia Summit, and the ASEAN Regional Forum. Over the course of the last year, USPACOM participated in ASEAN exercises, key leader engagements, and practical multilateral cooperation related to the spectrum of shared transnational challenges. The U.S. is postured to support Singapore's Chairmanship priorities for 2018 in the areas of Counterterrorism (CT), Chemical, Biological, Radiological, and Nuclear (CBRN), and Confidence Building Measures. Malaysia and the U.S. co-chair the

ASEAN Defense Ministers Meeting (ADMM)-Plus Experts' Working Group on Humanitarian Assistance and Disaster Relief over the next two years. A key objective will be to support ASEAN's effort to operationalize the ASEAN Military Ready Group to multilaterally respond to natural disasters. USPACOM's approach is to promote multilateral partnerships of sub-regional ASEAN nations to strengthen a rules-based international order. This includes USPACOM support to the Indonesia-Malaysia-Philippines multilateral Cooperation Arrangements and the Cambodia-Malaysia-Thailand-Vietnam Gulf of Thailand Initiative. USPACOM looks forward to supporting the ASEAN Defense Ministers' Meeting-Plus that Singapore will host in October.

Burma (Myanmar): Our engagement with Burma's military is extremely limited and is expected to remain so considering the ongoing crisis and human rights violations by the military in the Rakhine State. The primary goal of our engagement is to encourage a professional military that operates under democratic standards of civilian control, transparency, and accountability, while also complying with international law, including international human rights law and international humanitarian law, as applicable. We underscore these points in all of our limited engagements. In addition to the humanitarian rights violations, I am also concerned about Chinese involvement in the country. Beijing is attempting to move into Burma while other countries are taking a step back, and Chinese support comes with no string attached.

China: While the United States has an economic relationship with China, in my opinion, our two nations are in clear competition for influence and control of the Indo-Pacific. As the President commented in his recent State of the Union Address, China is now our "rival," and I wholeheartedly agree with this assessment. For the last few years, I have advocated for dealing with China realistically – as it is, and not as we would wish it would be. In other words, our relationship with China should be based on candor and clear-eyed pragmatism instead of yearning and misty-eyed optimism. Some view China's actions in the East and South China Seas as opportunistic. I do not. I view Chinese actions as coordinated, methodical, and strategic. Beijing is using its military and economic power to coerce its neighbors and erode the free and open international order. As I have previously stated, I believe the Chinese are building up combat power and positional advantage in an attempt to assert de facto sovereignty over disputed maritime features and spaces in the South China Sea, where they have fundamentally altered the physical and political landscape by creating and militarizing man-made bases. While the U.S.

has no claims in the South China Sea – and it is our policy not to take positions on sovereignty over the disputed land features – the U.S. resolutely opposes the use of coercion, intimidation, threats, or force to advance claims. These differences should be resolved peacefully and consistent with international law.

This increasingly competitive environment necessitates continued mil-to-mil dialogue between the U.S. and China to improve understanding and reduce risk. USPACOM remains committed to a constructive, results-oriented relationship with China, so while we rightfully call out China for its aggressive behavior in some areas, we should also seek its support for shared security goals, such as the denuclearization of the Korean Peninsula. We will continue to cooperate with China where we have shared interests, such as military medicine and disaster response.

USPACOM conducted numerous bilateral and multilateral engagements with China last year, and co-led the U.S.-China Military Maritime Consultative Agreement (MMCA) plenary and working group focused on operational safety. Encounters between our forces at sea and in the air are generally safe, but the MMCA provides a forum for continuous dialogue to identify and address safety issues when they arise.

For USPACOM, my goal remains to convince China that its best future comes from peaceful cooperation and meaningful participation in the current free and open international order. China has the potential to emerge as a net security provider for the region, but to do so, Beijing must honor its international commitments. After all, the Chinese economic miracle could not have happened without the stability that emerged from the rules-based order – an order that Beijing now seeks to undermine. But I've also been loud and clear that we will not allow the shared domains to be closed down unilaterally, so we'll cooperate where we can but remain ready to confront where we must.

Taiwan: Taiwan's open economy and its prosperous, free, and democratic society reflect the shared values between Taiwan and the U.S. In accordance with our One China Policy, based on the three United States-China Joint Communiques, the U.S. does not maintain diplomatic relations with Taiwan. Yet, we maintain a substantive and robust relationship with the people of Taiwan based on the Taiwan Relations Act of 1979. In line with this policy, USPACOM will continue supporting Taiwan's efforts to develop a credible, resilient, and cost-effective deterrent

and self-defense capability. Continued, regular arms sales and training for Taiwan's military are an important part of that policy and help ensure the preservation of democratic institutions. As the military spending and capability of the PRC grow every year, the ability of Taiwan to defend itself decreases. We must continue to help Taiwan defend itself and demonstrate U.S. resolve that any attempt by China to force reunification on the people of Taiwan is unacceptable. USPACOM has supported extensive security cooperation activities with Taiwan in air and missile defense, maritime security, logistic support and joint operations and training. Recent sales of anti-ballistic missiles, anti-aircraft weapons, logistics helicopters, surveillance radar, Perry-class Frigates, and amphibious assault vehicle (AAV-7), and electronic warfare systems continue to improve their self-defense capabilities.

Activities, Direct Reporting Units, and Mission Partners

Interagency: USPACOM collaborates with a broad group of interagency partners that bring diplomatic, economic, reconstruction and stabilization, intelligence, law enforcement, health, national security, and scientific expertise to the discussion. This allows us to address key national security issues through a whole-of-government approach, synchronizing all instruments of power. Our interagency partners help USPACOM maintain relationships with key allies and partners in this region. Our interagency collaboration has yielded success in supporting the DPRK pressure campaign; supporting humanitarian efforts in the aftermath of natural and man-made disasters; countering transnational threats, including transnational crime; preparing for potential pandemics; and, in supporting traditional military-military engagements and in non-traditional security cooperation. Our emerging and complex problems will increasingly require whole-of-government solutions, and USPACOM stands ready to support interagency-led efforts where we are needed.

Global Engagement Center (GEC): The GEC is a key USPACOM partner in facilitating interagency collaboration and coordination of efforts to counter foreign propaganda and disinformation in the Indo-Pacific. While we work to address the propaganda that terrorist organizations use to recruit new followers, we must also address the serious threat that foreign state-sponsored disinformation poses to U.S. national security. To address these threats in the information environment, it is more critical than ever that the U.S. government has a

comprehensive, whole-of-government approach to informational power. In support of this effort, USPACOM has embedded a GEC officer within the Command and is actively prioritizing information related capabilities in its planning, operations, and activities.

Security Cooperation and Capacity Building: USPACOM's Security Cooperation approach focuses on building partner readiness, reducing partner capability gaps, and building partner capacity. To effect change in these endeavors USPACOM is working to fully employ the consolidated Security Cooperation authorities in the FY17 NDAA. The Section 333 Global Train and Equip authority, introduced in the 2017 NDAA, consolidates older train and equip authorities such as 2282 and 1004, leading to significant benefits, such as a global approach to planning and greater visibility across lines of effort. We see great promise in advancing partners' readiness and capabilities. USPACOM continues to follow a Theater Security Cooperation planning process that identifies partners' priorities, to which the various authorities can be applied in concert. Additionally, the State Department is involved in the joint planning and development of Section 333 programs, and the Secretary of State must concur on any Section 333 program prior to Congressional notification. USPACOM greatly appreciates the State Department's foreign policy review of our global train and equip programs.

USPACOM is also focused on improving partner-nation maritime domain awareness, which directly contributes to increased maritime security across the region. The FY16 NDAA Section 1263 "Southeast Asia Maritime Security Initiative (MSI)" is effectively enhancing maritime domain awareness and improving the maritime capacities and capabilities of partners and allies in Southeast Asia. Additionally, the Philippines, Australia, and the U.S. continue to discuss regional maritime security best practices through partnership workshops. These workshops facilitate whole-of-government discussions on maritime challenges that support creation of a regional maritime domain awareness network to share information between Southeast Asian partners. We need to go beyond maritime domain awareness and use an initiative like IAPSI to improve our partners' and allies' multi-domain awareness and increase their domain denial capability so that they can better protect their territory and enforce their maritime rights.

USPACOM is also grateful for the State Department's long-standing Foreign Military Financing (FMF) and International Military Education and Training (IMET) programs. FMF enables

USPACOM to meet regional challenges to include border security issues, disaster response, counterterrorism and maritime security, and IMET offers long-term relationship building and sustainment.

Global Peace Operations Initiative (GPOI): Countries of the Indo-Pacific provide 31% of the world's uniformed peacekeepers to UN peacekeeping operations worldwide, and of these peacekeepers, 20% come from the 12 GPOI partners in the Indo-Pacific. These 12 countries support 13 of the 15 UN peacekeeping missions, as well as three political missions. GPOI builds the capability and capacity of our partners to deploy ready forces and is centered on providing high-quality, action-oriented, challenging scenario-based training so that peacekeepers are better prepared to implement UN Security Council Resolutions of protecting vulnerable civilians, halting conflict-related sexual violence, working to put a stop to the use of children soldiers, addressing misconduct, and trying to bring long-term peace and security to conflict torn regions. In 2018, USPACOM and Bangladesh will cohost a multinational peacekeeping exercise called SHANTI DOOT, which focuses on preparing personnel for deployment to UN peacekeeping missions. We expect participation in this exercise from 32 nations who recognize the value of working with other peacekeeping nations in a very demanding training environment. Many of our partners are meeting program goals, with six of twelve partners achieving a self-sustained indigenous training capability while the others continue to make progress toward this milestone. We continue to emphasize a "train-the-trainer" approach enabling standardization and interoperability to work within United Nations guidelines. USPACOM will continue improving partner military peacekeeping skills and operational readiness, as well as provide limited training facility refurbishment. This program not only supports our efforts to improve UN peacekeeping, it is also helping to strengthen interoperability with U.S. forces and builds the trust required to improve interoperability in other relevant areas.

Joint Exercise Program: USPACOM's Joint Exercise Program is vital for improving the operational and warfighting readiness of assigned Pacific Theater and partner nation forces, ensuring joint force readiness for crises and contingency operations while providing a visible and tangible deterrent to aggression. This important program is essential for advancing Combatant Commander Campaign Plan objectives including strengthening regional alliances and partnerships and deepening interoperability through combined training. Combatant Commander

Exercise Engagement Training Transformation (CE2T2) program funding enables our Joint Exercise Program, helping to enhance the readiness of our assigned forward deployed forces.

Joint Interagency Task Force-West (JIATF-W): The drug trade in the Indo-Pacific threatens regional stability as drug trafficking organizations continue to utilize new supply chains and develop troubling partnerships across the globe. As USPACOM's Executive Agent for counter-narcotics activities in the AOR, JIATF-W combats drug trafficking in the region by disrupting flows of drugs and precursor chemicals that transit the region, and by hardening the theater against the expansion of transnational criminal organizations. JIATF-W continues to build partner capacity to counter illicit trafficking of narcotics in the coastal areas of Philippines, Vietnam, Indonesia, Malaysia, and Sri Lanka; and the border regions of Bangladesh and Thailand. In order to develop cooperative solutions and procedures to address the transnational criminal threats in the region, bilateral and multilateral cooperative engagements are also a focus in building the capacity of our partner nations.

The global nature of illicit trafficking means that problems that exist in this area of the world may have their start on the other side of the globe, or vice versa. For example, some of the problems we are dealing with on the Southwest border of the U.S. with drug trafficking start with the precursor chemicals that are being sold through licit commerce, predominantly from China; and to a lesser extent, India. Criminal entities with ties to Mexican and South American drug cartels use these licit chemicals to produce methamphetamines, cocaine, and heroin. Another drug, fentanyl-laced heroin, has been responsible for a spike in U.S. overdose deaths. Fentanyl and its numerous analogs originate almost exclusively from China. To combat these threats, the U.S. Government works closely with the government of the People's Republic of China in a Joint Liaison Group (JLG) on Law Enforcement Cooperation led by the Department of Justice. JIATF-W collaborates with U.S. Government interagency partners to support the JLG. To date, China has agreed to list over 100 precursor chemicals on their controlled substance list. JIATF-W works with U.S. Government partners to facilitate information sharing and interagency efforts to disrupt the opioid scourge that is so quickly claiming over 100 U.S. lives every day.

In fiscal year 2017, JIATF-W identified and tracked chemical flows resulting in the disruption of roughly 116,000 kilograms of methamphetamine precursor chemicals. JIATF-W also continues

to work closely with U.S. and partner-nation agencies throughout the South Pacific, to include the French Armed Forces in Polynesia, as well as both Australian and New Zealand law enforcement, military, and intelligence services. With these partners, JIATF-W assists in the disruption of the lucrative drug trade in the region. In 2017, JIATF-W's efforts contributed to the interdiction of 16.6 metric tons of methamphetamine precursor chemicals, nine small vessels carrying cocaine or methamphetamine, the seizure of approximately 6.5 metric tons of cocaine, and 1.5 metric tons of methamphetamines, resulting in the removal of over 1.5 billion dollars in revenue from the trafficking organizations.

Center for Excellence in Disaster Management and Humanitarian Assistance (CFE-DM):

CFE-DM increases the capacity of U.S. and partner nation military forces to respond effectively to disasters and humanitarian emergencies, as well as enhances regional civil-military coordination through its education and training programs, regional civil-military engagements, and applied research and information sharing programs. The Center trains approximately 8,000 military and civilian personnel annually, including through bilateral and multilateral exercises focused on humanitarian assistance and disaster relief. CFE-DM also trains deployable U.S. forces and foreign audiences. Regional partnerships with key civilian international humanitarian community and military responders enhance cooperation on regional disaster response and preparedness, increase civil-military collaboration, and encourage a robust collection of best practices for future relief efforts.

The Daniel K. Inouye Asia-Pacific Center for Security Studies (DKI APCSS): While DKI APCSS is no longer a Direct Reporting Unit to USPACOM, I have formally designated it as a "Mission Partner" to underscore its importance to the USPACOM mission set. DKI APCSS builds and sustains key regional partnerships, improves partner nation capacity, and enhances cooperation on regional security challenges. The Center's courses, workshops, dialogues, and alumni engagements directly support OSD-Policy and USPACOM priorities and are integrated into USPACOM's Theater Campaign Order. Focus areas include: rule-of-law based governance emphasizing civilian oversight of militaries, defense institution building, maritime security, and enhancing regional security architecture; collaborative approaches to maritime security, domain awareness, and counterterrorism; and improved capability and cooperation in HADR. DKI APCSS has major competitive advantages in its location, credibility, convening power, and

alumni network. APCSS has now graduated 12,000 students – many now serve in key leadership positions in nations throughout the Indo-Pacific. Those advantages, and the Center’s focus on substantive and sustainable outcomes, have broadly improved security sector governance. Specifically, this organization is leading the DoD in the implementation of UNSCR 1325 (Women, Peace, and Security) and the U.S. National Action Plan to achieve greater inclusion of women in the security sector.

Joint Enabling Capabilities Command (JECC): USPACOM continually benefits from the expertise and responsiveness the U.S. Transportation Command’s (USTRANSCOM) JECC provides to Combatant Commanders world-wide. JECC recently demonstrated the ability to respond effectively to time sensitive, real-world operational requirements of USPACOM and U.S. Forces Korea (USFK), specifically with surge support of dynamic targeting and contingency planning efforts related to DPRK provocations. JECC’s deployable support teams remain critical to USPACOM’s ability to establish joint force headquarters rapidly, fulfill Global Response Force (GRF) responsibilities, and bridge joint operational requirements by providing mission-tailored, ready joint capability packages. JECC supports real-world contingencies, operational plans, and exercises, to include USPACOM’s high-end PACIFIC SENTRY series.

Logistics Support Agreements (LSAs): USPACOM continues to view LSAs as critical Theater Security Cooperation (TSC) enablers, with 16 logistics agreements in the region. We continue to actively work with eligible but as yet uncommitted partners to conclude as many of these agreements as possible, and I personally stress their importance in my engagements with partner country leadership. The logistics agreement with Japan was especially useful during the Kumamoto earthquake disaster in 2016, and the logistics agreement with the Philippines was absolutely crucial in our support to the Marawi counter-terrorism operations last year. I often share these success stories with our partners and ensure they understand that the ability of U.S. forces to provide support during a crisis or disaster is limited without an LSA in place.

Pacific Area Senior Officer Logistics Seminar (PASOLS): PASOLS is an annual forum that brings together senior logisticians from 30 countries in the Indo-Pacific. The goal is to strengthen regional cooperation, improve interoperability, and develop partner capacity to

cooperatively address regional challenges. The Republic of Korea hosted PASOLS 46 in September 2017. PASOLS is our most important annual logistics engagement event.

Conclusion

U.S. interests in the Indo-Pacific are real and enduring, while the growing challenges to our interests are daunting and cannot be overstated. In order to deter potential adversaries in the Indo-Pacific, America must continue to invest in critical capabilities, build a force posture that decreases our vulnerabilities and increases our resiliency, and reassure our allies and partners. Simultaneously, we must also encourage our allies and partners to be full and cooperative partners in their own defense and the defense of the free and open international order. America's resolve is strong, and it is imperative we continue to show our resolve and commitment to the region in the years to come. I ask this committee to continue support for future capabilities that maintain our edge and prevent would-be challengers from gaining the upper hand.

Thank you for your enduring support to the USPACOM team and our families who live and work in the Indo-Pacific – a region critical to America's future.