

**Statement of
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Rebalance to Asia II: Security and Defense: 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 would like to thank you for your work to build a bipartisan consensus on the importance of engaging the Asia-Pacific region and advancing U.S. interests there. We value working with you and look forward to continuing to work closely with you and other Members of Congress in the future.

United States' policy toward East Asia and the Pacific reflects the profound recognition that the future prosperity and security of our nation will be defined by events and developments in the region. While our commitments to other regions remain strong, it is also important to recognize just how significant East Asia and the Pacific are to the United States. Home to two-thirds of the world's population and the world's fastest growing economies, the Asia-Pacific offers growing opportunities and challenges for U.S. strategic interests. Placing U.S. interests in context, the annual flow of U.S. investment into East Asia has increased from \$22.5 billion in 2009 to \$41.4 billion in 2011. U.S. exports to the Asia-Pacific totaled over \$320 billion in 2012 after growing nearly eight percent since 2008.

As the region rapidly grows and transforms, visible, sustained, U.S. commitment is increasingly essential.

Our commitment to the Asia-Pacific region is demonstrated in a number of ways, including through security and defense-related cooperation. However, I would like to emphasize that security and defense cooperation is only one part of the policy and to provide you with the larger context of our engagement with the region.

Though we continue to face military challenges in the region, non-military issues are critically important to American and East Asian prosperity and security and necessitate a broad diplomatic approach. Although our security and defense commitments remain strong and unequivocal, we must put more emphasis on strengthening our non-military engagement.

As our response to recent events in North Korea demonstrates, and as Secretary Kerry emphasized on his recent trip to Beijing, Tokyo, and Seoul, there is no doubt about U.S. military resolve in the region when it comes to threatening behavior. Indeed, our allies and partners continue to tell us that our clear and visible military presence is reassuring to them and contributes to the stability of the region. But what they also tell us is that, as we deepen our military engagement, we should continue also to emphasize the diplomatic, development, economic, and people-to-people engagement in order to demonstrate our longer-term commitment to our rebalance strategy. To be sure, there are those in the region who have doubts about our ability to sustain our high level of engagement, particularly in the current fiscal environment. But we continue to reassure them that our commitment is strong and enduring, because, as a Pacific nation, the United States' prosperity and security are inherently tied to the region.

To date we have demonstrated our commitment through intensive engagement at every level, including interacting with our regional partners at the highest levels. Last year, that high-level engagement included 35 bilateral meetings, six trilateral meetings, 32 multilateral meetings, and numerous strategic dialogues. The result of these engagements was progress on trade agreements, closer coordination on law enforcement and counter-terrorism initiatives, and advancing anti-human trafficking measures, and other efforts to advance good governance, democracy and human rights in the region. And we will continue to press forward this year. In June, Secretary Kerry will participate in the ASEAN Regional Forum ministerial meetings in Brunei, demonstrating U.S. commitment to the region and support for strengthened regional institutions. At the fifth meeting of the U.S.-China Strategic and Economic Dialogue (S&ED) in Washington in July, Secretary Kerry and Treasury Secretary Lew will be joined by their Chinese counterparts for a discussion of challenges and opportunities on a range of bilateral, regional, and global issues. In October, President Obama will attend the APEC Summit in Bali,

his third East Asia Summit in Brunei, and the Global Entrepreneurship Summit in Kuala Lumpur, all of which showcase our commitment to comprehensive regional engagement.

Our cooperation with the region is not limited to top-level engagement. It also extends to ordinary citizens, including young people. Public diplomacy initiatives, such as educational and cultural exchange programs with citizens from across the Asia-Pacific region, are increasing grass-roots support for partnering with the United States. In addition, we are utilizing new outreach platforms such as social media and the innovative American cultural spaces in Rangoon and Jakarta, to reach younger audiences, highlight the multi-dimensional nature of U.S. foreign policy, and foster direct and long-term relationships with broader and more diverse populations.

Our Asia-Pacific policy is multifaceted. Security takes a number of forms and should not be defined or characterized solely by our military engagement. Here are the key areas of our focus:

Asia's future stability and security are linked to its prosperity and economic development. We are boosting U.S. trade in the region, increasing investment flows, and deepening economic integration, all of which will benefit U.S. businesses and help create jobs here at home, while also creating improved and more inclusive development outcomes in the region itself. Inward investment accounts for over two million American manufacturing jobs, a number we are working to increase. Similarly, exports generate over 10 million jobs for American workers. Asia's prosperity is America's prosperity, and we will continue our work to secure markets for U.S. goods and services and welcome tourists, students, and investors to our shores. Establishment of the Trans-Pacific Partnership (TPP) trade agreement with 11 partners will be one of the cornerstones of our "rebalance" toward the Asia-Pacific. Our promotion, through the TPP, APEC and elsewhere, of a regional economic architecture in which the rules are open, transparent, free, and fair helps U.S. businesses gain access to this dynamic region and further integrate the regional economy under a set of high-standard trade and investment rules. Meanwhile, State Department missions in the field are stepping up their commercial promotion efforts to supplement the Commerce Department's mission to promote exports, tourism, education, and investment opportunities within the United States.

We are also engaging with an emerging and growing regional architecture of robust regional institutions and multilateral agreements that result in a more

positive political and economic environment for the United States and strengthen regional stability, security, and economic growth. Multilateral institutions are positioning themselves to better handle territorial and maritime disputes such as in the South China Sea. Through engagement with multilateral structures such as the Association of Southeast Asian Nations (ASEAN), we are able to encourage a peaceful resolution of contentious transnational issues and discourage escalation of tensions.

By developing our relationships with partners and emerging leaders, and deepening cooperation across the region, we are strengthening U.S. national security, promoting economic growth and trade, and creating a better platform from which to tackle transnational challenges such as terrorism, organized crime, and trafficking.

This kind of cooperation very much includes China. We want China and the countries of the region to partner not only with us, but with each other and multilaterally so that we can deal with shared challenges like cyber security, climate change, and North Korea, which were significant points of discussion with the Chinese on Secretary Kerry's most recent trip.

At the heart of our efforts to contribute to a peaceful, prosperous, secure, and stable region is a desire to expand democratic development and human rights. Our commitment to advancing freedom, democracy, and the rule of law has manifested itself in our steadfast support for reform and opening in Burma, where positive developments on a range of concerns of the international community have allowed us to open a new chapter in bilateral relations. However, there is still a great deal to be done, for example in terms of the widespread abuses targeting Muslims, including ethnic Rohingya. We will continue to press for improvements with governments that fall short on human rights and democracy issues while supporting those promoting the values we share. We work closely with key allies and partners to find ways to support the return of democracy, rule of law, and respect for human rights standards to Fiji.

So, as we deepen our traditional security ties and build on our alliances to deter and defend against military and non-military threats to the United States and the region, we will continue to seek peaceful resolution of disputes and confront emerging challenges that could harm U.S. national security interests. We will do so in a way that engages our partners, helps build multilateral cooperation and solutions, encourages economic growth and prosperity, and promotes democratic development and human rights. Each element of our engagement strategy is

mutually reinforcing. And thus far, Asian states have warmly welcomed our efforts.

Of course, the stability that has enabled the Asia-Pacific's remarkable economic growth over the past decade has long been upheld by the U.S. military. And we are seeking to ensure that our military activities, force posture, and presence enable us to improve our cooperation with our allies and partners and respond to current as well as emerging security challenges and threats. Together with our Department of Defense colleagues, we have begun work on a comprehensive defense strategy review to develop a force posture and presence in the region that can better respond to non-traditional security threats, protect allies and partners, and defend U.S. national interests. And in our military-to-military engagement throughout the region, we continue to emphasize norms regarding respect for human rights, civilian populations, and the law.

As our military cooperation around the Asia-Pacific continues to evolve and adapt to 21st century challenges, we strive to optimize our military force posture so that it is geographically distributed, operationally resilient, and politically sustainable. An example of how we're doing this is our close cooperation with Japan on consolidation and realignment issues.

The Japanese government's March submission of the landfill permit request for construction of a replacement Marine Corps Air Station to the Okinawa governor, together with the April bilateral announcement of a Consolidation Plan, are significant milestones in our bilateral partnership and important steps closer to realizing the vision of the 2006 Realignment Roadmap. Both sides have reaffirmed that the Futenma Replacement Facility (FRF) at Henoko remains the only viable alternative to the current location of Marine Corps Air Station Futenma.

We take our alliance responsibilities seriously. The Consolidation Plan will help us maintain a sustainable U.S. military presence in Japan with a reduced impact on crowded urban areas. This step will also help ensure the strength of the U.S.-Japan Alliance and promote peace, stability, and prosperity in the region. Due to its geographic location, Okinawa plays a crucial role in the defense of Japan and the preservation of peace and security in the region. U.S. forces on Okinawa are ready to respond to regional contingencies, including humanitarian crises and natural disasters. We recognize the impact that our bases have on local communities, and we are committed to continuing to address those concerns.

In addition to this work with Japan, we are also strengthening and modernizing our long-standing treaty alliances with the Republic of Korea (ROK), Australia, Thailand, and the Philippines. This year marks the 60th anniversary of our alliance with the Republic of Korea, a linchpin of security and prosperity in Northeast Asia. Our cooperation has evolved over the years into a truly global partnership, and we are working together in places such as Afghanistan, South Sudan, and off the coast of Somalia. The United States is steadfast in its commitment to the defense of the ROK, and both governments fully support the modernization of our alliance, including the U.S.-ROK Strategic Alliance 2015 plan. Strengthening our alliance includes both preparing for and deterring North Korean aggression. Building on our successful counterterrorism partnership with the Philippines, we are expanding our security engagement to focus on building the Philippines' military and law enforcement agencies' indigenous capacity in order to address areas of common interest in maritime security, disaster relief, and non-proliferation.

Our force posture initiative with Australia, another close ally, supports a more flexible and resilient capability to respond to contingencies across the region and globally. Our Defense Strategic Talks with Thailand have yielded a new Joint Vision Statement that is a blueprint for our 21st century security partnership and a reflection of Thailand's key role in our rebalance to the Asia-Pacific. Given the strategic importance and collective significance of Southeast Asia and the Pacific, we have increased our military engagement with Indonesia, Vietnam, Singapore, Malaysia, Brunei, New Zealand, and the Pacific Islands. The U.S. Pacific Fleet's Pacific Partnership program brings the best of our and our partners' military expertise and capabilities to multiple Pacific Island countries to help meet critical infrastructure, water, sanitation, and health challenges.

We also continue to seek improved military-to-military relations with China by advancing our successful high-level dialogues and exchanges, as well as expanding our cooperation on counterpiracy, peacekeeping, and humanitarian assistance and disaster relief activities. Strengthening our military and broader economic and security relationship with China is a critical component of our rebalance. Let me be clear that we have no interest in containing China, but rather our policy is designed to increase cooperation with China on a wide range of bilateral, regional, and global issues.

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.

Turning to Southeast Asia, our engagement builds upon the principles of good governance and respect for human rights. Following the restart of our military relationship with Indonesia after that country's democratic transformation, it remains important to continue to provide technical assistance and support to Indonesia's military reform, professionalization, and modernization process. Other priorities in the military-to-military relationship include a focus on maritime security and interoperability to provide humanitarian assistance and disaster relief. These same principles also apply to assistance programs that support the Indonesian National Police – a significant contributor to security forces and the primary implementer of counterterrorism strategies and programs in Indonesia. Among countries in Southeast Asia, Indonesia provides the greatest number of troops to peacekeeping missions worldwide and is also building a training center for peacekeepers that the U.S. government strongly supports.

In Burma, we are increasingly hearing from civil society activists and other reform advocates that the United States can and should help the Burmese military shed its legacy of decades of oppressive rule to become a modern force subordinate to civilian rule that respects human rights and is held accountable for its actions. To that end, we are currently looking at ways to support nascent military engagement – such as exposure to standards on human rights, international humanitarian law, humanitarian assistance, and civilian-control of the military – that would encourage further political reforms. We continue to ask the Burmese government to demonstrate concrete progress in achieving respect for human rights, national reconciliation, democratization, and an end of military ties to North Korea.

While bilateral efforts across the Asia-Pacific are demonstrating positive results, we are also working trilaterally. Our trilateral defense talks, including those with Japan and Australia and with Japan and the Republic of Korea, help coordinate our defense policies, and in tight budget times, reinforce synergies and promote interoperability to deal with regional and global challenges. These trilateral arrangements allow us to work together to address a range of issues, such as humanitarian disaster response efforts and counter piracy operations, while leveraging and learning from major allies' knowledge and experience on security issues from across the region. They also ensure that, working together, we are better able to coordinate on threats such as those from North Korea.

We are working with regional partners, including China, through numerous mechanisms such as the ASEAN Regional Forum (ARF) and Asian Defense Ministerial Mechanism Plus to build military and civilian capacity to respond to natural disasters and to support humanitarian relief efforts. Following the devastating experiences of the 2010 earthquake, tsunami, and ensuing Fukushima nuclear disaster in Japan and the 2004 Indian Ocean tsunami, nations in the Asia-Pacific are keenly aware of the importance of regional cooperation to respond to natural disasters. Since 1995, the United States has invested more than \$155 million in disaster risk reduction efforts in the region and in 2012 provided an additional \$23 million for disaster risk reduction programs that save lives at the time of disasters. From May 7 to 11, the United States will also participate in the third ARF Disaster Relief Exercise (DiREX) to be held in Thailand. The Pacific Command (PACOM) sponsors a range of exercises hosted by our partner nations that include broad regional participation. My Department of Defense colleague can speak more specifically about those exercises, but I would stress the strong political will to promote closer cooperation, build on essential capabilities, and ensure that, in the face of disaster or threat, the United States and its partners are able to operate effectively and respond smoothly together.

The Department of State works closely with the Department of Defense and PACOM to support military engagement throughout the region in a way that enhances our partnerships, builds local capacity to deal with threats and disasters, and promotes democratic values and development. For the United States to continue to meet our security objectives in the region and build long-term, meaningful partnerships to deal with emerging challenges, security assistance resources are critical to our mission. In particular, Foreign Military Financing (FMF) and International Military Education and Training (IMET) programs play a key role by building partner capacity, including strengthening maritime domain awareness capabilities, working with partners as they develop and professionalize their armed forces, and enhancing our partner capabilities and interoperability to work with the United States to address emerging challenges, both internationally, and in the region.

Our engagement on the military front is formulated in concert with our allies and partners in the region and will continue to reinforce the other aspects of our Asia-Pacific policy. Our security efforts will continue to underpin stability, and provide reassurance to the region as we concurrently focus on fostering economic growth, increasing coordination on transnational issues, strengthening people-to-people ties, and encouraging democratic development. It is increasingly vital for the United States to demonstrate in concrete terms our firm and unwavering

commitment to the Asia-Pacific region, not only through our military presence and alliances, but also through our engagement in the full range of issues important to countries in the region.

Thank you, Mr. Chairman, for inviting me to testify on our engagement with and commitment to the Asia-Pacific region. I am pleased to answer any questions you may have.