[H.A.S.C. No. 109–102]

HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

FULL COMMITTEE HEARING

ON

BUDGET REQUEST FROM THE U.S. PACIFIC COMMAND AND U.S. FORCES KOREA

HEARING HELD
MARCH 9, 2006

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FISCAL YEAR 2007 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST FROM THE U.S. PACIFIC COMMAND AND U.S. FORCES KOREA

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, March 9, 2006.

The committee met, pursuant to call, at 9:41 a.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The hearing will come to order.

This is the committee's hearing to review the posture of our unified commands for fiscal year 2007, and our guests this morning are Admiral William J. Fallon, United States Navy commander, U.S. Pacific Command; General Burwell B. Bell, III, United States Air Force, commander, United States Forces Korea, commander, United Nations Command, commander, Republic of Korea, United States Combined Force Command.

Admiral Fallon, welcome back.

Let me also welcome General Bell in his first appearance before the committee as a commander of U.S. Forces Korea. We all look forward to your testimony and appreciate your appearance this morning.

For the last few years, the public's attention has been focused on the Middle East. That is understandable, but it should not distract us from national security issues in the rest of the world.

Developments in the Pacific are as crucial to our future security as the operations in Southwest Asia. The Global War on Terror is just that, and many of our ongoing efforts to combat extremists are taking place in Asia and the Pacific. Indonesia, the Philippines and the waters of the South China Sea continue to be home to terror groups that seek to do harm and further extremist ideologies.

Natural disasters such as the December 2005 tsunami and the recent mudslides in the Philippines highlight the need for ready, responsive forces to come to the aid of our friends and allies in the region.

Fortunately, our combatant commanders recognize the challenges in their respective areas of responsibility and are working to get ahead of threats and prepared for unexpected challenges.

And, you know, I think the world was amazed at the time when we are engaged as heavily as we are in warfighting theaters, in Iraq and Afghanistan, and carrying on the war against terror

around the world, that when the tsunami occurred and the mudslides occurred and the other things occur, you do not see people wearing the uniform of our European allies in great numbers. You see a few, a few, teams here and there.

But you see Americans. You see the American uniforms at the time when we have got these multiple burdens around the world, being able to respond to humanitarian requirements. It is quite an extraordinary reflection on what I would call the flexibility and the creativity and the broad base of the armed forces.

In addition to combating terrorism and providing humanitarian relief, our forces in the Pacific must also keep a watchful eye on developments in China. China's economic expansion and focus on military modernization continues, and recent comments made by the National People's Congress indicate that China plans to boost military spending this year by about 15 percent. This spending trend and the lack of transparency in Chinese intent fuels increased tensions across the Taiwan Straits.

Just this week, the Taiwanese president scrapped the symbolic unification council and drew angry warnings from Beijing. It is clear that situations such as this can escalate quickly and it threatens American lives and interests in the region.

Of course, the threats to our security do not stop there. North Korea now admits publicly what the intelligence community has concluded openly for years, that its possesses nuclear weapons in violation of all of its Nonproliferation Treaty obligations. Continued economic strain and Kim Jong-Il's "military first" policy keep South Korea and its neighbors at risk.

General Bell, I look forward to your assessment of the situation on the peninsula and your thoughts about the challenges the world faces in coping with nuclear North Korea.

No examination of the Pacific would be complete without touching on the recent discussions between the administration and India over nuclear technology assistant. Despite having a nuclear weapons program and not signing the Nuclear Nonproliferation Treaty (NPT), the President recently stated that India should receive the benefits and accept all the responsibility of the world's leading states with advanced nuclear technology.

Some feel that U.S.-India cooperation could help to assure India reliable access to nuclear technology for its energy needs and increase India's involvement in nonproliferation efforts. However, many argue that by cooperating with a known nuclear weapons state, which has refused to sign the NPT, the United States undermines the foundations of ongoing international discussions with other nuclear states, such as North Korea and Iran.

I think to the President's credit, we have to acknowledge that none of these problems and challenges come wrapped in neat packages. Nonetheless, this is an issue that is going to require, I think, a deep involvement by Congress and a fairly thorough scrutiny, understanding the President is undertaking this challenge in a very, very difficult set of circumstances as we watch nations emerge as weapons powers, nuclear weapons powers.

The recently released Quadrennial Defense Review and the fiscal year 2007 budget request reflect a global posture realignment to cope these many challenges. I am concerned, however, that these

adjustments add one more challenge to the equation, and it is unclear how this transition will be implemented. Military readiness must be maintained in this critical region, even during the Navy's realignment of forces, the Air Force's downsizing and the Army's transition to modularity.

And, pardon me, General Bell, I think I recognized you as the United States Air Force General and right after you were telling me about the extraordinary adventures of the 173rd airborne.

General BELL. Sir, we are all joint, and I am honored.

The CHAIRMAN. I knew you would say that.

Gentlemen, you are all on the front lines of dealing with those threats and reversing those trends before the result in full-fledged threats to the security of the United States. So we look forward to hearing how your commands are fairing in the face of these challenges. So, thanks for being with us and being with us at a time when we are attempting to readjust, realign and transform our services but facing probably a set of challenges that has never been more complex. Before we recognize our guests for their statements, let me go to the ranking Democrat on the committee, my partner, the gentleman from Missouri, Mr. Skelton, for any remarks he would like to make.

[The prepared statement of Mr. Hunter can be found in the Appendix on page 51.]

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SKELTON. Mr. Chairman, thank you, and I join you, Mr. Chairman, in welcoming Admiral Fallon, General Bell. It has certainly good to see you today. We are especially proud of young men and young women that you lead, and we thank them for their service.

Today, the Pacific region is a critically important part of the world. We face an enormous number of serious security challenges, and yet I am concerned that our involvement in Iraq and in the Middle East has preoccupied us away from the Pacific region's rapidly changing strategic landscape. Our role in Iraq and the Middle East is very vital, as we all agree, but we must have a broader focus. It seems we should be doing much more in the Pacific region to ease tensions at flashpoints, cultivate strategic partnerships, build local capacity, prevent terrorism, proliferation of weapons of mass destruction, of course, violence and instability.

We need a sophisticated, long-term strategy in the region that is well coordinated, and unfortunately, I do not see it from the administration. So hopefully you can tell us what we can do here in Congress to help in that arena. I continue to think, Mr. Chairman, that the Taiwan Strait is one of the most dangerous places in the world, given the potential for miscommunication or miscalculation.

Just days ago, as you mentioned, Mr. Chairman, Taiwan's president announced the National Unification Council ceased to function, inviting a sharp response from Beijing. At the same time, China recently revealed the biggest increase in its defense budget in four years.

Economic ties between China and Taiwan, between China and America continue to grow, and this could lead to cooperation in a number of other areas, but we cannot rely on economic relations alone. We must actively pursue other opportunities for cooperation that will lead China to increase its transparency, engagement in regional confidence-building measures and contributions to other security goals.

Combating terror and the proliferation of mass destruction weapons should be central to the American-China strategic partnership, and addressing the avian flu and other health environment concerns should be a priority, given the serious security implications.

I also believe we cannot afford to take our eye off the South China Sea. Many experts warn the potential for conflict there is greater than in the Taiwan Strait. I am also very concerned about the Six-Party talks with the North Koreans over the nuclear weapons program. These talks have been stalled now for several months, and yet North Korea may have at least eight nuclear bombs. What should America be doing to move along these talks, and what is the Pacific Command and the U.S. Forces Korea doing to prepare for all possible scenarios on the Korean peninsula.

In addition, our relations with Japan and South Korea, two longstanding allies, cannot be more important than they are right now. They are involved in the North Korean talks, we share a number of key security goals. And so what are we doing to ensure those relations with those two allies to make sure they remain strong?

India, the president, as you know, just came back from India and gave a few of us a recent briefing in the White House, and it continues to be an important U.S. partner in the region. Since 2001, American-India relations have flourished, including in the area of defense. Yet India has the nuclear weapons that it has tested in the past. It has never signed the Nuclear Nonproliferation Treaty. Despite that, the administration is pushing an agreement that would give India nuclear power.

Many experts warn the deal could enhance India's ability to make nuclear weapons, ignite a regional arms race and strain American relations with other regional partners. It could also create undesirable precedence and make it more difficult to curb proliferation of weapons. I hope you will share your thoughts on the regional security risk you think the nuclear deal with India might create.

Finally, Mr. Chairman, we face serious challenges in Southeast Asia, particularly the Philippines and Indonesia with the threat of terrorism, violence, instability. We were reminded of this last October following the Bali bombings, but we must have more efforts in Southeast Asia and make that a higher priority.

The Pacific Command did a tremendous job responding to the 2004 tsunami in Indonesia and recent landslides in the Philippines, and we compliment you for that. These types of efforts are important to bolstering strategic relationships and improving security cooperation. Again, I hope you will offer your thoughts on what we need to be done in the future. Admiral Fallon, General Bell, we are very, very pleased to have you with us today. Mr. Chairman, thank you.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 53.]

The CHAIRMAN. I thank the gentleman.

And just on a notice note, the gentleman from Missouri, Mr. Skelton, and I are going to host an informal breakfast for all the committee members with Secretary Rice and her staff who worked the India deal to come down and talk to us candidly and let us ask candid questions about that issue. So we will try to do that in the next week or two at a breakfast, and we will make sure everybody gets a notice on that.

Well, thank you very much, gentlemen, for being with us.

And, Admiral Fallon, the floor is yours, sir.

STATEMENT OF ADM. WILLIAM J. FALLON, COMMANDER, U.S. PACIFIC COMMAND, U.S. NAVY

Admiral FALLON. Thank you, Mr. Chairman, Mr. Skelton, distinguished members of the committee. It is a great honor for me to be here this morning representing the men and women of Pacific Command to testify regarding the posture of U.S. forces in the Pacific and the security situation throughout the Asia-Pacific area.

I would characterize the Pacific region as one of exceptional dynamic activity, very vibrant economic growth and overall an optimistic outlook is shared by the majority of people in this region. Nonetheless, there are some long-standing frictions and challenges that remain and some newly emerging concerns that I would be happy to discuss with you.

First thing I would tell you is that in the year that I have been on the job I now recognize the vast size of this area, immense indeed. More than 50 percent of the surface of the Earth and 60 percent of the world's population live in the Asia-Pacific area. And I have traveled extensively to try and see firsthand just what is going on and to personally better understand the security situation out there.

It seems to me that there are several priority tasks. The first one being to maintain long-standing alliances with some of our critical allies in the region and partners in many endeavors throughout the region and the world and to help to try to build capacity in particularly the developing countries of this region so that they can better deal with the security situations in their own countries. Of course, we are also trying to, at the same time, transform our U.S. force structure and work with our allies as they, in fact, undertake transformation of their militaries as well.

There are certainly some long-range concerns—the situation on the Korean peninsula, the emergence of China, the continuing friction in the Taiwan Strait—but balancing that against some very optimistic developments—the new relationship with India and I particularly cite the changes in Indonesia as areas of particular hope and expectation.

We are currently supporting the efforts in the Central Command area and Iraq and Afghanistan with many thousands of troops, forces from all the services that are based in the Pacific region that are currently serving with distinction in the war zones.

I would tell you that the number one priority for our region as well as CENTCOM is the Global War on Terror. I would also tell

you that the focused areas that I have our people working are continuing to address the readiness of our joint and combined warfighting capabilities to ensure that our operations plans, contingency plans are actually credible, to look into these things and make sure that if we are on the hook to do things, that we can in fact feel confident that we can execute these responsibilities.

We are also working very hard throughout the region to advance our regional security cooperation with partners, large and small, because I think that at the end of the day it is really essential that we help people throughout the region to be secure in their daily lives. Because it is pretty obvious to me that without fundamental security and confidence in their ability to exist day to day we are unlikely to see the growth and development, either individually or collectively, in these nations. And so we have an awful lot of effort going on in countries throughout the region.

Finally, and certainly not least important, is that we are working every day to try to posture our forces as we look to the future so that they will be able to respond quickly and as required to meet any emerging security challenges.

I think I will knock it off here, and just with a sincere thank you for your support to our men and women. I know that all the soldiers, sailors, airmen and Marines, civilians from the Department of Defense and our good friends in the other agencies that we work with hand-in-glove every day, thank you for your staunch support of their efforts day in and day out, and I want to thank you again for the opportunity to be here testifying in front of you today.

I would be pleased to respond to whatever questions you may have.

And, Mr. Chairman, if I could ask that my written testimony be entered into documentation here.

[The prepared statement of Admiral Fallon can be found in the Appendix on page 60.]

The CHAIRMAN. Without objection, all written statements will be taken into the record.

Thank you, Admiral Fallon.

Admiral FALLON. Thank you very much, sir.

The CHAIRMAN. Well, thank you, Admiral Fallon.

General Bell, you wear a lot of hats. Good morning.

STATEMENT OF GEN. B.B. BELL, III, COMMANDER, UNITED NATIONS COMMAND; COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES COMMAND; AND COMMANDER, UNITED STATES FORCES KOREA, U.S. ARMY

General BELL. Good morning, Mr. Chairman. I need to work on that airborne badge, though, and I promise you I am going to relook at my deficiencies and see if I can make an improvement. That is the one hat I am not wearing for you today, sir.

The CHAIRMAN. You only need five, count them, five.

General BELL. Yes, sir. Yes, sir.

Mr. Chairman, Representative Skelton, distinguished members of the committee, it is truly my pleasure to before you today representing the service members, Department of Defense civilians who serve in the Republic of Korea (ROK). On behalf of these out-

standing men and women, I really do thank you for your continuing support.

And for the record, sir, I, too, would like to submit my posture statement. I appreciate that.

The CHAIRMAN. Without objection, it will be taken in.

General BELL. Since I assumed command in Korea last month, I have assessed the Republic of Korea military capability and that of North Korea, and it is my belief that our alliance with the Republic of Korea remains strong as a key strategic partnership for the United States as well as for the Republic of Korea (ROK).

The ROK-U.S. alliance provides a true pillar of stability in Northeast Asia while it continues to deter North Korea. The ROK-U.S. Mutual Defense Treaty relationship has progressed from what was a single-purpose military alliance into a much broader alliance based on shared democratic values and common interests. And although the United States, indeed, has many ongoing global commitments, I am convinced that we must continue to stand with our South Korean partner to deter aggression on the Korean peninsula. And in doing this, we are also going to continue to substantially contribute to regional stability.

The success and prosperity of the Republic of Korea reflects the result of a half century of American commitment. Since the Korean war, the alliance has maintained a security environment favorable to the development of what is a remarkable free-market economy, as well as a free and democratic society. Today, South Korea is a world economic leader. They are our close friend and our partner.

One-quarter of the world's economic output is generated in Northeast Asia, and the Republic of Korea ranks as a seventh largest trading partner. United States trade alone in that region exceeds $500 billion a year.

Now, as you know, our nation is currently entering into negotiations for a free trade agreement with the Republic of Korea, and I think all of this is good for us here at home as we continue to trade in a global economy.

Meanwhile, the Republic of Korea military is on a solid path to modernization and transformation; there is no doubt about that. And it continues to assume very tough missions from the United States, which heretofore we could only accomplish, in my view. It has my assessment that today, and with our help, the Republic of Korea is fully capable of defending itself against North Korean aggression.

In contrast, North Korea is a significant threat that must still be deterred. North Korea's Kim regime continues to build and sustain a military arsenal far beyond its requirements for self-defense at the dire expense of its own people's well-being.

The North's military is located forward along the demilitarized zone, and it is positioned to strike well within range of Seoul where about half of South Korea's 48 million population resides. North Korea's missile inventory and its self-declared possession of nuclear weapons threaten the Northeast Asia region and beyond. North Korea proliferates a range of weapons and technology, and it appears willing to sell to anyone.

As North Korea continues to proliferate and pursue WMD capability, they may eventually threaten the continental United States and indeed the entire world.

As you know, the United States and our allies have attempted significant engagement efforts with the North, and we will continue to do this in the future. But North Korea delays discussion, breaks commitments and disregards international standards of behavior. The Kim regime prefers to pursue its own ends regardless of the good-faith efforts of the United States and other regional actors.

With the reality of North Korea ever present, there is a desire by the Republic of Korea to see our half-century alliance mature and adapt to its contemporary and foreseeable security requirements. I think this approach is reasonable and healthy. As we support the ROK's desire for a greater role in its own defense, we also compliment our efforts to meet out our transformation objectives.

In the past few years, we have begun of reposition our forces south of Seoul, redeploy selected units to our home shores and return valuable land to the Korean people in the south. This process will continue over the next few years.

Recently, the ROK government has asked us to revise the command structure which characterizes our current military relationship should war break out on the peninsula. Today, the alliance calls for a combined or equally shared operational command arrangement between our two nations, under my leadership, as the Commander of Combined Forces Command.

In the future, South Korea would like to move to a command arrangement where they would independently direct combat operations of their forces. United States forces would therefore transition from our current equally shared command relationship to more of a supporting role.

The ROK military is modern and capable, and my assessment is that this arrangement will make sense for both of our nations, while continuing to effectively deter and ensure victory should deterrence fail.

In the future, to support the Republic of Korea's desire to exercise independent combat command, I envision U.S. military support to the alliance to be air and naval-centric. And as I see it, our past commitment to the Republic of Korea and the region has significantly benefited our nation as well as the Republic of Korea. Throughout our history, the United States has prided itself on the promotion of democracy, free-market economies as a celebration of individual freedoms and rights and the propagation of peace and stability.

The ROK-U.S. alliance demonstrates our continued pursuit of those ideals and we have been successful.

Sir, that is my current assessment. I thank you for the opportunity to appear before this committee, and I do look forward to answering your questions.

Thank you very much.

[The prepared statement of General Bell can be found in the Appendix on page 85.]

The CHAIRMAN. General Bell, thank you.

And, Admiral Fallon, thank you for your opening statements. And I am going to pass on my questions and I will have some ques-

tions at the end to try to make sure all of our members get a chance to have a discussion with you.

The gentleman from Missouri, Mr. Skelton.

Mr. SKELTON. Thank you, Mr. Chairman. I will ask only one question, as we speak, and I will have a number of them at the end of the hearing. And I suppose it could be addressed to both of you, but how much should we be concerned with the recently reported increase in China's defense spending and what does that mean for us? Admiral Fallon, and then General Bell.

Admiral FALLON. Mr. Skelton, it is a concern, because it is following a pattern of increasing amounts of money, and it is about 15 percent that has been announced. It exceeds their gross domestic product (GDP) growth, which is impressive, nonetheless, for the past decade. It almost doubles the GDP growth.

So the challenge that I see is not so much in the aggregate amount of that because they are still a fraction of our defense expenditures, a small fraction. But the challenge that I have is the lack of transparency and dialogue with the Chinese and what their intentions are.

Very clear to me that a lot of the acquisition of hardware of late appears to be directed to affect military activity, vis-a-vis Taiwan. And also, a lot of this appears to be aimed at countering our ability to respond to that challenge.

So in the absence of much dialogue, we are left to ponder just what is going on.

Again, the numbers and the amount of this equipment is relatively small compared to ours, but it is a pretty steady growth, and I would sure like to have a better understanding of what their intentions are.

General BELL. Sir, I could add that I have looked in some detail at the relationship, militarily, between the PRC and the North Koreans, and I can report to you that the level and engagement from a military perspective is quite low and, as such, a positive situation, in my view. They rarely exercise together, there is no known, to my knowledge at this point, major weapons sales, contracts, et cetera, the exchange of military personnel, which you might see between allies, is very, very low.

And so although they do share in a friendship treaty, the amount of military support that the PRC provides to the North is minimal, and I think at this point represent a good-faith effort to keep a lid on North Korean expansionism, proliferation, et cetera. And I would encourage us to continue to work with the Chinese through all the methodologies to make certain that it stays that way.

Mr. HEFLEY [presiding]. Well, excuse me, I guess it is my turn now, since Mr. Hunter left.

Admiral Fallon, you mentioned readiness. You are going around the Pacific trying to see for yourself about the readiness and so forth. How are we from a readiness standpoint? Of course, that is a committee that I Chair and have the deepest interest in.

Such things as our preposition equipment, which we have taken a lot of it, I think, to fight the war and the O&M budget, which we are always running behind. Do you have the resources you need to properly train, maneuver, prepare for whatever contingency is out there?

Admiral FALLON. Yes, sir. The short answer, Mr. Hefley, is that I feel we do have the resources to do what needs to be done to keep our forces ready. We have been concerned about the drawdown of prepositioned (PREPO) stocks, and we have been extensively discussing this with the services, particularly the Army and the Marine Corps. And we are confident that the plan that is in place to replenish those stocks is sufficient for our needs.

I will tell you that my detailed look at this has me convinced that the smart thing to do for the Nation is not to demand an immediate fill up of all these things with the material that has been removed. Because I know that a substantial amount of this material, weapons and other stocks, are going to be replaced with more modern equipment.

And so I have not put a huge demand signal on the services to immediately refill the stocks, because I know that some of these things are in the initial stages of procure, but I am satisfied that we have got enough should we need to respond right now. And the forces have been adequately resourced.

We do have a significant number of our forces that are deployed, and have been deployed, and are rotating through the active combat areas in Iraq and Afghanistan. But the result of this is that while we do have forces out of area they are contributing to the war effort in the near term and the training, on-the-job training they get, their real readiness has certainly increased based on their experience in the war.

So the units we get back in the theater and probably more responsive to our needs should they be called upon. So the bottom line is I think we are in good shape on readiness.

Mr. HEFLEY. Okay. Well, you know, you guys have the tendency, and it is a good tendency, to make due and go do the job with whatever they give you. But, please, let us know where any deficits are so that we can work with you to make sure that we are ready.

General Bell, sometimes we get the impression that there is a question about how badly the South Koreans want us there, and I know that street demonstrations do not tell the full story. But, now, you have been there a short time but long enough to get a feel for it. What is your evaluation of this, what is your sense of this?

General BELL. Thanks, Mr. Hefley. I will give you my assessment. I am very optimistic, by the way.

First, just to give you a sense of where the general polls are, and I guess polls can tell you whatever they want them to tell you, and you all perhaps know more about polls than I do.

But I am going to tell you about a poll that was recently conducted by a credible source in the Republic of Korea, which demonstrated that 77 percent of the population of the Republic of Korea favors U.S. continued presence, favors a strong alliance with the United States. And I think that is indicative of what I have seen in the month that I have been there.

So at the baseline, and there are other polls out there that show the same thing—this is not an anomaly at all. I will tell you that the Republic of Korea is a thriving democracy. It has all the apparatus of democracy that you would expect, not unlike what we have here in the United States. They have got a range of political par-

ties, they have got different perspectives in those parties, and they debate the issues in public. When it serves the needs of one of the parties to attempt to gain favor with the population, if they can raise issues about the alliance and if they believe that that will produce some favoritism, they have perhaps in the past raised issues about the alliance and U.S. presence.

But in the end, the government that has been elected there and the officials that I meet with, including the highest levels of their government, have the same principles that we have seen over the years: One, deter North Korea and ensure that there is no conflict on the peninsula. Peace is in everybody's interest, and you just cannot buy peace; you have to have peace through strength, and the Republic of Korea understands that clearly.

They invest significantly in their military force for that purpose. Their GDP commitment to their military is higher than almost all of our European allies, and so there is a real monetary commitment to defense. Their purpose is the same as ours, to denuclearize North Korea, and they state that publicly and they help us toward that end.

So my assessment would be while nothing is an easy day today, necessarily, I do celebrate, in many respects, in fact in all respects, the operation of a democracy, free people, freedom of press, freedom of speech, all working in that area of the world wherein democracies over the years have not always flourished.

And so I am optimistic. We have some issues; we are working through them. They get debated in the public arena. But they are the kinds of the issues we would expect when dealing with a good friend and a good partner.

Mr. HEFLEY. Thank you for that, but one last question. You are going to move a lot of our footprint out of Seoul, I understand. In recent years, we have struggled to put money into the command there so that it is better living conditions and so forth. And it has been a struggle. I mean, there are not any South Koreans that vote in any of these districts, and it is hard to get the military construction (MILCON) necessary.

But as you move, are the improvements that we have put in in the last few years, are they going to the South Korean military or were many of those put in to where you are going to go?

General BELL. Sir, that is a great question. Let me attack it from a couple of angles. Since 2003, we have very judiciously, in my view—I have looked at it very carefully and I have walked the ground—attempted to ensure that any military construction that comes out of U.S. funds is located on enduring installations that we intend to occupy and be in into the foreseeable future.

I can tell you I just last week walked the halls of a new family housing unit at Camp Humphreys, exactly center of mass of one of our enduring installations in a project that was approved several years ago.

So, first and foremost, I want to assure you that for at least the last three years and now into a fourth year, we are very careful before we ask for military construction to ensure they will be at our enduring installations.

Now, second, our training areas that we will retain we are still asking for MILCON in some cases to upgrade our training areas.

Sir, I will not tell you that in the past we have not built things at, say, Camp Casey, a place that we do intend to leave and go south of Seoul. I will tell you, however, that the South Korean government is helping us measurably in this effort. They are paying for the vast majority of our move south. Over $4 billion of investment by the South in infrastructure and move costs to move the U.S. military south is being borne by them.

They have already spent $1.8 billion of that $4 billion commitment, and I think, sir, that is a magnificent demonstration of burden-sharing. Their annual burden-sharing outside the move but just burden-sharing is in excess of $500 million a year cash on a barrelhead to United States operations in that area of the world.

So our ally is putting their money on the table to assist us, and I want to assure that as I ask you for some money in the future, that I will only put it where I know we are going to be enduring, where it makes sense for the American taxpayer and where it is justifiable.

Mr. HEFLEY. Thank you very much.

Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

Admiral Fallon and General Bell, welcome to our hearing today.

I know, Admiral, that they touched on the status of the preposition stocks. I know that has been a problem, and we know that we are beginning to see some hotspots in Pakistan and Indonesia. Are you satisfied with the preposition stock that we have now?

Admiral FALLON. Yes, sir. We found a problem a little over a year ago in the maintenance of some of the PREPO stocks, particularly the stocks that were in Korea and earmarked for Korean contingencies. And it had to do with relatively small amounts of money and attention to detail. I feel confident that that has been addressed.

I have gotten a detailed rundown of each of the issues in that regard, and from that perspective, I have got a new chief of logistics, an Army one-star, a great big guy, a very sharp guy, and he has been bird-dogging this stuff, and we feel very comfortable.

I will ask General Bell for his comments too.

Mr. ORTIZ. General.

General BELL. Sir, I think this is a story I ought to share with you because it is a good news story and we appreciate it.

Some of our PREPO equipment in the Republic of South Korea, which is there for an immediate warfight, is centered around what we call a heavy brigade combat team, armor and mechanized infantry combat team, or PREPO. There are other pieces of PREPO, precision munitions, bombs and these kind of things, but the core element is this Heavy Brigade Combat Team (HBCT), we call it, heavy brigade combat team.

On inspection a little over a year ago, some of that equipment was found to be wanting. I can give you lots of reasons. Part of it was that we were deploying an organization to Iraq out of Korea, from the 2nd Infantry Division, a brigade. Some of the equipment that was in PREPO was used to get this brigade in exactly the right configuration, so there were some issues. But let there be no doubt that there is a reasonable perspective that we did not pay

the degree of attention to that equipment over the years that we should have.

What we did last year, just a bit over a year ago, was triple the amount of maintenance money that we are using to keep that brigade combat team ready, from about $14 million to about $42 million a year in direct funding to do the maintenance on this equipment as it sits in these sheds, et cetera, et cetera.

We hired 160 additional civilian employees, mechanics, to work on the equipment to make sure it is in a high state of readiness. We have instituted a pretty aggressive effort to not only read our readiness reports but also to exercise the equipment.

The heavy brigade combat team right now readiness rates that I am receiving from our Army Materiel Command are in excess of 90 percent; in fact, higher than that. I will not give you an exact number here, but they are very impressive numbers. Our exercises that we are doing will test some of these in a more tough field environment.

But the facts are that we have put a lot of money into ensuring that this equipment is maintained, and we have a checks and balances program to make sure that we are not kidding ourselves. I am very comfortable right now that we have put the attention into this equipment that we should have and that in the last year we have made enormous progress.

And I will keep this committee posted if there are issues with additional funding, but right now this tripling of funding that we have put into that set has made a big difference, by all measures.

Thank you, sir.

Mr. ORTIZ. Another question that I would like to ask, I know that you do have the pre-stock, what you think is adequate. How about your sustainability? How long can you sustain in case something breaks up? We have got North Korea and we have got all those hotspots. For how long can you sustain yourself?

General BELL. Let me go just a bit afield on you, and then I will come back and answer your question. If a war were to break out in Korea today, if our deterrent regimen with our ally were to fail and they were to attack, this war—and, obviously, I will not get into the specifics of a war plan—but this war would be first and foremost fought our Republic of Korea ally principally. Their army on the ground is in excess of 500,000 active duty, and they are on the line, and they are ready. They have got three field armies fielded. They have got a large air force with over 600 aircraft with very modern fighter aircraft—F–16s, F–15s, et cetera—ready to fight. They have got a good navy and an excellent marine corps.

So on the ground, sir, they will accept the brunt of the fight initially. It is not going to be like 1950 when the military was not ready. This is a ready outfit. They have taken many missions from us, and they are very good.

Meanwhile, the United States is prepared to respond, first and foremost, with an aggressive air campaign that, in my view, like one of our core competencies would be extremely effective in blunting any kind of invasion of the South. Likewise, our naval forces, et cetera, et cetera.

So I am not telling you that we do not need a lot of supplies to sustain operations, but, sir, what I am telling you is that we envi-

sion a war in Korea—first, we do not want a war in Korea. We want to deter and we want North Korea to join the peaceful community of nations. That is our objectives. We want them to denuclearize.

But should they miscalculate, I do not think you are going to see a war like 1950, sir. I think you will see it concluded on the alliance's terms fairly quickly.

Having said that, we have sufficient stocks to sustain U.S. forces for the length of time that we need to. I believe the Republic of Korea needs to continue to invest in stocks to sustain their military. I would not tell you that in my assessment that they have finished procuring the kinds of materials that they need to sustain a war over a longer period of time.

But, again, I have got a lot of confidence in our capability, and I look at it every day, sir.

Mr. ORTIZ. Thank you. I just have one short question, and I think that you are having problems with training ranges. They are small. How can we help you there, because we need for your troops to be adequately trained, and if you do not have enough land to train, is that causing a problem?

General BELL. Sir, we have issues with training ranges. I do not want to get laborious here. I will talk all day about great military and pretty proud of it.

I like our ground training capability. It is good and getting better. I would love a place the size of my home state of Tennessee to train in, but we have lots of ways to train where we do not need a place the size of the state of Tennessee. We have got good ground combat ranges. We are investing in them. This year, I have got in the budget request about $4 million requesting upgrades of three ground ranges that are for our exclusive use that will continue to help us in our training environment.

Our issue in the Republic of Korea today is air training, the training of our air ground capability, our fighter aircraft to delivery bombs on target. We do not have the ranges that I believe are required to ensure our competency day to day.

Now, we are negotiating, working with and trying to resolve this with our Republic of Korea ally. We had the ranges that we needed until several months back. We are transitioning to a new range complex, and we were under the belief that that transition would go very quickly and that we would begin to use a new range complex with scoring targets, et cetera, et cetera, so the pilots could grade their performance, et cetera.

We have not gained access to that range yet. It is an issue, and I am working on it. In the interim, we have other training opportunities off the peninsula for our aircraft that we are using to ensure that our readiness is maintained at the highest levels.

But, sir, we do need access to these air ground training areas, and I anticipate getting that access in the near term.

Thank you.

Mr. ORTIZ. Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Saxton.

Mr. SAXTON. Thank you very much.

General Bell, I would just like to follow up on Mr. Ortiz's last question and just allow you to expand on your needs. As we spoke

before the hearing, you indicated to me that there were some things that were issues that you wanted to explain to us, and if you would just take this opportunity to go ahead and do that.

General BELL. Sir, I think the issues that I have deal more with North Korea. If I could get off into that area just a bit——

Mr. SAXTON. Yes, sir.

General BELL [continuing]. I would appreciate it.

You know, we have worked, as I said in my opening statement, pretty hard, the international community has, since the North became one of the great proliferators of technology, of missiles and self-declared nukes, at least the development of nuclear weapons. And we have tried in good faith to find resolution of that. The North Koreans have, on some occasions, come forth and appeared to have negotiated and work with the six parties—the other five parties in good faith, only then to retrench and put another demand on the table. And so it is a matter of concern.

And in this world in which we live today, proliferation of technologies to countries around the world has got to be a great concern for all of us, and North Korea continues the development program. Only in the last couple of days they have again tested short-range ballistic missiles that are in fact a quantum leap forward from the kinds of missiles that they produced in the past, solid fuel missiles that have great reliability, are easy to move around a battlefield, have higher accuracy potential, et cetera, et cetera. They are routinely testing these.

So one could expect that if they chose to proliferate these, that they have got a system that is working pretty well and that they would have a buyer out there.

So this kind of behavior is unnecessary in the world today. It is time for North Korea to enter the peaceful group of nations that seeks to empower their own people to be free and to raise their kids in a safe and secure environment. And I think that the United States, with our leadership and with the other members of the six parties and with the rest of the international community, has to remain strong in this regard.

It has worked effectively since the end of the Korean War, and we need to continue to be very cautious as we deal with the North. I do not think that they deal in good faith in these meetings. There is no major indication of good faith here. They still have the capability to produce plutonium from enriched uranium that has been run through a reactor. They have a reactor. The began construction on a large reactor some years ago, which is now not being worked on but there it is.

So my biggest concern remains a continued effective deterrence with respect to North Korea. We need to continue to engage North Korea. I think the Six-Party talks is a good forum to do that. We need to gain international consensus on this issue. We need to confront those who are buyers and make certain that we make it hard for them to buy. We need financial penalties, we need economic penalties, et cetera, et cetera.

So my biggest issue is that after all these years it is time for North Korea to become a peaceful nation and to join the community of nations instead of continuing to be, if you will, a rogue na-

tion that proliferates in a world that does not need that kind of proliferation at this time, sir. I apologize for ranting and raving.

Mr. SAXTON. No, sir. We need to hear that. Thank you.

Mr. HEFLEY. Mr. Taylor.

Mr. TAYLOR. Thank you, gentlemen.

I am going to throw a scenario at you. I guess everyone has got a different view of what they think the assassin's mace is. If Chinese make their move against Taiwan, simultaneously, the Koreans decide to invade the South, and just for good measure, since we have realized how vulnerable the city of New Orleans is, they send someone over with a gasoline-powered auger, a few sticks of dynamite and they blow the levee again. So we simultaneously have a situation in the Far East, 500,000 people sitting on rooftops.

And what really struck me last fall was, apparently, how we are running a just-in-time military on things like generators, tents, meals ready to eat (MREs). And just-in-time works find in peacetime in ideal situations, but you start changing the equation with an unanticipated disaster and just-in-time does not work.

So under that scenario, General—and let's just say the Chinese have now fielded a few pretty good diesel subs that have done a pretty good job of disrupting the sea lanes. So on just basic things like MREs, water, generators, tents, how are your troops able to take care of themselves for the first month?

General BELL. Sir, we have——

Mr. TAYLOR. Given this scenario: You have got 500,000 screaming civilians in the city of New Orleans, you have got a situation off of China, you have got, what 36,000 combat troops that you have got to take care of.

General BELL. Sir, we did have 36,000, you are correct. We are at about 30,000 right now because we are redeploying some of these troops. We are going to go to about 25,000. And I do not want to restate what I stated because I do not want to waste your time, but I do want you to know that we have the preposition materiel supplies that we need to sustain our force, in my view, adequately on the ground.

Mr. TAYLOR. May I interrupt?

General BELL. Yes, sir.

Mr. TAYLOR. And, please, with all due respect, whether you are for the war in Iraq or against the war in Iraq, I really do think it is fair to say that a hidden cost of the war in Iraq has been materiel. And I am not so sure those things are being replaced for whatever reason.

So, please continue. And I want you to convince me that I am wrong on that one.

General BELL. Sir, I would not endeavor to convince you that you are wrong, because we are fighting a Global War on Terror. It is expensive. We are consuming a lot of products, to say the least, and this is not an easy endeavor for the United States or the world community.

But what I want to share with you is that if the North miscalculated, I am absolutely convinced in a very strong way that we have what we need on the peninsula to defeat an attack by North Korea resoundly and quickly.

And a lot of this extends from the good work done by all of our predecessors over the last 50-plus years in assisting the Republic of Korea in building a military that is arguably one of the best in the world. What we wanted to do in this alliance is, one, produce a democracy, get the Nation back up on its feet and allow it to defend itself. It is now, you name it, the 10th, the 14th largest economic power in the world. It has got a magnificent modern military, and we are transitioning quickly to ensure that they take on the totality of the burden of deterring and defending.

So my sense is that we are postured well on that peninsula to deal with any contingency.

Mr. TAYLOR. General, if I may.

General BELL. Yes, sir.

Mr. TAYLOR. And, again, I heard you say that. I am not doubting your word. I guess just to allay my fears, how long could your troops be self-sufficient? If for whatever reason the sea lanes were blocked and other contingencies around the world were gobbling up supplies at an unanticipated rate, how long could your troops be self-sufficient? Nothing shows up to help.

General BELL. Sir, I would—and I know you think I am equivocating. I promise you I am not. The number of days of supply that I feel confident in that we can be self-sufficient, I would ask to inform you of that in a closed session or privately.

[The information referred to is classified and retained in the committee files.]

Mr. TAYLOR. I would welcome that.

Okay. So let's just an analogy that maybe you could answer in public session. Is that number the same as, more than or less than four years ago today?

General BELL. I would say that it is the same as four years ago today because our force is smaller and the Republic of Korea is much more capable today than it was four years ago when I was exercising with them as an army corps. They have taken over, for example, the counterfire missions, arguably the hardest mission for a land force to do in modern warfare is to understand what guns are shooting at you and return precision fire to destroy those guns. They have now taken that mission from us. And I went through their counterfire facilities just the other day. It is world class. They know what they are doing; they are very good.

The United States forces in Korea I do not believe are at risk in terms of lack of supplies, lack of materiel. Certainly, they are not at risk in terms of the training or readiness of the young men and women who make up our force over there. And I confident that the plans that we have in place could be executed and that we would be successful.

Having said that, I would not tell you for a second, sir, that life is perfect out there with wars going on in Afghanistan and Iraq. And things like this horrible tragedy in Louisiana and Mississippi and along the Gulf coast and for that matter in Florida where these hurricanes crisscrossed before they made landfall over in other parts of the Gulf coast.

And we do need to reinvest as a nation in many of the supplies and commodities that make certain that our military can sustain

itself. But irrespective of that, I have a lot of confidence about our ability on the ground, in the Republic of Korea.

Mr. TAYLOR. Okay. For the record, I would like that number in whatever manner you choose to present it.

General BELL. Sir, I will submit that to you.

[The information referred to is classified and retained in the committee files.]

Mr. TAYLOR. Thank you, Mr. Chairman.

Admiral FALLON. Mr. Taylor, could I offer a couple of comments?

Mr. TAYLOR. If the chairman permits it.

Mr. HEFLEY. Surely. Go ahead.

Admiral FALLON. Thank you, sir.

When I went into this job about a year ago, one of the first things that I decided to go take a real hard look at was exactly this issue of what kind of shape are we in to be able to execute our contingency plans, because my intuitive feeling for probably the same reasons that motivated your comments were that we had a pretty significant draw on equipment worldwide to support the effort in Iraq and Afghanistan.

And what I discovered was in fact this was true, that particularly for our rolling stock and related equipment there had been a significant pull. And the thing we discussed earlier, some of this was due to lack of availability. The equipment was actually there but not in the right maintenance condition. It needed to get fixed, and that has been done.

The other significant factor is regarding rolling stock. A lot of this equipment is planned to be replaced with upgraded equipment. This has to be funded. This is in the Army budget, the Marine Corps budget. I have seen the documents for this year, next year and the year after. It is going to be the ability to actually fill out those stocks is going to be contingent upon continued funding to do that.

I would like to address specifically one other area and that is ammunition. My command, the Pacific Command, put a significant demand signal on the ammunition folks to provide precision strike munitions in the last couple of years with the advent of Joint Direct Attack Munition (JDAM) and (JSAT) weapons, which came into the inventory a few years ago.

And so our requirements, if you would, change to larger numbers of these equipment. We do not have all of those weapons in hand. We have other weapons that could be used for the purposes that would be required. But the build programs, they are already funded, I believe will provide adequate supplies of those precision weapons over the next couple of years. The stocks are building quite rapidly, and I feel pretty comfortable there.

It is my responsibility as Pacific Commander to provide the support to sustain General Bell should he be in a warfight. I think the points that he mentioned about the preponderance of the ground effort being in the hands of the South Koreans, the ROK, is very significant.

The other point I would make is that the Pacific area is primarily an air and maritime theater, and, as such, our air and naval forces have not been nearly as heavily engaged certainly in Iraq and Afghanistan as the Army and Marine Corps. We would

expect to bring those capabilities to bear; that is the plan should there be a contingency in Korea.

I guess the other point would be that as we look to the future, as the potential for plans might be changed, we will still make sure that we can adequately support and sustain our forces.

You made the comment about the common things, things that people use everyday—MREs, water and generators. I am going to tell you that those specific items were exactly what was requested several weeks ago by our JTF Commander in the Philippines to try to respond to the humanitarian disaster.

And I will tell you that we had those supplies on hand. In fact, as I reviewed the bidding here last week, I went through the Philippines to see how and to congratulate our folks for a great job. In fact, they were back flowing exactly those commodities. So the fact that we were able to respond on very, very short notice, within 36 hours, to get that exact material on the ground from existing stocks in the western Pacific, I think, is a pretty good indicator that we are in reasonable shape.

Thank you, sir.

Mr. TAYLOR. Thank you.

Mr. HEFLEY. Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

Admiral, Chairman Hunter, in his opening remarks, commented about China has announced intentions to increase military spending, and we know that that is just kind of the tip of the iceberg, that what they are actually spending is several times greater than that.

What do you believe is the ultimate goal of their apparent attempt to build up a blue water navy? They do not need that for Taiwan. What is your assessment of their attempts to increase and build up their navy.

Admiral FALLON. Congressman Forbes, I do not know what their intentions are. That is the big question that we wish our intelligence system would provide for us, and that is clearly the most difficult thing to determine. It seems to me that the buildup of capabilities by the Chinese is, first and foremost, aimed at trying to facilitate their capability to move should they feel the need to do that. Against Taiwan.

And that presents Pacific Command particularly with a significant challenge, because at the same time that we want to encourage China to engage in a meaningful dialogue and to act in a manner that other nations in the Pacific region act on a daily basis. We also are very mindful of the fact that we are committed to defend Taiwan should they be attacked.

And so what I do with this is I look at the specific hardware acquisitions that are visible to us, that the PRC is investing in things that would be helpful to have them achieve this objective should they feel inclined of do it.

Hand in glove with that is the knowledge, I am sure, that we are committed to help Taiwan. And so the ability for them to counter our capabilities to attempt to neutralize our advantage in these areas in which we would respond also seems to be an objective of these purchases.

My sense is that this is generally aimed at the immediately vicinity of China and trying to build up their numbers and ability to deal with the Taiwan challenge and with our potential response to that.

Mr. FORBES. And I know that you mentioned that their capabilities were small compared to our capabilities still there, but have you made any assessment of the lethality that they would be able to bring to bear on the civilian population of the United States if, heaven forbid, we were to have a conflict of some sort with China?

Admiral FALLON. Yes, sir. You are certainly aware that the Chinese possess nuclear weapons, and they have the means to deliver those weapons by long range. That said, I do not see any indications whatsoever that their intent is to use those against the United States. My sense is that the overwhelming indicators are that their acquisitions are intended to enable them to respond regionally to their perception of need in that area and not aimed at the U.S.

Mr. FORBES. Last question I have is, as we did the recent Committee Defense Review (CDR), we heard all of our commanders say that both today and tomorrow there will be an increasing need to marshal the resources under the control of all of our agencies and not just traditional platforms and weapons systems. What do you see as the shortcomings that we currently have and being able to marshal all those resources? And do you have any suggestions for us to how we can do a better job in doing that in the future?

Admiral FALLON. Yes, sir. It is certainly a key item and I believe essential to success. If I could focus on the development of the emerging nations in the Asia Pacific region.

It is very clear that military can play a substantial role in providing the security backdrop to enable countries to deal with their challenges. But many of the skill sets that are necessary for these countries to be able to take care of the needs and their own within their own borders and to be able to provide for their own security rests with other agencies. And so we try to work very carefully.

I will tell you that in the Asia-Pacific area, the relationship we have with our ambassadors and the embassy staffs, and Department of State is superb. Hardly a day goes by that I am not in a dialogue with one or more of our ambassadors on some number of issues. We cooperate very closely.

And our ambassadors, of course, are the folks who coordinate the activities of other agencies of our government into activities within those countries. So of course there are going to be challenges because people are used to doing things within their own particular organizations. We have challenge among ourselves. But I will tell you that we actively engage in outreach. This past fall, the Department of State sponsored a chief submission conference in Hawaii in which we participated very actively, discussed a wide range of issues exactly related to these kinds of challenges.

I will tell you that in our tsunami response a year ago, a lot of the levers of capability that were brought to bear were not military. We facilitated the presence and sustainability of many of these resources, but many of the things that were brought to bear were from other agencies, and I think this went very well. We did a hot wash up and then a detailed lessons learned. We have blueprints

should we need to do this things in the future. And I think these kinds of activities have been very useful for us in getting a better understanding and actually having real solutions in hand to be able to make these things work.

Mr. FORBES. Thank you, Admiral.

Thank you, General.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

Admiral, to continue the discussion about China, in your written statement you talk about the—I believe you describe it as the advisability of having increases military-to-military relations with China. Would you talk about that a little bit more, both from your perspective about what it is that you need to do but also from Congress's perspective? Do you have everything that you need from us in terms of furthering military-to-military contacts?

Admiral FALLON. Yes, sir, be happy to talk to that. A little historical review here. Following the collision between the Navy EP–3 and the Chinese F–8 fighter in 2001, for all practical purposes, mil-to-mil engagement ceased with the PRC. Over the past year, we have been working to reestablish more engagements and closer ties through a whole range of endeavors.

Why? Because in the absence of some dialogue, I think we are likely to pursue parallel paths that are not going to be in the best interests of this nation. We need to understand what the Chinese are thinking. We need to understand and have an appreciation of their military leaders and the role that they envision playing in their own policies and in the engagement with the rest of the world.

As I travel through the region, there is not a stop that I make that I do not run into or have just come behind or coming after me Chinese representatives. They are engaged at every one of these countries in a major way, and it is in our interest to make sure that we stay engaged too.

The idea that I have seen demonstrated in other parts of the world, for instance, I spent a fair amount of time working with the NATO alliance in Europe. One of the major benefits of that engagement with our allies in that alliance is the fact that people share information with one another. Other people get a chance to sit and look and see what their neighbors or fellow alliance members are actually doing.

Dr. SNYDER. Well, where is the obstacle in the development of mil-to-mil relations with China? Well, part of our policy decision by our government that has now been changed. "The secretary of defense has supported my request to expand this engagement," and that is under way. There is one legislative restriction right now that is tied up in the 2000 National Defense Authorization Act that specifically prohibits certain activities that are more operationally oriented with the People's Republic of China (PRC). I have asked by members of the Senate my opinion of what we ought to do with that, and I am frankly considering just how to respond to that.

Would you provide that information to us in written form——

Admiral FALLON. Sure. Yes, sir.

Dr. SNYDER [continuing]. When you reach those conclusions, if you could get that to my office and the other offices here.

Admiral FALLON. Will do, sir. Be happy to take it for the record.

[The information referred to is classified and retained in the committee files.]

Dr. SNYDER. In terms of your broader view of a look at China, it has seemed like over the last decade, of course they have had tremendous economic expansion, that has contributed, it appears, to stability in the area. But then they also benefit, they still have hundreds of millions of people they are trying to lift out of poverty and get more stability in their economic development. But they still would benefit from the stability that comes from their economic development, from the U.S. presence.

How strong do you see the partnership is between our country and the People's Republic of China when it comes to contributing to the stability in the region?

Admiral FALLON. It is really an interesting situation. We have increasing economic, commercial ties in just about every sector of our national engagement, except the military. And this is disconcerting to me because I do not know how you can do all these other things and then have nothing going on in the mil-to-mil business.

But it is a challenge, because, fundamentally, this is a communist country. At the end of the day, people in that nation do not have the freedom to do anything they care to. It is an interesting evolution of communism that they have allowed people to have quite a bit of initiative in the economic area. But as you mentioned, there is a huge difference in that country between what goes on in the eastern one-third and the rest of the nation.

One point three billion people is a lot of folks, and from every indication that I see, they are very, very concerned about their ability to sustain economic growth in that country with these large numbers of people to feed and jobs to find. And there is not a day that goes by now that we do not see activity going on throughout that country that indicates that people are pretty restless.

And so as I look at the potential possibilities of activities there, it seems to me that their focus on internal security has probably got to be a paramount concern. It give us some opportunities, because the rest of the nations in the Asia Pacific area, in every engagement that I have with them, reaffirm the enduring presence of the U.S. military as the primary instrument, historically and continuing today for stability.

The other side of the coin is that China has afforded every nation in Asia phenomenal economic growth in the last several years. If you look at the data, the amount of goods that are traded to China for China's domestic market are very substantial. Raw materials coming from most of the nations around the periphery are fueling their economic recoveries from the last nineties crash.

So the countries in the area really value our presence and certainly want us to continue. They also highly value the economic benefits of an emerging China, and they want to have it both ways, understandably.

So the role that China plays is immense, but I think it is fragile in some ways because it is dependent upon their abilities to sustain

security internally. All the more reason, it seems to me, that they ought to be very interested in engaging with us so that we have a better understanding of what both of us are about in this region.

It is very complex, and the more that we can understand the situation, the better off I think we are going to be.

Dr. SNYDER. Thank you. And assuming that we can get your recommendations or even a menu of potential options on dealing with that legislative language, the better off we will be as we head into this expedited year under the defense bill.

Thank you, both.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And, Admiral, General, thank you very much for being here.

I have had the great privilege and opportunity to visit with your personnel in Hawaii and Korea. I have also had the opportunity to visit Guam. Again, it is just so impressive to see the young people serving our country; so proud as a veteran myself, a member of this committee, a parent with three sons serving the military.

And, General, I am very pleased, the fourth son has applied for an Army ROTC scholarship.

But the leadership we have, I have never seen it better, and so I want to thank you for what you are doing. In Guam, I was very pleased, what a team they have with Congresswoman Madeleine Bordallo, Governor Felix Camacho. They are very effective in pointing out the strategic location of Guam, the warm hospitality, the extraordinary infrastructure in place which could accommodate additional troops, ships. And then the long service and loyalty of the people of Guam. They are pride of being Americans where America's day begins. So where you serve is extraordinary.

Additionally, I appreciate so much what you have done for our new allies. Who would ever think that Mongolia now is a strong ally of the United States, an active participant with the United States in war on terrorism with troops serving in Iraq, in Afghanistan?

And as the former co-chair of the India caucus, and how far we have come, and I would like for you to point this out or give an example about the new relationship we have with the Republic of India, the world's largest democracy? But this is all new, just within the last two years. There have been joint military exercises. Could you tell us about these joint military exercises?

Admiral FALLON. Yes, sir; I would be happy to. The emerging relationship with India is certainly a bright spot for a host of reasons. It is a huge country as well, over one billion people. And it is a country that has advanced technology, that has tremendous impact in the economic and commercial world in this country and the rest of the region, certainly.

It also present some challenges, because there are a lot of folks that have needs in that country as well. And because of their growing economy, they are also putting huge demands on energy resources throughout the region and the world.

But the potential for good relations with that country and for continued growth and interaction are very high. In this past year, we have seen substantial progress in our military engagement. We

see high interest from the Indians in doing things with us at just about every level. Naval and air have been the majority of the exercises, but we actually had some Army troops in that country, in the foothills of the Himalayas just a month ago doing an exercise at company level, and we are going to expand that to higher next year.

So the potential is really good, and it is really important, because India is not only a huge number of people, a large country but crucial role. And if you look around the periphery of India, as I do, I see significant instability that they can be helpful in quelling.

The trends in Kashmir, a long-standing major area of friction, the trends in that area have been very good in the last several months, and I think that that is, in no small measure, due to the increased confidence that the leaders of India, as well as Pakistan, feel in having the U.S. significantly engage with both countries. They know that we care about them and we are there to stay, and we are really going to continue to push a good relationship.

And I have a strong feeling that that confidence is starting to spread and that they feel more comfortable in their direct engagement with one other, and we have seen a whole host of issues. But not without challenge. There are extremists that are, unfortunately, alive and still perpetrating their horrible acts in both nations. But in other areas around India there is instability in Nepal, in Sri Lanka, in Bangladesh, and we would certainly like to partner with India to help in aiding and abetting the return to stability and security in each of these areas.

So I think it is critically important for us. We are going to continue to work our engagement with India. I have been there. I had a chance to meet with the leadership, and we are pursing a number of specific tasks to facilitate our further engagement with that country.

Thank you, sir.

General BELL. Sir, I could just give you an anecdotal perspective of the amount of effort that our Korean ally has made over the years and specifically today with respect to helping the United States in these missions that we are pursuing around the world.

I know you know that they were staunch allies with us during Vietnam, Desert Storm and that they are out there in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) right now and certainly tsunami relief, et cetera.

When the earthquake happened in Pakistan, I was sitting in Bagram Airbase in Afghanistan visiting my soldiers from Europe—I was commanding our Army in Europe at the time—and a NATO headquarters. But with me I had invited the allied and partnering nations to have breakfast with me, and so sitting next to me was a Republic of Korea lieutenant colonel. And as the floor began to shake and the place was waving around, I looked at this and I said, "What is that?" He said, "I do not know but we are in this together." I said, "Wow, I hope that the roof does not fall in." I mean, we were a long, way away from Pakistan, about 500 miles from where this things happened.

I mean, so there they are, serving in the midst of our staff integrated on the staff with U.S. officers, both there at Bagram and another place in Afghanistan.

When I was given responsibility for training the next what we call Multinational Iraq Headquarters, which was going to be surrounding the Fifth U.S. Corps stationed in Heidelberg, Germany just now. I put out a call for all the allies to join us at the seat of a tank training from the Cold War, Grafenwoehr, where we have a modern simulation training facility where we could simulate a wreck very effectively.

And who showed up en mass, the Koreans. They brought their people, they brought their equipment, because they have a major effort in northern Iraq. And they exercised with us for a month and were a significant part of the operation there in this Cold War place called Grafenwoehr, Germany.

The world is not perfect, but our allies that we have made over the years are hanging in there with us, they are contributing. They are on a team, and I think that sometimes that gets lost in the shuffle, and I wanted to share that with you, sir.

Thank you.

Mr. WILSON. And thank you very much.

And as I conclude, indeed, I appreciate the contributions of Japan, and I have been in Afghanistan where I saw the joint U.S.-Korean provincial reconstruction teams and the progress that they are making improving the lives of the people of Afghanistan, tiny little projects that are enhancing the safety and health and security of the people of Afghanistan, which, ultimately, helps the families of Korea and the United States.

Thank you.

Mr. HEFLEY. We have one vote. Yes, I think we just have one vote, and we are going to try to work through this for the convenience of our witnesses. So if any of you that are down the line a little bit want to run and vote and come back, Mr. Hunter is doing that, that would be good.

And we will go now to Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you very much.

Admiral Fallon and General Bell, thank you for your service and for being here today.

I appreciate your discussion about the relationship with China and the military leadership there, because I think that if there is something in the way of that that we can try and work with, I would certainly appreciate that. You made a clear point of the fact that that is one area in which there should be and there can be improvement.

I wanted to just look at the area as a whole, and you mentioned how dynamic it is, how challenging it is, and a number of the positive changes that have occurred in some of them as recently as last week. But I also wanted you to talk about how that can have an effect on increasing tension in the region, and just citing a few issues, the agreement with India, the relationship that that might have to the balance of power, the perception of balance in power between China and India.

You mentioned the ballistic missile defense exercises with Japan. Does that have an impact on final Japanese relationships that affect China even in the Five-Party Talks there? How do we assess the extent to which we are increasing at times tensions or reducing them, and what is your general feeling, particularly on those two?

Admiral FALLON. Yes, ma'am. I think regarding India, the feeling would be generally one of relief from the nations in the region that we are actually soliciting a very good relationship with that country. Because India casts a very significant influence on other countries in South Asia, and I think that there is little doubt that people feel when others are in regular dialogue that it is a lot better than nothing happening and lack of engagement.

Of course, there are going to be some concerns, because, at the end of the day, we are never certain of what all the intentions are. But I believe that a good indicator would be the reaction from Pakistan to this, which would probably be the most obvious historic challenge in that region.

And I believe that Pakistan recognizes that we have made a significant attempt to change an historic tilt to one that is more reasonably balanced. And the leadership of Pakistan has high confidence that we are committed to their continued security and development and are going to work with them in a multitude of efforts. At the same time, we are going to undertake this kind of an effort with India. So I think the overall perception is very positive.

Regarding Japan, there, of course, is an interesting dynamic. In Northeast Asia, there are historic entities that go back for many years, certainly to World War II and even beyond that. And there is enduring mistrust, I am not going to beat around the bush, between every one of these countries. Japan feeling the need, in the wake, particularly of North Korea's saber-rattling in the last couple of years, their missile activity, I think felt a strong need to take what steps it felt prudent in securing its own defense.

They recognized the fact that we have an emerging ballistic missile defense capability, and they have reached out very strongly to us to try to partner with us to acquire and to share information, knowledge and systems that might be useful to them.

This is also beneficial to us, because the potential to have, for example, high resolution radar that we are currently negotiating the installation of in western Japan not only serves to provide for defensive awareness for the Japanese, but it provides a significant link in our system to alert us to the potential that missiles might be coming from somewhere to the west of that area and headed maybe beyond Japan. So there is mutual benefit there.

Clearly, the U.S. is the one country that maintains relationship with virtually every—with, no doubt, every country in the region. And our ability to maintain good communication with each of these countries I think contributes to the overall stability.

I will tell you right upfront that one of my challenges that I recognize in the are is that most of the countries are very interested in having bilateral relationships with us. We are even more interested in expanding those relationships to multilateral so that countries feel comfortable working not only with us but with some of their neighbors. And that is one of our enduring challenges that we continue to work.

Thank you.

Ms. DAVIS OF CALIFORNIA. Thank you. I appreciate that. Appreciate your adjusting the Six-Party Talks to five. Thank you.

Mr. HEFLEY. Mrs. Drake.

Mrs. DRAKE. Thank you, Mr. Chairman.

Admiral Fallon, General Bell, thank you for being here with us today.

Admiral Fallon, I would just like to ask you quickly, it is my understanding that Pacific Command is testing a new targeting system called Web-Enabled Execution Management Capability (WEMIC). Previously, this system was called Joint Defense Operations Center (JDOC), and my information was very much as a warfighter. Like JDOC, I have been told by the Air Force it needed to be converted over to this Web-enabled version called, WEMIC.

So I wonder if you have been using it long enough, do you have information, do you know how it is being accepted by the warfighter? And, most importantly, do we feel it has been worth the cost and the effort to make the changeover?

Admiral FALLON. Ms. Drake, I would like to take that one for the record. I am aware of the system, and I do not want to wing the detailed response to you. So if I could, I will get back to you with it.

[The information referred to can be found in the Appendix beginning on page 130.]

Mrs. DRAKE. Okay. I would appreciate that.

Thank you.

Mr. HEFLEY. Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

And good morning, Admiral Fallon, a good friend of Guam's, we deal with you quite often, and of course General Bell.

I would like to personally thank you, Admiral, for all of the great investments that PACOM is making to Guam. It is very clear that you and your command recognize the tremendous value that Guam has for U.S. national security and that Guam is a great place for American service members and their families to live.

And, also, please accept my thanks to the work that is being undertaken by your deputy commander, Lieutenant General Dan Leaf, and the Joint Guam Development Group. We are really working very hard to make Guam an even better duty station by improving our local infrastructure.

And before I go into my questions, Admiral, I do have three guests, Mr. Chairman, from the Guam National Guard that I would like to introduce: Colonel Santo Tomas, Chief Frank Pablo and Master Sergeant Jeff Holden.

[Applause.]

Thank you very much. We are indeed very proud of our national guardsmen and reservists. I think we have more per capita than any other state in the Nation serving, and they are serving in all parts of the world today.

I am particularly interested—Admiral, this question is for you—in the recent decisions that have been made as to moving Atlantic fleet submarines to the Pacific. Guam is the home port to two and soon three submarines and has the capacity to host as many as nine.

The submarines on Guam, because of their strategic location, are taking a large share of the operational mission days in the Pacific, and can you explain to me how the home port decisions for these transfers were made and the reasoning behind them.

And, also, Admiral, you know better than I about the pace of Chinese submarines procurement and operations, and I am concerned that we are not building enough Virginia class submarines, that are neglecting anti-submarine warfare assets and that we are quickly being outpaced by our Chinese counterparts.

The Virginia class submarines are especially valuable in the Pacific where we have multiple, irregular warfare threats along with large-scale conventional military threats, and the Virginia class submarines have the flexibility to handle these type of missions. Guam is vulnerable to stealth attacks from submarines, so I would like you to, if you can, address your concerns with submarine and anti-submarine warfare in the Pacific.

Admiral FALLON. Yes, ma'am. Thank you.

First, the rationale for home porting submarines in Guam, the priority issue in that decision was the ability to be on station in the western Pacific more quickly, more responsibly than if they were based further back in Pearl Harbor or on the west coast of the U.S. And so the advantage of the potential for more operationally available days is the significant driver.

The Navy is gathering lessons from the forward deployment of these subs, three, now two and, as you indicated, another one to fill back in. We are assessing the performance of these ships. The feedback that I have gotten directly is that we are very happy with the operational responsiveness and what we have been able to get.

We need to further understand the other implications of having these boats forward deployed regarding maintenance and the distance from maintenance facilities, the business of having our families moved out there and the capability of Guam to sustain that additional number of people and to provide the necessary facilities for those folks.

So I think we have got a positive body of feedback from our experience to date. The Navy, I know, is going to look at this and then that will be a factor in deciding what to do with the additional boats that we would expect to move into the Pacific from the Atlantic.

I think, in general, that is reflective of the reality that the Pacific region is much larger and, frankly, we have had an historic split that was based pretty much just on numbers of we will split them in half and put one in the Atlantic and one in the Pacific. And I think this more accurately reflects the challenges of today.

Regarding the Virginia class subs, I think the Navy is doing their darndest to try to balance a lot of priorities. Little doubt we would love to be able to up the build rate of those boats to be more efficient in that particular line, but I am also aware that the Navy has got other challenges they are trying to meet as well. And I am confident that Admiral Mullen and his team will be working that one hard to come up with the best solution.

Thank you, ma'am.

Ms. BORDALLO. Thank you, Admiral.

And, General, if you want to add to any of this, please feel free to do so.

General BELL. I would only offer that, one, I agree, obviously, with everything that Admiral Fallon said. Where I serve in Korea the North Koreans have a very significant special operating force

capability, upwards of 100,000. Their plan is to insert those by air and/or sea, and, principally, that sea methodology is small submarines. So there is an anti-submarine coastal submarine issue there that the Republic of Korea is addressing effectively.

It is interesting, just recently they assumed from the United States that countersoft infiltration missions, again, one of these indicators of a mission that the Republic of Korea has taken aboard. But, nonetheless, our ability to control the seas and to prevent infiltration is a function of a combined naval effort led by the United States, in my view, and our capabilities in the Pacific are very important to me in that regard.

Thank you.

Ms. BORDALLO. Thank you, General.

Another question, Admiral, and this is one of my favorite questions, I know that the discussions are ongoing currently as to when and where an additional carrier will come to the Pacific. And Guam, as you know, is watching closely. I would like to mention here that the military is very welcome on Guam. Traditionally, we are a military island, but I continue to hear of increased numbers and durations of port calls by U.S. carriers on Guam.

So can you explain how Guam may be used to increase the availability of carrier assets in the Pacific by having longer duration port calls on the island?

Admiral FALLON. Let me, if I could, ma'am, go back to Admiral Mullen recently publicly committed to making every attempt to maintain a six-carrier presence in the Pacific, and I applaud that. These are very valuable assets and used in a multitude of tasks.

My priority for the western Pacific regarding Guam would be to try to develop more of a capacity to sustain operations in the western Pacific area. So when I recently visited Guam and went down to look at the facilities in the port area, there is certainly an ability to take a ship and bring into the harbor and to anchor it there. And I am sure the crew would enjoy some time down now, some liberty time in Tumon Bay and other parts of the island. But it seems to me that there is not a very extensive capability right now to sustain a forward presence in the area.

So we are looking at that as part of the task I have given General Leaf to examine the infrastructure on Guam so that we fully understand what is there. And as we contemplate a range of potential options to make more use of this U.S. territory here, that is certainly going to be one of the things that is high on the priority list. So we will keep you posted and if there is an opportunity for the Fleet Commander to cycle more ships in there for port visits, I am sure he will take advantage of it.

Thank you, ma'am.

Ms. BORDALLO. Thank you. Thank you, Admiral.

I have one last question, Mr. Chairman. I guess it is fortunate I am one member of this committee that cannot vote on the floor, so I can sustain this time period here.

The CHAIRMAN [presiding]. You know, it is very instructive to listen to the gentlelady and her expertise in that great area of the Pacific, so you go right ahead.

Ms. BORDALLO. Thank you. Thank you, Mr. Chairman, very much.

I am working currently with this committee to increase the vehicle authorization to two for service members assigned to, well, any of the European locations, I guess, Guam, Hawaii. I know this is very important to our serving families, especially working spouses. And I would be pleased if either yourself or the General, the both of you, could comment on how service members in PACOM's area of responsibility would feel about such an increased authorization.

I know that many of my constituents, service families, have asked me about it, and I do know that I think it was explained earlier that you do have the used cars that go from one family to another, but there is also when they are assigned overseas sometimes families have to sell a second car and many times they are losing on a deal such as that when the time for deployment is quick.

So do you have any comments on a two-vehicle authorization?

Admiral FALLON. General Bell, you want to try that for Korea and then I will back you up here?

General BELL. I will talk about Korea and then I will talk about in general, because I have lived this issue for some years.

First, in Korea, I do not think it is a requirement. We are very close in there. There are not large numbers of accompanied family members. We do have some and we are trying to increase it. Right now, in Korea, and, again, I have been there a short while, I do not see the requirement as being as interesting as I saw in Europe where I raised this issue frequently.

The spouses were a fully accompanied force over there. There were jobs for spouses to have. They needed transportation. This is 2006; it is not 1885. They needed a conveyance. They would almost always have to buy their own and sell one in the states on the way over, so there was a money loss here, it is quite clear.

And, you know, I understand the services and the Office of the Secretary of Defense (OSD) have lots of priorities and we respect that, and I would not get into service matters here right now, but the issue of authorizing two vehicles per family is a legitimate issue for our services, it should be prioritized against our other requirements, it ought to be reviewed carefully, and I think it has merit.

Thank you.

Admiral FALLON. I will confess that I had not paid any attention to this, was not even aware of the issue until I moved to Hawaii last year, whereupon my wife informed me that, "Oh, by the way, I would be paying for that second car that we felt we were going to move out there."

So now I have some awareness. I will tell you, though, that it is really a mixed bag because on Oahu, for example, Mayor Hannemann probably would be very happy if I helped to not introduce too many more vehicles on that island because it is, frankly, choking in traffic. You cannot move on the H1 trying to get east to west on the island. And in fact they are trying hard to develop a mass transit system to try and alleviate the problem.

So I recognize that it is an issue with some families, and I guess that it would be nice to scratch every itch and to have every one of these things resolved so that nobody had anything out of pocket, but it also, I think, serves another purpose right now, certainly in Hawaii, and that is to have people think really a little longer and

harder about the actual necessity. And I will tell you, in my own case, if I had to do this again, I would not have brought the second car, but we may not be representative of all the families there.

I got the point. In fact, I do not know that we have actually done any significant survey work to find out what the situation is. Guam, because of the low density, might be an area that would be worth looking at it.

I will take a look at it and give you some feedback, ma'am.

[The information referred to can be found in the Appendix beginning on page 131.]

Ms. BORDALLO. Thank you.

Thank you very much, Admiral and General.

And thank you, Mr. Chairman.

The CHAIRMAN. Okay.

I thank the gentlelady.

And Admiral Fallon and General Bell, I really apologize because I have had to break away here, and I, unfortunately, have got to break away again, and the very able Mr. Schwarz is going to take over the Chair here.

But let me, since I did not ask a question upfront, let me just ask a couple of questions before I go.

General Bell, we have got substantial MILCON costs that will emanate from the relocation, which I think is a wise thing, this redeployment, getting out from underneath that North Korean artillery fan is not a bad idea, especially with the drawdown in forces. But we are going to have a MILCON price tag attached to that.

And my request is to do a real heavy duty scrub on that price tag, on that MILCON price tag. We used to be in the business of building houses, and you can build a house for 300 square feet or you can build one for 80, and they both pass code. And I know that the host country eagerly awaits those construction contracts, but we have got lots of money being spent on ammo right now and readiness and other things that are necessary for the warfighter. So I would hope that you could scrub that heavily.

Second, the Korean military up to some 21 divisions, I understand. Is it your take that they have a fairly strong readiness number on their divisions? And is 21 roughly accurate?

General BELL. Thank you, sir. Let me first address the MILCON.

The CHAIRMAN. Okay.

General BELL. I have got your message, and agree with it totally. I want to make sure that I am comfortable. I can tell you, I reviewed the 2007 request down to the last dollar. It is appropriate, it makes sense, it is in the right place, and it is something that we ought to fund, in my view.

The Republic of Korea is spending about $4 billion moving us south. They have spent already cash in the ground, $1.8 billion. I mean, this is phenomenal, in my view. Burden sharing, however you measure it every year in consumables, is $500 million to $1.2 billion.

There are lots of ways to slice this thing, but most of our construction, the vast majority of construction, for the move, Mr. Chairman, is being funded by the Republic of Korea (ROK) at their expense, because they are the ones that fundamentally asked us to move out of downtown Seoul to the south.

Now, where they did not ask us to move but we want to move, and we have agreed to share a portion of that burden, so I think we are doing well by the American taxpayer. I accept, nonetheless, the need to continue to scrub hard and to make sure that I do not let anything get in here that is not absolutely necessary.

The CHAIRMAN. You know, just in terms of configuration, things that are not necessarily security dominated but are things that with respect to the location of personnel and the amenities, you might look at finding American building corporation that has got—and you might ask them for advice to take a look at the footprint and the efficiency of the construction operation and see if they have got any ideas in terms of giving you the most bang for the buck, not cheap stuff but a configuration that best lends itself to efficient and inexpensive construction. Because we are going to be stretching dollars this year, you understand? I know you know that better than anybody.

Last question is that we face, and we will face—now, if you give us this take on the South Korean military, 21 divisions; is that roughly accurate?

General BELL. Mr. Chairman, I need to get back to you on the number of divisions.

[The information referred to can be found in the Appendix beginning on page 129.]

The CHAIRMAN. Okay.

General BELL. Because they have, like we in the active component and reserve component, they have got a large reserve force. Their army is 580,000 active, larger than our Army active, and very large reserve component. They have got three field armies. And I have gone and looked at all these, but I will tell you, sir, I cannot give you a division count at this moment.

The CHAIRMAN. Okay. But is your take on the South Korean army that it is ready to stop a move from the North?

General BELL. Absolutely. They are spending the money they need. Two point eight percent of a very healthy GDP goes to their military. That is higher than any of our European allies, for example, substantially higher.

The CHAIRMAN. How much is the GDP?

General BELL. Two point eight percent. They are spending their military budget. It sounds small but——

The CHAIRMAN. It does.

General BELL. But, sir, it is larger than Great Britain, for example, who spends about, I think, 2.6 of their GDP.

The CHAIRMAN. Except Great Britain does not have a Demilitarized Zone (DMZ).

General BELL. No, sir, they do not.

The CHAIRMAN. Okay.

General BELL. But I will tell you that I have looked at this force. They increase spending every year, real dollars this past year. They had a 6.7 percent increase. Their goal is about 9 percent a year increase through 2020. They are putting real increases. As we transform our mission and they are required to spend more money on defense, to date, for the last 3 years they have been doing that in real terms.

So I think it is a positive story, and I will keep the committee posted on where they stand, but I am satisfied right now that they are committing and they are spending more money every year in real terms.

The CHAIRMAN. Okay. Okay. Thank you.

And, gentlemen, I will make an extra point to follow up personally, because I really apologize for not being able to be here during this full hearing. But we will do that. And Mr. Schwarz will take over the chair, and it is his turn to ask some questions.

Thank you for your service to America and all the great people who serve with you. They are carrying out the most important mission possible and that is our security, and we appreciate it.

Thank you, and I will make a point to get with you as soon as we get these other things taken care of.

Dr. SCHWARZ [presiding]. We will go to the gentleman from Hawaii, Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you very much, Mr. Chairman.

I am glad that Ms. Bordallo kind of opened the way for me to bring up the question, Admiral, with regard to Pearl Harbor and this carrier. The question really is not about the carrier. I think you are well aware of my position that this is a strategic decision and that I regret very much and disassociate myself from a lot of commentary about this carrier decision in terms of economic benefits, real or imagined, and all those kinds of things. You are aware of my views on that.

But the difficulty here, because the Quadrennial Review and this decision-making process has been so lengthy, the difficulty is, is that it has thrown completely off—it has thrown off completely, rather, our ability to make a decision on, among other things, transit, which, as you know, we have to make over the next nine months. In fact, the final decision has to be made as to whether to go ahead with rail transit, particularly the routing. The council has to vote on a preferred alternative. I have had to do this myself in the past, so I know what pressure is on that and the necessity of it.

This has to do with the base closing procedure at Kalaeloa, Barber's Point area. You are probably also aware I have always voted against this Base Realignment and Closure (BRAC) thing because I never believed it was going to be done or that it would not be reneged on or reviewed or reconsidered and all the rest of it. And, of course, that is exactly what seems to be happening here.

Now, I was very pleased last week to speak with the Secretary of the Navy, Secretary Winter, and Admiral Mullen, who indicated they would work with me on this. We have to have a decision there. That land around the top of the base is for housing, and where the route is going to go for mass transit we have to make that decision and it is bordered on either side by Hawaiian homelands, parcels and this golf course and a couple of beaches. Now, there is no way on earth that there is a strategic interest in keeping a golf course. It may add to the recreational inventory, if you will, on Oahu, but it is an outrage to have that happen in the context of being serious about national security.

We have to have that housing, and that land has to come, regardless of what you do with the carrier. That land is not going to

be suitable for housing. You can maybe keep the air base for the helicopters, I do not know, but that is what we have Fort Island for.

So my question is, is regardless of what you are doing with a decision on the carrier, can't we resolve this issue or when are we going to be able to resolve this issue of getting this land turned over so that we can get on with our decision-making on transit and building housing?

Admiral FALLON. Congressman, that is really the Navy as opposed to PACOM, but I will be happy to get with them to see if there is anything we can do.

Mr. ABERCROMBIE. Okay, fine. I will take it from there. But I would very much appreciate it if you would put this on agenda, get with the Navy and say, "Look, this has to be done." And I think you are well aware that when it comes to Fort Island, that is the place to go for housing, and it also is imperative that we put more housing in than is presently planned at Fort Island if you make that decision, because the transit stations are also going to go there. We have to make that decision.

We really, really, really need to have the housing side of this taken off the board regardless of what you do with the carrier. And if the carrier decision is made, I assure you there is plenty of opportunity and ample provision can be made for the necessary housing and logistics absent the Kalaeloa circumstances.

Admiral FALLON. Sir, I will do what I can. Thanks.

Mr. ABERCROMBIE. Thank you.

The last question I have has to do with Guam and Okinawa. You may be aware of my long-standing interest in this area, and I am pleased to see that this administration has caught up with where I think we needed to be ten years ago, but I have in front of me the U.S.-Japan alliance transformation and realignment for the future agreement. The doc is called a security consultative committee document from October of last year.

And without going into all the details of the acceleration of the Futenma relocation and the rest of it, what bothered me here is the consultation with local community leaders and officials in Okinawa seems to me, at best, at bear minimum or non-existent, in putting this together. And the information I have is there is still a lot of consternation over the extension of the extended runway out into the bay and all the rest of it.

So I would like to know how far have we moved, in practical terms, toward implementing the Futenma relocation, in practical terms, and then how far are we moving in the budget terms and that to actually transferring the Marines to Guam, and how far have we moved, in practical terms, and what are the budget implications for the joint use at Camp Hansen and the other promises that were made with regard to relocation of forces on the island, from the southern portion to the northern portion?

Admiral FALLON. Congressman, there are a lot of issues that are tied up in this framework——

Mr. ABERCROMBIE. I know you cannot answer the whole thing in three minutes.

Admiral FALLON. Well, I will tell you what is going on. As we sit here this morning, a couple of hours out in Hawaii we will be re-

convening a large group of folks who are in their now third iteration of trying to work through the details of these implementation plans. There are a host of issues that we needed to resolve just on the U.S. side regarding detail of each phase of these moves.

There is a self-imposed deadline of the end of March the Secretary has put on this to try to tee up the way ahead in each of these implementation plans.

So I know that there are lots of issues buzzing, there are a million pieces on the table, but we are working very hard to try and get these things——

Mr. ABERCROMBIE. The decision made at the end of March, will it manifest itself in——

Dr. SCHWARZ. The gentleman's time has expired. We could do another round, but Mr. Simmons, Mr. Larsen, Mr. Marshall——

Mr. ABERCROMBIE. I will follow up in writing, if you would.

Dr. SCHWARZ [continuing]. Need to ask their questions, as do I. And I just happen to be up next.

Let's talk about Indonesia for a second, if we may. Let's talk about the Malacca Strait, the Sundra Strait, the Bali Strait, the Flores Strait, how open the channels of navigation are, what the cooperation is with the Indonesian government, the Indonesian navy, the Malaysian navy as well and what is going on in the Spratlys and the Paracel Islands.

And I am just going to allow you to free associate on all those, Admiral Fallon, if you do not mind, and tell me what is going on. Are we getting port calls in places like Surabaya or Tanjung Perak? What is the relationship with the most populous Muslim country in the world right now that sits afoot all of these vital maritime channels?

Admiral FALLON. Yes, sir, Congressman Schwarz. I will tell you that this is a pretty bright spot of optimism in the Pacific region. I just came back from Indonesia last week and Malaysia. One of the primary purposes of that visit down there was to, in addition to meeting with the leadership of both countries, was to actually get out and get eyes on several of these regions that have been historically challenging for us in terms of security.

First, regarding the Malacca Strait, a critically important waterway, half the world's oil, more than a third of our U.S. trade comes through that strait every month. It is critical not only to us but to every country in the region, if not the world. But a lot of interest in recent years on this particular body of water.

Last summer, I attended a meeting in Singapore with all of the chiefs of defense from the region, including Secretary Rumsfeld going out and one of the principal topics of this weekend's meeting was security in that strait. So I have been very interested in following up on it to see where we are.

I will tell you today that I feel much more confident that not only is there renewed interest throughout the world in this area but there is action being taken particularly by Indonesia, Malaysia and Singapore, the principal neighboring states, Thailand also included, to address the security concerns.

I actually went and looked at specific facilities that each in these countries. I met with leadership in Jakarta and Kuala Lumpur and

in Singapore. And then I went downrange to the actual strait itself to look at what is really going on.

And I will tell that while Indonesia certainly would like to have more capacity and one of the things I would certainly like the Congress to doing is to somehow increase the amount of funding that is available for foreign military engagement with these countries.

If I could give you just one data point. This country spends about two billion and some dollars on foreign military engagement throughout the world. The entire Pacific region, 43 countries, half the world's area, gets less than one percent of that money. This year, we have a grand total of $1 million that we have earmarked to try to help Indonesia. The country is emerging from some challenging times. It has a vibrant new democracy. It is a country where 76 percent of the population actually voted in their last national election, so a lot of trends are moving in the right direction. They need some help. We have a lot of capacity to do that. I would sure like to do what we can from this country.

But back to the specifics. They are committed to improving security in the strait. They are committed and have already started the construction on a series of coastal radar sites, to give them better visibility into their part of it. Singapore has already established that capability and has it. Singapore has undertaken an initiative to build a regional command and control center on the island to which they have invited the U.S. to participate and other regional countries.

Malaysia has substantially increased security there. They have coastal radar sites already in operation. Malaysians have proposed a joint surveillance program, they call Eyes in the Sky, just getting under way now to figure out a way to provide materiel. We can also, from the U.S. side, help them in this area that would increase the security in the larger areas.

So there are a host of issues that are proceeding.

One of the things that I would be particularly encouraging is better cooperation between those countries. They are the people that need to do it. They are not interested, by the way, in having us come and do it; they want to do it themselves. I applaud that initiative. But they need to continue to be encouraged.

In other areas I also went over to the area that I am most concerned about for security in the form of terrorism, and that is the area, the so-called Sulawesi, or Celebes Sea, southern Philippines, northeastern Indonesia and eastern Malaysia, Kalimantan; as it is known in those parts.

Dr. SCHWARZ. Borneo.

Admiral FALLON. I actually went to visit several sites in the area to see what is going on. I was encouraged, particularly Indonesia and Malaysia, a renewed sense of attention to the area. They know that this is a transit route for bad guys, for the terrorists and their supporters. They know that they are moving around and as the heat gets on in one place, they try to scurry to another place. In fact, they and we both call that string of islands that connect these areas, "the rat lines," for the local population, the two-legged variety. And so they have renewed emphasis on working this, and I feel that we are making progress in the area.

So my overall assessment is positive. There is a lot of work to be done. There are still a lot of bad actors that need to be taken off the street in this area. And I think that as the rest of the countries in the world recognize the steps that have been taken by these countries, it ought to encourage them—by the way, the issue of piracy that has come up again and again in the area, particularly the Bangka Strait, far and away the majority of this stuff is criminal activity by local characters that are out for their own benefit, as opposed to international terrorist operations.

I would also point out that the instances of piracy in this last year of 2005 dramatically lower than the previous several years, which had been an upward trend. So the data indicates, and my observations indicate we are making progress in this area.

Dr. SCHWARZ. Thank you very much for giving us that update on what I think are, if not the most important, certainly some of the top five or six most important sea lanes in the world. And as a former assistant naval attache in Indonesia and Jakarta many years ago, I thank you for your interest in that part of the world.

The gentleman from Washington, Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman. And that was in fact one of my questions I had, but I do want to follow up quickly. This might be an easy answer for you.

It seems to be this is in fact one of the most important places in the world for us to consider, and yet I do not know that members of this committee as an organized group have visited that area. We go to China and Korea, and Korea is obviously a place we ought to go, but it seems to me that this is an area that we ought to go as well.

So my question, again, the softball to start, is if we are able to put something together to identify specific countries to put our own eyes on the ground, is this something that Pacific Command (PACOM) would help with, would welcome and would help with?

Admiral FALLON. We would welcome you to come and see, and I think the Indonesian government would also welcome visitors. When I was out there last week, Senator Feingold from Wisconsin came by and we were able to join up and spend a day looking at specific things in the country.

He remarked to me, shaking his head, that the Indonesians told him he was only the second U.S. senator to visit in recent times to that country. So I think there would be benefit in actually getting eyes on. It is a huge country.

Mr. LARSEN. Yes.

Admiral FALLON. Indonesia is broader across than the mainland U.S., 230 million people, the majority of Muslims, far and away a very moderate country. They are interested in negating the kind of radical ideas that are so prevalent in other parts of the world. We need to be, I think, taking advantage of this.

Mr. LARSEN. And you mentioned both in your written testimony and your response to Mr. Schwarz's question that perhaps one thing we will get to focus on is the foreign military financing and trying to direct dollars to this region a little more closely; is that right?

Admiral FALLON. Absolutely right. I will give you a couple of examples. Last year when the tsunami hit in this region, the most

affected country was Indonesia. Their ability to respond to help themselves was severely crippled by the inability to put their mobility assets into the sky, and those are American-made instruments, mostly C–130's and helicopters. Did not have the spare parts now. Part of this as a result of an embargo that we had placed on those materials that have now been waived by the secretary of state.

Mr. LARSEN. Right.

Admiral FALLON. But there are a lot of things that could be done. The Congress last year in direct language in the legislation that applies here told me to direct those funds to maritime security, and I am happy to do that. That is their first priority as well, and so I think this will be some money very well spent.

Mr. LARSEN. Okay. With regard to China, you have been quoted in various U.S. papers as well as the regional papers over there about military-to-military relations. Could you describe for the committee an ideal military-to-military exchange program with China?

Admiral FALLON. Well, what I would really like to see——

Mr. LARSEN. Yes.

Admiral FALLON [continuing]. Is the kind of relationship we enjoy with most every other country in the region, and that is one where we can regularly interface, where if I have a need or desire, feel the need to go visit that country, we can pretty readily make arrangements to do that and it does not take months of negotiation to come to a satisfactory arrangement, which is, unfortunately, where we are with China today.

Part of that problem is bureaucratic and systemic with them. They funnel every activity through one office in their Ministry of Defense.

Mr. LARSEN. Right.

Admiral FALLON. But my idea of goodness would be where we exchange at multiple levels. And so we have pretty good insight into what they are doing, what they are feeling. We understand their people, we know who their leaders are. They know who we are. There is confidence in an ability to engage.

I can pick up a telephone and call my counterparts in virtually every other country, except Myanmar and North Korea, at the snap of my fingers, and we can have some meaningful dialogue on whatever the issue. That is not possible today with China. And part of this, a good piece of this is getting them to be less suspicious and more open, and it is not going to happen overnight. We have just got to keep working on them.

Very important. In the absence of knowledge, we are going to be making assumptions, and most of those will probably end up being wrong.

Mr. LARSEN. So I guess to rephrase what you just said, with regards to your ability to pick up the phone and make a call, China is in the same category with Myanmar and North Korea.

Admiral FALLON. No. Technically, I can get through but to get a meaningful engagement——

Mr. LARSEN. To get a meaningful engagement, yes.

Admiral FALLON [continuing]. It is a non-starter.

Mr. LARSEN. Yes. It is a long slog to make that happen.

Admiral FALLON. The openness is not there. The willingness to actually engage has yet to be seen.

Mr. LARSEN. All right. Quickly, my last few seconds, I will ask the question for General Bell. Later this afternoon we have a hearing in the subcommittee on missile defense, and so I would like to get your thoughts on the role that Patriot, THAAD, and Aegis plays in your responsibility and why it is important and what, if anything, needs to change or get fixed.

General BELL. Thank you. There are philosophically three kinds of missiles we have to be able to defense against. One are the tactical short-range missiles that we have seen just in the last couple of days more developmental activity. There are lots of fielded missiles in North Korea, the old scuds but they are effective. They have got a bunch of them, we think about 600. They have got the Nodong missiles which are longer range. These are fielded, we think several hundred. They have a range of out to 1,300 miles. They will go past Japan, et cetera, et cetera.

So the first thing you have got to do is defend against these tactical missiles. They affect you on the battlefield, and, as you know, we have got a pretty darn good system to do that. We could always use more but the Patriot and Aegis both provide the kind of coverage that is effective against these kind of tactical missiles.

The longer range, medium range, developmental programs that North Korea has ongoing, while we have not seen a lot of activity in that in recent days, we have seen a lot of activity in these short-range missiles. We certainly have seen it in the past. We know they have the technological wherewithal to continue to develop these kinds of medium and even long-range Intercontinental Ballistic Missiles (ICBMs).

The Taepo Dong II and III, as we call it, which were in development and presumably still are, could reach far beyond any requirement they have for defense, all the way to Alaska and even estimates are the Taepo Dong III could reach throughout the continental United States.

So as long as the North Koreans continue to pursue missile technology, have an active testing program, have a nuclear weapons program that sits beside that, it is in our best interest that the total layered array of air defense capability, a multiservice land and sea and for that matter air across the full spectrum out to include intercontinental, in my view, is prudent. It makes sense for America and our allies, and we ought to continue to develop and invest.

Dr. SCHWARZ. The gentleman's time is expired.

The gentleman from Connecticut, Mr. Simmons.

Mr. SIMMONS. Thank you, Mr. Chairman.

And thank you both, gentlemen, for your distinguished service and for your appearance here today.

I will direct my questions to Admiral Fallon and start by saying when you were at Villanova doing your Navy ROTC, I was down the road at Haverford with the Quakers. We did not have ROTC there. But we really enjoyed having the Villanova track team use our field house. It gave me as a track guy the opportunity to run with some of the national leaders when it came to track and cross country. So it is good to have you here.

Admiral FALLON. Thanks. I used to be on that team too and followed them around. I was the anchor man there. I lived right across the street from Haverford.

Mr. SIMMONS. I was lucky to keep up with David Patrick when he was just doing an easy job.

You and I have exchanged letters regarding the President's proposed package to sell submarines to Taiwan, and I appreciate your comments last November that you are fully committed to obligation to provide Taiwan with the necessary capabilities for its self-defense.

I recently returned back from Taiwan, and what I was hearing from many of the officials that I met was confusion over the apparent U.S. insistence that they commit to a $12 billion package before there would be any forward motion. And they felt that the Navy was dragging its feet on that project. In fact, the Taipei Times of just a day or so ago says, "The U.S. Navy has refused to negotiate on the budget before the submarine is approved by the legislature."

A lot of foreign military sales involve the sale of a package that has been designed and built and is understood, even though the equipment packages may be tailored for the sale. But we are dealing with a unique situation here. We are dealing with the design and construction of a diesel submarine that does not exist. It is not in existence. And it is my understanding that the conceptual design work and the detailed design work probably would cost around $200 million.

And the question that I pose to you and that they posed to me is, why do we have to commit to $12 billion not knowing what it is? Why don't we commit to the design work, the detailed design work for a couple of hundred million and that gives us a benchmark to know how and whether we should proceed? In other words, if you are going to build a house, show me the plans. I will pay for the plans, and once I see the plans, I will decide whether I go forward with the house, whether it will be three stories or two stories, have bedrooms, et cetera.

Would you comment on that proposal, please?

Admiral FALLON. Congressman, I am not familiar at all with the details of the construction business or the things that U.S. Navy—the role the U.S. Navy might play in any of that. But I will tell you I am a little bit surprised that the business of the $12 billion, as you characterize it, it seems it is either an all or nothing thing.

I am all for making progress in this area, and I do not know that there is any requirement or restriction, legislative or otherwise, that would preclude the Taiwanese from taking a chunk out of that elephant. And I have been trying since I have been in this job to encourage them to do something to make some moves rather than nothing, which is what has happened so far.

The way I see this, you have got me in bit of a box here, because I am committed to defend this country in the event of any military aggression should that occur from PRC, and yet the history is that they have not been forthcoming in investing in their own defense. And I do not understand the reluctance to move forward. If they feel they cannot, and this is their business, obviously, it is their legislature that has to decide this, but I do not quite understand why they could not consider a decision that would say, "Let's take

a chunk of this material that has been proposed by our country and get on with it."

Mr. SIMMONS. And so you would support the concept of breaking out the design work as a portion of the project.

Admiral FALLON. I do not know enough to tell you that that is a good idea or not. What I would like to see is some steps being made, some investment by Taiwan to actually acquire some of these capabilities and to boost their own readiness and ability to provide for their own defense.

Mr. SIMMONS. I certainly agree with that, and I certainly would not want to commit U.S. forces in an area where local forces are not willing to fight. I spent almost four years in Vietnam. I was drafted into the U.S. Army before there was mandatory draft in Vietnam. That came after the Tet offensive. And so I am a great believer in partners and partnerships.

One of the problems we have, of course, is with Taiwan high-ranking military officers are restricted from visiting there. Capstone officers do not visit there. I do not know whether you have been there.

Admiral FALLON. No. I am not permitted.

Mr. SIMMONS. You are not permitted to, and so we are dealing with a ridiculous situation, in a way.

Admiral FALLON. But I will tell you that we have had extensive engagement. In fact, just last week we had a delegation from Taiwan who was in our headquarters, and there is some reason to be optimistic here. I think that we are making progress in convincing the leadership, certainly the military leadership of the necessity of taking steps that would be fundamentally helpful in increasing defends. And we have had pretty extensive negotiations with them.

So I just wish somebody could decide to make some progress on the budget side of the House.

Mr. SIMMONS. Well, I think you know that I am working on that.

Would my colleagues yield me one additional minute?

Dr. SCHWARZ. Without objection.

Mr. SIMMONS. We are moving submarines from a 50–50 to a 60–40; 60 percent in the Pacific, 40 percent in the Atlantic. We are doing that because, in my opinion, we do not have enough submarines. We have not yet committed to two a year for the Virginia class, and it does seem to me that if we have allies in the Far East and elsewhere who wish to purchase from us diesels, that we should be stepping up to the plate.

It also occurs to me that we should increase the build rate of our own strategic subs, the Virginia class. What are your thoughts on that subject?

Dr. SCHWARZ. Admiral, I am going to ask you to be pretty brief on this one. We have Mr. Marshall left here, and I know all of us have places to go and I am certain that you do.

Mr. SIMMONS. Well, let me just say I believe we should be building two a year. You do not have to respond, and thank you very much for your testimony here, sir.

Admiral FALLON. Thank you, sir.

Dr. SCHWARZ. Mr. Marshall, gentleman from Georgia.

Mr. MARSHALL. Thank you, Mr. Chairman.

We certainly appreciate your service and the service of everybody that you command.

Admiral Fallon, enjoyed having dinner with you over at Secretary Rumsfeld's. We wound up having quite an interesting conversation. I do not know how we wandered into that area, but it was quite interesting.

I managed to get back to Vietnam early last year, along with Mr. McHugh and Mr. Calvert. We went to visit with the Vietnamese government and the Laosian government concerning POW–MIA issues. And it happens that this morning I received the minutes from, I guess, a very recent meeting of the National League of Families. Read through those minutes and thought that I should bring a few things to your attention.

And I am getting this information from those minutes. These folks pretty much stay right on top of this business, and so I suspect it is accurate, but I do not know that is the case. I have not had an opportunity to check it out.

They are initially quite concerned that Joint POW/MIA Accounting Command (JPAC) funding, which goes to PACOM is not fenced and is going to be diminished. They believe that $60 million is needed, it is in the budget, should be spent. They are worried that about $12 million is going to be taken from that amount, and they specifically say, and I will read this sentence, "Providing JPAC has sufficient funds from the U.S. Pacific Command, field operations will resume in Vietnam in late February. If funding does not come through, these operations will be drastically reduced, and the next joint operations in Laos will be as well."

They observe that the President is planning a visit to Southeast Asia in the fall and they think this is—there is never a good time to be reducing the funding for this kind of mission, and this is a terrible time to reduce funding for this mission. And I would like some assurance, if you can give it to me, that that will not occur, that these alarms—in addition, I understand as of 2010 on MILCON is new quarters, particularly for their forensic operation. And I am told that the quarters that they currently occupy are pretty dismal and that it would be—but I have not been there and I do not know for myself.

Final thing, and I do not know that you have got any influence on this, in these minutes, they make reference to the Defense Intelligence Agency (DIA) possibly moving Stoney Beach to Japan from where Stoney Beach is currently headquartered; again, too remote from where the action is and something that sends the wrong signal with the President coming into Southeast Asia. And so they are concerned that that is not a good move to make.

And if you could comment on those things, it would be very helpful.

Admiral FALLON. Yes, sir. I think, first of all, there have been some issues with the JPAC budget over this year. We in the Pacific Command act as the agent for that money. We are not the people that determine how much money is going to be allocated to whatever purpose. This is done by Defense Prisoner of War/Missing Personnel Office (DPMO). Because we are on scene and I have oversight over JPAC, we exercise that administrative authority over that budget. But, of course, we are very interested in it, because

I think the role the JPAC plays in our overall Pacific strategy, Asia Pacific strategy is significant.

Without getting into the detail of all the dollar amounts, we have just been informed in the past week that an agreement has been reached back here in which some money is going to be made available, both by DPMO and the Navy, to, I think, square the accounts here this year.

But if you would recognize, too, that there are a lot of competing priorities here in the region, and JPAC is one of them. But we are going to work with them as best we can and try to square the thing.

I cannot address the DIA issue at all. That is news to me. I will do some research and get back to you on that one, sir.

[The information referred to can be found in the Appendix beginning on page 131.]

Mr. MARSHALL. I appreciate it. Thank you for your service.

Admiral FALLON. Yes, sir. Thank you, sir.

Dr. SCHWARZ. Mr. Larsen has asked for an extra couple of minutes. Without objection, Mr. Larsen for an extra couple of minutes. And then we need to adjourn.

Mr. LARSEN. It will just be an extra couple of minutes, Mr. Chairman.

Admiral Fallon, I want to go back to something I asked in my last round, and I want to make perfectly clear that I was not asking to put you on the spot about preparing that response from the Chinese military leadership to Myanmar and North Korea. So I will take responsibility for it. I think it is important for the Chinese military leadership to understand that if that is the kind of response that we get when we make a phone call, they should not wonder why we have concerns about their transparency. And that has to be a message that we will continually communicate very clearly to them.

There was an attempt at transparency recently. Representative Mark Kirk and Tom Feeney and I visited China in January. We were allowed to go to Jiuquan Space Launch Center in the middle of the Gobi Desert, a little cooler in January than perhaps most of PACOM's service area. But we were allowed to go out there and ask questions, go in the vehicle assembly building, all at the permission of Defense Minister Xao. So there is an attempt, but we wanted to make clear to them as well that as important as this is, there is a long way to go on transparency.

I was wondering as well on the military-to-military, if you could be more specific, perhaps on paper and get back to us if there are specific steps that you think that we can stand behind on the committee and push. We just met with Ambassador Zhou this morning from the Chinese embassy, and we can talk to him directly and push with the Division of Foreign Affairs within the Ministry of Defense as well if there are some specific things that we can do.

And then, General Bell, you mentioned earlier the ROK, in your opinion, is fully capable of defending itself against a Democratic People's Republic of Korea (DPRK) invasion and it wants an independent combat command, which would result in perhaps relatively more U.S. Navy and U.S. Air Force compared to Army and Marine presence on the peninsula.

Can you talk about the timing of that?

Why don't we start there and then go back to Admiral Fallon?

General BELL. Thank you. It is premature to talk timing beyond the current negotiations that we have gone through with our ally and the programs that we have laid out. We do have a very vigorous consultative process. We meet, essentially, monthly at the ministry of defense level between Washington and the Republic of Korea. Whether that is done in Hawaii or Guam or Seoul or even here in Washington, very active, and we talk frequently about these issues.

What we have asked, quite frankly, last October, so about six months ago, both ministers of defense, Minister Ying from the Republic of Korea and Secretary Rumsfeld, agreed to look at this independent combat command issue. And so this has been on the table for several months.

We have a committee that is looking at that and saying, "Okay, if and when this transfer is made from shared command to independent command, what are the functions of the U.S. military that the ROK military would still need so that as allies we can guarantee deterrence and victory should deterrence fail?" And we are in the process of doing that. We are aggressively working with our ROK ally to lay out those mission sets.

So our hope is the next time the two ministers of defense get together in October, that we will have this sorted out largely in terms of timelines and that they will agree to timelines at that point. That is our goal. I am certain we will meet that.

So if I could defer until October and tell you then, because I think we will publish where we see these timelines going, that is our goal and our intention. Thank you.

Admiral FALLON. Mr. Larsen, just to come back, first of all, let the record show that on my visit to China last year I was very warmly received at every level, from foreign minister to General Xao, General Leong, at every level welcomed and made to feel quite at home. The challenge is in getting substantive engagement on issues.

I had strong concurrence from their side that we ought to have more mil-to-mil. Got it. An offer to travel more extensively in the country, for me to come back on subsequent visits and see the western part of the country and a number of other places.

But what remains is to actually get into substantive dialogue at levels below four-star level, and that is a challenge. Even yesterday, I received a note back from General Leong who is the chairman-equivalent, closest we can get, regretting his inability to attend our Asia Pacific Chiefs of Defense conference that is teed up for eight months from now, citing scheduling problems.

The other nations in the Asia Pacific area come to me and they say, "What is the problem? Why is it that we cannot get their reps to come and engage? " They will go to other countries but it seems that when we are involved, we still have some challenges. I think some of this is the system, the communist system. They do not delegate a whole lot down to the local level; they want central control of everything. And certainly not the way we run things. And does this mean we give up and stand back and say, "Ah, the heck with

you"? No. I think we have just got to redouble our efforts to crack the ice here and get moving.

Mr. LARSEN. Yes.

Thank you.

Thank you, Mr. Chairman.

Dr. SCHWARZ. Admiral Fallon, thank you so very much for being with us this morning, the holder of the most historic command in the U.S. Navy. I want to call you CINCPAC.

And, General Bell, awfully good to see you again, sir. Chattanooga moccasin.

General BELL. Absolutely.

Dr. SCHWARZ. Thanks very much, gentlemen, for being here.

The committee is adjourned.

[Whereupon, at 12:13 p.m., the committee was adjourned.]

A P P E N D I X

March 9, 2006

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 9, 2006

March 9, 2006

CHAIRMAN HUNTER OPENING STATEMENT

Full Committee Hearing on the Fiscal Year 2007 Budget Request for the U.S. Pacific Command and U.S. Forces Korea

Washington, D.C. – For the last few years, the public's attention has been focused on the Middle East. That's understandable, but it shouldn't distract us from national security issues in the rest of the world. Developments in the Pacific are as crucial to our future security as the operations in the Southwest Asia. The Global War on Terror is just that and many of our on-going efforts to combat extremists are taking place in Asia and the Pacific. Indonesia, the Philippines, and the waters of the South China Sea continue to be home to terror groups that seek to do harm and further extremist ideologies. Natural disasters such as the December 2005 tsunami and the recent mudslides in the Philippines highlight the need for ready, responsive forces to come to the aid of our friends and allies in the region. Fortunately, our combatant commanders recognize the challenges in their respective areas of responsibility and are working to get ahead of threats and prepared for unexpected challenges.

In addition to combating terrorism and providing humanitarian relief, our forces in the Pacific must also keep a watchful eye on developments in China. China's economic expansion and focus on military modernization continues and recent comments made by the National People's Congress indicate that China plans to boost military spending this year by another 15%. This spending trend and the lack of transparency in Chinese intent, fuels increased tensions across the Taiwan Straits. Just this week, the Taiwanese

President scrapped the symbolic unification council and drew angry warnings from Beijing. It is clear that situations such as this can escalate quickly and it threatens American lives and interests in the region.

Of course, the threats to our security don't stop there; North Korea now admits publicly what the intelligence community has concluded openly for years; that its possesses nuclear weapons in violation of all of its Non-Proliferation Treaty obligations. Continued economic strain and Kim Jong-Il's "military first" policy, keep South Korea and its neighbors at risk. General Bell, I look forward to your assessment of the situation on the peninsula and your thoughts about the challenges the world faces in coping with nuclear North Korea.

The recently released Quadrennial Defense Review and the FY07 budget request reflect a global posture realignment to cope these many challenges. I'm concerned however that these adjustments add one more challenge to equation and it is unclear how this transition will be implemented. Military readiness must be maintained in this critical region, even during the Navy's realignment of forces, the Air Force's downsizing, and the Army's transition to modularity.

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Opening Statement for The Honorable Ike Skelton
Ranking Member, Committee on Armed Services
US House of Representatives

Posture Hearing on the
US Pacific Command and US Forces Korea
March 9, 2006

Mr. Chairman, I join you in welcoming Admiral Fallon and General Bell. It's great to see both of you here today. At the outset, I want to thank you for your leadership- and thank the troops that you lead for their service. We are enormously proud of all the men and women who serve with you in your commands.

Today the Pacific region is a critically important part of the world. We face an enormous number of serious security challenges there. Yet I am very concerned that our involvement in Iraq and the Middle East has preoccupied us

away from the Pacific region's rapidly changing strategic landscape at a time when we should be proactively engaged. Our role in Iraq and Middle East is a critical one. But we must have a broader focus. It seems we should be doing much more to ease tensions at flashpoints; cultivate strategic partnerships; build local capacity; and prevent terrorism, proliferation, violence and instability.

We need a sophisticated long-term strategy in the region that is well-coordinated. And unfortunately I do not see this from the administration. So I hope you will tell us what more WE can do to maintain an effective US presence and leadership in the region.

I continue to think the Taiwan Strait is one of the most dangerous places in the world, given the potential for

miscommunication and miscalculation. Just days ago, Taiwan's President announced that the National Unification Council had "ceased to function," inviting a sharp response from Beijing and fueling tensions. At the same time, China recently announced the biggest increase in its defense budget in four years.

Economic ties between China and Taiwan- and between China and the US- continue to grow. And this could lead to cooperation in a number of other areas. But we cannot rely on economic relations alone. We must actively pursue other opportunities for cooperation that will lead China to increase its transparency, regional confidence-building and contributions to security goals. Combating terrorism and proliferation should be central to our strategic partnership. And addressing the Avian Flu- and other health and

environmental concerns- should also be a priority given the serious security implications.

I also believe we cannot afford to take our eye off the South China Sea. Many experts warn that the potential for conflict here is greater than in the Taiwan Strait given competing territorial claims.

I am also concerned about the six-party talks with the North Koreans over their nuclear weapons program. These talks have been stalled for months on end. Yet North Korea may have at least 8 nuclear bombs. What should the US be doing to move these talks along ? And what are you doing to prepare for all possible scenarios on the Korean Peninsula?

In addition, our relations with Japan and South Korea- two long standing US allies- could not be more important than they are right now. They are involved in the North Korean talks- and we share a number of key security goals. What are we doing to ensure that relations with these two allies remain strong ?

India also continues to be an important US partner in the region. Since September 2001, US-India relations have flourished, including in the area of defense. Yet India has nuclear weapons that it has tested in the past. And it has never signed the Nuclear Non-Proliferation Treaty (NPT). Despite this, the administration is pushing an agreement that would give India nuclear power. Many experts warn the deal could enhance India's ability to make nuclear weapons; ignite a regional arms race; and strain US relations with

other important regional partners. It could also create undesirable precedents and make it more difficult to curb proliferation in Iran and North Korea. I hope you'll share your thoughts on the regional security risks you think this agreement could create.

Finally, we face serious challenges in Southeast Asia, particularly in the Philippines and Indonesia. The threat of terrorism, violence and instability is extraordinarily high here. We were reminded of this last October following the Bali bombing. But we must have a more sustained focus and make efforts in Southeast Asia a much bigger priority. The Pacific Command did a tremendous job responding to the 2004 tsunami in Indonesia and the recent landslides in the Philippines. These types of efforts are important to bolstering strategic relationships and improving security

cooperation activities. Yet I hope you will offer your thoughts on what more needs to be done.

Admiral Fallon and General Bell, again thank you for your service. And I look forward to your testimony.

Thank you Mr. Chairman.

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STATEMENT OF

ADMIRAL William J. Fallon, U.S. NAVY

COMMANDER

U.S. PACIFIC COMMAND

BEFORE THE HOUSE ARMED SERVICES COMMITTEE

ON U.S. PACIFIC COMMAND POSTURE

9 March 06

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INTRODUCTION

Mr. Chairman and Members of the Committee:

On behalf of the men and women of the United States Pacific Command (PACOM), I thank you for this opportunity to testify on the posture of our command, and provide an assessment of security in the Asia-Pacific region.

The Asia-Pacific region is an area of dynamic human activity, unprecedented economic growth and continuing security challenges in several areas. During this past year, Pacific-based U.S. military forces have served in large numbers in Iraq and Afghanistan, provided relief to thousands in the wake of natural disasters, built capacity in SE Asian nations combating terrorists and helped stabilize the region through exercises and engagement with countries throughout Asia and the Pacific.

In the past year, I have traveled extensively throughout the PACOM area of responsibility, meeting with military and government leaders, familiarizing myself first hand with issues, and determining how we - in concert with allies and partners - should prioritize efforts. These face-to-face discussions and first hand experiences have been very helpful in charting the course of our work. Several key impressions frame my overall assessment of the region.

In Northeast Asia, the U.S.-Japan relationship - the only military alliance for the Japanese - continues as the cornerstone for security in that area. The soon to be concluded Defense Policy Review Initiative (DPRI) has charted the strategic way ahead for the alliance and established a framework for the future U.S. force structure in Japan.

The U.S. - Republic of Korea alliance is healthy and evolving. The transformation and rebalancing of our combined military forces continue on pace with no impact to our readiness to decisively defeat aggression from North Korea, if required. The North Korean leadership remains an enigma and

the known ballistic missile capability of this country plus the potential possession of nuclear weapons are cause for continuing concern and attention to the Korean Peninsula. The Six-Party Talks, while not yet yielding a resolution to the North Korean nuclear issue, provide an encouraging framework for regional diplomatic leadership by the ROK, Japan, Russia, and China.

China's economic momentum and military modernization are conspicuous and influential. Regional leaders value the prosperity generated by their growing neighbor. Much of Asia's recovery from the late 1990's financial crisis was a direct result of strong Chinese markets. Asia-Pacific nations are grateful for the many decades of security and stability which a strong U.S. military presence has provided to the region. But most nations also want to share in the economic benefits which are being generated by China. Consequently, a positive relationship with both China and the United States remains the goal of most nations.

China continues to modernize its armed forces and acquire new capabilities at an accelerating rate. While nowhere near U.S. military capabilities, the PLA is enhancing a diverse and robust array of military hardware. And while economic, commercial and almost every other type of interaction between the U.S. and China has been accelerating, military to military ties have lagged. We are working hard now to change the vector in this area, to encourage Chinese military leaders to substantively engage with us in a more transparent manner. In my discussions with PLA military leaders, they indicated a willingness to reciprocate. It is important to advance our mutual military relationship, not only to ease tension and suspicion but to encourage, by example, Chinese participation in the full range of international engagement.

While consistently seeking to assure the PRC of our desire for peaceful resolution of cross-strait issues, we retain our strong commitment to the

defense of Taiwan should it be threatened by PRC military action. In this regard we have firmly and consistently advocated a stronger commitment and investment by Taiwan in its own defense. We welcome the general reduction in cross-strait tension between China and Taiwan, but recognize the potential for danger in this relationship.

Southeast Asia is the front line of the War on Terror in PACOM. Activities by terrorists and their supporters have been centered in the Philippines, Indonesia and Malaysia, particularly in the area of the Sulawesi Sea. With the cooperation of those nations, we have been building capacity and strengthening the ability of those countries to resist the activities of the terrorists and to actively seek their capture or demise.

In Indonesia, we are in the early stages of applying newly available foreign military financing and we anticipate that this investment, along with continued infusion of security assistance funding next year, will support efforts to professionalize and reform the Indonesian military. Terrorist and separatist perpetuated violence in southern Thailand, Sri Lanka, Nepal, and Bangladesh is also a serious concern.

Relations with India are strongly positive. The world's largest democracy has much in common with us. We seek to reinforce the administration's effort to build a U.S.-India strategic partnership by enhancing our military-to-military interaction, particularly with increased exercises and engagement.

These impressions highlight both the challenges and opportunities in the PACOM area of responsibility. We have in place key elements to succeed in advancing U.S. security interests and enhancing regional stability - vibrant alliances, opportunities for new partnerships, combat ready and agile forces, and committed Soldiers, Sailors, Airmen, and Marines to lead our efforts. As we move forward, our initiatives are organized into five focus areas - prosecuting and winning the War on Terror; maturing our joint and

combined warfighting capabilities and readiness; ensuring the credibility of our operational plans; advancing regional security cooperation; and, posturing forces for agile and responsive employment.

WINNING THE WAR ON TERROR (WOT)

Winning the War on Terror is our highest priority at PACOM. Cooperating nations of the region, particularly Australia, Japan, Republic of Korea, Thailand, Singapore, Fiji, Mongolia, and New Zealand, are making or have made significant, worldwide contributions to the war effort in Iraq and Afghanistan. Tonga has previously committed forces and we expect force contributions again in 2006.

Within Asia and the Pacific, we strive to eliminate the violence that now threatens the people and stability of the region and, more importantly, to transform at-risk environments - by, with, and through our regional partners. In every case, we work closely with the host nation, the Office of the Secretary of Defense, the Department of State and our U.S. Ambassadors in crafting our approaches to the at-risk areas.

Southeast Asia remains the PACOM focal point in the War on Terror. It has experienced significant terrorist activity — as evidenced by the October 2005 bombing in Bali. In the southern Philippines, Mindanao and the Sulu archipelago remain a sanctuary, training and recruiting ground for terrorist organizations. We continue efforts to create a secure and stable environment.

OPERATION ENDURING FREEDOM-PHILIPPINES (OEF-P) remains focused on training, advising, and assisting WOT efforts of the Armed Forces of the Philippines (AFP). As a result, we note both operational and organizational improvement in counterterrorism capacity of the AFP and other Philippine Security Forces. For example, AFP units have been able to sustain themselves for longer periods in the field. Additionally, they have been able to better

coordinate across services to pursue objectives. Other efforts, such as strategic communication, humanitarian and civil assistance, civil-military operations, intelligence fusion, and ongoing peace negotiations between the Philippine government and separatist Moro Islamic Liberation Front (MILF), have eroded support to the Abu Sayyaf Group and Jemaah Islamyah. In summary, we have made progress, but more can and will be done.

Government of Indonesia commitment to thwarting extremism and maritime security is readily evident, and recent operations against key terrorist leaders demonstrate that the skill and capabilities of Indonesian forces are improving. Indonesian security forces aggressively pursued terrorists responsible for the October 2005 Bali bombing, resulting in the death of one of the top two Jemaah Islamyah leaders (Al Zahari).

To support and accelerate Indonesian counter-terror actions, and to enhance maritime security, particularly in the strategically important Strait of Malacca, we endorse a rapid, concerted infusion of assistance. Aid to the Indonesian military (TNI) will help sustain ongoing reforms as well as increase capacity for action against security threats and bolster their professionalism. Our assistance to the TNI will contribute to the long-term success of the Indonesian democracy — and ultimately — help remove conditions that breed terrorism. In the wake of the recent Department of State decision to waive the FY06 Foreign Operations Appropriations restrictions in the interest of national security, we have moved out smartly to implement Foreign Military Financing (FMF) for Indonesia. As we move forward in this new partnership, we remain committed to the improving the professionalism of the TNI and we will continue to closely observe and emphasize their support for human rights.

The dedicated professionals of our **Joint Interagency Task Force-West (JIATF-W)** made major contributions in furthering WOT objectives by attacking a key enabler of terrorism — transnational crime — in an exceptionally cost-

effective way. JIATF-W personnel coordinated military-to-military training, information sharing, law enforcement training and infrastructure development projects throughout the theater but primarily among countries with the greatest threat of drug-related funding to terrorist activities. In a major success, the Interagency Fusion Center in Jakarta, Indonesia provided significant assistance to the raid of an industrial-scale drug lab outside Jakarta on 11 November 2005, the largest seizure in Indonesian history and among the largest in the world. The Philippine center is also operational and contributing to counter transnational threats.

Forces from the Special Operations Command PACIFIC play a key role in supporting PACOM WOT operations. They lead the effort in the Philippines - in concert with our Filipino partners - helping stabilize and improve the social-political environment. In addition to operations in the Philippines, the Joint Combined Exchange Training (JCET) program is the principal mechanism used by Special Operations Forces to assist partner nations in building capacity to defeat terrorism and improve our understanding of complexity of the local environment.

MATURE OUR JOINT AND COMBINED WARFIGHTING CAPABILITY AND READINESS

Fundamental to success in the War on Terror and continued stability in the Asia-Pacific region is our joint and combined warfighting capability and readiness. As virtually every operation and activity is conducted jointly and in concert with allies, it is important that we train to operate more effectively as a multinational team.

The revised PACOM training plan is specifically designed to mature joint and combined warfighting capability, and advance security cooperation while more effectively using resources. During the past year, we have completely reviewed our training program with the goals of maximizing scarce training dollars and minimizing unnecessary stress on the force. We aligned,

reduced, and, where appropriate, eliminated exercises. By leveraging rotational forces in theater, we can meet obligations with partners and allies, enhance training opportunities and demonstrate resolve. As one example, Exercise COBRA GOLD continues as a premier multilateral event with five countries partnering in a Command Post Exercise and more than twenty countries participating within the Multinational Planning and Augmentation Team. We are also using this existing venue to lead the Asia - Pacific Global Peace Operations Initiative (GPOI) training and certification. Through the routine interaction created by our exercises, we expect to reduce existing interoperability barriers, increase military capacity and confidence, and enhance the likelihood of an effective regional response to future crises.

Maturing our capability and readiness also requires operational improvements that not only span the spectrum of mission types - from nontraditional to combat operations - but also reflect the maritime nature of our theater.

Undersea Superiority. The Pacific Fleet has renewed its focus on Anti-Submarine Warfare (ASW) in view of the proliferation and increased capability of submarines in Asia and the Pacific. Continued enhancement of air, surface, subsurface, and C4I systems, as well as regular training and operations with partners and allies, will ensure our sustained ability to dominate any submarine threat.

Deep Intelligence Penetration/Persistent Surveillance. We remain overly dependent on technical collection for our intelligence - a dependency that prevents us from gaining an acceptable degree of insight into adversary intent. Such insight is necessary, however, if commanders are to effectively shape, deter, or respond militarily, particularly during the initial, escalatory stage of a crisis. We are working to adopt better management processes to meet our knowledge goals. However, increased and focused

capabilities - more persistent, deep, and discreet surveillance, better regional expertise, better human intelligence - are needed to better assess adversary intentions.

Command and Control (C2). A robust, reliable, secure, and shared communications architecture is critical to the command and control of military forces in joint and combined warfighting. To support current plans and future network-centric operations, we need to provide sufficient MILSATCOM capabilities across the vast Pacific region. We are working to diversify critical C4 sites to reduce the possibility of a disabling attack on our networks. Furthermore, to facilitate coalition interoperability, critical to the War on Terror, we need to rapidly move from bilateral to multinational information sharing. Since extremism does not respect borders, meaningful counter terror response requires all affected nations to join hands, creating nodes of knowledge to thwart attacks. The ongoing effort to improve information sharing among Strait of Malacca littoral states is a good example.

Strategic and Intra-theater Lift. Given the size and maritime nature of our AOR, agile employment - in responding to conventional attack or for a nontraditional mission - requires a reliable, versatile, complementary, and rapid airlift and sealift force. The arrival of USAF C-17s this year at Hickam AFB, Hawaii and Elmendorf AFB, Alaska adds increased airlift capacity. We are working to ensure that beddown support requirements, such as maintenance and training facilities, practice assault air strips, and associated infrastructure, keep pace with the aircraft delivery schedule.

High-Speed Vessels (HSVs) are a cost effective sealift alternative, providing an exceptionally flexible augment to intra-theater airlift assets. The acquisition of HSVs can significantly enhance the rapid deployment of the Stryker Brigade Combat Teams and the mobility of Special Operations Forces throughout the AOR. We favor continued leasing of HSVs as an interim

capability, and strongly support a more aggressive acquisition process to expedite Joint HSV delivery.

Prepositioned Stocks (PREPO)/Preferred Munitions. Due to the time-distance challenges in this theater, PACOM forces require readily available and properly maintained PREPO stocks at the outset of any conflict. With command-level attention, we have elevated the effectiveness of PREPO maintenance. However, we still have an immediate need for replenishment of these stocks and other preferred munitions, particularly GPS-aided and laser-guided weapons. The appropriate mix of emerging weapons such as Guided Multiple Launch Rocket System, new Patriot missiles, and the Joint Air-to-Surface Standoff Munitions will be important in the future.

Air dominance, sea control, effective ballistic and cruise missile defense, and the ability to counter chemical, biological, radiological, and nuclear (CBRN) attacks on our forces and homeland are essential requirements to military readiness in the Pacific theater. Throughout our operating environment, these capabilities enable our forces to gain access, freely maneuver, and focus on the objective - whether conducting maritime interdiction operations or preventing an adversary's lodgment. We support Joint and Service programs that would preserve our superiority.

ENSURE OPERATIONAL PLANS ARE CREDIBLE

Operational plans form the basis for military requirements in peacetime and initial response in war. As such, they must be both credible and executable. At PACOM, we bring to the planning process a culture that challenges assumptions, analyzes with rigor, and demands refinement when variables change. For Homeland Defense, we work with NORTHCOM to refine and exercise comprehensive strategies that safeguard Americans. Additionally, annual exercises, such as TERMINAL FURY, enable us to more closely examine key aspects and potential friction points in our plans and to develop options

which optimize capabilities. Equally important, our staffs gain confidence in their ability to execute as a result of these exercises.

ADVANCE REGIONAL SECURITY COOPERATION

Our Theater Security Cooperation Plan serves as the primary blueprint to enhance U.S. relationships and military capacities of allies and regional partners. It is fully coordinated with our embassy country teams and integrates available resources — security assistance, military-to-military exchanges, exercises, cooperative technology development, and outreach programs — into a coherent, mutually supportive set of activities for each country. Of note, our enlisted leadership development program, targeted at militaries in developing nations, serves to enhance the professionalism and capacity of this key cohort. With stronger non-commissioned officers, we believe that the operational professionalism of units is increased as well as individual soldier leadership, important in building capability and respect for human rights.

We view these security cooperation activities as essential to the execution of U.S. strategy. For relatively low cost, we can make progress in each of the PACOM focus areas, and we facilitate situations in which future challenges can be met through strong regional cooperation and capacity.

Japan. The U.S.-Japan alliance remains the most important pact in the Pacific and is as strong as ever. Approximately 50,000 U.S. armed forces personnel are in Japan, either permanently assigned or forward deployed with Naval Forces. The Government of Japan also provides approximately $4 billion annually in host nation support to our basing arrangements. These forward-stationed and forward-deployed forces send a strong signal of U.S. commitment to maintaining peace and stability in the region as well as providing a ready response force in East Asia.

Our alliance is undergoing important changes, ensuring its relevance for the long term. Continuing the work announced in the Alliance Transformation and Realignment Report in October, we are developing detailed implementation plans with Japan for each of the proposed posture changes (discussed later in this text). Simultaneously, we are conducting a U.S.-Japan interoperability study, exploring ways to improve how our forces coordinate a wide range of operations. Close collaboration is also ongoing for cooperative missile defense, an effort that will improve the security of Japan as well as the U.S.

Prime Minister Koizumi has demonstrated exceptional leadership in support of the U.S. - Japan security alliance and guided the Japanese government (GOJ) and military through significant change. With renewal of its Special Legislation, Japan continued its deployment of Self-Defense Force (SDF) personnel to Iraq and the Indian Ocean in support of Operation Enduring Freedom. Additionally, Japan expeditiously deployed its SDF to Indonesia for humanitarian relief in the aftermath of the tsunami disaster. These actions clearly show the willingness and capability of the GOJ to deploy the SDF regionally and globally in support of security and humanitarian operations.

Republic of Korea (ROK). The U.S.-ROK alliance is sound and continues to form the foundation to peace and security on the Korean peninsula. Our alliance remains focused on the most immediate security threat to the Korean people - North Korea (DPRK). The DPRK maintains more than 70 percent of its forces within 100 kilometers of the Demilitarized Zone and its export of missiles and missile technology poses a very serious proliferation concern. Other illicit activities - including probable state-run narcotics and currency counterfeiting enterprises - continue to finance the DPRK regime while undermining regional security.

After four complete rounds of Six Party Talks aimed at eliminating North Korea's nuclear weapons programs, it is clear that deliberate and

coordinated multilateral efforts between the ROK, Japan, Russia, and China must continue. The strong ROK-U.S. defense partnership has been an essential cornerstone of the effort to deter aggression and resolve the North Korean nuclear issue peacefully through regional diplomacy.

The U.S.-ROK alliance must remain adaptable in light of the changing security environment, including unconventional threats, China's military modernization, and the potential for reconciliation between the Koreas. The ROK and U.S. are working to transform both our militaries and the alliance. We also hope to foster greater trilateral military cooperation between the ROK, Japan, and the U.S., and we welcome Korea's adoption of a more regional view of security and stability. By moving forward as partners we will continue to successfully modernize the alliance for our mutual and enduring benefit.

Australia, one of our closest and steadfast allies, plays a key role in the Pacific and is a staunch partner in the War on Terror. U.S. and Australian military forces coordinate security cooperation and counter terrorism activities in the Philippines, Indonesia, and Malaysia. Additionally, Australia plays a leading role in regional security with operations in East Timor, the Regional Assistance Mission to the Solomon Islands, and maritime security in the Pacific Islands.

High quality, bilateral training between the Australian Defense Force and the U.S. armed forces has been a long-standing and fundamental tenet of our alliance, resulting in successful combined operations in East Timor, Afghanistan, the Persian Gulf, Iraq, and tsunami relief. The establishment of a Joint Combined Training Centre in Australia's Northern Territory will take bilateral training to a new level, allowing our combined forces to prepare for a modern and dynamic threat environment. In addition, we are strengthening intelligence sharing with Australia to further enhance our bilateral cooperation and interoperability.

The **Republic of the Philippines** is a steadfast ally in Southeast Asia, and our mutual commitment to this alliance was just reinforced by rapid U.S. civil and military response to February's Leyte mudslide disaster. Challenged by recent threats to stability, the Philippine government (GRP) appears committed to democratic practices and rule of law. The GRP has taken the lead on initiatives to improve our counterterrorism cooperation, and at the same time, we see steady progress in Philippine Defense Reform. The GRP is committed to a comprehensive reform program that includes a multi-year planning and budgeting process and publication of annual Defense Planning Guidance. The Philippine Government is setting aside resources to retrain and re-equip up to 14 battalions with US material every year for the next five years and is confident this effort will succeed with very modest U.S. assistance. President Arroyo deserves credit for reducing the Philippine budget deficit by 22% in 2005. This strong fiscal position makes military reform more affordable. As Philippine commitment is demonstrated, we should reinforce progress appropriately.

I am encouraged by the continued support and involvement of the Philippine government in significant regional events. This year they endorsed the Proliferation Security Initiative and its Statement of Interdiction Principles. They actively participated in ASEAN Regional Forum venues addressing counterterrorism and maritime security and cooperated with Australia and other friends and allies on diverse security matters.

Thailand is a Major Non-NATO Ally, Treaty Ally, and partner which maintains a robust military relationship with the U.S. Having led military peace observers in Aceh, Indonesia, and completed engineering deployments in Afghanistan and Iraq, Thailand routinely demonstrates international commitment and also supports our training requirements by generously hosting the premier PACOM multilateral exercise, COBRA GOLD. This annual exercise is a centerpiece for building regional competencies to respond to a wide range

of transnational security threats and humanitarian relief contingencies. Also, Thailand has been particularly open and cooperative in the WOT and counter-narcotics efforts, and a year ago hosted US and multi-nation tsunami relief efforts. We continue to stay abreast of the terrorist activity in the Southern Provinces.

India. We are working with our Indian Armed Forces counterparts to realize the goal of national strategic partnership envisioned by President Bush and Prime Minister Manmohan Singh. As vibrant democracies, India and the U.S. are working together to resolve issues of mutual interest such as maritime security, counter-terrorism, and disaster relief. This year, PACOM forces conducted more complex and realistic training exercises with the Indian military, including the MALABAR naval exercise with aircraft carriers from both nations, the second in a series of Army exercises leading to a Brigade-level Command Post exercise, and the COPE INDIA air exercise featuring a wide range of Indian and U.S. aircraft. As U.S. and Indian security interests overlap, we will ensure our military interaction enhances interoperability and fosters a military-to-military relationship based on trust. We believe a strong, democratic India will be a cornerstone of stability in the region.

Singapore and the U.S. signed a Strategic Framework Agreement in July 2005 recognizing Singapore as a major security cooperation partner. This agreement, and the supporting Defense Cooperation Agreement, solidifies strategic access to Singapore for visiting U.S. forces and provides a framework to guide our expanding bilateral security relationship. Maritime security cooperation remains a key common interest, and we continue to work with Singapore and other partners to improve capacity in this area. In August 2005, Singapore, a regional leader within the Proliferation Security Initiative (PSI), held the first Joint and Combined PSI Exercise in Asia. A

staunch supporter of the WOT, Singapore continues to provide forces to Operation IRAQI FREEDOM and Operation ENDURING FREEDOM.

Indonesia plays a unique strategic role in Southeast Asia and the Muslim world. As the world's most populous Muslim nation, located astride strategic trade routes, Indonesian democracy is critically important to security in the Pacific.

Over the past year, we have advanced engagement with the Indonesian military by completing the first JCET since 1992, providing $11 million of medical supplies, and formalizing the military-to-military security consultative process. Our strategy for moving forward is carefully targeted toward areas such as humanitarian assistance and maritime security. We are well on the way to providing $15 million in C-130 parts to the Indonesian Air Force through the Foreign Military Sales system to help Indonesia improve its airlift capacity, particularly important in responding to natural disasters. We also plan to use $1 million in Foreign Military Financing (FMF) to support critical improvement to the Indonesian Navy maritime security infrastructure. Additional FMF funding in FY07 would allow us to continue airlift development and speed the deployment of coastal radars and communications equipment essential to Indonesia and maritime security for the region.

As we move forward in this renewed partnership, we remain committed to the improved professionalism and reform of the Indonesian military. We will closely observe and strengthen their demonstrated support for human rights — a major PACOM focus, continually emphasized during numerous high level visits with Indonesia. Just last week, I returned from Indonesia, and several of my Component Commanders have recently visited — each of us is heartened by the progress and values we observed. Of note, President Yudhoyono has warmly greeted the recent U.S. policy changes and remains deeply committed to continued military reforms.

China. The rapidly expanding economy, growing demand for energy and clear aim to assume a more prominent role in regional and international affairs is having a major impact on the Asia-Pacific security environment. PACOM activities have been in concert with the Taiwan Relations Act (TRA) of 1979, the three Joint U.S.-PRC communiqués (1972, 1979, 1982) and the One China policy. These policies have helped maintain peace and stability in the area of the Taiwan Strait for the past quarter century. DoD has two obligations under the TRA: assist Taiwan in maintaining its self-defense capability and retain the capacity to resist any use of force against Taiwan. Our efforts are aimed to prevent miscalculation which might result in conflict.

The PRC has continued to acquire new hardware and expand military capabilities. While not constituting a capability near that of the U.S., the increasing sophistication and size of modern military equipment, coupled with the lack of clear national intent with regard to this military capability, merits our close attention. Until the PRC renounces any intention of using force to resolve the Taiwan issue, we will maintain sufficient military capability in the region to meet our obligations under the TRA.

Given the complex and extensive relationship between the U.S. and PRC and the expressed desire to deepen the military relationship between us by the political leaders of both countries, PACOM has been strongly advocating a reinvigorated military-to-military relationship in a variety of areas. We have sought to focus in areas of common interest but have made clear to PLA leaders that the relationship should be guided by principles of transparency and reciprocity.

Taiwan. Our relationship with Taiwan is also guided by the TRA. Recognizing that tensions in the area have relaxed in the past year, PACOM has continued to encourage both Taiwan and the PRC to work to resolve peacefully their differences. Enhancing the ability of Taiwan to defend

itself is the focus of our military engagement with Taiwan and we have seen strong interest by the Taiwan military in strengthening their defensive capabilities. We will continue to encourage their acquisition of useful technologies and a strong commitment to their own defense.

Mongolia remains a staunch ally fighting terror around the world, whether through involvement in Iraq, or as a volunteer for UN missions. Our relationship remains strong. The Mongolians strive to establish a regional center for Peacekeeping Training. KHAAN QUEST, a PACOM-Mongolia Peacekeeping exercise, will serve as a capstone to this year's peacekeeping training efforts. We are moving from a bilateral to a multi-lateral forum to include other nations in the region in this exercise. PACOM is steadfast in our support of Mongolian Defense Reform efforts; providing guidance and direction to align with more efficient models of Command Structure with a Joint Defense Assessment.

Russia. EUCOM is the supported command for Theater Security Cooperation planning and coordination with the Russian Federation with PACOM in a supporting role. Extensive coordination with EUCOM ensures security cooperation efforts are consistent and mutually supporting. PACOM interaction with Russia during 2005 saw some success; including the actual rescue of a trapped Russian submarine crew, the eleventh trilateral search and rescue exercise with Canada and the U.S., and the historic port visit by the USS CUSHING to Petropavlovsk - the first U.S. Navy warship visit there since World War II. Cooperative Threat Reduction interaction suffered because of sharply reduced funding.

Sri Lanka. Limited progress occurred over the past year in the peace process between the Government of Sri Lanka (GSL) and the Liberation Tigers of Tamil Eelam (LTTE). After a flurry of violence following the Nov 2005 elections, we are encouraged by the recent talks in Geneva by the GSL and the LTTE and the plan to continue these talks in the near future. The PACOM

security cooperation program with the Sri Lankan armed forces helps deter renewed violence by improving its preparedness as well as demonstrating to the LTTE that the GSL has U.S. support. Military-to-military activities are aimed at developing institutional values that ensure civilian control of the military, and a military commitment to human rights.

Nepal. Policy decisions as a result of King Gyanendra's February 2005 assumption of direct rule prevented PACOM from allocating the $1.48 million in planned Foreign Military Financing (FMF) for Nepal. Prior to the cessation of engagement, FMF and Special Forces Joint Combined Exercise Training with the RNA Rangers were making a difference in Nepal. International pressure and current US policy regarding military-to-military activities with His Majesty's Government of Nepal have yielded little progress in democratic reform. The security situation in Nepal is deteriorating as the Maoist campaign of terror against the government and people intensifies. The Royal Nepalese Army is increasingly challenged in its attempt to protect the population against the terrorists.

Bangladesh. We seek to reinforce shared values of democracy and human rights with the Bangladesh armed forces through security cooperation and training. PACOM objectives are to assist Bangladesh in fighting extremism, developing border control, increasing maritime security, and developing the counter-terror skills necessary to align its security capabilities. The security situation in this country is deteriorating as Muslim extremists take advantage of corrupt government with increased terrorist violence.

Malaysia. This country has a strongly expanding economy and growing affluence. The government supported the "Eyes in the Sky" initiative to increase combined aerial surveillance over the Strait of Malacca and stood up the Malaysia Maritime Enforcement Agency, a Coast Guard-like organization, in late November 2005. Additionally, Malaysia has worked to develop the Southeast Asia Regional Center for Combating Terrorism as a hub for

exchanging best practices on combating terrorism. These initiatives demonstrate a commitment to combating piracy and other maritime threats, reducing the potential for terrorists to use Malaysia for sanctuary or transit zone, and a desire to work cooperatively with regional partners to increase stability.

Vietnam. Our military-to-military relationship with Vietnam is progressing in a modest but positive direction. Vietnam accepted the International Military and Education Training (IMET) program, co-hosted a PACOM multilateral conference on military medicine, and expressed the possibility of supporting international peace operations. These are strong indicators of increased Vietnamese willingness to participate regionally. Along with POW/MIA recovery operations, we promote a combined approach between our armed forces, particularly on issues that can influence regional security or make contributions in humanitarian assistance/disaster relief.

New Zealand has been a strong supporter of the War on Terror, including operations in Afghanistan. The Government of New Zealand's 1986 legislative ban of nuclear powered ships in its waters continues to hinder improved military-to-military relations.

Compact Nations. We continue to reinforce our special relationship with the three "freely associated" states - the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau. We take seriously our defense obligations to these nations under the Compacts of Free Association through the implementation of our Homeland Defense planning and preparation. We also recognize the significant contributions of the citizens of the Compact nations as they serve with great distinction in the U.S. Armed Forces including OEF and OIF. The Marshall Islands have a particular importance as the location of the Ronald Reagan Ballistic Missile Defense Test Site, a unique asset which is integral to the development of our nation's missile defense programs and the conduct of space operations.

Security Assistance. One of the most important features of PACOM theater security cooperation is the security assistance effort we execute in partnership with the Department of State and in close cooperation with our embassy country teams. Of special interest are the grant aid security assistance programs including **International Military Education and Training** (IMET) and **Foreign Military Financing** (FMF), powerful tools in building partnership capacity of security forces from developing countries. It is a vital element of the Philippines Defense Reform, and is enhancing counterterrorism and maritime security capabilities of other WOT countries, such as Indonesia, Thailand, and Bangladesh. FMF is also improving the capability and readiness of WOT coalition partners Mongolia and Fiji. **PACOM countries typically receive less than one percent of the annual worldwide allocation of FMF.** These modest investments in capacity building and prevention of the conditions which foster instability merit increased funding.

Other key programs in PACOM contribute more broadly to security cooperation by addressing transnational concerns. Our Global Peace Operations Initiative program, efforts to combat weapons of mass destruction, preparations for pandemic influenza, the periodic deployment of the hospital ship, USNS MERCY, and outreach organizations like the **Center of Excellence in Disaster Management and Humanitarian Assistance (COE)** and **the Asia-Pacific Center for Security Studies (APCSS)** provide foundational expertise while establishing enduring relationships between nations of the region. Additionally, **Joint POW/MIA Accounting Command** has proven itself as powerful force multiplier in our efforts to meet security cooperation goals.

Pandemic Influenza. Over the past year, PACOM has conducted planning, preparation, education, and an exercise focused on pandemic influenza in an effort to prepare U.S. Pacific forces for the potential of this disease. In addition, and in cooperation with the Department of State and the Department

of Health and Human Services, we have engaged with other Asian-Pacific militaries to raise the collective level of awareness and cooperation. We believe such coordination will help provide better visibility into some nations in the region, and buildup limited response capability. The U.S. overseas military medical laboratories in Jakarta and Bangkok are providing essential services in support of these efforts.

USNS MERCY Deployment. The deployment of one of the nation's two hospital ships, USNS MERCY, during the South Asia tsunami relief operations clearly demonstrated the potential of these ships to aid the needy as well as advance security cooperation. This year we plan to begin periodic humanitarian and civil assistance deployments to further our relationships, build capacity and flexibility, and encourage stable, secure environment development in key nations in the Asia-Pacific. To effectively employ resources and build upon the lessons learned and teamwork from tsunami relief, we hope to include NGOs on MERCY to support our operational and humanitarian goals.

POSTURE FORCES FOR AGILE AND RESPONSIVE EMPLOYMENT

Forward deployed forces, ready for immediate employment, send an unambiguous signal of undiminished U.S. commitment to the Asia-Pacific area. Agile and responsive global forces also act to deter aggression, provide the National Command Authority rapid, flexible options in crises, and the ability to dominate an opponent in combat if required. We are focusing our ongoing transformation and rebalancing efforts on improving our responsiveness.

Importantly, we approached transformation and rebalancing from a regional perspective and have enjoyed the support of allies and partners in the process. In particular, the cooperation with the Governments of Japan and the Republic of Korea has set the stage for improved combat capability while also reducing the impact on the local populace. Additionally, we are

coordinating closely with the Government of Guam as we strive to optimize our future military posture. In executing the posture changes described below, we are concerned first and foremost with preserving combat capability. We will relocate U.S. forces in close consultation with allies and in a manner which retains our force employment capability. Completing the necessary infrastructure on the agreed timeline will require expeditious and continued commitment of financial resources.

The realignment and consolidation of U.S. Forces Korea into two hubs optimally locates forces for combined defense missions, better positions U.S. forces for regional stability, greatly reduces the number of major installations, returns most installations in Seoul to the ROK, and decreases the overall number of U.S. personnel in Korea. When completed, these initiatives will also result in joint installations that provide more modern and secure facilities, expanded training space, a less intrusive presence, and an enhanced quality of life for both Koreans and U.S. forces and their families. Additionally, transformation reciprocally supports our Korean ally's goal of building military self-reliance and a regionally capable force. The redeployment of 12,500 American forces remains on schedule for a 2008 completion.

Our Japan ALLIANCE TRANSFORMATION AND REALIGNMENT negotiations through the Defense Policy Review Initiative (DPRI) are nearing conclusion, with an agreed implementation plan expected by 30 March of this year. This effort assessed the security environment in the region and bilaterally determined the required roles, missions, capabilities, and force structure. With this initiative, we will inaugurate several substantive changes in Japan including transfer of U.S. carrier tactical aviation from Atsugi Naval Air Facility to Marine Corps Air Facility Iwakuni, collocation of U.S. and Japanese air command and control at Yokota Air Base, reduction of the Marine footprint on Okinawa by approximately 7,000 Marines and relocation of them to Guam.

Subsequent to Marine redeployment and consolidation of forces on Okinawa, we intend to return land to the Japanese and thereby mitigate some irritants to local communities. The GOJ has also approved USS GEORGE WASHINGTON, a nuclear carrier, as a replacement for USS KITTY HAWK.

In South and Southeast Asia, we are continuing efforts to increase access and theater security cooperation opportunities through the development of Cooperative Security Locations (CSL) and Forward Operating Sites (FOS). Such locations would be characterized by minimal infrastructure and periodic presence. In December 2004, we validated the CSL concept in the tsunami response.

QUALITY OF SERVICE

Our personnel readiness remains strong. Morale is high. Your continued support of our Quality of Service (QoS) initiatives contributes immensely to our combat readiness and the retention of our highly skilled Soldiers, Sailors, Airmen, and Marines. In particular, thank you for demonstrating your commitment to our military men and women and their families by approving the 3.1% pay raise, authorizing full Basic Allowance for Housing for Reservists called to active duty for more than 30 days, making permanent the increase to the Family Separation Allowance rate, enhancing the death gratuity benefit to $100K, increasing the Servicemen's Group Life Insurance maximum amount to $400K, and authorizing retroactive Hostile Fire and Imminent Danger Pay. In addition, by providing travel and transportation rights to family members to visit their hospitalized service member and not requiring payment for meals in a military hospital by members undergoing recuperation or therapy, you have helped to improve morale and build loyalty.

DRAFT

SUMMARY STATEMENT

Last year's visits to the region by the President and Defense Secretary are indicative of the growing prominence of the Asia-Pacific. The extraordinarily dedicated men and women of U.S. Pacific Command - serving in and out of uniform - understand the region and its importance to our national interests. We are committed and prepared to serve those interests — whether in peace or at war. The American people and the Congress have provided staunch support and we sincerely appreciate your advocacy and assistance. I am proud and honored to represent the men and women of U.S. Pacific Command. On their behalf, thank you for your support, and thank you for this opportunity to testify on our defense posture.

STATEMENT OF

GENERAL B. B. BELL

COMMANDER, UNITED NATIONS COMMAND;

COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES COMMAND;

AND COMMANDER, UNITED STATES FORCES KOREA

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

9 March 2006

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Mr. Chairman, and distinguished members of the committee, thank you for the opportunity to appear before you today as Commander, United Nations Command; Commander, Republic of Korea – United States Combined Forces Command; and Commander, United States Forces Korea. It is my distinct honor to represent the Soldiers, Sailors, Airmen, Marines, and their families who serve in the Republic of Korea. On behalf of these outstanding men and women who serve our country, I thank you for your unwavering commitment to our nation's armed forces and improving the quality of life of our service members and their families. Your support allows us to ensure security on the Korean peninsula and promote stability in the Northeast Asia region. I appreciate this opportunity to report on the state of the Command and on the strengthening of the Republic of Korea - United States Alliance.

Much has changed in the more than half-century of the Republic of Korea - United States Alliance, change affected both by the events of September 11, 2001 and by new developments on the Korean peninsula, revealing a far more complex security environment. These changes have resulted in increased security responsibilities for the United States and increased interdependence with our allies and coalition partners throughout the world. A new generation of South Korean leaders, cognizant of their national achievements, is eager to achieve a more constructive relationship with North Korea and to take a more active role in regional affairs. At the same time, while still dependent on international aid for economic survival, North Korea has continued to defy

international conventions through its declared possession of nuclear weapons, presenting a clear threat to both the region and the entire world.

While the dynamics of the security environment are evolving and our security relationships continue to mature, the fundamental purpose of the Republic of Korea - United States Alliance remains unwavering: deter and defend against a North Korean threat; and sustain a mutual commitment to regional security and stability. We continue to encounter calculated North Korean efforts to divide an alliance that has been the foundation for peace and prosperity in the Northeast Asia region for over half a century. Together, we are working to transform the Republic of Korea - United States Alliance into a stronger, far more capable alliance, while setting conditions for an enduring United States military presence in Korea. This military transformation of the Republic of Korea - United States Combined Forces Command will also bolster regional security and stability, promote prosperity, and better defend democracy in the region.

I. The Northeast Asia Security Environment

The United States has significant, long-term interests in Northeast Asia; namely, mitigating threats to regional stability, promoting economic cooperation and free market enterprise, and fulfilling our commitments to allies and friends. The long-standing presence of United States forces and the strength of our strategic partnerships provide the foundation for stability and the catalyst for continued cooperation and prosperity in the region. Forward-deployed United States forces demonstrate our resolve to strengthen and expand alliances,

counter the proliferation of weapons of mass destruction, work with partners and friends to defuse regional conflicts, and stand with our partners to oppose threats to freedom wherever they arise. United States forces based in South Korea, along with military forces from the Republic of Korea and other regional partners, enable the promotion of long-term regional stability by continuing to deter an increasingly manipulative and provocative North Korea.

Northeast Asia is a nexus of economic might. United States trade in the region accounted for about twenty four percent of our nation's total international trade in goods for 2005, exceeding the share of goods traded with the European Union and second only to our trade with the countries of the North American Free Trade Agreement. Bilateral United States - Republic of Korea trade alone totaled $72 billion in 2005. All told, over one-quarter of the world's total trade flows through the Northeast Asia region. With this trade and investment likely to expand in the future, the stability of Northeast Asia is essential to the vitality of global markets, upon which the prosperity of the United States also greatly relies.

While economic cooperation and interdependence within Northeast Asia represent a positive trend toward encouraging stable relations, our military presence remains essential in a region that includes five of the world's six largest militaries, three of the world's proven nuclear powers, and one self-declared nuclear state -- North Korea. Historical enmity amongst nations, coupled with the continuing upward trend in regional military expenditures, present the potential for large-scale military competition and corresponding instability. Over the last

decade, while average global defense spending has declined, defense spending in Northeast Asia has increased by about one quarter.

Within this context, North Korea continues to defy the international community by declaring its possession of nuclear weapons, which are a threat to the security and stability of the peninsula, the region, and the world. The Six-Party Talks between the United States, Republic of Korea, North Korea, China, Japan, and Russia on the issue of North Korea's nuclear weapons programs represent the six countries most engaged in this area of the world with respect to the assurances of a peaceful and stable Korean peninsula. The United States is committed to resolving the North Korean nuclear issue peacefully. Because the North Korean nuclear issue is complex, the solution will likely be complicated, requiring substantial effort by all parties involved. However, the fact that the six parties remain engaged is an indication of positive intent. Throughout this process, the Alliance will remain ready to deter, and if necessary, to defeat a North Korean attack.

II. North Korean Challenges to Regional and Global Security

North Korea poses a variety of threats to regional and global stability: an active nuclear weapons development program; growing proliferation of missiles and missile technology; assessed possession of chemical weapons and a biological research program; large conventional and special operations forces; and a failing economy. Its leader, Kim Jong Il, shows little regard for the welfare of ordinary citizens, and uses extensive internal security measures to ensure that

no internal challenge to his regime emerges. He increasingly encourages illicit activities such as drug trafficking and counterfeiting of U.S. currency to generate hard cash, and demonstrates little regard for international convention or agreements. The regime repeatedly uses the threat of large-scale war and weapons of mass destruction in order to extort aid or other concessions from the international community.

Kim Jong Il's paramount concern is to remain firmly in control. He rules the nation through a small cadre of elites who control all aspects of North Korean life. While the reunification of the peninsula under North Korean control remains the primary stated purpose of his regime, the ultimate goal of the North Korean dictator is self-preservation. Currently, there is little evidence to suggest that any internal threat to the regime exists.

The North Korean Military

The world's most militarized nation in proportion to population, North Korea has the world's fourth largest armed forces with over 1.2 million active-duty personnel, and more than five million reserves. Mandatory military conscription lasts eight years on average, with most servicemen performing the same job in the same unit the entire period. This stability in the ranks allows North Korean units to maintain readiness while limiting the expenditure of scarce resources. With more than seventy percent of its active duty combat forces deployed south of the Pyongyang-Wonsan line, within approximately 50 miles of

the DMZ, North Korea poses a significant and immediate threat to the security of the Republic of Korea.

Despite aging equipment and simplistic methods, North Korea's conventional military forces pose a continuing threat due to its sheer size and forward positions. Approximately 250 long-range artillery systems are within range of Seoul from their current locations. Although qualitatively inferior, North Korea's air force and navy, with over 1,600 aircraft, 700 ships, and the world's largest submarine fleet, are postured to launch operations against the Republic of Korea or other nations in the region with little or no warning.

While North Korean economic difficulties have impaired the readiness, modernization and sustainability of its conventional forces to some degree, North Korea, through its "Military First" policy, has continued significant investment in asymmetric capabilities that include nuclear weapons programs, special operations forces, missiles, and weapons of mass destruction.

North Korean Asymmetric Threats: Nuclear Capabilities, Special Forces, Missiles, and WMD

North Korea's asymmetric capabilities are substantial and represent a significant threat to the Republic of Korea and the region. The most pressing concern of these threats is North Korea's nuclear weapons programs. North Korea's abandonment of the 1994 Agreed Framework and International Atomic Energy Agency Safeguards Agreement, withdrawal from the Nuclear Non-Proliferation Treaty, restart of the Yongbyon nuclear reactor, and declarations

that it possesses nuclear weapons and reprocessed 8,000 spent nuclear fuel rods are all matters of great concern. North Korea claims to have nuclear weapons – a claim the Director of National Intelligence, Ambassador John D. Negroponte, assesses as probably true. These weapons are a threat to regional stability and, if proliferated, global security. In addition, the Kim regime continues to use its "nuclear deterrent capability" as a bargaining tool for economic assistance and political concessions.

North Korea's 100,000-man special operations forces are the world's largest and enjoy the highest military funding priority for the regime. Tough, well trained, and profoundly loyal, these forces are engaged in strategic reconnaissance and illicit activities in support of the regime. During conflict, these forces will direct long-range missile and artillery strikes against key facilities in the Republic of Korea, attack to disrupt command facilities of the Republic of Korea - United States Combined Forces Command, and seek to destroy the Alliance's ability to generate combat power through off-peninsula reinforcement.

The North Korean ballistic missile inventory includes over 600 SCUD missiles that can deliver conventional or chemical munitions across the entire peninsula. North Korea also possesses as many as 200 medium range ballistic No Dong missiles with a range of 1300km that are capable of reaching Japan with these same payloads. Reports indicate North Korea is also preparing to field a new intermediate range ballistic missile which could easily reach United States facilities in Okinawa, Guam, and possibly Alaska. The regime's continued

development of a three-stage variant of the Taepo Dong missile, which could be operational within the next decade, would not only provide North Korea the capability to directly target the continental United States, it would also allow North Korea -- the world's leading supplier of missiles and related production technologies -- the ability to provide its clients with the intercontinental capability to undermine stability in other regions.

The size of North Korea's chemical weapons stockpile is likely significant. We assess North Korea is probably capable of weaponizing chemical agents for conventional weapons systems, missiles, and unconventional delivery. Some reports suggest that Pyongyang may have a biological weapons research program. North Korea believes its nuclear and missile programs complement its conventional military capabilities to contribute to its security, providing deterrents to external intervention. Given North Korea's record of ballistic missile proliferation, we are concerned they may proliferate weapons of mass destruction.

The North Korean Economy

Severe economic problems remain the most pressing threat to the viability of the Kim Jong Il regime. Despite North Korea's limited experiments with free-market reform, its leadership is struggling with the cumulative impacts of a decade of economic decline. Total economic output has dropped nearly twenty-five percent since 1992 and factories operate at less than twenty-five percent capacity. The nation's power and transportation infrastructure are in need of

massive overhaul and agricultural output can only feed two-thirds of the population. Compounding these difficulties, the regime institutes a "Military First" Policy which directs approximately one-third of the limited domestic output to the military. This policy ensures that the military receives top priority with all resources, thus limiting the resources that could be used for the welfare of the North Korean people. While many factors contribute to North Korea's economic decline, the regime's high rate of military spending remains the major impediment to long-term recovery. North Korea's economy remains bolstered by aid from the international community. The regime also directs illicit activities such as drug trafficking, smuggling, and counterfeiting, as well as the proliferation and international sale of missiles, missile technology, and conventional arms to raise hard currency.

Assessment of the North Korean Threats

Despite its apparent economic decline and political isolation, North Korea continues to pose a dangerous and complex threat to regional and global peace and security. It maintains a massive, offensively postured conventional force that far exceeds the requirements to defend its country. There is little evidence to suggest the regime will abandon its "Military First" Policy, provocative diplomacy, nuclear challenges, missile proliferation and illegal activities, all of which are designed to contribute to its survival. North Korea will continue to maintain its bellicose stance toward the rest of the world, implementing limited policy and economic changes, while subjecting its people to continued repression. For now

and into the foreseeable future, it will remain a major threat to stability and security in Northeast Asia and the world.

III. The Republic of Korea - United States Alliance

The Republic of Korea - United States Alliance has, for over fifty years, guaranteed the security of the Republic of Korea against the threat of North Korean aggression, while enhancing peace and stability in the region. This alliance was forged during the Korean War and is exemplified today through the Combined Forces Command. While there have been many challenges in the region, the Republic of Korea – United States Alliance has remained stalwart in its mutual and enduring commitment to the security of the Republic of Korea and stability in the region. The Republic of Korea has been and remains a reliable ally to the United States, promoting peace and stability in the region and around the world.

The Republic of Korea Today

In the course of the Alliance's half-century of economic and security cooperation, the Republic of Korea has emerged as one of the leading economic powers and one of the preeminent democracies in the region. The Republic of Korea is the world's 12th largest economy with a gross national income of $673 billion; exceeded in the region only by Japan and China. With economic growth fueled by global exports of high technology and consumer goods, the Republic of Korea is a major economic partner for the United States, ranking as our seventh-

largest trading partner, seventh-largest export market, and an important investment location for American companies.

While the Republic of Korea has firmly secured its place as an important player in the global economy, declines in domestic consumption and business investment have slowed the growth of the economy over the past few years. Although private consumption appears to be improving, high household debt continues to be an issue of concern as well as the generation of jobs, particularly for South Korean youth. The effort to achieve five percent economic growth this year, while improving employment, will remain a top priority for the Roh administration. This recovery is essential to realizing the Republic of Korea's vision of becoming the transportation, financial, and information technology hubs of Northeast Asia, and in improving the quality of life for all of its citizens.

On the political front, the Republic of Korea enjoys a vibrant democracy. Generational perspectives impact the Republic of Korea's view of the threat posed by North Korea, which at times impacts the South Korean perception on the importance of our long-standing alliance. While impassioned debates and public demonstrations clearly exist, most South Koreans share the same view on two important issues: first, a nuclear armed North Korea is an intolerable threat to stability in the region, and second, a catastrophic failure within North Korea would destabilize the entire region and have extremely adverse consequences for South Korea.

In an effort to lessen the dangers of these potential threats, the Roh administration has adopted its "Policy for Peace and Prosperity" in guiding South

Korea's approach to inter-Korean relations. This policy formally opposes North Korea's pursuit of nuclear weapons while continuing efforts toward inter-Korean rapprochement through humanitarian assistance, family reunions, tourism, and trade.

As a result of this policy, inter-Korean trade and South Korean aid to the North grew to over $1 billion last year. In July 2005, the tenth meeting of the Inter-Korean Economic Promotion Committee was held in Seoul. In its discussions, the two governments agreed to combine economic production factors such as labor, capital, and technology to achieve balanced development of both nations' economies; invest in North Korea's Kaesong Industrial Complex; and conduct discussions on fisheries cooperation to promulgate peace in the West Sea. Through its Policy for Peace and Prosperity, Seoul hopes to promote gradual economic integration and reconciliation, providing the catalyst for a formal peace agreement to replace the Korean Armistice Agreement. While this is the intent, full implementation of this policy is predicated on resolving the North Korean nuclear issue on favorable terms for the region.

Strengthening the Republic of Korea - United States Alliance

During the December 2002 34th Security Consultative Meeting (SCM) the United States Secretary of Defense and the Republic of Korea Minister of National Defense established the Future of the Alliance (FOTA) Policy Initiative, a two-year dialogue designed to develop options for modernizing and strengthening the alliance. Following the conclusion of the FOTA dialogue in late

2004, the Republic of Korea - United States Security Policy Initiative (SPI) was established as a high-level consultative forum to address the broader, long-term issues of the alliance, and to monitor the successful implementation of the initiatives that were begun under FOTA. Major SPI agenda items include managing the relocation of United States Forces in Korea, transferring military missions and responsibilities from American forces to Korean forces, enhancing combined readiness, and expanding security cooperation. The goal of these discussions is to develop a broad, comprehensive alliance based upon guiding principles that underpin our two nations. It is our expectation that this new vision will look beyond potential threats from North Korea and produce a robust view of what the alliance stands for, showcasing it as the embodiment of our common principles, common values, and common objectives to include democracy, open markets, non-proliferation, counter-terrorism, human rights, rule of law, and civilian control of the military.

During senior policy dialogues in 2005, it was mutually agreed to appropriately accelerate discussions on command relations and the transfer of wartime operational control in light of the Republic of Korea's increasing role in its national defense. The two alliance partners set a goal of presenting agreed recommendations on future command relationships, to include wartime operational control, at the 38th SCM in the fall of 2006.

In March 2004, the Roh administration published its first-ever national security strategy outlining its plan for the peaceful unification of Korea and for common prosperity in Northeast Asia. In this plan, the administration restates its

opposition to North Korea's pursuit of nuclear weapons, while stating its "plans to first resolve the North Korean nuclear issue through dialogue based on a firm national defense posture."[1]

This strategy also outlines the Roh Administration's plan for a more self-reliant defense posture, advocating the continued transformation of the Republic of Korea - United States alliance, the promotion of security cooperation with other nations, and the enhancement of its own capabilities to assume greater responsibility for the defense of the Republic of Korea. This "Cooperative Self-Defense Pursuit Plan" accommodates the reduction of United States military forces in Korea, the relocation of United States forces to the south of Seoul, and the transfer of a number of military missions from United States forces to Republic of Korea forces as the first of many steps toward a more self-reliant defense posture.

During 2005, the Republic of Korea government unveiled a draft defense transformation initiative called *Defense Reform 2020*. The year 2020 is the objective year for this defense transformation initiative, which envisions the development of a technology oriented, qualitative defense force that is capable of self-reliance while still strongly aligned with the United States. Additional targeted reforms include the increased civilianization of the defense ministry; the reformation of defense management systems for military justice, personnel

[1] Republic of Korea National Security Council, *Peace, Prosperity and National Security: National Security Strategy of the Republic of Korea* (Seoul, Cheongwadae, 1 May 2004), 21. In November 2004, President Roh stated that "there is no other means than dialogue [to resolve the North Korean nuclear issue]." Roh Moo-hyun, "Speech by President Roh Moo-hyun at a Luncheon Hosted by the World Affairs Council of the United States," (13 November 2004).

management, defense acquisition, and the reorganization of the Joint Chiefs of Staff as a warfighting planning and execution headquarters.

Under the defense reform initiative, the Republic of Korea's Ministry of National Defense has requested an average defense budget increase of 11% per year until 2015, followed thereafter by an average increase rate of 9% until 2020. In December 2005, the National Assembly provided $22 billion for defense in 2006 -- a 6.7 percent increase over the 2005 budget. While this defense budget increase shows growth, successful execution of *Defense Reform 2020* requires both legislative support and consistent, substantive annual defense budget increases to enable the Republic of Korea to achieve its stated defense objectives.

With the Republic of Korea's increasing economic capacity and prominence in the international community, a balanced defense burden sharing arrangement in support of United States forces in Korea is fundamental to the strength of the Alliance. Early last year, the Republic of Korea and United States concluded a two-year Special Measures Agreement for 2005 and 2006. Per this agreement, the Republic of Korea agreed to provide a two-year annual payment of 680 billion Korean Won (~$680M), resulting in a decrease in 2005 of 67 billion Korean Won (~$67M) for non-personnel stationing costs of United States forces in Korea from 2004 levels. Inevitably, such funding shortfalls require the United States Forces Korea to make difficult decisions on important combat readiness issues. Clearly, defense burden sharing is advantageous to both Alliance partners. For the United States, the Republic of Korea's willingness to equitably

share appropriate defense costs is a solid indicator that United States forces in Korea are wanted, needed, and respected by our host. For the Republic of Korea, cost sharing contributions are returned back to the Korean economy at a ratio greater than one point four to one. These funds are injected directly back into the South Korean economy by paying the salaries of Korean USFK employees, Korean contractors, and Korean construction firms. Additionally, as the Republic of Korea builds its self-reliant defense force, the United States continues to invest in capabilities enhancements that contribute enormously to the security of the Republic of Korea. As the Alliance evolves, the Republic of Korea and the United States must develop a burden sharing framework that accurately reflects the realities of our allied partnership and properly supports United States forces in the Republic of Korea.

During their May 2003 Summit Meeting, President Bush and President Roh noted the significance of the 50-year partnership and highlighted the importance of building a dynamic alliance relationship for continued peace and prosperity on the Korean peninsula and in Northeast Asia. Noting the Republic of Korea's growing national strength, the presidents pledged to increase mutual security cooperation and to modernize the Republic of Korea – United States Alliance. These same sentiments were again echoed in their November 2005 bilateral meeting in Gyeongju, South Korea during the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting. During this bilateral summit, the two sides introduced a new strategic dialogue for ministerial-level talks between the United States Secretary of State and the Republic of Korea Foreign

Minister. Under this framework, the Republic of Korea and the United States will periodically discuss and review bilateral, regional, and global issues of mutual interest.

During the January 2006 inaugural session of the ministerial-level strategic dialogue, the United States and Republic of Korea governments reached agreement on strategic flexibility of United States forces in Korea. The agreement has two basic tenets: the Republic of Korea fully understands the rationale for the transformation of United States global military strategy, and respects the necessity for strategic flexibility of United States forces in Korea; and in the implementation of strategic flexibility, the United States respects the Republic of Korea's position that it shall not be involved in a regional conflict against the Korean people's will. This agreement is a testament of alliance strength and solidarity between the Republic of Korea and United States.

South Korea's efforts to develop improved warfighting capabilities for self-reliant defense are consistent with the United States' aims of encouraging our allies to assume greater roles in regional security. Peaceful resolution of the North Korean nuclear issue, enhanced Republic of Korea military forces, and greater regional cooperation -- key elements of Seoul's national security strategy -- are congruent with Washington's policies, and the United States Forces Korea fully supports the realization of such initiatives.

The Republic of Korea's Support of Global and Regional Security

Consistent with the spirit of mutual cooperation, the Republic of Korea continues to assist United States' efforts to promote global and regional security as an active partner in the Global War on Terrorism; support for operations in Iraq and Afghanistan; and participation in United Nations' peacekeeping, humanitarian assistance, and disaster relief missions. Recalling the sacrifice of so many countries during the Korean War, the Republic of Korea's ability to now contribute to international stability elsewhere is commendable and noteworthy.

Since 2002, the Republic of Korea has been an active supporter in the Global War on Terrorism, contributing millions of dollars in aid for reconstruction and providing and deploying a large contingent of troops to support operations in Afghanistan and Iraq. In 2004, the Republic of Korea National Assembly authorized the military deployment of South Korea's Zaytun[2] Division to assist with stability and reconstruction efforts in Iraq. In August 2004, the Republic of Korea deployed this unit to Iraq, where it joined the ranks of its previously deployed advance contingent of medics and engineers at Irbil in Northern Iraq. In December 2005, the Republic of Korea National Assembly approved a second, one-year extension of the Zaytun Unit to remain in Iraq through 2006, although with a reduced force structure of 2,300 troops. The Republic of Korea's continued participation in *Operation Iraqi Freedom* is a testament to its continuing support to the Global War on Terrorism, its commitment to the democratization of

[2] Zaytun is Arabic for olive branch, which is a symbol representing peace.

Iraq, and its efforts at enhancing and sustaining the Republic of Korea - United States Alliance.

At the same time, the Republic of Korea's support to Afghanistan has been substantial, to include providing a 58-person medical unit (which recently surpassed 10,000 in total medical patients treated), a 147-person engineer construction unit in Afghanistan, and contributing other military assistance worth millions of dollars.

Beyond Afghanistan and Iraq, the Republic of Korea has been a partner in United Nations peacekeeping operations around the globe. The Republic of Korea has dispatched Sudanese mission supporters in November 2005, while continuing to post medical officers in the Western Sahara, and observers deployed to the United Nations Observer Missions in Kashmir, Georgia, Liberia, and Burundi. Collectively, these contributions are a strong testament to the Republic of Korea's commitment to stability and security beyond the Korean Peninsula.

IV. United Nations Command, Combined Forces Command, and United States Forces Korea

The Republic of Korea - United States Alliance, the United Nations Command, the Combined Forces Command, and the United States Forces Korea provide the foundation for the security of the Korean peninsula, and peace and stability in the region. Together, the forces of these commands provide a

potent, integrated team with dominant military capabilities to deter any provocation and deter escalation that could destabilize the region. The commands remain trained and ready to fight, even as they are being transformed to adapt to a changing security environment by leveraging strengths of the Republic of Korea - United States Alliance and advanced warfighting technologies of increasingly more capable military forces. Throughout this transformation process, my command priorities will remain consistent: namely, to ensure peace and stability on the Korean Peninsula; strengthen the Republic of Korea – United States Alliance through transformation; enhance warfighting readiness; and improve force well-being.

Ensuring Peace and Stability on the Korean Peninsula

For over fifty years, United States forces have contributed to stability in the Republic of Korea and the region. The impenetrable friendship between our two nations continues to grow stronger every day; in large part, because of America's ongoing commitment to ensure security on the Korean Peninsula and to promote stability in the Northeast Asia region. The Republic of Korea continues to be a valuable ally and partner in the region and around the globe. The presence of United States forces in Korea demonstrates our commitment to shared interests: regional peace and stability; free trade; and the spread of democratic principles. The United Nations Command, Combined Forces Command, and the United States Forces Korea are trained and ready. We remain confident in our ability to deter, and if necessary, defeat aggression against the Republic of Korea.

Strengthening the Republic of Korea – United States Alliance through Transformation

During the October 2005 37th SCM, the United States Defense Secretary and Republic of Korea Defense Minister emphasized the continuing transformation of the Republic of Korea – United States Alliance into a comprehensive and dynamic bilateral relationship. Both sides concurred that transformation of the commands into a solid combined defense posture is vital to securing peace and stability on the Korean peninsula and in Northeast Asia.

United Nations Command

As the longest standing peace enforcement coalition in the history of the United Nations, the United Nations Command represents the international community's enduring commitment to the security and stability of the Korean Peninsula. With fifteen current member nations, the United Nations Command actively supervises compliance with the terms of the Korean Armistice Agreement, fulfilling the members' mutual pledge to "fully and faithfully carry out the terms" of the Armistice, and if there is a renewal of North Korean armed attack, to provide a unified and prompt response to preserve the security of the Republic of Korea.

With exclusive authority south of the Military Demarcation Line for the maintenance of the Armistice, the United Nations Command holds meetings with the North Korean People's Army, inspects United Nations units along the

Demilitarized Zone, and conducts investigations into alleged violations to prevent minor incidents from escalating into destabilizing crises. In October 2004, the responsibility for the protection of the Joint Security Area at Panmunjom shifted from the United States Army to Republic of Korea forces. This mission transfer is part of the Alliance agreement that recognizes the increased capabilities of the Republic of Korea military.

Although the United Nations Command is a multi-national organization, the United States has historically provided the Command with a majority of its personnel, while other coalition members have primarily functioned in liaison and advisory roles. It is the Command's intent to create a truly multi-national staff by expanding the roles of the member nations and integrating them more fully into our contingency and operational planning and operations. This integration is even more vital with the recent opening of two inter-Korean transportation corridors crossing the Demilitarized Zone. The United Nations Command has approached coalition members to augment its staff to assist in the management of the two transportation corridors crossing the Demilitarized Zone. The United Kingdom, Australia, France, and New Zealand now provide officers on a rotational basis for these duties. Several other countries, including Columbia, Philippines, and Thailand, are also considering sending augmentees. Additionally, member nations participated in the first contingency planning conference last year and are sending observers to major exercises with the objective of integrating their expertise where it is needed. The United Nations

Command hopes to further expand the coalition on a more permanent basis throughout the United Nations Command staff.

Combined Forces Command and United States Forces Korea

Since its inception nearly thirty years ago in 1978, the Combined Forces Command has been the warfighting command supporting the Republic of Korea - United States Alliance. Through authority based on the 1953 Mutual Defense Treaty between the Republic of Korea and the United States, the Combined Forces Command provides the cornerstone of deterrence against North Korean aggression, and if deterrence fails, is ready to win decisively. Vigilant and well trained, the Combined Forces Command is the most powerful combined warfighting alliance in the world today.

The Combined Forces Command continues to adapt to the changing security environment by advancing warfighting technologies and leveraging a more capable Republic of Korea military force. United States capabilities enhancements are significant, including the fielding of the PAC-3 Patriot Missile System coupled with the stationing of a Patriot brigade headquarters, and a second Patriot battalion with two additional Patriot batteries to strengthen our Theater Missile Defense. The upgrade of our Apache Helicopters to AH-64D Longbows greatly increases the lethality and survivability of that weapon system and significantly enhances its ability to destroy North Korea's long-range artillery that threatens Seoul. The Republic of Korea is also enhancing its military capabilities as it continues to field and upgrade its fleet of K1A1 tanks, K-9 self-

propelled howitzers, and multiple launch rocket systems. Additionally, in 2005 it launched its first LPX (Landing Platform Experimental) amphibious ship, and the first four of forty F-15K multi-role fighters. The Republic of Korea is also in the final stages of constructing a new naval base for their 3rd Fleet. This facility will include a nuclear-powered carrier capable pier and will be completed in late June 2006.

We must continue to expand our capabilities and revise the way we conduct operations. Simultaneous maneuvers, parallel planning, effects-based operations, and asymmetrical assaults all conducted in a dynamic battlespace will improve the conduct of our future combined operations.

As a result of combat capabilities enhancements, in 2003 the United States and the Republic of Korea agreed to transfer ten selected military missions from United States forces to Republic of Korea forces over a three-year period. This effort, which began in 2004, continues and to date we have successfully transferred seven missions, to include the early transfer of the Main Supply Route Regulation Enforcement mission, the Counterfire Task Force Headquarters mission (transferred last year on time and with a subsequent increase in capability), and most recently, in January 2006, the Maritime Counter Special Operations Force mission. Indeed, this is a direct reflection of the Republic of Korea's military capabilities. With the Republic of Korea's procurement of required equipment and training, it is expected that each of the remaining three missions will also be transferred without any loss in combined readiness.

Concurrent to these mission transfers, the United States and Republic of Korea governments agreed to the reduction of 12,500 personnel from United States Forces Korea over a five-year period which began in 2004. Per this agreement, between 2004 and 2005, we reduced 8,000 troops to include the deployment of the U.S. Second Infantry Division's 2nd Brigade Combat Team to Iraq, followed thereafter by its restationing at Fort Carson, Colorado. This year we will reduce 2,000 more troops, and in 2007 and 2008, an additional 2,500 will be reduced, leaving an authorized end strength of 25,000 military personnel on the peninsula.

This reduction plan principally affects the Eighth United States Army, which is reducing its force by forty percent as it simultaneously restructures many of its units as part of the Department of the Army's Total Force Transformation effort. Army-wide, the United States is tailoring its command and control echelons from four headquarters-type elements -- brigade, division, corps, and field army -- to three types of headquarters elements, while forming modular, self-sustaining brigade-level organizations. The Eighth United States Army's transformation efforts align with this, and last year the Second Infantry Division completed the transformation of its division headquarters; heavy brigade combat team; fires brigades; and combat aviation brigade. Seventh U.S. Air Force is also reducing, but on a much smaller scale.

Finally, we have made significant progress in properly aligning U.S. forces in Korea. In October 2004, the Republic of Korea Minister of National Defense and Commander, United States Forces Korea signed the Yongsan Relocation

Plan Agreement, which was ratified by the Republic of Korea National Assembly in December 2004. According to the terms of that agreement, the headquarters elements of the United Nations Command, Combined Forces Command, and United States Forces Korea will relocate to Camp Humphreys, near Pyeongtaek, in 2007, and all other units at Yongsan will finish relocating by December 2008.

The realignment of the United States Army's Second Infantry Division is part of this alignment plan which, when complete, will allow United States forces to assume a more efficient and less intrusive footprint within two hubs of enduring installations south of Seoul's Han River, significantly improving the quality of life for our service members, while returning valuable land to the citizens of the Republic of Korea.

Per our international agreements, we are making significant progress in relocating United States forces from facilities and areas in and north of Seoul into two hubs of enduring installations south of Seoul. At the end of 2005, we had closed a total of 31 USFK facilities and areas, amounting to 11,000 acres with a tax assessed value of over $500 million. By the end of 2008, we will have closed 59 facilities and areas -- two thirds of all land, granted under the Status of Forces Agreement, totaling 36,000 acres.

In exchange for the eventual return of the majority of our dispersed camps, the Republic of Korea, per our agreements, has purchased an additional 2,852 acres of land that is needed to expand Camp Humphreys and Osan Air Base to accommodate our relocation. It has now granted the first 200 acre parcel to United States Forces Korea, and is currently conducting an

environmental impact assessment of all these properties that will be completed in September 2006. Thereafter, the land will be prepared and major construction initiated.

The relocation of the Second Infantry Division will begin once construction at Camp Humphreys is complete. Sustained funding of United States military construction projects in Korea, coupled with sufficient host nation-funded construction by the Republic of Korea, is crucial for this plan to remain on track.

Enhancing Warfighting Readiness

While our militaries transform, it is critical that we continue to enhance readiness, and the key to enhancing readiness is by ensuring unfettered access to suitable training ranges and areas for the Combined Forces. As Commander of Combined Forces Command, vested with combined delegated authority, warfighting readiness is a major priority. Training ranges in Korea are small, austere, de-centrally managed, and subject to encroachment. As our military capabilities are enhanced and transformed, our training facilities must keep pace. We must work together on a long-term solution to keep our Combined Forces trained and ready in the future. Our recent upgrades to Pilsung Range, and planned upgrades at Chik-do Range, are only the beginning of that long-term combined solution. Of great immediate concern is the closure of Koon-ni Range. Closing that range was the right decision, but we now have a loss of training capacity in Korea until Chik-do Range modifications are completed later this summer. Until that time, we need to regain required levels of training access to

keep USFK forces combat ready. These forces are critical to seizing the initiative should the Republic of Korea be attacked. We are working closely with the Republic of Korea government to restore training access.

Training is central to our capabilities and at the core of what binds our Combined Command into an effective fighting force. Tough, realistic, battle-focused training will enable our components to deter hostile acts of aggression and, if necessary, defeat the forces that mount an external attack against the Republic of Korea. As a forward deployed force, we must be ready at all times to deploy to wartime locations and conduct operations. The robust annual Combined Forces Command exercise programs ensure that we are trained and ready for contingencies. The theater-level exercises -- ULCHI-FOCUS LENS; Reception, Staging, Onward Movement, and Integration; and FOAL EAGLE -- collectively train over 400,000 Republic of Korea and United States active and reserve component personnel in the critical tasks essential to deterring, and if necessary, defeating North Korean aggression against the Republic of Korea. These command post and field training exercises use battle simulations technologies to train leaders in battle command, leveraging the significant United States theater-wide investment in Command, Control, Communications, Computers, and Intelligence (C4I) systems. These combat enablers provide the Collaborative Information Environment to plan, execute, and assess effects from distributed locations; allowing the Combined Forces Command to see, understand, and act to dominate the battlespace.

ULCHI-FOCUS LENS is a simulation-driven command post exercise focused on joint and combined effects-based operations, and sustaining command and control, logistics, and dominant maneuver skill sets. The objective of the Reception, Staging, Onward Movement, and Integration, or RSO&I exercise, is to improve our ability to rapidly reinforce and sustain operations in the Korean theater. Foal Eagle is a tactical-level joint and combined exercise that hones warfighting and interoperability skills. These exercises, supplemented by subordinate command training programs, ensure that the Combined Forces Command remains ready and capable to win decisively, thus deterring North Korean aggression.

Your continued support to our joint and combined training programs and theater exercises are critical to our readiness, as is your support to our capabilities enhancements. Key focus areas for modernization are: joint and combined command, control, communications, and computers (C4); theater missile defense; intelligence, surveillance, and reconnaissance (ISR); prepositioned equipment and logistics; and counterfire and precision munitions.

With your help, we have made meaningful progress in Joint and Combined C4 integration and interoperability. The Combined Forces Command and the United States Forces Korea have successfully linked all United States and Republic of Korea command centers and staff elements with secure and protected information systems. Each command center is equipped with increased bandwidth to provide shared situational awareness via a near real-time common operational picture of the battlespace. These command centers are

equipped with secure video teleconference, collaboration tools, and information portals which are supported across a Combined Enterprise Regional Information Exchange System (CENTRIXS) network enterprise. This capability enables parallel planning for all Combined Forces and United States Forces Korea units as well as other friendly forces. Current initiatives in coalition interoperability seek to extend a seamless C2 capability throughout the theater that will greatly improve multi-national information sharing capability. Your support for these improvements and your assistance in coupling our coalition warfighting C4 systems to hardened, secure long-haul strategic communications nodes on peninsula and throughout the region is essential to our continued progress in this important area.

The regional missile threat requires a robust theater missile defense system to protect critical Combined Forces Command capabilities and personnel. PAC-3 Patriot Missile System upgrades and improved munitions have significantly enhanced our posture. To protect critical United States facilities in Korea, we must complete upgrading the remainder of our systems with advanced theater missile defense capabilities. Continued production of PAC-3 missiles in the near-term, followed by continued development of the Theater High Altitude Air Defense (THAAD), Airborne Laser, and Aegis Ballistic Missile Defense (BMD) will provide the layered missile defense capability we require in the future. Your continued support to these and other service component programs remains essential to protecting our forces on peninsula, and to our ability to reinforce the peninsula in the event of a crisis.

Robust ISR capabilities are essential to provide sufficient warning of an impending crisis and to support rapid, decisive operations in the event of a North Korean attack or collapse. The Combined Forces Command's efforts to transform our combined intelligence capabilities are progressing, but require sustained and significant support from Congress and the Combat Support Agencies if we are to achieve the full spectrum persistent surveillance we require to avoid surprise. Our intelligence transformation efforts are focused on three things: improving our warning posture, modernizing legacy C4I architectures and sensor suites, and improving our ability to discern intent.

As evident in the intelligence community's recent completion of our Intelligence Campaign Plan, there are a number of intelligence shortfalls in our national and theater coverage that require immediate attention. Chief among these are the need for persistent national and theater surveillance systems that provide continuous multi-discipline base-lining of the threat. Central to this is the accelerated fielding and installation of state of the art Signal Intelligence (SIGINT), Imagery Intelligence (IMINT), and Measurement and Signal Intelligence (MASINT) sensors that are relevant to target sets. In addition to the fielding of a long-range unmanned aerial sensor, upgrades for the theater's aerial sensors, and modernization of our SIGINT and Tactical Exploitation of National Capabilities (TENCAP) architectures, the theater will benefit greatly from increased access to space systems supporting ISR operations. With these improvements to our collection capabilities, we must also sustain the expansion and modernization of our C4I architectures to improve the theater's reach back to

the Pacific Command and the Combat Support Agencies, to provide bridging technology to our host nation's systems, and to enable the horizontal integration of the national to tactical intelligence enterprise that supports our theater.

The Undersecretary of Defense for Intelligence and the Joint Forces Command's Information Dominance Center Initiative and Project Morning Calm have demonstrated the technical approaches we require to improve our theater's intelligence architecture and to fuse live intelligence with operational data in a common domain to speed decision making. Continued support for this effort will allow us to expand the fielding of Information Dominance Center technology across our joint and combined components, and to extend a common architecture across the enterprise to enable rapid data sharing and collaboration in near real time. Support to these initiatives will provide us with the timely, accurate assessments we require to establish conditions that enable rapid dominance of the battlespace. Your continued support to modernizing intelligence, surveillance, and reconnaissance capabilities is required and an essential investment for the Alliance.

Logistically supporting United States Forces Korea is a complex, multi-faceted undertaking. The proximity of the North Korean threat, coupled with the long distances from United States sustainment bases, requires a robust and responsive logistics system to support United States forces based in Korea. The capability enhancements currently programmed will significantly improve our core logistics functions through modern pre-positioned equipment, responsive strategic transportation, and modern logistics tracking systems.

Pre-positioned equipment sets, which include critical weapons systems, preferred munitions, repair parts, and essential supplies, are critical to the rapid power projection to reinforce the Korean theater. Of note, command leadership took an aggressive approach last year to improve the readiness of Army Pre-positioned Stocks in Korea. The Army Material Command significantly increased their workforce for these stocks, and from 1 March through 23 September 2005 inspected and took corrective action on 1,531 pieces of equipment in the Heavy Brigade Combat Team. These efforts ensured all of this equipment met standards. Present operational readiness of the Heavy Brigade Combat Team combat systems is at 96 percent fully mission capable. Monthly video teleconferences occur to track the maintenance and readiness, as well as the shortfall posture. However, shortages continue to exist and can only be overcome through increasing the priority of fill for Army Pre-positioned Stocks and the allocation of additional funding.

Responsive strategic transportation – fast sealift ships and cargo aircraft – remains indispensable to rapidly reinforce the Korean theater and sustain United States forces. Expeditious fielding of the Air Force's C-17 fleet, and the Joint High Speed Vessel to the United States Pacific Command area of responsibility remains a high priority to support United States forces based in Korea.

Equally important is the ability to maintain in-transit visibility of supplies and equipment with a modernized joint Logistics Command, Control, Communications, Computers, and Information system. Lessons from Operations Iraqi Freedom and Enduring Freedom have highlighted several areas where

relatively small investments in asset tracking systems and theater distribution yield significant efficiencies and improve the overall effectiveness of our logistics systems.

Also of great assistance is legislation recently enacted by Congress and signed by the President that authorizes the United States government to offer, for sale or concessions, surplus ammunition and military equipment to the Republic of Korea from the War Reserve Stocks Allies – Korea (WRSA-K) program that will terminate soon. This legislation relieves the United States of the burden to maintain this stockpile and further encourages the government of the Republic of Korea to continue its stated goal of a self-reliant defense posture. Your continued support for improved logistics and sustainment programs will ensure that United States forces remain prepared with the highest levels of readiness.

Counterfire and precision strike are core capabilities for all of our contingency plans, allowing us to change the dynamics of a conflict and rapidly achieve campaign objectives. Increasing the forward stocks of preferred munitions is critical to operational success in the Korean theater. Our priority ordnance requirements include: the GPS-guided Multiple Launch Rocket System with extended range capability; a ground-launched, extended range and all weather capability to defeat hardened and deeply buried targets (HDBTs); precision guided munitions; air-to-ground missiles; and air-to-air missiles. Your continued support to these programs provides the overmatching capabilities to buttress our deterrence.

Improving Force Well-Being

The staying power of the United States military fighting for freedom in the Republic of Korea comes at a cost that is born daily by the men and women in uniform that live and work in facilities unlike their counterparts in the continental United States. Establishing a stable stationing environment will enhance readiness, force protection, and overall quality of service. Adding to your support of programs such as Assignment Incentive Pay and Cost of Living Allowance, our current initiatives to improve quality of life and readiness include increasing the number of accompanied personnel, increasing accompanied tour lengths to three years, and working with the Services to provide forces using unit rotations. Unit rotations provide the benefit of enhanced readiness and unit cohesion as well as reducing personnel turbulence. These measures, in addition to upgrades to facilities (e.g., housing, schools, commissaries, community centers) and equitable pay, provide an attractive working environment that result in an increased number of military and civilian personnel extending their tours. These initiatives also allow us to recruit and retain the talented and motivated people we need to accomplish our mission in Korea.

Furthermore, improvements in programs such as the Army's Family Readiness Group, which recently incorporated programs to support unaccompanied service members' families living outside of the Korean peninsula, ensure that these families are properly cared for during their separation. With your assistance, we will continue to sustain momentum and continue to build on these initiatives.

Upgrading and Building New Infrastructure

The relocation of United States Forces Korea to two hubs of enduring installations will provide a unique opportunity to upgrade our service members' quality of life while establishing the long-term infrastructure that is required to maintain an enduring presence on the peninsula. As we move forward with our overall construction master plan -- executable with sustained military construction funding under the Future Years Defense Plan and host nation-funded construction -- we must also maintain our existing facilities. Your support of our Sustainment, Restoration, and Modernization Program requirements, along with host-nation contributions, will allow us to complete our infrastructure renewal program to enhance our force protection posture and the quality of life for our personnel. The President's Fiscal Year 2007 budget request includes several military construction projects that are essential to our forces in Korea and critical to the execution of our overall theater master plan.

The challenge in recapitalizing our infrastructure is substantial and continues to be under-funded. Our facilities and infrastructure are old: over one-third of the buildings in the command are between 25 and 50 years old and another one-third are classified as temporary structures. Due to previously under-funded Sustainment, Restoration, and Modernization Programs, many buildings have deferred maintenance, contributing to their continual deterioration. Our annual allocations for sustainment funding have been about fifty percent of requirements, while restoration and modernization funding has been much less than that. A robust Sustainment, Restoration, and Modernization profile is

absolutely essential if we are to maximize the appropriated military construction dollars we receive. Without the funds to sustain, restore, and modernize our facilities, we will perpetually be relegated to live and work in run-down, patched-up facilities.

Many of our unaccompanied and accompanied service members continue to live in substandard housing, whether in military facilities or in crowded urban areas outside our installations. Our realignment to two enduring hubs will allow us to focus on improving living and working conditions at our enduring installations; to this end, sustained access to several different funding programs will be essential to include United States military construction, host nation-funded construction, and commercial build-to-lease programs.

We are making good progress towards achieving the Department of Defense's goal to house all unaccompanied service members in adequate installation housing by 2007. The Army and Air Force are using military construction to build ten unaccompanied housing facilities (or 3,316 barracks spaces) – six facilities at Camp Humphreys, two at Osan Air Base, and two at Kunsan Air Base. In addition, we are contracting two host-nation funded construction projects in our southeast hub to provide adequate barracks space for all of our Marines and Sailors assigned to Camp Mu Juk in Pohang. To improve the unaccompanied senior enlisted and officer quarters, we have contracted a commercial build-to-lease project at K-16 Air Base and plan similar projects at Camp Humphreys. In FY 07, I am requesting $123.7 million in military

construction funds to build two barracks complexes at Camp Humphreys ($77 million) and a large dormitory at Kunsan Air Base ($46.7 million).

Currently, over twenty-five percent of our government family housing units do not meet the Department of Defense minimum living standards. Continued support for family housing construction in Korea through commercial build-to-lease projects will help ensure quality housing for all our service members' families, facilitating the attainment of Department of Defense or Service living standards, and is essential to support the relocation program. I want to assure you that we will continue to be stalwart stewards of the appropriations that you entrust to us, which will provide our service members with adequate working and living facilities.

Force Protection

Well being is about providing a safe, high quality, productive, and predictable environment. Through the combined efforts of our men and women, we will employ appropriate force-protection measures to ensure that all members stationed in the Republic of Korea can go about their daily lives confident that we have done everything possible to safeguard and protect them. I expect commanders to empower subordinates while holding them accountable for the safety of their Soldiers, Sailors, Airmen, and Marines.

Prostitution and Human Trafficking and Sexual Assault

United States Forces Korea has a zero tolerance policy towards prostitution and human trafficking. To ensure members are fully aware of this policy, we initiated a four-pronged approach focusing on awareness, identification, reduction and enforcement. As a result, we experienced few violations in the past year that resulted in disciplinary action. Equally important is the command's initiatives in combating sexual assault. Since its inception in 2004, the United States Forces Korea Sexual Assault Working Group has developed and implemented an education program for training our leaders and service members on awareness and prevention of sexual assault. This training stresses sexual assault risk factors and victim care. I will continue to be vigilant in enforcing the sexual assault prevention programs and zero tolerance approach adopted by the command. Promoting dignity and respect are of the utmost importance and a mandate we fully embrace within United States Forces Korea.

Ensuring Equitable Pay

Major improvements have been made on the pay disparity in the Republic of Korea. For the first time in over 50 years of the Alliance, a Cost of Living Allowance was authorized in 2003. Additionally, the Army and the Air Force implemented the Assignment Incentive Pay (AIP) Program, authorizing a cash incentive for service members who are willing to extend their tours in Korea. So far, over 14,000 Soldiers and Airmen have volunteered for AIP, saving the Department of Defense nearly $67 million in reduced permanent change of

station costs. Although the cost savings will be reduced due to recent program enhancements such as payment beginning the month of signature, the benefits of this program are immeasurable. Following on the great success of the Army and Air Force, in January 2006, the Navy implemented AIP for its sailors. AIP improves stability, predictability, and operational readiness of the Alliance.

V. Transforming for the Future

Transformation of United States Forces Korea is well underway. Your continued investments in equipment and infrastructure are greatly improving our operational capabilities and the quality of life for United States service members, Department of Defense civilian employees, and family members. Our transformed forces and state-of-the-art capabilities greatly improve deterrence on the peninsula by providing strategically mobile overmatching power to dissuade potential threats to Alliance interests. Your continued support will ensure we achieve our transformation objectives by providing our forces with the resources needed to deter aggression and to foster peace and stability on the Korean peninsula and in the region.

You can be justifiably proud of the Soldiers, Sailors, Airmen, Marines, and civilians serving in the Republic of Korea. Their daily dedication and performance continue to earn the trust and confidence that you have placed in them.

QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

MARCH 9, 2006

QUESTIONS SUBMITTED BY MR. HUNTER

The CHAIRMAN. If you give us this take on the South Korean military, 21 divisions; is that roughly accurate?

General BELL. Total number of ROK Divisions is 47 (22 Active and 25 Reserve). Breakdown is as follows:

- Active: 17 Infantry Divisions and 5 Mechanized Divisions (Total 22)
- Reserves: 13 Homeland Reserve Divisions (HRD) and 12 Mobilized Reserve Divisions (MRD) (Total 25)

The CHAIRMAN. Given the vastness of the theater and range of possible threats, is the Fleet Response Plan sufficient?

Admiral FALLON. [The information referred to is classified and retained in the committee files].

The CHAIRMAN. What is the status of planning efforts for the build up of Defense forces and infrastructure on Guam and U.S. Pacific Territories? To what extent has this been linked with other planning efforts in the PACOM area of responsibility? What are the cost estimates associated with funding this build up?

Admiral FALLON. USPACOM has taken the lead role in coordinating various Service planning and infrastructure expansion initiatives on Guam. This joint planning process has been underway since March 2005 and received additional emphasis since the recently announced plan to transfer significant USMC personnel and capabilities from Japan to Guam. This joint effort has been examining infrastructure, facilities, support requirements and environmental considerations and will provide DOD leadership detailed data to make informed decisions regarding Guam and Commonwealth of Northern Marianas. A final report is expected by July 2006.

Planning activities in Guam are closely linked with each of the Service initiatives as well as regional planning efforts.

At the recently concluded U.S.-Japan negotiations, the Government of Japan agreed to provide $6.09 billion of the currently estimated $10.27 billion required for the Marine Corps relocation from Okinawa to Guam. The U.S. will fund the remainder of the required infrastructure improvements. USPACOM is working closely with the Services and DOD to ensure resources are programmed for the MILCON needed to support these force posture changes.

The CHAIRMAN. What impact will the buildup in the Pacific have on the training and mobility requirements and capabilities for Guam and U.S. Pacific territories?

Admiral FALLON. As U.S. force capabilities are adjusted, training facilities and capabilities on Guam and the Northern Marianas will need to be expanded and improved. The same is true for mobility requirements and capabilities.

Currently available training airspace and target ranges on Guam will not adequately support the robust aircraft/aircrew training or the next generation of aircraft being envisioned for Guam. Farallon De Medinilla (FDM), the only live ordnance range in the area, is not compatible with current or future advanced weapons capabilities. The small land footprint, lack of scoring instrumentation, and encroachment issues at FDM severely restrict the types and quantities of training munitions that can be used. FDM lacks RADAR coverage and air controllers as well as telemetry devices for scoring accuracy and feedback to aircrews. The Joint Guam Military Master Plan Working Group is studying these challenges and will recommend appropriate solutions/mitigations.

Navy training facilities available on Guam are not at desired levels. Simulators available to CONUS units, for example, do not exist on Guam. The Guam Distance Learning Center is being upgraded to provide training to Guam homeported submarines (SSN). The Center can currently provide 23 of the required 101 courses for SSN training and upgrading the number of courses available. Forward Deployed Naval Forces units have historically relied on actual operations and U.S./Coalition field exercises to provide training and experience.

The mobility requirements and capabilities necessary to operate from Guam and the Northern Marianas will increase with the repositioning of U.S. Forces. More intra-theater lift sorties will likely be required to deploy our forces for potential contingencies.

Newly acquired C–17s in Hawaii and Alaska plus C–5 enhancements, and the development/acquisition of High Speed Vessels will facilitate the ability to deploy forces and respond to crises.

The CHAIRMAN. To what extent will the build up of defense forces and infrastructure on Guam and U.S. Pacific territories have on the need to provide additional family housing and barracks quarters, operational and administrative facilities, base operation and support services, joint basing opportunities, medical, and education resources?

Admiral FALLON. The USPACOM directed Joint Guam Development Group and the Joint Guam Military Master Plan (JGMMP) are identifying the infrastructure required to base additional capabilities and forces on Guam. This effort incorporates both operational and quality of life issues and is well under way with the JGMMP expected to be completed by July 2006. The JGMMP will include each function and outline infrastructure, facilities, and support needs, including medical and education facilities, for all active duty personnel. The planners are emphasizing opportunities for joint-use and joint basing and seek to avoid redundancy.

We envision a Joint Base framework on Guam, which would include all military forces on-island, regardless of Service. The Deputy Undersecretary for Installations and Environment has been spearheading processes and procedures to implement joint basing. USPACOM and Service Components are linked to this effort.

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. How long could your troops be self-sufficient? If for whatever reason the sea lanes were blocked and other contingencies around the world were gobbling up supplies at an unanticipated rate, how long could your troops be self-sufficient?

General BELL. [The information referred to is classified and retained in the committee files.]

Mr. TAYLOR. Is that number the same as, more than or less than four years ago today? For the record, I would like that number in whatever manner you choose to present it.

General BELL. [The information referred to is classified and retained in the committee files.]

QUESTIONS SUBMITTED BY MR. LARSEN

Mr. LARSEN. General Bell, you mentioned the ROK, in your opinion, is fully capable of defending itself against a Democratic People's Republic of Korea invasion and it wants an independent combat command, which would result in perhaps relatively more U.S. Navy and U.S. Air Force compared to Army and Marine presence on the peninsula.

Can you talk about the timing of that?

General BELL. A roadmap for the Republic of Korea achieving independent wartime operational command is an agenda item for discussion at the 38th Security Consultative Meeting in October 2006. The United States Secretary of Defense and the Minister of National Defense for the Republic of Korea will discuss and determine the manner and the timing in which these issues will be resolved. A combined ROK/US study effort is on-going and will make appropriate recommendations to both nations in time for the October meeting. Following that session, we should have more clarity on future timing.

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. Where is the obstacle in the development of military-to-military relations with China?

Admiral FALLON. [The information referred to is classified and retained in the committee files.]

QUESTIONS SUBMITTED BY MRS. DRAKE

Mrs. DRAKE. Admiral Fallon, it is my understanding that Pacific Command has begun testing a new targeting system known as WEEMC (Web-Enabled Execution Management Capability), which is a net-centric version of an existing system known as JADOCS (Joint Automated Deep Operations Coordination Systems) already in use by many of our combatant commands, including Central Command.

I have requested from the Air Force testimony directly from the warfighter commenting on the capability of a web-enabled JADOCS. In an effort to justify the funds used to web-enable an existing system, can you provide me with feedback on the capability afforded your command by the use of WEEMC.

Admiral FALLON. Web-Enabled Execution Management Capability (WEEMC) is currently under development and is yet to be tested in the field. Joint Force Commanders, Component Commanders, and tactical level forces are still using the Joint Automated Deep Operations Coordination System (JADOCS) to manage operational and tactical level fires. The planned follow-on capability—the net-centric web-Enabled Execution Management Capability—is intended to make collaboration faster, easier, and more accurate.

QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. I am working currently with this committee to increase the vehicle authorization to two for service members assigned to, well, any of the European locations, I guess, Guam, Hawaii. I know this is very important to our serving families, especially working spouses. And I would be pleased if either yourself or the General, the both of you, could comment on how service members in PACOM's area of responsibility would feel about such an increased authorization.

I know that many of my constituents, service families, have asked me about it, and I do know that I think it was explained earlier that you do have the used cars that go from one family to another, but there is also when they are assigned overseas sometimes families have to sell a second car and many times they are losing on a deal such as that when the time for deployment is quick.

So do you have any comments on a two-vehicle authorization?

Admiral FALLON. According to a 2003 Hawaii survey, most military families have a second POV. Thesurvey of 4000 married military members yielded the following results: 83% owned at least two vehicles; 79% used the second vehicle for spousal employment and education. The second POV was also commonly used for shuttling children to and from school and extracurricular activities. A 2005 survey of approximately 3200 military members yielded similar results. Of note, the 2005 survey included 851 respondents assigned to Guam.

To meet the need for a second vehicle, military members either (1) sell a POV stateside, usually at a loss, and purchase another vehicle upon reassignment or (2) pay to ship a second vehicle at a cost ranging from $1000–$3000.

Although most members own two POVs, it is not clear authorizing a two-POV shipment at government expense is affordable. I will ensure the Services are aware of your concern.

QUESTIONS SUBMITTED BY MR. MARSHALL

Mr. MARSHALL. Reference was made to the Defense Intelligence Agency (DIA) possible moving Stoney Beach to Japan from where Stoney Beach is currently headquartered; again, too remove from where the action is and something that sends the wrong signal with the president coming into Southeast Asia. And so they are concerned that that is not a good move to make.

If you could comment on this, it would be very helpful.

Admiral FALLON. [The information referred to is classified and retained in the committee files.]

QUESTIONS SUBMITTED BY MR. ANDREWS

Mr. ANDREWS. I continue to be concerned about the issue of relations across the Taiwan Strait and our preparedness for potential escalation in the region. I believe we must look to the past to correct any deficiencies in our ability to act in the region, and to the future to do as much as we can to promote a peaceful resolution to Taiwan-China relations.

First, I would like to ask about communications between the US military and that of the Republic of China. In 1996, President Clinton sent two aircraft carriers to the region in response to China's belligerent firing of missiles in the waters off Taiwan's coast. When they got there, I am told that our military realized that there was no established communications channel from us to the Taiwanese military. I understand that there has been improvement in the communication channels between the two militaries, but I wanted to find out your opinion of our current ability to communicate with the Taiwanese military. Without divulging any confidential in-

formation, can you tell us whether there are any established high-level, direct and regular communications between the two militaries now? What could be done to improve our ability to coordinate with the Taiwanese if necessary in the future?

Admiral FALLON. [The information referred to is classified and retained in the committee files].

Mr. ANDREWS. Second, I believe that actions by China with respect to Taiwan give observers reason to be concerned about their intentions. According to the latest Quadrennial Defense Review, China is significantly developing its military in a way that may seriously destabilize cross-Strait relations with Taiwan. The QDR states:

Of the major and emerging powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counter strategies. Further, "China continues to invest heavily in its military, particularly in its strategic arsenal and capabilities designed to improve its ability to project power beyond its borders."

Additionally, the QDR reveals that most of Beijing's military modernization plans are carried out in secret, and suggests that "China is likely to continue making large investments in high-end asymmetric military capabilities, emphasizing electronic and cyber-warfare; counter-space operation; ballistic and cruise missiles; advanced integrated air defense systems; next-generation torpedoes; advanced submarines; strategic nuclear strike from modern, sophisticated land- and sea-based systems; and theater unmanned aerial vehicles for employment by the Chinese military and for global export."

Mr. Chairman, Admiral Fallon, I am deeply concerned about these developments. I fear that they suggest that China may be preparing for military superiority in any potential conflict with Taiwan, and that these weapons systems may be specifically designed to prevent the United States from coming to Taiwan's assistance.

I feel that US policy with regard to Taiwan must be made clear to the Chinese; that they should dismantle their 784 missiles aimed at the island, that they must settle their differences with the Taiwan peacefully (as is US policy), and that they should normalize their relations with the democratically-elected leaders on the island.

In your view, how do US capabilities in the region match the expected growth in capabilities of the Chinese, and would you have any advice for the Taiwanese military to prepare to confront the growing Chinese threat?

Admiral FALLON. [The information referred to is classified and retained in the committee files].

Mr. ANDREWS. Finally, it is my belief that in the face of any hostility from the Chinese towards Taiwan, the US should be prepared to act decisively. Are you at liberty to share with me any plans that Pacific Command has in place if the Chinese were to act on threats of violence against Taiwan?

Admiral FALLON. [The information referred to is classified and retained in the committee files].

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