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**Statement of
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Before the

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Subcommittee on East Asian and Pacific Affairs**

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Rebalance to the Asia-Pacific II: Defense and Security: Cooperation and Challenges

Mr. Chairman, Senator Rubio, and Members of the Subcommittee, thank you very much for inviting me here today to testify on this important topic. I'd like to commend the committee for its efforts to highlight the ongoing challenges and opportunities the United States faces in Asia and for its continued commitment to U.S. engagement in the Pacific region. We in the Department of Defense greatly appreciate the bipartisan support this committee has offered for growing U.S. engagement in Asia and we look forward to working closely with the Congress and our inter-agency colleagues to support a whole-of-government approach in this critical region.

As President Obama has noted, the decision to rebalance towards Asia reflects a fundamental truth – “the United States has been, and always will be, a Pacific nation”. Generations of U.S. servicemen and women have fought, bled, and died to help advance the security of this region, to protect cherished freedoms and democracy, and to make possible the tremendous economic growth that has transformed the daily lives of men, women, and children across the Asia-Pacific region. And so, the decision to rebalance towards Asia not only reflects our belief that the future security and prosperity of the United States is dependent upon Asia's success but also reflects the deep and binding ties of our past.

It is also important to note that the U.S. approach to Asia will continue to be, as it always has been, a whole-of-government effort. Our defense and security policies, while essential, do not exist in a vacuum, but serve to support an over-arching purpose. As we have for the past sixty years, the Department of Defense works to advance security so that broader efforts to promote prosperity and expand human dignity across the Asia-Pacific region will continue to grow and flourish.

The core element of the Department's approach to the Asia-Pacific region remains our network of alliances and partnerships. Our treaty allies – Australia, Japan, the Republic of Korea, the Philippines, and Thailand – have formed the bedrock of our security engagement in Asia for over sixty years. Together with our allies, we are working to reinvigorate and modernize these alliances to ensure they remain relevant to the challenges we will face in the future.

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In Australia, we continue to broaden and deepen our robust relationship into new areas to meet emerging needs in both the region and across the globe. Our efforts to enhance our combined defense posture through the rotation of U.S. Marines to Northern Australia will provide expanded opportunities for U.S. and Australian forces to train and exercise together and will promote security cooperation with a wide range of partners in the Asia-Pacific region. Additionally, we are pursuing new bilateral initiatives in areas such as space and cyber that will be particularly relevant to global security in the 21st century. For example, at the Australia-U.S. Ministerial Consultations last year Secretary Panetta and the Australian Minister for Defence signed a memorandum of understanding to relocate a U.S. Air Force space situational awareness C-Band radar to Australia. And just last month the U.S. and Australia signed a Space Situational Awareness (SSA) sharing agreement – the first bilateral arrangement of its kind – which will permit an advance exchange of this data.

In Japan, we have seen strong momentum on the defense side over the last year. We are taking steps to further strengthen our Alliance, and to ensure its relevance against the full spectrum of possible regional security challenges. Through our ongoing Roles, Missions, and Capabilities dialogue, we are exploring ways to improve interoperability and strengthen bilateral defense cooperation. We are discussing the future of our alliance to ensure that the Alliance remains adaptive in the face of 21st century threats. We continue to deepen our bilateral efforts to deter ballistic missile threats in the region and beyond. Japan remains our most important partner in regional ballistic missile defense, as most recently demonstrated by our plan to introduce a second TPY-2 radar. This radar will provide critical added protection against continued North Korean threats and provocations. We are also steadily upgrading our capabilities resident in Japan, as the recent introduction of the MV-22 into Okinawa, and our plans to introduce the F-35, demonstrate.

In Korea, our shared efforts to establish a Strategic Alliance 2015 are ensuring a shared vision for the future that will deter aggression and maintain peace on the Korean peninsula as well as expand security cooperation across the region. The foundation of our alliance remains a steadfast commitment to maintain peace on the Korean peninsula. North Korea remains a security threat because of its pursuit of nuclear weapons and long-range ballistic missiles, its willingness to proliferate weapons in contravention of its international agreements and United Nations Security Council Resolutions, and its willingness to engage in provocative and destabilizing behavior. In the face of these provocations, the United States has reaffirmed its longstanding commitment to provide and strengthen extended deterrence for the ROK, using the full range of U.S. military capabilities, including the nuclear umbrella, conventional strike, and missile defense capabilities. Through a bilateral Extended Deterrence Policy Committee, our two countries are developing a tailored deterrence strategy to improve the effectiveness of extended deterrence against North Korean nuclear and WMD threats.

As the United States rebalances to the Asia-Pacific, we look to our key Allies, Japan and the Republic of Korea, to help us shape and influence the regional agenda. We have put significant effort into developing the Defense Trilateral Talks, which gives us the opportunity to engage in dialogue with counterparts from Japan and the ROK and seek areas of trilateral cooperation such as HADR, information sharing, and maritime security. We continue to work

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toward trilateral intelligence sharing and joint operations. Trilateral cooperation strengthens deterrence and contributes to stability in the region, especially in the face of North Korea's ongoing missile programs and efforts to develop nuclear weapons.

We are also ensuring our alliances with the Philippines and Thailand are robust and able to contribute to security across the region. Working with the Government of the Philippines, we are developing a long-term plan to enhance the capabilities of the Philippine Armed Forces, especially in the maritime domain. In addition to our regular bilateral trainings which enhance interoperability between the U.S. and Philippine militaries, we are jointly examining options for increasing our rotational presence in ways that serve our mutual interests.

In Thailand, we reached an historic milestone last November when Secretary Panetta and Thailand's Minister of Defense jointly signed a new U.S.-Thai Joint Vision Statement for the Defense Alliance, the first foundational alliance document in over fifty years. Our new vision directs the relationship in important areas such as improving readiness and interoperability and enhancing regional security in Southeast Asia and beyond.

Beyond the progress we are making in modernizing our long-standing treaty alliances, we are also enhancing our defense relationships with regional partners. One of our most important relationships is our bilateral defense partnership with India. India and the United States share common values and interests, and we support India's growing role in strengthening regional security, protecting shared domains, countering terrorism, and bolstering international nonproliferation.

Our defense relationship with India has never been stronger, and it continues to mature on both the strategic and operational levels. We are particularly pleased by the progress we continue to make in our military-to-military engagements and expanded bilateral defense trade. The United States and India are working together to address bureaucratic impediments that hamper our ability to fully realize the possibilities of our defense partnership. Deputy Secretary Carter has spearheaded an initiative to streamline our bureaucracy that will help better realize the potential of our defense trade relationship, including with efforts to increase co-production and co-development.

In Southeast Asia and Oceania we are excited by the growing defense relationships with important regional partners. In recent years we have been working closely with the Indonesia Ministry of Defense to support their efforts to establish more capable, responsible, and transparent defense institutions. This includes training and discussions to enhance civilian institutional leadership and capacity-building, as well as operational cooperation in areas such as humanitarian assistance and international peacekeeping.

Similarly, we have made tremendous strides in our bilateral defense relationship with Vietnam. In 2011, we signed the first bilateral Defense Memorandum of Understanding between our two countries, expanding cooperation beyond legacy of war issues into areas of importance for the region, including search and rescue operations and disaster relief. And with New Zealand, we have overcome long-standing obstacles to enter a new era of military-to-military relations. New Zealanders have fought alongside Americans in every modern war, and our

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recent signature of the bilateral Washington Declaration and subsequent changes of U.S. defense policy on New Zealand provides a common vision for defense cooperation that will allow exciting operational cooperation not seen for over 25 years, including military staff talks and New Zealand ship visits to U.S. military ports.

We are also cautiously optimistic about the positive steps toward reforms that we have seen from the Burmese government. As a result, DoD is beginning a cautious and calibrated defense engagement intended to advance the ongoing reform movement and encourage adherence to international norms of behavior in the areas of human rights and rule of law. This engagement is very limited and has included DoD participation in the 2012 U.S.-Burma Human Rights Dialogue led by the State Department and the participation of two mid-level Burmese military officers to observe humanitarian portions of the 2013 COBRA GOLD Exercise. We look forward to discussing with Congress the appropriate scope and scale of defense engagement. Normalization of defense relations can only occur if Burma continues its efforts to democratize, improves its human rights record, implements national reconciliation efforts with ethnic groups, and severs its military ties to North Korea.

The U.S.-China relationship is also a central part of our rebalancing efforts and a critical component of our efforts to broaden and deepen defense relations with regional partners. The United States welcomes a strong, prosperous, and successful China that plays a greater and more responsible role in world affairs. We are continuously pursuing a more sustained and substantive military-to-military relationship, which we believe is not only in the interests of both China and the United States, but also the region as a whole. As part of this effort, we are working to build practical cooperation and dialogue in areas of shared mutual interest. For example, we have invited China to participate in the annual Rim of the Pacific Exercise. We are also looking to expand our opportunities for frank and open dialogue, which we believe promotes trust and transparency, and reduces the risk of miscalculation or misunderstanding. To this end, we are increasing senior-level engagements, including visits by the Secretary of Defense, the PACOM Commander, the Chairman of the Joint Chiefs of Staff (who was just in China earlier this week), the Secretary of the Navy, and reciprocal visits by Chinese counterparts. Just days ago, China also accepted a U.S. proposal to form a working group on cyber issues under the auspices of the civilian-military Strategic Security Dialogue. In our discussions with the Chinese, we continue to urge enhanced communication between our militaries, and increased transparency about the intent behind China's military modernization effort.

The United States has also played an important role in ensuring continued cross-Strait stability. Consistent with the Taiwan Relations Act and our one-China policy, the United States makes available to Taiwan defense articles and services necessary to enable Taiwan to maintain a sufficient self-defense capability. This long-standing policy contributes to the maintenance of peace and stability across the Taiwan Strait, and we welcome the progress that has been made in cross-Strait relations in recent years.

Alongside our attention to bilateral relations, we are deepening U.S. multilateral security engagement in the region. Multilateral engagement helps us strengthen habits of cooperation that promote trust and transparency, and build regional capacity to respond to transnational challenges such as natural disasters, piracy, proliferation, and trafficking.

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We welcome the leadership of the Association of Southeast Asian Nations (ASEAN) and believe a strong ASEAN will be essential for regional peace and stability. We are particularly pleased with a relatively new forum, the ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus), which has made rapid progress towards action-oriented multilateral defense cooperation. In the few years since former Defense Secretary Robert Gates attended the inaugural ADMM-Plus ministerial in 2010, the ADMM-Plus has stood up five staff-level Experts' Working Groups and will hold no less than three multilateral exercises this year. The Experts Working Groups focus on HADR, Military Medicine, Peacekeeping Operations, Counter Terrorism, and Maritime Security, and have developed work plans aimed at sharing best practices and undertaking practical cooperation that builds capacity and increases interoperability. The ADMM-Plus HA/DR-Military Medicine Exercise that will take place in June represents a historic advance in ASEAN-led defense cooperation.

Bringing together ASEAN members, the United States, China, Russia, India, the Republic of Korea, and Japan, for multilateral exercises is critical to building regional interoperability and capacity to maintain peace and security and respond to shared challenges. This is one reason we decided to increase funding for regional exercises and support for the participation by developing countries in multilateral training and exercises.

The second element of U.S. defense strategy in Asia is our efforts to enhance our defense posture. U.S. forward defense posture plays an important role in the Department's efforts to shape the security environment in Asia. Shortly after this Administration came into office, it began to lay the intellectual foundation for the importance of U.S. forward presence and posture and how best to develop it in key regions. The 2010 QDR outlined the core elements that continue to inform how we are pursuing enhancements to our posture; in the Asia-Pacific we seek a posture that is geographically distributed, operationally resilient, and politically sustainable. To achieve this posture, the Department is modernizing U.S. basing arrangements with traditional allies in Northeast Asia, continuing to build up Guam as a strategic hub in the western Pacific, and expanding access to locations in Southeast Asia and the Indian Ocean Region.

As U.S. forces return from Afghanistan and reset globally, one of our top priorities is to have forces present and positioned in the Pacific to assure regional allies and partners, deter threats to regional stability, and prevail in conflicts if necessary. We are also taking steps to respond to evolving threats in the region: for example, in light of the growing North Korean missile threat, we are enhancing our missile defense posture, including a second TPY-2 radar system to Japan, the deployment of a Terminal High-Altitude Air Defense (THAAD) system to Guam, as well as the increases to our Ground-Based Mid-course Defense system for homeland defense.

We are making steady progress in our efforts to realign US forces across Japan, to ensure our presence is sustainable for the life of the alliance. The centerpiece of this effort is in Okinawa. We recently announced a new plan for the consolidation of the USMC presence on Okinawa, as Marines relocate to Guam and after MCAS Futenma is relocated to a new facility in the northern part of the island. Prime Minister Abe's recent submission of the landfill permit

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application to the Okinawa governor for the Futenma Replacement Facility has reinforced our conviction that this plan is achievable and represents the best outcome for the Alliance and for the people of Okinawa.

We are also working to enhance our combined defense posture on the Korean peninsula. As a part of this process, we are working with the Republic of Korea to complete the transition of wartime operational control from the ROK-U.S. Combined Forces Command to the ROK military by December 2015. We are also working to consolidate our footprint on the peninsula, a process that will result in a more efficient U.S. posture and that will allow us to return land in the Seoul area to the ROK. Over the last few years, we have made great strides in improving our combined defense posture by enhancing intelligence and information sharing, strengthening operational planning, developing capabilities to address the North Korean ballistic missile threat, enhancing combined exercises, and increasing interoperability.

In 2011, the Prime Minister of Australia and President Obama agreed to establish a rotational U.S. Marine Corps presence in northern Australia of up to 2,500 Marines and to increase cooperation between our two Air Forces. The first rotation of approximately 200 U.S. Marines was successfully conducted from April – September of last year, and the second rotation of Marines arrived in Darwin last week. The United States also agreed to closer cooperation between the Royal Australian Air Force and the U.S. Air Force that has resulted in increased rotations of U.S. aircraft through northern Australia. These two initiatives further enhance the capabilities of both partners by increasing opportunities for combined training and enabling both countries to work together even more effectively to pursue common interests.

Our efforts in Australia also help support our commitment to establish an expanded defense presence in Southeast Asia and into the Indian Ocean, which will ensure the United States is postured for a wider array of challenges we face across the region, including natural disasters, humanitarian crises, and the proliferation and trafficking of weapons of mass destruction and illicit goods. To this end, we have agreed with the Government of Singapore to forward deploy up to four Littoral Combat Ships. The first of these ships, the USS Freedom, arrived last week, where it was warmly received by our Singaporean hosts and the region more broadly.

Similarly we are also exploring with the Government of the Philippines, opportunities to increase rotational presence of U.S. forces that are geographically distributed, operationally resilient, and politically sustainable.

The third element of our defense strategy in Asia is shifting our long-term capacity and investments towards the Asia-Pacific region. As the United States continues to draw down our military presence in Afghanistan, we are increasingly freeing up capacity that can be re-invested in Asia. This includes our commitment to employ 60% of our forward-deployed naval forces in the Pacific by 2020, but it also includes a broader effort to shift air and ground capabilities, special operations forces, and ISR back to the Asian region.

Additionally, the Department has made a long-term commitment to invest in critical capabilities that will sustain the United States' ability to deter and respond to any contingency or

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crisis we may face in the region. In particular, this includes investing in those capabilities that will ensure U.S. forces can maintain access and the ability to operate freely in all environments, including those where our power projection operations are challenged by adversaries.

As part of this effort, we are prioritizing investments in our budget to develop platforms and capabilities that have direct applicability and use in the Asia-Pacific region. The Department has also made a commitment to ensuring our newest and most cutting-edge technologies will be deployed first to the Asia-Pacific region. These investments include programs to sustain undersea dominance, such as the Virginia-class nuclear powered submarine, increased payload, the P-8 maritime patrol aircraft, and the Broad Area Maritime Sensor. We are also focused on sustaining and expanding our air dominance and strike capabilities, through such investments as the fifth-generation Joint Strike Fighter, a new stealth bomber, the KC-46 tanker replacement, cruise missiles, and ISR platforms. We are also protecting our investments in future-focused capabilities that are so important to this region, such as cyber, science and technology, and space.

In addition to investments in hardware and technical capabilities, we are also investing in our people: in language and culture skills, regional and strategic affairs – to ensure that we cultivate the intellectual capital that will be required to make good on our rebalance. And we are turning the great ingenuity of the Department to the Asia-Pacific region intellectually, to develop new operational concepts and ways of engaging partners and deterring and defeating adversaries.

The final element of our defense strategy is promoting a continued commitment to those principles that we believe are essential to building a safe and secure world where all can prosper. These include our commitment to free and open commerce; open access to the air, maritime, space, and cyberspace domains; adherence to the rule of law; and to the principle of settling disputes through peaceful means, without coercion. These core principles guide the decisions the Department makes every day and connects our strategic rebalance to the values that are important to peace and security throughout the world.

This is one reason why we continue to reiterate the importance of agreed-upon rules of the road in areas such as the maritime domain. Situations, such as those in the East and South China Sea, have the potential to provoke miscalculations or misunderstandings that could unintentionally escalate into conflict. For this reason, the United States has been clear about our policy in these areas: the United States purses a principles-based policy on maritime disputes. The United States does not take a position on the question of ultimate sovereignty in these situations and encourages all parties to employ diplomatic and other peaceful avenues for resolution of these types of matters. The United States has a national interest in the continued guarantee of navigational rights and freedoms provided for under international law. We are particularly concerned about the potential for an accident or misinterpretations of tactical intentions brought about by the operation of vessels and aircraft in proximity to one another and urge all parties to remain vigilant with regard to adherence to safe operating procedures.

At its core, the Department's efforts to rebalance to Asia are about supporting a system that the United States, our allies, and partners, have benefited from for the past sixty years. This system has not only enabled billions of individuals to move out of poverty, but has also

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facilitated tremendous democratic reforms, economic growth, and prevented deadly conflicts and the devastating casualties and destruction they can bring. The fortunes of the United States and our people are inextricably tied to the Asia-Pacific region. This is why the United States has been deeply engaged in the Pacific for centuries and why we will continue to remain a Pacific power in the centuries to come.

Thank you, Mr. Chairman, for giving me the opportunity to testify before your committee today. I look forward to answering any questions you or your colleagues may have.