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Military Assessment of the Security Challenges in the Indo-Asia-Pacific Region

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Witnesses

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STATEMENT OF
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COMMANDER, U.S. PACIFIC COMMAND
BEFORE THE HOUSE ARMED SERVICES COMMITTEE
ON U.S. PACIFIC COMMAND POSTURE
26 APRIL 2017

Chairman Thornberry, Ranking Member Smith, and distinguished members of the committee, thank you for the opportunity to appear before you today. This is my second posture assessment since taking command of U.S. Pacific Command (USPACOM) in 2015. During this time, I've had the extraordinary privilege to lead the Soldiers, Sailors, Marines, Airmen, Coast Guardsmen, and Department of Defense civilians standing the watch in the vast Indo-Asia-Pacific region. These men and women and their families inspire me with their relentless devotion to duty, and I'm proud to serve alongside them.

This past January 1st, USPACOM commemorated its 70th birthday. For 70 years, our joint military forces have protected the territory of the U.S., its people, and its interests throughout the Indo-Asia-Pacific region. Working in close concert with other U.S. government agencies, defending our homeland and our citizens is always "Job number 1" at USPACOM. It is my top command priority. And together with our allies and partners, USPACOM enhances stability in the region by promoting security cooperation, responding to contingencies, deterring aggression, and, when necessary, fighting to win. This security approach is based on shared interests, partnerships, military presence, and readiness.

The U.S. has enduring national interests in the Indo-Asia-Pacific. In fact, I believe America's future security and economic prosperity are indelibly linked to this critical region, which is now at a strategic crossroads where real opportunities meet real challenges. Of the five global challenges that currently drive U.S. defense planning and budgeting – ISIS (Islamic State of Iraq and Syria), North Korea, China, Russia and Iran – four are in the Indo-Asia-Pacific. We cannot turn a blind eye to these challenges. We must not give any country or insidious non-state actor a pass if they purposely erode the rules-based security order that has served America and this region so well for so long.

Rising from the ashes of World War II, the rules-based international order, or what I sometimes call, "the Global Operating System," has kept the Indo-Asia-Pacific largely peaceful and created the stability necessary for economic prosperity in the U.S. and countries throughout the region. Ironically, China is the country that has benefitted the most. The collective respect for, and adherence to, international rules and standards have produced the longest era of peace and prosperity in modern times. These conditions are not happenstance. In my opinion, they have been made possible by a security order underwritten by seven decades of robust and persistent U.S. military presence and credible combat power. This security order has been reinforced by America's five bilateral security alliances with Australia, Japan, the Republic of Korea (ROK), the Philippines, and Thailand. This order is further bolstered by our growing partnerships with India, Indonesia, Malaysia, New Zealand, Singapore, Sri Lanka, Mongolia, and Vietnam.

This Global Operating System upholds critical principles – the rule of law, adherence to standards, peaceful resolution of disputes, freedom of navigation for all civilian and military

vessels and aircraft, and open access to the sea, air, space, and cyberspace domains. Its outcomes are two-fold: enhanced security and unimpeded lawful commerce. Sustainable security requires effective and enduring institutions, both civilian and military, that are guided by these principles. Defense, diplomatic, and development efforts are intertwined and continue to reinforce each other to promote stability in both conflict-affected and steady state environments to build and sustain stable democratic states.

The Indian and Pacific Oceans are the economic lifeblood linking the Indian Subcontinent, Southeast Asia, Australia, Northeast Asia, Oceania and the U.S. Oceans that once were physical and psychological barriers that kept us apart are now maritime superhighways that bring us together. Each year, approximately \$5.3 trillion in global trade transits the South China Sea and \$1.2 trillion of this sea-based trade involves the U.S. Fifty-five percent (55%) of the global gross domestic product (GDP) comes from this region (including the U.S.). Five of America's top 10 trading partners are in the Indo-Asia-Pacific and it's a destination for one-fourth of our exports. The diverse region drives global economic growth and is home to the world's two largest economies after the U.S. (China and Japan) and led by the three fastest growing large economies (China, India, and the 'ASEAN Five' (Indonesia, Malaysia, Philippines, Thailand, and Vietnam)). Nine of ten megacities in the world are in this region (including Karachi, Pakistan).

The Indo-Asia-Pacific has the world's most populous democracy (India), and is home to more than half the world's population. Some estimates predict that percentage could rise to near 70 percent by 2050, which will lead to further competition for dwindling resources. Indonesia, an important security partner of the U.S., is a maturing democracy, and the world's largest Muslim-majority state. Eleven of the top 15 largest militaries in the world are in or adjacent to the region, as are two-thirds of the nine countries that possess nuclear weapons.

Simply stated, what happens in the Indo-Asia-Pacific matters to America. And the region needs a strong America, just as America needs the region.

In fact, the need for American engagement in the Indo-Asia-Pacific is demonstrated in the long history of U.S. commitment to the region. It's overwhelmingly in America's security and economic interests to defend the rules-based order against challengers that would seek to unilaterally rewrite it or alter its fundamental principles. It's overwhelmingly in America's interests to deepen our diplomacy in the region while backing up peaceful resolution of disputes with undisputed, credible combat power. It's overwhelmingly in America's interests to remain the region's security partner of choice by working closely with our allies and partners who share our commitment to uphold peace, economic prosperity and security.

This document is my assessment of the regional security challenges and opportunities of strategic value. First, I will outline some of the specific challenges we face in the Indo-Asia-

Pacific including threats to the Homeland. I will highlight critical needs in order to seek your support for budgetary and legislative actions to improve U.S. military readiness in the Indo-Asia-Pacific region. I will discuss the value of U.S. strategic force posture and forward presence and how these preconditions improve the readiness of our joint force to fight tonight, enhance our ability to reassure allies and partners, and maintain regional stability. And finally, I will discuss how USPACOM strengthens existing alliances and cultivates critical partnerships with regional actors – both of which deliver strategic benefits and improve readiness to protect and defend U.S. interests.

Overview

As we look ahead to the next quarter century, if not the next few months or years, security and stability are threatened by a range of regional state and non-state actors who are challenging the rules-based security order that has helped underwrite peace and prosperity for America and throughout the region for over 70 years.

North Korea continues to disregard United Nations sanctions by developing, and threatening to use intercontinental ballistic missiles and nuclear weapons that will threaten the U.S. Homeland. China has fundamentally altered the physical and political landscape in the South China Sea through large scale land reclamation and by militarizing these reclaimed features. Beijing continues to press Japan in the East China Sea, is stepping up diplomatic and economic pressure against Taiwan, and is methodically trying to supplant U.S. influence with our friends and allies in the region. Furthermore, China is rapidly building a modern, capable military that appears to far exceed its stated defensive purpose or potential regional needs. China's military modernization is focused on defeating the U.S. in Asia by countering U.S. asymmetric advantages. China's military modernization cannot be understated, especially when we consider the Communist regime's lack of transparency and apparent strategy. China is committed to developing a hypersonic glide weapon and advanced cyber and anti-satellite capabilities that present direct threats to the Homeland. China's near term strategy is focused on building up combat power and positional advantage to be able to restrict freedom of navigation and overflight while asserting de facto sovereignty over disputed maritime features and spaces in the region. Russia is modernizing its military and once again exercising its conventional forces and nuclear strike capabilities in the Pacific, which also threaten the Homeland. Transnational terrorists, inspired by and in some cases led by ISIS, have set their sights on the Indo-Asia-Pacific by supporting and encouraging attacks in Indonesia, Bangladesh, Philippines, and Malaysia while recruiting and fund-raising there and elsewhere. Drug trafficking, human smuggling, piracy, weapons proliferation, natural disasters – as well as illegal, unreported, and unregulated fishing – further challenge regional peace and prosperity.

To counter these challenges, USPACOM is enhancing U.S. force posture, presence, and resiliency, while modernizing U.S. force capability and training to ensure our forces are ready to

fight tonight and win in any contingency. USPACOM is working with our many and invaluable allies and partners on a bilateral – and increasingly multilateral – basis to address these common challenges. The growth in multinational “partnerships with a purpose” demonstrates that the countries in the Indo-Asia-Pacific view the U.S. as the security partner of choice. By working together, we enhance capability and capacity to respond to the range of threats endemic to the region.

Key Challenges

North Korea: North Korea remains our most immediate threat in the Indo-Asia-Pacific. It dangerously distinguishes itself as the only country to have tested nuclear weapons in this century. As former Secretary of Defense William Perry once said, we must deal with North Korea “as it is, not as we wish it to be.” Kim Jong-Un has stated repeatedly that denuclearization is not an option. He is on a quest for nuclear weapons and the ballistic missiles capable of delivering them intercontinentally. The words and actions of North Korea threaten the U.S. homeland and that of our allies in South Korea and Japan. That’s North Korea as it is.

I know there’s some debate about the miniaturization and other technological advancements made by Pyongyang. But an aggressive weapons test schedule, as demonstrated by yet another ballistic missile launch this April, moves North Korea closer to its stated goals. As a military commander, I must assume that Kim Jong-Un’s claims are true – his aspirations certainly are. USPACOM must be prepared to fight tonight, so I take him at his word. That means we must consider every possible step to defend the U.S. Homeland and our allies. That’s why the ROK-U.S. alliance has decided to deploy THAAD – the Terminal High Altitude Area Defense system – in South Korea as soon as possible. That’s why the United States continues to call on China – North Korea’s principal ally – to exert its considerable influence to stop Pyongyang’s unprecedented campaign of nuclear weapons ballistic missile tests. That’s why we continue to emphasize trilateral cooperation between Japan, ROK, and the U.S. That’s why American leaders and diplomats continue to rally the international community to loudly condemn North Korea’s unacceptable behavior.

North Korea vigorously pursued a strategic strike capability in 2016. We assess that the progress made in several areas will encourage Kim Jong-Un to continue down this reckless and dangerous path. Pyongyang launched more ballistic missiles last year than it did in the previous few years combined. This included the first launches of the Musudan intermediate range ballistic missile (IRBM) and the developmental submarine-launched ballistic missile (SLBM). Both systems experienced noteworthy – and often spectacular – failures, but they also both achieved some successes. Just as Thomas Edison is believed to have failed 1000 times before successfully inventing the electric light bulb, so too, Kim Jong-Un will keep trying. One of these days soon, he will succeed. The 2016 SLBM test and the numerous land-based tests employed solid-fuel engines, another indication that Kim Jong-Un is continuing to modify and improve missile

reliability and performance. Those successes advance North Korea's technical and operational base and allow continued development. Aggressive rhetoric since the New Year strongly suggests North Korea will not only continue to test these proscribed systems, but is also likely to attempt a first launch of a similarly prohibited intercontinental ballistic missile (ICBM).

At the same time, North Korea's nuclear scientists and engineers are hard at work attempting to transform fissile nuclear materials into reliable nuclear weapons. Pyongyang defied the international community and detonated nuclear devices five times – including two in 2016. Kim Jong-Un has threatened the pre-emptive use of nuclear weapons against the U.S. and other regional targets. Kim's strategic capabilities are not yet an existential threat to the U.S., but if left unchecked, he will gain the capability to match his rhetoric. At that point we will wake up to a new world. North Korea's existing capabilities are already a significant threat to several of our regional treaty allies and the 90,000 U.S. troops stationed in the Western Pacific.

North Korea fields the fourth largest conventional military in the world. Despite a number of noteworthy shortfalls in training and equipment, we must take seriously the substantial inventory of long-range rockets, artillery, close-range ballistic missiles, and expansive chemical weaponry aimed across the Demilitarized Zone at the Republic of Korea and U.S. forces stationed there. North Korea also maintains sizeable numbers of well-trained, highly disciplined special operations forces. Pyongyang made a point recently of publicizing a Special Forces exercise that attacked and destroyed a detailed mock-up of the ROK Presidential complex in an attempt to underscore the capability and lethality of its forces.

Pyongyang's emphasis on strategic and military capabilities comes at the expense of the North Korean people, who continue to struggle with a lifeless economy and international isolation.

In confronting the North Korean threat, it is critical that the U.S. be guided by a strong sense of resolve both publicly and privately in order to bring Kim Jong-Un to his senses, not his knees.

China: The rapid transformation of China's military into a high-tech force capable of regional dominance and a growing ability to support aspirations for global reach and influence is concerning. A February 2017 study from the International Institute for Strategic Studies (IISS) concluded that Chinese weapons and air power in particular are "reaching near-parity with the west." Studies from DOD's Office of Net Assessment further confirm this trend in our decreasing capability overmatch. I agree with these reports. Our dominance in high tech advanced weapons cannot be taken for granted. To do so would be a strategic mistake.

China's activities on the seas, in the air, and in cyberspace have generated concerns about its strategic intentions. For the past two years, the People's Liberation Army (PLA) has been implementing an extensive reorganization which has so far included the creation of

geographically focused Theater Commands, each organized and equipped for specific regional contingencies. This reorganization may be the most important development in the PLA's growing ability to organize for modern combat. The structural reforms that created the Theater Commands institutionalized a joint command and control concept to allow the PLA to maximize the individual services' warfighting strengths into a more cohesive joint force. However, it is likely to take several years before the full benefit of this change is realized. One early indicator that China is already addressing some of the challenges of joint operations is the recent unprecedented appointment of a Navy Admiral to replace an Army General as the commander of the largely maritime-focused Southern Theater.

China's equipment development and fielding programs are comprehensive and impressive. The PLA Navy (PLAN) boasts some of the most advanced warships in the region, including the Type 052D (Luyang-III) guided missile destroyer and the Type 039A (Shang) attack submarine. Within the next two years the first Type 055 (Renhai) guided missile cruisers will join the fleet. These modern, multi-functional ships can support a range of missions and employ sophisticated air defense, surface attack, and subsurface munitions, including anti-ship missiles with ranges far exceeding existing U.S. Navy anti-ship weapons. The PLAN's aircraft carrier program is progressing with the CV-16 (Liaoning) serving as a test and development platform while China builds its first indigenous aircraft carrier, anticipated to be at full operational capability early in the 2020s, and expected to be a spiral upgrade in capabilities. CV-16's deployment to the South China Sea in December and January showed China's growing ability to employ carrier-based aviation. The Type 094 (Jin) ballistic missile submarine can launch nuclear missiles capable of reaching parts of the continental U.S.

The PLA Air Force (PLAAF) and Naval Air Force (PLANAF) are similarly fielding greater numbers of advanced fighters, bombers, and special mission aircraft while aggressively developing new platforms. Flying prototypes of J20 and J31 multi-role fighters portend a near-term capability to field near-5th generation fighters. A new heavy lift transport (Y-20) will give China a greater ability to move troops and equipment anywhere in the world. New and/or upgraded bombers, electronic warfare, command and control, and anti-submarine aircraft all expand PLA abilities to conduct a wide range of operations.

PLA ground forces are large, modern, and well trained. Also reorganized in 2016, the PLA increasingly operates in combined arms formations – integrating attack helicopters, artillery, electronic warfare, and other arms into their training activities. They've incorporated some of the training methods used by the U.S. (e.g., combat training centers with dedicated opposing forces and instrumentation) to increase realism and sophistication in their training.

Another component of the ongoing PLA reorganization is the expansion of capabilities and numbers of the PLA Navy Marines. While the full scope of the change is unclear – some reports

have the number of marines increasing five-fold to as many as 100,000 troops – what is clear is the growing importance China places on building the ability to project power using an expeditionary capability. PRC media has highlighted recent marine deployments for training in harsh weather conditions and on unfamiliar terrain. Chinese leadership likely envisions using the expanded marine capability as an expeditionary force to both seize Taiwan and protect Chinese interests overseas.

The PLA Rocket Force (PLARF) controls the largest and most diverse missile force in the world, with an inventory of more than 2,000 ballistic and cruise missiles. This fact is significant because the U.S. has no comparable capability due to our adherence to the Intermediate Range Nuclear Forces (INF) Treaty with Russia. (Approximately, 95% of the PLARF's missiles would violate the INF if China was a signatory.) The PLARF is organized for a range of missions, with large numbers of missiles targeted against Taiwan, and others intended to strike targets as far away as Guam and the so-called second island chain, and intercontinental-range missile capable of delivering nuclear weapons to strike the continental U.S. China is also heavily investing in advanced missile technologies like hypersonics and, on average, launches more than 100 missiles each year for training or research and development.

The PLA Strategic Support Force (PLASSF) was established last year to better manage and employ the PLA's impressive array of cyber, space, and other specialized capabilities. The PLASSF is a potential game-changer if it succeeds in denying other countries the use of space, the electromagnetic spectrum, and networks.

To train and integrate these capabilities, Chinese forces have increased the scope of operations in number, complexity, and geographic range. Submarine deployments to the Indian Ocean, air exercises in the Middle East, and port visits to Europe or South America are on the rise. For example, President Xi will travel to Djibouti in the near future to officially open the Chinese naval base there. The base is strategically positioned on the narrowest point of the strategic strait of Bab al Mandeb, a key intersection for international commercial and defense related navigation. This base could support Chinese force projection through the Indian Ocean and into the Mediterranean and Africa.

An encouraging sign that China is willing to shoulder a greater role in international affairs is the expansion of Chinese peacekeeping missions, something we promote in our interactions with the PLA. My goal remains to convince China that its best future comes from peaceful cooperation, meaningful participation in the current rules-based security order, and honoring its international commitments.

Territorial Disputes and Maritime Claims: A number of friction points where competing territorial claims overlap exist throughout the Indo-Asia-Pacific, e.g., between Russia and Japan

(Northern Territories) and between the Philippines and Malaysia (Sabah) – but none are as fraught with the potential for escalation and military conflict as the South and East China Seas.

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

There are three notable disputes over territorial sovereignty in the South China Sea. The first dispute is between China, Taiwan, and Vietnam over the Paracel Islands, which China took by force from Vietnam and has occupied since 1974. The second dispute is between China, Taiwan, and the Philippines over Scarborough Reef. In 2012, the U.S. brokered a deal between the Philippines and China where both countries committed to keep their naval forces away from Scarborough. While the Philippines honored the commitment, China continued to operate with its Navy and Coast Guard and, soon after, expelled Philippine fishermen. The third dispute involves multiple claimants within the Spratly Islands where China, Taiwan, Vietnam, Brunei, Malaysia, and the Philippines each claim sovereignty over some or all of the features.

The past year included some major developments in the status of these disputes. The landmark ruling by the Arbitral Tribunal under the Law of the Sea Convention (the Tribunal) in July 2016 addressed the status of features and maritime claims specified in the Philippines' arbitration case. While the tribunal did not rule on the sovereignty of specific features, the tribunal did declare a number of China's maritime claims and actions unlawful. However, China ignored the ruling and maintains and even articulated new excessive maritime claims throughout the South China Sea. All the activities underway before the ruling, including the militarization of the artificial landforms created by China and the provocative actions of military and law enforcement forces, continue unabated.

China's military-specific construction in the Spratly islands includes the construction of 72 fighter aircraft hangars – which could support three fighter regiments – and about ten larger hangars that could support larger airframes, such as bombers or special mission aircraft. All of these hangars should be completed this year. During the initial phases of construction China emplaced tank farms, presumably for fuel and water, at Fiery Cross, Mischief and Subi reefs. These could support substantial numbers of personnel as well as deployed aircraft and/or ships. All seven outposts are armed with a large number of artillery and gun systems, ostensibly for defensive missions. The recent identification of buildings that appear to have been built specifically to house long-range surface-to-air missiles is the latest indication China intends to deploy military systems to the Spratlys. During my Congressional testimony last year, I reported my belief that China was clearly militarizing the South China Sea. China's activities since then have only reinforced this belief. We should cease to be cautious about the language we use to

describe these activities. Despite its claims to the contrary, China has militarized the South China Sea through the building of seven military bases on artificial islands constructed through the large-scale damage of a fragile environment in disputed areas.

The presence of these military capabilities undermines China's consistent claim that these massively expanded features are for safety and humanitarian purposes. Recently China has tried to obscure the military purposes of its Spratly Islands efforts by calling for private investment, residential settlement, and tourism. The latter may prove especially problematic as China's land creation effort over the past few years has destroyed the once vibrant marine ecosystem surrounding the features.

China's naval, coast guard, maritime militia, State Oceanic Administration, and air force presence in the South China Sea remains substantial. China Coast Guard (CCG) ships remain present near Chinese outposts and other features. CCG and PLAN ships also continue to control activities near Scarborough Reef, a feature also claimed by the Philippines. In February, China announced it was seeking to revise its domestic Maritime Traffic Safety Law to empower its maritime services to control or penalize foreign ships operating in "other sea areas under the jurisdiction of the People's Republic of China" beyond those allowed under international law as reflected in the Law of the Sea Convention. Given China's continued rejection of the Tribunal ruling and continued articulation that much of the South China Sea is "under its jurisdiction," we can only assume China intends to improperly apply its domestic law to foreign ships operating lawfully in the area.

China protests the legal and long-standing U.S. presence in the South China Sea by falsely claiming Washington is the cause for tensions. U.S. military forces have been operating routinely and persistently on, below, and above the South China Sea for more than 70 years – this hasn't changed. What has changed the status quo in the South China Sea in recent years is the increased coercive behavior by China's military, Coast Guard, and a vast network of private vessels controlled by the PRC that act as a maritime militia of "little green fishermen." Furthermore, China's unprecedented artificial island construction and land reclamation has increased tensions with other claimants and its neighbors. The U.S. has consistently called for all claimants to find a peaceful, diplomatic resolution to their land and maritime disputes in the South China Sea.

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

Freedom of navigation operations (FONOPs) are conducted for exactly what the title says – to exercise the right of all nations to operate freely at sea and in the air wherever international law allows. In 2016, USPACOM forces conducted three FONOPs near disputed features in the South China Sea. These and future routine FONOPs demonstrate that the U.S. military will continue to fly, sail, and operate wherever international law allows, especially where excessive maritime claims attempt to erode the freedom of the seas.

East China Sea: Tensions between Japan and China over the Senkaku Islands continue to worsen. This past year saw a sharp rise in the number PLAAF aircraft operating over the East China Sea. China persistently challenges Japan’s administration over the islands by deploying warships into the area, sailing Coast Guard ships inside the territorial waters surrounding the Senkakus, and protesting Japanese reconnaissance flights. The presence of military and law enforcement assets in close proximity to one another and the accompanying rhetoric create an environment conducive to miscalculation and unintended incidents. U.S. policy is clear here: the Senkakus are under the administration of Japan and we will defend them in accordance with the U.S. – Japan Treaty on Mutual Cooperation and Security. Secretary Mattis recently said during his trip to Japan that, “...our longstanding policy on the Senkaku islands stands. The U.S. will continue to recognize Japanese administration of the islands and as such Article 5 of the U.S. – Japan Security Treaty applies.”

Russia: Although focused on Europe and the Middle East, Russia is engaged militarily and politically in the Indo-Asia-Pacific. I share General Lori Robinson’s view that Russia continues to exhibit increasingly aggressive behavior, both regionally and globally.

The Russian Pacific Fleet operates and exercises throughout the region. The second Borey (Dolgorukiy-class) nuclear ballistic missile submarine transferred to the Pacific Fleet last fall, and the Kremlin announced the acquisition of 6 new advanced Kilo attack submarines for the Pacific by 2021. The Russian Pacific Fleet's five Project 949A (Oscar II) nuclear-powered guided missile submarines have a mission to track and attack aircraft carriers and other priority targets – including land targets – in the event of war. In late 2015 Russia announced a plan to upgrade the Oscar II to fire new, more-advanced long-range missiles. The first Steregushchy-class guided missile corvette was commissioned in January 2017 with more planned as part of ongoing military modernization efforts. Russian troops and warships held combined island-seizure training with China in the South China Sea last summer. On land, Russian forces fielded long-range anti-ship missiles along the coast, moved S-400 strategic air defense missiles to the east, and stationed the advanced Su-34 fighter-bomber to patrol the skies. Nuclear-capable bombers continue to fly missions focused on rehearsing strikes on the U.S. mainland or regional targets. Additionally, Russia has introduced a new generation of highly precise, conventionally armed cruise missiles that can reach the United States and our allies.

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

Russian economic and political outreach brings both positive and negative impacts for the region. Expanding exports of Russian natural gas and oil provides new, diversified sources for Asia's growing energy demands. Japan and ROK are among the leading importers of Russian coal. Japanese investment in the Russian Far East may prove extraordinarily helpful to regional growth and stability. But Russia also seeks to mitigate the effects of international sanctions imposed in response to its military operations in Ukraine, and may be trying to wedge itself into new relationships by opportunistically providing economic aid packages and military assistance (e.g., the Philippines).

ISIS / Violent Extremist Organizations (VEOs): ISIS is a clear threat that must be defeated. The main geographic focus of the U.S.-led counter-ISIS coalition has rightfully been in the Middle East and North Africa. But, as ISIS is defeated in Iraq, Syria and Libya, it will undoubtedly seek to operate in other areas. Increasing numbers of returning fighters alone have already forced USPACOM to think ahead about "what's next" in the fight against ISIS. As I mentioned earlier in this testimony, there are far more Muslims living in the Indo-Asia-Pacific than in the Middle East and North Africa. The vast majorities are peaceful people who seek to live lives free from the curse of terrorism. But even if a very small percentage of the Muslims in the USPACOM AOR are radicalized, there could be deadly results.

In 2016 alone, we witnessed ISIS-inspired terrorism in Bangladesh, Indonesia, Malaysia, and the Philippines. Additionally, it's clear to me that as our military operations in the Middle East continue to deny ISIS territory, some foreign fighters originally from the Indo-Asia-Pacific will try to return home. They'll come back to their home countries radicalized and weaponized. So we must stop them now at the front end and not at the back end when the threat can become more dangerous. But we cannot do it alone. To halt ISIS' cancerous spread, we must work together with like-minded nations in the region and across the globe.

USPACOM seeks to advance multinational partnerships with a purpose. Malaysia, Indonesia, the Philippines, Australia and New Zealand are partners we are engaging to tackle the threat against ISIS and other VEOs. Many Indo-Asia-Pacific countries like Australia and New Zealand have joined the coalition dedicated to ISIS' complete destruction. Through multinational collaboration, we can eradicate this disease before it metastasizes in the USPACOM area of responsibility.

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

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

Methamphetamine and amphetamine-type stimulants continue to be the primary drug threat in to the U.S. from the region. Joint Interagency Task Force-West (JIATF-W) reports that while Asia-sourced methamphetamine production is significant, methamphetamine produced elsewhere supplements the region's increasing demand. Maritime container shipments of China-sourced chemicals account for the bulk of the precursors used by Latin American drug trafficking organizations to manufacture methamphetamine and heroin, most of which is intended for the U.S. market – a direct threat to the U.S. homeland. Additionally, China-sourced fentanyl and new psychoactive substances are now a growing threat to the U.S.

While much remains to be done, USPACOM forces, including JIATF-W, are coordinating with our interagency and foreign partners to address these threats.

Proliferation Issues: The Indo-Asia-Pacific has the busiest maritime and air ports in the world. Technological advances have outpaced many countries' ability to effectively manage export controls to counter the proliferation of component technology. Trade includes dual-use technology, such as commercial items controlled by the nuclear, ballistic missile, and chemical/biological weapons control regimes, including manufactured or re-exported materials from other countries with limited export control enforcement. USPACOM's Countering Weapons of Mass Destruction (C-WMD) community supports proliferation operations throughout the Indo-Asia-Pacific by addressing concerns through key leader engagements, combined and joint exercises, and international security exchanges focused on counter proliferation activities.

Natural Disasters: The Indo-Asia-Pacific region remains the most disaster prone region in the world. 75 percent of Earth's volcanoes and 90 percent of earthquakes occur in the "Ring of Fire" surrounding the Pacific Basin. According to a 2015 UN report, disasters over the last 10 years

took the lives of a half a million people in the region, with over 1.5 billion people affected and damages of over a half a trillion dollars.

In the 2015 Nepal earthquake response, in coordination with the Nepalese government and USAID, USPACOM's Joint Task Force 505 delivered about 120 tons of emergency relief supplies and transported 553 personnel and conducted 69 casualty evacuations. This last fall USS SAMPSON (DDG 102) and Maritime Patrol and Reconnaissance Aircraft assisted New Zealand in its response to an earthquake on its South Island.

While disaster response is not a primary USPACOM focus, a key element of our Theater Campaign Plan (TCP) is building capacity with allies and partners to improve their resiliency and capability to conduct humanitarian assistance/disaster response (HA/DR). HA/DR cooperation is also an effective means to deepen and strengthen relationships. USPACOM's Center for Excellence for Disaster Management (CFE-DM) increases regional governments' readiness to respond to natural disasters by serving as a node for distribution of best practices. Our service components are prepositioning HA/DR stocks to facilitate timely response and to build access. And, when possible, U.S. military forces can and do assist with unique capabilities in the areas of air and sealift, infrastructure restoration, and emergency medical support.

Budget Uncertainty: Fiscal uncertainty injects substantial risk to USPACOM's long-term mission. The Budget Control Act and yearly Continuing Resolutions degrade USPACOM's ability to effectively plan.

I've said this many times before – sequestration must be repealed.

In 2013, sequestration cut every defense program equally. As a result, real readiness suffered. For example, we were forced to cancel an important joint exercise, NORTHERN EDGE. We need predictable funding to meet our current mission requirements and to prepare for the future. Keeping self-imposed spending cuts is a long-term threat to our national security.

Fiscal uncertainty and reduced funding levels have forced the services to make offsets in crucial investments toward modernization, infrastructure, and future readiness. These tradeoffs will continue to have a negative impact on the Indo-Asia Pacific Theater strategy. Equally important, the uncertainty of the current fiscal landscape places a heavy burden of unpredictability onto our service members and their families, our government civilians, Department of Defense contractors, and supporting industry. The U.S. will experience degraded warfighting capabilities unless decisive actions are taken to end fiscal uncertainties.

The strategic priorities from the Services must be funded to provide USPACOM what we need in order to provide for the national defense.

Without a bipartisan agreement that provides relief from the Budget Control Act caps, the Department of Defense will be forced to decrease investments that have given our warfighters the technological edge they have enjoyed for decades. Our near-peer competitors like China and Russia are quickly closing the technological gap. I need weapons systems of increased lethality that go faster, further, are networked, are more survivable, and affordable. If USPACOM has to fight tonight, I don't want it to be a fair fight. If it's a knife fight, I want to bring a gun. If it's a gun fight, I want to bring in the artillery, and the artillery of all of our allies. But as I said during Congressional testimony last year, sequestration could reduce us to wielding a butter knife in this fight. We must not let that happen. In order to deter potential adversaries in the Indo-Asia-Pacific, we must invest in critical capabilities, build a force posture that decreases our vulnerabilities and increases our resiliency, and reassure our allies and partners while encouraging them to be full and cooperative partners in their own defense and the defense of the rules-based international order.

Critical Capabilities

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

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

Pacing the threats we face in this region is not an option in my playbook. We must work hard and invest the money to outpace the competition to develop and deploy the latest technology to USPACOM. Examples include Navy Integrated Fires and the AEGIS Flight III destroyer and its Air and Missile Defense Radar (AMDR) – essential tools in today's complex operating environment.

Munitions, Fuels, and Logistics Networks: Critical munitions shortfalls are my top warfighting concern. Munitions are a large part of determining combat readiness in pursuit of national strategic objectives. We are short in “here-and-now” basic munitions like small diameter bombs. Our near-peer competitors continue to modernize their weapons systems and

leverage new technologies to close capability gaps between us and them. We must maintain our capability to operate in contested environments. Additionally, we must continue to expand cross domain fires capabilities and focus on joint integration to strengthen deterrence and enable joint combined maneuver.

Priorities include long-range and stand-off strike weapons, anti-ship weapons, advanced air-to-air munitions, theater ballistic/cruise missile defense, torpedoes, naval mines, and a Cluster Munitions replacement. With respect to ship-to-ship and air-to-ship munitions that allow us to defeat an aggressor from greater range, we are looking at capabilities similar to Long Range Anti-Ship Missile (LRASM) and Joint Air-to-Surface Standoff Missile – Extended Range (JASSM-ER). In the air-to air realm, I am seeking advancements in munitions that will provide us an advantage in a denied environment, such as the AIM-120D and AIM-9X2 air superiority missiles. We must modernize and improve our torpedo and naval mine capabilities to maintain our undersea advantage. Continued improvements in the capability and capacity of ballistic/cruise missile defense interceptors will further enhance homeland defense capabilities and protect key regional nodes from aggressive action. In support of the Korean Peninsula, I support efforts to acquire a replacement for Cluster Munitions – we need an Area Effects Munition replacement now.

As new inventory becomes available, current storage capacity will become critical. Current, legacy storage locations are inadequate to store specific types of modernized munitions and meet the requirements of FY21 Department of Defense Explosive Safety Standards. To meet security and safety standards for future inventory, additional new military construction (MILCON) will be required. When munitions storage MILCON projects lose to competing projects and are not funded we put unnecessary risk on our personnel. We must fund these MILCON projects.

Fuel is a critical commodity, and its strategic positioning is a key pillar of our logistics posture. Ensuring we have the right fuel, in the right amount, at the right location, at the right time, is vital to USPACOM's ability to project power throughout the Indo-Asia-Pacific. I remain committed to building the capacity of our prepositioned war reserve stocks of fuel, including resiliency of the facilities, infrastructure, and supply chain on which these stocks depend.

Finally, our nation's ability to project power rides on the backbone of airlift and sealift. This is most true in USPACOM. Our Air Force made tough decisions to transition airlift to Backup-Aircraft Inventory (BAI) status and transition Active Components to Guard and Reserve in order to meet budget constraints. Unfortunately, these decisions resulted in a lack of flexibility and readily available capacity for combatant command war plans. Today's global competition for airlift resources hinders the joint force's ability to promptly achieve operational objectives. In war, this shortcoming can result in greater loss of life, increased risk on USPACOM-fielded forces, and risk to our Nation's credibility with partners and allies. I remain concerned about the

current airlift posture and support an increase in airlift capacity, resources, and innovative deployment technologies. The long-term health of the U.S. flag commercial fleet and the availability of the merchant marine is also a concern.

Taken collectively, these individual gaps and shortfalls in our logistics capabilities represent overall erosion in USPACOM's operational readiness and require an initiative like APSI to reverse those negative trends. A strategic initiative to arrest and reverse those trends would be beneficial and worth consideration.

Air Superiority: In order to deter potential adversaries in the Indo-Asia-Pacific we must possess the capabilities that allow us to gain air superiority at a time and place of our choosing and we must be able to maintain that air superiority long enough to complete critical missions. For the last several decades the U.S. has enjoyed unmatched air superiority including 4th generation fighters and air-battle-management platforms. Our potential adversaries, however, are rapidly closing the gap as both Russia and China have fielded their own versions of 5th generation fighters just as the U.S. has begun the fielding of our 5th generation platforms in the Pacific. While we continue to invest in 5th generation platforms, we must also find innovative ways to make our 4th generation aircraft more capable. Regardless of the pace of 5th generation fielding, these 4th generation platforms will be in our active inventory for years to come and we will have to rely on them to address the same threats.

Undersea Warfare: Roughly 230 of the world's 400 foreign submarines are in the Indo-Asia-Pacific, of which approximately 160 belong to China, North Korea, and Russia. Potential adversary submarine activity has tripled from 2008 levels, requiring a corresponding increase of U.S. activity to maintain undersea superiority. China is improving the lethality and survivability of its attack submarines and building quieter, high-end diesel and nuclear powered submarines. China has four operational nuclear-powered Jin-class ballistic missile submarines (SSBNs) and at least one more may enter service by the end of this decade. When armed, a Jin-class SSBN will give China an important strategic capability that must be countered. Russia is modernizing its existing fleet of Oscar-class multi-purpose attack nuclear submarines (SSGNs) and producing their next generation Severodvinsk Yasen-class SSGNs. Russia has also homeported their newest Dolgorukiy-class SSBN in the Pacific, significantly enhancing its strategic capability. USPACOM must maintain its asymmetric advantage in undersea warfare capability including our attack submarines, their munitions, and other anti-submarine warfare systems like the P-8 Poseidon and ship-borne systems. Additionally, the Integrated Undersea Surveillance System (IUSS), including the Surface Towed Array Sensor Systems (SURTASS), plays a key role to theater operations and must be resourced appropriately to ensure it remains relevant. Maintaining pace with submarine activity growth is necessary and I support the Secretary of the Navy's 2016 Force Structure Assessment which calls for a 355-ship navy including 66 attack submarines.

Intelligence, Surveillance, and Reconnaissance (ISR): The challenge of gathering credible deep and penetrating intelligence cannot be overstated. The Indo-Asia-Pacific presents a dynamic security environment requiring flexible, reliable, survivable deep-look and persistent ISR to provide indications and warning and situational awareness across a vast geographic area. As previously noted, USPACOM faces a variety of challenges and potential flashpoints. Our treaty allies rely on U.S. ISR capabilities to support mutual defense treaties. ISR is required to prevent strategic surprise, buy decision space for national leadership, accurately assess the security environment and, if necessary, defeat potential adversaries. Continued advancements of our near-peer competitors requires additional advancements to how our intelligence is collected and processed – including the risks involved – to avoid greater long-term risk. Our ISR capabilities must be suited to our unique operating environment.

Space and Cyberspace: USPACOM relies on space based assets for satellite communications (SATCOM), ISR, and Positioning, Navigation, and Timing (PNT) capabilities to support missions across the range of military operations. USPACOM's region spans over half the globe and space-based assets are high-demand, low-density resources. As the space grows increasingly congested and contested, our adversaries have and continue to develop means to deny our space-enabled capabilities. USPACOM requires resilient and responsive space based capabilities to support operations. China continues to pursue a broad and robust array of counter-space capabilities, which includes direct-ascent anti-satellite missiles, co-orbital anti-satellite systems, cyber-attack and exploitation, directed energy weapons and ground-based satellite and PNT jammers.

Freedom of maneuver across the cyberspace domain is critical to USPACOM's ability to execute military operation. We face constant threats in this domain from both state and non-state actors and must ensure we have a robust and capable cyber force, as well as the equipment necessary to operate and defend the U.S. military's portion of the Department of Defense Information Network within USPACOM's area of operations. In addition, USPACOM requires an agile and defensible network infrastructure to enable information sharing and collaboration with our mission partners. This network infrastructure will foster better command and control in joint and coalition efforts, and will provide a true fight tonight communication capability that does not currently exist.

Our offensive cyber capabilities, currently under the responsibility of USCYBERCOM, continue to develop. As the command and control relationships continue to mature between USPACOM and USCYBERCOM, and between USCYBERCOM and its subordinate headquarters, we continue to advocate for increased unity of effort and unity of command for all cyber forces within USPACOM's area of operation. It is important that we strike the right balance between maintaining a sufficiently capable cyber force within our theater working directly for USPACOM and its subordinates and developing a capable cyber force under USCYBERCOM.

Integrated Air and Missile Defense (IAMD): USPACOM faces unique IAMD challenges despite efforts to forward station additional IAMD sensors and weapons capabilities in the Indo-Asia-Pacific to protect our forces and allies. Hawaii, Guam, and our Pacific territories are part of our Homeland and must also be defended. North Korea's persistent research, development and active testing of both its missile and nuclear programs and China's development and operational fielding of advanced counter-intervention technologies that includes fielding and testing of highly maneuverable re-entry vehicle/warhead (i.e., hypersonic weapons) capabilities challenges U.S. strategic, operational, and tactical freedom of movement and maneuver. Other notable challenges include challenging new cruise missiles and Unmanned Aircraft System (UAS) technologies.

USPACOM's IAMD priority is to establish a persistent, credible, and sustainable ballistic missile defense presence by forward deploying the latest advancements in missile defense technologies to the Indo-Asia-Pacific. Accordingly, TPY-2 radars in Japan, the THAAD system on Guam, and the Sea-Based X-band Radar (SBX) based in Hawaii defend the Homeland and our allies. USPACOM and USFK with the support of the DOD, the U.S. Army and MDA are working bi-laterally with South Korea to ensure the emplacement of a THAAD battery on the Korean peninsula in the next few months. The U.S. Navy is moving forward with the port shift of the USS MILIUS from San Diego to Yokosuka, Japan in 2017. Since the arrival of the USS BENFOLD and USS BARRY to Japan in fiscal year 2016, the U.S. Seventh Fleet is in a better position to support the U.S.-Japan alliance with more flexible missile defense capability. USPACOM will continue working with Japan, the ROK, and Australia to improve our level of staff coordination and information sharing and the goal of creating a fully-integrated Ballistic Missile Defense (BMD) architecture that must also address the increasing cruise missile threat.

Innovation: Innovation continues to be critical to addressing USPACOM's capability gaps and maintaining our military advantage. USPACOM partners with DOD-wide organizations, national laboratories, and industry to provide innovative solutions to fill capability requirements. USPACOM also continues to work closely with the OSD Strategic Capabilities Office (SCO) to develop and field game-changing technologies for the Indo-Asia-Pacific. USPACOM recognizes that advances in artificial intelligence, machine learning, large data analytics, and predictive forecasting will enable our warfighters to make better decisions and to confront the challenges of our near-peer adversaries. The DOD Third Offset Strategy provides the mechanism to invest in innovative capabilities that will enhance the joint warfighter given the challenges in the Indo-Asia-Pacific Theater. As I have stated, this is not about winning wars on the cheap, as some critics may suggest. It's about winning wars on the smart. USPACOM will continue to push the boundaries of innovation and "fail smartly" so that we can ultimately develop and field the best solutions for the joint warfighter.

Fires...Achieving Multi-Domain Battle (MDB): Over the past two decades, China has developed numerous ground and air launched missile systems that far outrange U.S. systems. They have done this at a fraction of the cost of some of our more expensive systems. Constrained in part by our adherence to the INF treaty, the U.S. has fallen behind in our ability to match the long-range fires capabilities of the new era. China is not a signatory to the INF treaty and the other main signatory, Russia, has repeatedly violated the treaty as they develop capabilities that could prevent the U.S. from fulfilling its alliance obligations.

Just as our adversaries have adapted to counter our asymmetric advantages, we, too must adapt the way we fight to leverage new technologies and approaches to operations to maintain our edge. We need systems that are fast, long-range, lethal, survivable, networked, rapidly deployable, and maneuverable. Given existing technology, such systems should be relatively inexpensive.

With this in mind that I have become a strong advocate for the operational concept known as Multi-Domain Battle (MDB). The Deputy Secretary of Defense has called MDB, "the first operational concept of the third offset." MDB is the ultimate joint concept that allows a commander to achieve cross-domain effects. Because of this, it gives a commander multiple options from across the joint force and confuses our adversaries by making them face multiple dilemmas. MDB calls for combined arms operations across all domains with joint force capabilities being brought to bear in the long-range fight as well as close combat. Recognizing that we may no longer be able to maintain broad sea and air control as we did in the past, one benefit of MDB in the Indo-Asia-Pacific is the addition of ground, space, electromagnetic spectrum, and cyber forces operating across archipelagic regions to augment sea and air forces to create temporal pockets of dominance that can be exploited to gain tactical and operational advantage.

We already have much of the capability for MDB in our force. However, one of the biggest capability gaps in terms of joint effects is the lack of connectivity between the Navy's Cooperative Engagement Capability (CEC), Army's THAAD and Patriot Systems, and the USMC's C2 systems. I know the Services are working on this problem. The technology is out there and the proof is in the lethal systems developed by our adversaries. More importantly, MDB requires a new jointness to bring it all together. MDB conceptualizes bringing jointness further down to the tactical levels allowing smaller echelons to communicate and coordinate directly while fighting in a decentralized manner that still allows for clearance of fires and deconfliction of efforts. I have tasked my component commands at USPACOM to test this operational concept in a major exercise. We are well on our way to meeting that goal thanks to a great team of service component commanders and their organizations.

Strategic Force Posture in the Indo-Asia-Pacific

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

Global Force Management (GFM): The Department of Defense is continuing several GFM initiatives that include adding the Navy's newest airborne early warning and control aircraft, the E-2D Advanced Hawkeye, to the USS RONALD REAGAN Strike Group in Japan, and increasing the presence of ballistic missile defense-capable surface ships. The Army is stationing a THAAD battery in South Korea and maintains the rotation of an Armored Brigade Combat Team (ABCT), plus enabling forces, to the Korean Peninsula. The Army also continues to support collective training and forward presence across the region through Pacific Pathways, thus enhancing partnership opportunities, avoiding permanent basing, and increasing Army readiness. The Air Force deploys a broad range of assets to the region, including F-22s, F-16s, E-8s, RC-135s and strategic bombers, including B-52, B-1 and B-2 bombers, to maintain presence in the Indo-Asia-Pacific. The forward stationing and deployment of 5th generation airframes to the region continues to be a priority for USPACOM – notably the Marine Corps has deployed the first F-35B squadron based in Japan. The Marine Corps continues to execute a reduction in the footprint on Japan by distribution of the capability across the region. Rotational forces west of the International Date Line are positioned to deter and defeat potential aggressors in the region.

Force Posture Initiatives: As geopolitical issues and challenges in the security environment continue to evolve, the importance of infrastructure recapitalization and the fielding of advanced capabilities have increased. In support of USPACOM's ability to execute national tasking and meet national objectives, fiscal year 2017 military construction projects support the arrival of next-generation platforms and capabilities to include the F-35 Joint Strike Fighter (Kadena Air Base, Japan), DDG-1000 Zumwalt-class Destroyers (San Diego, California and forward operating locales), RQ-4 Global Hawk (Andersen Air Base, Guam), and C-130J Super Hercules transport aircraft (Yokota Air Base, Japan). Other investments support increased resiliency for the joint force via projects in Japan, Guam, and Australia, increased critical munitions storage capacity in California and Guam, and quality of life investments for our forces and their families in South Korea and Japan.

Host country support at established locations remains robust. Two examples of this include our efforts in Korea (Yongsan Relocation Plan and Land Partnership Plan), and Japan (Okinawa

Consolidation and the Defense Policy Review Initiative). In support of these initiatives, the Government of Japan committed up to \$3.1 billion to help realign U.S. Marines from Okinawa to Guam and other locations. This funding includes approximately \$300M for the joint military training ranges Commonwealth of the Northern Marianas (CNMI). Additionally, the Government of Japan committed \$4.5 billion to expand the airfield and associated facilities at Marine Corps Air Station Iwakuni. Finally, The Japan is also funding Okinawa Consolidation and the Futenma Replacement Facility at ~\$4 billion. Outside of the above initiatives, Japan and Korea continue to provide other support, which play a critical role in supporting U.S. presence in the region.

Furthermore, USPACOM is expanding its activities to include the continued execution of the Marine Rotational Force-Darwin (MRF-D), Enhanced Air Cooperation (EAC) in Australia, and Bilateral Air Contingent Events-Philippines (BACE-P. Additionally, we are attempting to increase presence by seeking the assignment of additional ISR and BMD assets in the region.

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

DPRI/USMC Distributed Laydown: DPRI is a vital part of the larger U.S. military Integrated Global Basing and Presence Strategy. A major goal of DPRI is to create an environment that supports the enduring presence of U.S. forces in Japan. USPACOM maintains significant focus and effort on these initiatives. DPRI is one of the largest construction efforts since the end of the Cold War. Much work by both the U.S and Japan remain, but progress is being made towards realigning U.S. Marines from Okinawa to Guam and build-up of facilities at other locations such as Marine Corps Air Station (MCAS) Iwakuni.

Another critical cooperative effort, the Futenma Replacement Facility (FRF) at Camp Schwab/Henoko, will enable the U.S. to fulfill its security obligations to Japan while also enabling the return of MCAS Futenma to Okinawa. More than ever before, U.S. troop presence in Okinawa matters today. The presence of U.S. forces brings unique capabilities that cannot be replicated. So it was encouraging to see the 10 February joint statement between President Trump and Japan Prime Minister Abe that reaffirmed the commitment of both countries to construct the FRF. This solution maintains our presence at Marine Corps Air Station Futenma for another decade until the FRF is completed.

USFK Realignment: The consolidation of U.S. forces in Korea via the Land Partnership Plan (LPP) and Yongsan Relocation Plan (YRP) continues to move ahead and is a success story. Construction will triple the size of Camp Humphreys and increase the base's population to ~46,000 troops and family members. The ROK is bearing the majority of the relocation's cost,

committing \$10 billion. USPACOM appreciates the Congress' continued support of DOD's largest peace-time relocation project.

Resiliency: USPACOM resiliency efforts include investment in a more robust infrastructure in ally and partner countries, ensuring proper dispersal and optimization of critical enablers including communication nodes, fuel repositories, medical readiness, logistic support equipment and infrastructure, and the hardening of discrete facilities. For example, USPACOM continues to harden facilities in Guam as well as enhancing airfields at dispersed sites throughout the theater.

Agile Logistics: USPACOM continues to face significant force posture challenges, the largest being the distance and fragility of the lines of communication within the Indo-Asia-Pacific. The tyranny of distance and short timelines to respond to crises require investment in infrastructure to properly preposition capabilities and capacity throughout the region. Ensuring that our logistics – munitions, fuel, and other war materiel – are properly prepositioned, secured, and available to meet requirements is essential to providing flexible and rapid force closure in support of national defense planning.

Agile Communications: The ability to communicate with our allies and partners underpins all efforts from command and control interoperability through logistics coordination. Today's Defense communications systems continue to be hampered by obsolete encryption technology that forces us to build or contort information networks to comply with restrictive information sharing policies. Our acquisition systems cannot support the pace of rapid information technology advancements. As a result, we are not fully postured with the latest technology to interoperate with multiple partner combinations over all the phases of military operations. Furthermore, we will not have the communication capacity and sharable encryption capability to support the most modern warfighting platforms and associated weapon systems as they are built and deployed.

Readiness: USPACOM is a "fight tonight" theater with short response timelines across vast spaces. Threats as discussed earlier require U.S. military forces in the region maintain a high level of readiness to respond rapidly to crisis. USPACOM's readiness is evaluated against its ability to execute operational and contingency plans, which place a premium on forward-stationed, ready forces that can exercise, train, and operate with our partner nations' militaries and follow-on forces able to respond to operational contingencies.

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

The ability of the U.S. to surge and globally maneuver ready forces is an asymmetric advantage that must be maintained. Over the past two decades of war, the U.S. has of necessity prioritized the readiness of deploying forces at the expense of follow-on-forces and critical investments needed to outpace emerging threats. A shortage of ready surge forces resulting from high operational demands, delayed maintenance periods due to sequestration, and training pipeline shortfalls limit responsiveness to emergent contingencies and greatly increase risk. These challenges grow each year as our forces downsize while continuing to deploy at unprecedented rates. We are at risk of overstressing the force if the Services are not assured fiscal stability to establish conditions to reset their force elements.

Fiscal uncertainty requires the Department to accept risk in long-term engagement opportunities with strategic consequences to U.S. relations and prestige. Continued budget uncertainty and changes in fiscal assumptions in the FYDP degrade USPACOM's ability to plan and program, leading to sub-optimal utilization of resources. Services must be able to develop and execute long-term programs for modernization while meeting current readiness needs. Budgetary constraints have limited procurement and fielding of 5th generation fighter aircraft (F-35) in sufficient quantities to maintain pace with potential adversary advancements. Modernization of 4th generation aircraft (F-15, F-16, F/A-18) is essential to prevent capability gaps. Much of the supporting infrastructure in the Pacific and on the West Coast of the U.S. mainland was established during World War II and during the early years of the Cold War. The infrastructure requires investment to extend its service life but the Services struggle to maintain infrastructure sustainment, restoration, and modernization accounts at appropriate levels. If funding uncertainties continue, the U.S. will experience reduced warfighting capabilities and increased challenges in pacing maturing adversary threats.

Allies and Partners

Strengthening and modernizing alliances and partnerships are top USPACOM priorities. USPACOM's forward presence, force posture, and readiness reassure allies and partners of U.S. commitment to a stable and secure Indo-Asia-Pacific. USPACOM is building a network of likeminded nations committed to the current rules-based order that is anchored by our treaty allies. Partnerships with many other countries and organizations create an environment of cooperation that allows us to work together on the shared challenges we face.

Bilateral and Multinational “Partnerships with a Purpose”: USPACOM is directly connected to regional leaders. I am in frequent communication with my regional counterparts and appreciate the ability to reach out at any time to share perspectives. USPACOM maintains a close link with allies and partners through staff exchange and liaison officers, in addition to a series of formal bilateral mechanisms. In Australia, key engagements stem from the ANZUS treaty obligations, and are guided by USPACOM's principal bilateral event with Australia, the

Military Representatives Meeting. Similarly, USPACOM's military-to-military relationship with Japan is guided by the annual Japan Senior Leader Seminar. Military Committee and Security Consultative Meetings are the preeminent bilateral mechanisms that guide the ROK and U.S. alliance. Each year, USPACOM, with the Armed Forces of the Philippines, co-hosts the Mutual Defense Board and Security Engagement Board to deal with 21st-century challenges. USPACOM conducts annual Senior Staff Talks with Thailand to address security concerns and reinforce U.S. commitment to democratic principles. Formal bilateral mechanisms also exist with non-alliance partners throughout the region, including India, Indonesia, Singapore, Malaysia, and Vietnam.

Our multilateral cooperation is further enhanced by numerous Flag and General Officer (FOGO) exchange officers that work for the U.S. at USPACOM. These foreign officers from our "Five Eye" (FVEY) partners (Australia, Canada, New Zealand, and United Kingdom) serve under my Command as fully integrated members of the USPACOM team. Our operations and intelligence watch centers are FVEY environments. Our service components also have embedded FOGOs serving as Deputy Commanders and senior staff officers.

The future lies in multilateral security mechanisms. USPACOM is broadening key bilateral relationships into multilateral partnerships with a purpose that will more effectively address shared security concerns. For example, U.S.-Japan-ROK trilateral coordination in response to North Korean provocative behavior is improving. The ROK and Japan each recognize that provocative actions by North Korea will not be isolated to the peninsula and greater coordination and cooperation are required. Historical tensions between the nations have lessened and cooperation and collaboration with the ROK have improved. U.S.-Japan-ROK trilateral cooperation is benefitting from these developments. The November 2016 signing of the Japan-ROK General Security of Military Information Agreement (GSOMIA) is a major accomplishment in improving bilateral relations between Seoul and Tokyo, and lays an essential foundation for expanding cooperation enabling the U.S. to work more closely with both allies. This cooperation also led to two successful U.S.-Japan-ROK trilateral missile defense information link maritime exercises in 2016. I look forward to increasing the frequency and complexity of trilateral information sharing while simultaneously enhancing trilateral security cooperation.

To encourage multilateral cooperation, USPACOM hosts the Chiefs of Defense Conference (CHODs) annually. The CHODs conference location normally rotates between Hawaii and a regional partner. In 2016, 31 countries attended the CHODs conference in Manila, Philippines. USPACOM also participates in Australia-Japan-U.S. trilateral defense dialogues, including the Security and Defense Cooperation Forum (SDCF). The 2017 conference will be held in Victoria, British Columbia, in September.

The trilateral relationship between the U.S., Japan, and India is growing stronger. All three countries share democratic values, interests in protecting sea lanes of commerce, and respect for international law. The three sides launched a trilateral HA/DR working group at the first Ministerial meeting in 2015 and agreed to establish a maritime domain awareness working group. On the security front, all three countries participate in India's increasingly complex annual Malabar military exercise as well as the multinational Rim of the Pacific exercise. As a next step, USPACOM is encouraging the addition of Australia to form a quadrilateral partnership with a purpose. India, Japan, Australia, and the U.S. working together will be a force for the maintenance of the Global Operating System.

Allies

Australia: The U.S.-Australia alliance anchors peace and stability in the region. Australia plays a leading role in regional security, capacity-building efforts and addressing disaster response. Australia is a key contributor to global security and a significant contributor to counter-ISIS efforts in Iraq and Syria and the Resolute Support mission in Afghanistan. With the implementation of force posture initiatives, the Marine Rotational Force-Darwin successfully completed its fifth deployment while increasing its presence from 1,177 to 1,250 U.S. Marines. The sixth deployment began this month and will include four MV-22 Osprey aircraft, providing a more robust capability. Cooperative activities under Enhanced Air Cooperation, another force posture initiative, formally commenced in February 2017 with the deployment of F-22 aircraft to northern Australia. The U.S. and Australia are increasing collaboration in counter-terrorism, space, cyber, integrated air missile defense, and regional capacity building. Australia is procuring high-tech U.S. platforms that will further increase interoperability. These include the F-35A Lightning II, P-8 Poseidon, C-17 Globemaster III, EA-18G Growler, Global Hawk UAVs, and MH-60R helicopters. To enhance interoperability, the Australian Government provides a General Officer and Senior Executive (civilian) to USPACOM and a General Officer to U.S. Army Pacific on a full-time basis. Australia has also set a goal of reaching 2% of its GDP on defense spending over the next decade.

Japan: The U.S.-Japan alliance remains the cornerstone for peace and stability in the Indo-Asia-Pacific region. Operational cooperation and collaboration between USPACOM and the Japan Joint Staff continue to increase. Japan's Peace and Security Legislation authorizing limited collective self-defense and the revised Guidelines for U.S.-Japan Defense Cooperation have significantly increased Japan's ability to contribute to regional stability more broadly. Japan continues to support USPACOM activities to maintain freedom of navigation in the South China Sea, and remains concerned about Chinese activities in the East China Sea.

Republic of Korea (ROK): The U.S.-ROK alliance remains ironclad. We continue to work with our ROK allies as they move toward obtaining the capabilities required under the

Conditions Based OPLAN Transition Plan (COT-P). In response to the evolving threat posed by North Korea, the U.S. and the ROK made an Alliance decision to deploy a Terminal High Altitude Area Defense (THAAD) system to the ROK to improve the Alliance missile defense posture. North Korea's provocative actions, and its refusal to engage in authentic and credible negotiations on denuclearization, compelled our Alliance to take defensive measures. The decision to deploy THAAD to the Korean Peninsula is based solely on our commitment to defend our allies and our forces from the North Korean threat.

The Philippines: The U.S.-Philippine alliance remains resolute. Through frank and frequent dialogue with Philippine leadership we continue to maintain a robust defense relationship comprised of 258 activities for calendar year 2017, which include joint and service-to-service exercises. All plans, activities, exercises, and construction in the Philippines are done in close coordination with, and with the full approval of, Philippine leadership. On January 12, 2016, the Philippine Supreme Court ruled in favor of the Enhanced Defense Cooperation Agreement and the new Philippine administration is also supportive of this agreement. Project development at various Philippine bases will improve interoperability and build partner capacity of the Armed Forces of the Philippines (AFP) in Maritime Security, Maritime Domain Awareness, and HA/DR capabilities. We remain committed to supporting the AFP to counter-terrorism not only in the Southern Philippines, but in the tri-border area in Sulu and Celebes Seas. At the request of several Philippine administrations, Special Operation Command Pacific (SOCPAC) continues to provide counter-terrorism support and assistance. We will continue to consult with the Government of the Philippines and tailor our activities and assistance to address our shared security concerns. I am convinced that with some strategic patience and mutual respect, our Philippine alliance will remain strong and continue to stabilize the region as it has for over 60 years.

Thailand: The longstanding U.S.-Thailand alliance is supported by deep bilateral military-to-military ties that go back to our 1950 Agreement Respecting Military Assistance between the Government of the United States of America and Government of Thailand. Thailand offers unique training opportunities and essential logistical nodes for our forces. The most significant exercise being Cobra Gold, the largest multilateral military exercise in Southeast Asia. I spoke at the opening ceremony for this year's exercise in February and reiterated U.S. commitment to Thailand. Thailand is committed to a return to democracy with national elections in 2018, and we remain important alliance partners. I remain convinced that the best way for the U.S. to promote security and healthy civil-military relations in Thailand is to engage more, not less, with Thai military leadership.

Partners

India: India continues to emerge as a significant strategic partnership in the Indo-Asia-Pacific region. In June 2016, India was designated as a Major Defense Partner to the U.S. This declaration is unique to India and places it on the same level as many of our closest allies for the purposes of defense trade and technology sharing. U.S. and Indian militaries participated together in three major exercises and more than 50 other military exchanges this past year, in addition to conducting a joint-course in peacekeeping for ten African partners. We signed the Logistics Exchange Memorandum of Agreement (LEMOA) after more than a decade of negotiation to further deepen our military-to-military relationship and serve as a force multiplier during exercises and real world HA/DR operations. We also held our first annual 2+2 U.S.-India Maritime Security Dialogue last year to help identify and implement our common strategic interests. The US-India Defense Technology and Trade Initiative (DTTI) continues to expand opportunities for cooperation, adding new working groups to focus on areas of mutual interest. Defense sales are at an all-time high with U.S.-sourced airframes, such as P-8s, C-130Js, C-17s, AH-64s and CH-47s. We recently concluded a deal for 145 M777 howitzers. USPACOM will continue to advance the partnership with India as the “new normal” by strengthening our relationship and working toward additional enabling agreements that enhance interoperability between our forces.

Indonesia: Indonesia plays an essential role in the security architecture of the region. We maintain a robust defense relationship comprising 221 activities for calendar year 2017. USPACOM continues to partner with Indonesia, particularly in maritime security. Indonesia desires to play a larger role in international economic and security issues. Their goal to provide 4,000 deployable peacekeeping troops by 2020 is another important area where we can engage. Indonesia continues to build and exercise in strategic maritime border areas to bolster its defense capabilities, and has concerns with Chinese activities in the vicinity of the Natuna Islands.

Malaysia: Our close security ties with Malaysia are based on our Comprehensive Partnership. Malaysia’s regional leadership role, technologically advanced industry, sizeable economy, and capable military make it an important partner in securing peace and prosperity in Southeast Asia. We continue to assist Malaysia in building an amphibious force to address non-traditional threats in and around their territorial waters. Malaysia has reached a trilateral agreement with the Philippines and Indonesia for improving the maritime security environment in the Sulu and Celebes Seas. Malaysia also has an on-going dispute with China with respect to the Luconia Shoals, which China also claims. Nevertheless, Malaysia has demonstrated the capacity and resolve to contribute to regional security, and we continue to support Malaysia’s emerging maritime security requirements.

Mongolia: Mongolia endures as a small yet strong partner in Northeast Asia and continues to demonstrate staunch support for U.S. regional and global policy objectives – especially those linked to the Global Peace Operations Initiative and security operations in Afghanistan. The government engages with the U.S. and other countries as part of their “Third Neighbor” policy. Mongolia also markets itself as a model for emerging democratic countries such as Burma, Nepal, and Timor Leste. I visited Mongolia last summer and spoke at the KHAAN QUEST 2016 closing ceremony, reaffirming that USPACOM’s goals are to assist the Mongolian Armed Forces through their defense reform priorities to include development of professional military education for officers and non-commissioned officers, developing a professional NCO corps, and developing an Air Force and ready reserve force. The Mongolians punch above their weight and we should continue to support them where we can.

New Zealand: Our military-to-military relationship has reached new heights over the past two years, despite longstanding differences over nuclear policy. Relations remain strong and are the most encouraging in decades. The November 2016 visit of the USS SAMPSON (DDG 102), the first ship visit to New Zealand in more than thirty years, marked a new milestone. New Zealand remains a respected voice in international politics and a leader in the South Pacific that shares common security concerns with the U.S., including the need to address terrorism, transnational crime, and maritime security.

Singapore: A key strategic partner in Southeast Asia, we depend on Singapore for its insights on regional dynamics and its support to U.S. security priorities. Singapore has been a major security cooperation partner for over a decade and provides us invaluable access including hosting of Littoral Combat Ships, Maritime Patrol and Reconnaissance Aircraft, and the Seventh Fleet’s Logistics Force headquarters. Recently, our partnership expanded into new areas including cyber security and counter-proliferation. We conduct dozens of military exercises with Singapore each year and Singaporean military officers regularly attend U.S. professional military education. This combination of forward deployed forces, logistics, and deep training relationships contributes to readiness, builds deeper ties and allows the U.S. to promote maritime security and stability with regional partners.

Sri Lanka: President Sirisena, elected in January 2016, is serious about addressing Sri Lanka's human rights issues. Throughout the last year he continued Sri Lanka's path toward reconciliation and democracy following its civil war. I believe it is in America's interest to increase military collaboration and cooperation with Sri Lankan forces. Accordingly, I visited Sri Lanka last November – the first 4-star to do so since 2008. USPACOM has expanded military leadership discussions, rule of law training, increased naval engagement, and focused security cooperation efforts on defense institution building in areas such as demobilizing and military professionalism. I look forward to continuing to expand our relationship in the future

Vietnam: Vietnam continues to expand cooperation with the U.S. at a moderate, but steady pace. USPACOM provides support for Vietnam's modernization and capacity building, focusing on maritime security, peacekeeping, and disaster response. The U.S. will transfer maritime security vessels including maintenance and training packages to Vietnam's Coast Guard over the next few years, which will build their capacity for maritime domain awareness. In addition, we are discussing a proposal to improve our mutual ability to cooperate in the field of HA/DR as well as enhance ongoing bilateral cooperative activities.

Other Key Actors

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

ASEAN: ASEAN turns 50 this year and the U.S. will commemorate the 40th year of U.S.-ASEAN dialogue relations. The U.S. and ASEAN share the common principles of a rules-based order, respect for international law, and the peaceful resolution of disputes. The ten ASEAN member states, under the chairmanship of Laos last year and the Philippines this year, continue to seek ways to improve multilateral security engagements and advance stability in the Indo-Asia-Pacific. During this past year, the U.S. strengthened its commitment to ASEAN with engagements at the Secretary of Defense and Presidential levels where agreement on whole-of-government approaches to shared challenges in areas of maritime security and maritime domain awareness were reached. Throughout the past year USPACOM participated in ASEAN exercises, key leader engagements, and practical multilateral cooperation related to the spectrum of shared transnational challenges. Malaysia and the U.S. will co-chair the ASEAN Expert Working Group on Humanitarian Assistance and Disaster Relief with Malaysia over the next three years.

Burma: Aung San Suu Kyi's National League for Democracy's election victory was a historic milestone. While challenges remain during the transition to civilian leadership, USPACOM's

goal is to support and empower the civilian government, while encouraging the professionalization of its military. Our assistance through defense engagement programs is designed to bring together civilian and military officials to promote cooperation and understanding. These limited programs also promote the development of a professional military in a democratic system of government and broaden the exposure of isolated military officials to international norms of conduct and civilian control.

China: The U.S.-China relationship remains complex. While Chinese actions and provocations create tension in the region, there are also opportunities for cooperation. USPACOM's approach to China is to cooperate where we can to collectively address our shared security challenges, but remain ready to confront its provocative actions where we must. USPACOM's engagements with the People's Liberation Army, governed by section 1201 of the FY2000 NDAA, improve transparency and reduce risk of unintended incidents.

USPACOM conducted numerous bilateral and numerous multilateral engagements last year with China. USPACOM co-led the U.S.-China Military Maritime Consultative Agreement (MMCA) plenary and working group focused on operational safety in November 2016. Encounters between our forces at sea and in the air are generally safe, but the MMCA provides a forum for continuous dialogue to identify and address safety issues when they arise.

Areas of common interest that allow military cooperation include counter piracy, military medicine, and disaster response. USPACOM forces participated in the annual Disaster Management Exchange with the People's Liberation Army in Kunming, China designed to share HA/DR lessons learned from real world events. USPACOM encourages China's participation in international efforts to address shared challenges in a manner consistent with international law and standards.

Taiwan: Democratic elections in January 2016 reflect the shared values between Taiwan and the U.S. The U.S. maintains its unofficial relations with Taiwan through the American Institute in Taiwan and we continue supporting Taiwan's security. USPACOM will continue to fulfill U.S. commitments under the Taiwan Relations Act. Continued, regular arms sales and training for Taiwan's military are an important part of that policy and help ensure the preservation of democratic institutions. As the military spending and capability of the PRC grow every year, the ability of Taiwan to defend itself decreases. We must continue to help Taiwan defend itself and demonstrate U.S. resolve that any attempt by China to force reunification on the people of Taiwan is unacceptable.

Activities, Direct Reporting Units, and Mission Partners

Security Cooperation and Capacity Building: USPACOM's Security Cooperation approach focuses on building partner readiness, reducing partner capability gaps, and building partner capacity. One of the more powerful engagement resource tools is the State Department's Foreign Military Financing (FMF). FMF enables USPACOM to meet regional challenges to include border security issues, disaster response, counterterrorism, and maritime security.

USPACOM will continue to leverage the FY16 NDAA section 1263 "Southeast Asia Maritime Security Initiative" authority to enhance maritime domain awareness and maritime capacities and capabilities of partners and allies in the South China Sea region, through assistance to, and training of, partner and allied country maritime security forces.

USPACOM will continue to rely on FMF as a source of providing major end items to eligible countries. MSI support notified pursuant to the Section 1263 authority should be viewed as complementary and additive in nature to these FMF plans. Under MSI, PACOM plans to provide niche capabilities, more multi-mission types of equipment, and connective tissue that will help partners better deploy and employ these maritime security capabilities – both domestically to protect their sovereign territory and as a means of fostering greater regional interoperability.

Additionally, USPACOM is looking forward to leveraging the consolidated Security Cooperation authority in FY17 NDAA as a responsive tool for building partner capacity as security situations and relationships evolve. I am concerned the changes in the FY17 NDAA could impact both operational support to foreign law enforcement and capacity building efforts focused on countering narcotics flows and transnational crime. We are currently working with the rest of the Department of Defense to develop the policies needed to implement this new law.

Maritime Domain Awareness: Southeast Asian partners support U.S. security cooperation efforts in the area of maritime domain awareness. USPACOM will continue to leverage MSI and the new Section 1263 authority and other existing authorities to develop multilateral approaches to information sharing to develop a regional maritime picture. USPACOM and the Daniel K Inouye Asia-Pacific Center for Strategic Studies (DKI APCSS) co-hosted a policy level workshop on best practice for information sharing. Additionally, the Philippines, Australia, and the U.S. co-hosted an operational level workshop to discuss regional maritime security best practices. These workshops facilitate whole-of-government discussions on maritime challenges that support creation of a regional maritime domain awareness network to share information between Southeast Asian partners. USPACOM will continue to support these workshops to improve regional awareness. We need to go beyond Maritime Domain Awareness to improve our partners' and allies' multi-domain awareness and increase their domain denial capability so that they can better protect their territory and enforce their maritime rights.

Global Peace Operations Initiative (GPOI): Indo-Asia-Pacific countries provide over 30% of the world's uniformed peacekeepers to United Nations (UN) peacekeeping operations worldwide and of these peacekeepers, 62% of the peacekeepers come from the 12 GPOI partners in the Indo-Asia-Pacific where they support 15 of the 16 UN peacekeeping missions. Not only is GPOI helping to build the capability and capacity of our partners to deploy forces, the USPACOM GPOI is focused on providing high-quality, action-oriented, challenging scenario-based training so that peacekeepers are better prepared to implement the mandates contained in UN Security Council Resolutions – protecting vulnerable civilians, halting conflict-related sexual violence, working to put a stop to the use of children soldiers, addressing misconduct and trying to bring long-term peace and security to conflict torn regions. Partners are working towards meeting program goals of achieving self-sustaining, indigenous training capability. Most recently in March 2017, USPACOM and Nepal cohosted Shanti Prayas-3 – a multinational peacekeeping exercise – training personnel from 34 countries for deployment to UN peacekeeping missions. USPACOM will continue improving partner military peacekeeping skills and operational readiness and provide limited training facility refurbishment. This program not only supports our efforts to improve UN peacekeeping, it is also helping to strengthen interoperability with U.S. forces and builds the trust required to improve interoperability in other relevant areas.

Joint Exercise Program: USPACOM's Joint Exercise Program deliberately synchronizes frequent, relevant, and meaningful readiness exercises and engagements across the Indo-Asia-Pacific region to ensure the joint force is prepared for crises and contingency operations. This important joint exercise program, funded through the Combatant Commander Exercise Engagement Training Transformation (CE2T2) program, provides the critical means and enablers to improve readiness of forward deployed assigned forces. It also advances many Theater Campaign Plan objectives to include strengthening our alliances and partnerships while sustaining USPACOM's military preeminence. USPACOM appreciates Congress' continued support of these important programs to maintain progress made in joint readiness.

Joint Interagency Task Force-West (JIATF-W): The drug trade in the Indo-Asia-Pacific is a growing concern that threatens regional stability as drug trafficking organizations expand into new markets and develop new and disturbing partnerships across the globe. USPACOM combats drug trafficking in the region through JIATF-W by disrupting flows of drugs and precursor chemicals that transit the region and hardens the theater against the continued growth of transnational criminal organizations.

Chinese and, to a lesser extent, Indian chemical producers continue to be the primary source of precursors for synthetic drugs, including powerful synthetic opioids like fentanyl, as well as more traditional drugs like cocaine and heroin. JIATF-W identifies avenues of cooperation with the government of China on this issue to assist U.S. law enforcement with seizures of these

chemicals and drugs. JIATF-W identified and tracked chemical flows resulting in the seizure of roughly 140,000 kilograms of methamphetamine precursor chemicals in 2016.

As demonstrated by its effect on the Philippines, the illicit drug trade can have far reaching, and even strategic impacts. The internal pressures caused by criminal organizations and their operations, as well as the associated corruption and the demands placed on society by the need for treatment and prosecution, can and do cause enormous stress on governance. These stresses ultimately affect U.S. interests in the region. JIATF-W continues to build partner capacity to counter illicit trafficking of narcotics in the coastal areas of the Philippines, Vietnam, Cambodia, Indonesia, Malaysia, Maldives, Sri Lanka, and the border regions of Bangladesh and Thailand.

In Australia, cocaine prices reach ten times the retail prices in the U.S., providing a strong incentive for drug traffickers to expand their reach across the Pacific. The drug trade feeds enormous amounts of cash back into the Mexican and South American drug cartels. This, in turn, contributes to challenges faced by our law enforcement agencies on the Southwest border. JIATF-W works closely with agencies throughout the South Pacific, including the French Armed Forces in Polynesia, as well as both Australian and New Zealand law enforcement, military and intelligence services to counter this lucrative drug trade.

Center for Excellence for Disaster Management (CFE-DM): CFE-DM increases capacity of U.S. and partner nation military forces to respond effectively to disasters through its education training and applied research and information sharing programs. The Center annually trains about 8,000 military and civilian annually. This includes training deployable forces and foreign audiences. Broad based partnerships encourage a robust collection of best practices.

The Daniel K. Inouye Asia-Pacific Center for Security Studies (DKI APCSS): While DKI APCSS is no longer a Direct Reporting Unit to USPACOM, I have formally designated it as a “Mission Partner” to underscore its importance to the USPACOM mission set. DKI APCSS builds and sustains key regional partnerships and partner nation capacity and in enhances cooperation on regional security challenges. The Center’s courses, workshops, dialogues, and alumni engagements directly support OSD-Policy and USPACOM priorities and are integrated into USPACOM’s Theater Campaign Order. Focus areas include rule-of-law based governance emphasizing civilian oversight of militaries, defense institution building, enhancing regional security architecture – particularly ASEAN, collaborative approaches to maritime security and domain awareness and counterterrorism, and improved capability and cooperation in HADR. DKI APCSS has major competitive advantages in location, credibility, convening power, and alumni network. Those advantages and the Center’s focus on substantive and sustainable outcomes have broadly improved security sector governance. Specifically, this organization is leading DOD in the implementation of UNSCR 1325 (Women, Peace, and Security) and the U.S. National Action Plan to achieve greater inclusion of women in the security sector.

Joint Enabling Capabilities Command (JECC): U.S. Transportation Command's JECC responds rapidly and effectively to events in the Indo-Asia-Pacific. JECC's support is critical to USPACOM's ability to facilitate rapid establishment of joint force headquarters, fulfill Global Response Force (GRF) execution, and bridge joint operational requirements by providing mission-tailored, ready joint capability packages. JECC supports real-world real world contingencies and operational plans.

Logistics Support Agreements (LSAs): USPACOM continues to view LSAs as critical Theater Security Cooperation (TSC) enablers. We have 14 agreements in the region, to include the recent agreement with India. We continue to actively work with eligible but as yet uncommitted partners to conclude as many of these agreements as possible, and I personally stress their importance in my engagements with partner country leadership. The logistics agreement with Japan was especially useful during the Kumamoto earthquake disaster, and I often share this experience with our other partners.

Pacific Area Senior Officer Logistics Seminar (PASOLS): PASOLS is an annual forum that brings together senior logisticians from 30 countries in the Indo-Asia-Pacific. The goal is to strengthen regional cooperation, improve interoperability, and develop partner capacity to cooperatively address regional challenges. Singapore hosted PASOLS 45 in November 2016. PASOLS is our most important annual logistics engagement event.

Pacific Amphibious Leaders Symposium (PALS): PALS is an annual forum that brings together senior leaders of allied and partner nations throughout the Indo-Asia-Pacific to discuss key aspects amphibious operations, capabilities, crisis response, and interoperability. 22 countries participated in PALS 2017, which was hosted by the Republic of Korea Marine Corps.

Conclusion

U.S. interests in the Indo-Asia-Pacific are real and enduring. The growing challenges to our interests are daunting and cannot be overstated. In order to deter potential adversaries in the Indo-Asia-Pacific, we must continue to invest in critical capabilities, build a force posture that decreases our vulnerabilities and increases our resiliency, and reassure our allies and partners while encouraging them to be full and cooperative partners in their own defense and the defense of the rules-based international order. Our allies and partners are hedging and need reassurance. We must demonstrate our commitment in actions. The good news is that America's resolve is strong. I ask this committee to continue support for future capabilities that maintain our edge and prevent would-be challengers from gaining the upper hand.

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