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**SECURITY DEVELOPMENTS IN THE AREAS
OF RESPONSIBILITY OF THE U.S. PA-
CIFIC COMMAND, U.S. EUROPEAN COM-
MAND, AND U.S. FORCES KOREA**

HEARING

BEFORE THE

FULL COMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

HEARING HELD
MARCH 24, 2009



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[There were no Documents submitted.]

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[There were no Questions submitted during the hearing.]

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SECURITY DEVELOPMENTS IN THE AREAS OF RESPONSIBILITY OF THE U.S. PACIFIC COMMAND, U.S. EUROPEAN COMMAND, AND U.S. FORCES KOREA

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Tuesday, March 24, 2009.

The committee met, pursuant to call, at 1:06 p.m., in room 2118, Rayburn House Office Building, Hon. Ike Skelton (chairman of the committee) presiding.

OPENING STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. Welcome. Today the Committee will continue its annual series of posture hearings with combatant commanders. I am pleased to welcome Admiral Timothy Keating, Commander of the U.S. Pacific Command (U.S. PACOM); General Bantz Craddock, Commander of the U.S. European Command (U.S. EUCOM) and Supreme Allied Commander of the North Atlantic Treaty Organization (NATO); and General "Skip" Sharp, Commander of the U.S. Forces Korea (USFK), who we visited with in Korea not so long ago. Thank you very, very much for being with us, and thank you for your leadership.

Over the last several years, we have been so focused on Iraq and Afghanistan that a broad range of security challenges and potential flashpoints elsewhere in the world have not gotten the attention that they merit.

Let me review a few of the challenges ahead in the Asia-Pacific. The rebasing of American Marines from Japan to Guam is one of the largest movements of military assets in decades, estimated to cost over \$10 billion. In my estimation, that is openers. Yet it is not clear that the Department of Defense (DOD) has fully thought through all the plans to support the Marines on Guam or those remaining in Okinawa.

As Admiral Keating knows, a delegation from this committee recently returned from Okinawa and Guam. The changes being planned as part of that move affect not only our bilateral relationship with Japan, they shape our strategic posture throughout the critical Asia-Pacific region for at least 50 years to come. I am deeply concerned that the current plans do not address all the concerns that would impact our ability to train fully and also to operate and fight in the region if we must. We must get that right.

In Korea, the plans for relocation appear solid, but there are remaining questions about how the upcoming transformation of the U.S.-South Korean Command relationship will account for the

range of scenarios that could emerge on the Korean Peninsula. General Sharp went into this with us when we had the chance to visit with him.

At the same time, North Korea has threatened to test a missile that could theoretically reach the west coast of the United States, and serious concerns remain about the regime's nuclear capabilities.

China has just announced another double-digit increase in its military budget. And security relations with China remain strained following the harassment of an American naval vessel by Chinese ships in the South China Sea.

India's relations with Pakistan remain strained following the terrorist bombing last year. Throughout Indonesia, the Philippines, and much of Southeast Asia, the threat of terrorism, violence and instability remain extraordinarily high. And while we have been preoccupied in the Middle East, China and others have been expanding their influence in Latin America, Africa, as well as around the globe.

In Europe, the recent conflict between Georgia and Russia was a stark reminder that our security challenges in the region are still very real. It is a region with real and latent frictions, including the ever-present instability in the Balkans. EUCOM plays an important role in the stability and security of the continent, and NATO is also as important as ever. Still, we have come to regard NATO chiefly as a resource to be employed elsewhere. We shouldn't forget its original purpose. While closer ties with Russia are to be encouraged, Russia's actions in Georgia, its ties with Venezuela, and its involvement in the natural gas crisis this winter remind us that NATO is first and foremost an organization for collective security in Europe.

I remain deeply concerned about NATO's mission in Afghanistan. The administration will shortly put forward a strategy for Afghanistan as well as Pakistan. What is clear to me, while additional American investment and leadership is needed, our allies must do more as well. The problems from that region affect us all. I know NATO allies have increased their contributions to that mission in recent years, but I remain concerned about the restriction some nations put on the employment of their forces. In some cases, it is a question about national will, but to the extent those decisions reflect concerns about capability, I encourage EUCOM to continue to do the sorts of capacity-building efforts that have shown such a positive impact over the years, both with our NATO allies as well as other regional partners.

This is a time when we should be proactively engaged in the Asia-Pacific region and in Europe on multiple fronts, and realize that our own actions may well influence the choices and actions of others. I am pleased to see the Department of Defense and the Obama Administration already taking a number of positive steps in that direction, and I hope to see more as we move forward.

We look forward to hearing from you, gentlemen. Before we begin our testimony, I turn to the Ranking Member, my friend, my partner, John McHugh, the gentleman from New York, for any statement.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 39.]

STATEMENT OF HON. JOHN M. MCHUGH, A REPRESENTATIVE FROM NEW YORK, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

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

Let me add my words of welcome to our three distinguished guests. If my math is correct, we have three outstanding individuals who wear, collectively, six different hats. And although we are here today for a very specific discussion with three of those hats, clearly their other responsibilities, both individually and collectively, distinguishes their leadership as some of the best on the planet today. And, gentlemen, thank you.

And, of course, as always, please carry back with you all of our—the Chairman's, mine, all of the Members' greatest compliments to those brave men and women that you lead every day, meeting the challenges of securing freedom and democracy across the planet.

We do have some votes coming up at about 1:30, and as much as the Chairman and I like to hear ourselves talk, we are really here to listen more than that. But let me just make a couple of points. For those who are interested, they can read my full statement at their leisure.

[The information referred to was not available at the time of printing.]

Mr. MCHUGH. Let me start off with our discussions in recent days about the so-called "Russia reset policy." And as the Chairman noted, since the Georgia conflict, it has been a time of challenge for us, for our NATO allies, as to what EUCOM has called a "reevaluation of the strategic environment," which includes a U.S. strategy for Russia and evaluation of U.S. force presence in Europe. And I am sure we would all like to better understand how this engagement with Russia will affect EUCOM's strategic reevaluation.

I would just caution, as we proceed toward discussions with Russia—and I fully support that—I would be greatly concerned that our rush toward what has been described as a grand bargain with Russia may unnecessarily—hopefully not—but unnecessarily risk the viability of the very security architecture that has kept the European continent peaceful for some six decades now. Russian misdeeds and provocations over the past year, as well as their planned security treaty with Europe, suggests the Kremlin, in my judgment, seeks to weaken NATO, marginalize U.S. influence in Europe, and gain a veto over European security affairs.

I think, as the Chairman indicated, we need a focused eye on what I would call a "NATO first" policy, which would make clear to our allies in NATO that U.S. bilateral engagement with Russia will not foster collective insecurity amongst those very important partners.

Let me note, with regard to Admiral Keating and General Sharp, first of all, you have traveled great distances to be here. Thank you for that effort.

And in terms of your responsibilities, let me note, as the Chairman again noted, that earlier this month the Chinese fishing ves-

sels' aggressive harassment of the USNS *Impeccable* in the South China Sea should merit our most careful attention. Sadly, this isn't the first time we have seen China attempt to exert its sovereignty rights with very grave implications to U.S. military operations. The January 2000 anti-satellite (ASAT) test is another example. And at the end of 2008, China sent naval forces to the Gulf of Aden to protect its economic interests there, demonstrating what I think can be fairly described as a demonstrative shift in deploying military assets further away from China's territory, and, of course, its territorial waters. Your gentlemen's assessment of China's military objectives and activities around the region and around the world as to how they affect U.S. policy and security interests will be greatly valued.

Moving on. In testimony before the Senate last week, some of our witnesses expressed uncertainty as to whether North Korea plans to launch a communications satellite or test an offensive missile next month. The Taepodong-2 long-range missile could reach as far as Hawaii and Alaska, as well as impact our allies in the region. In my mind, this great uncertainty underscores the necessity for an effective operational missile defense system that places a priority on protecting the United States and our allies. It seems to me this should also be a serious indicator that perhaps now is not the most effective time for the United States to make cuts to missile defense capabilities as at least some reports have suggested may indeed happen.

In that regard, I would appreciate, both Admiral Keating and General Sharp, any comments you might wish to make on our capabilities to shoot down the long-range missile, should it become necessary.

Lastly, terrorist activity in the region is an issue of grave concern. Many of our allies in the region are impacted by transnational terrorism threats, including the Philippines, who are cooperating with U.S. forces to reduce the footprint of the Abu Sayyaf group, and in India, in which the recent Mumbai attack highlighted the continued presence of terrorist activity. And I know we are all interested in hearing how PACOM is cooperating with our allies in the region, as well as U.S. Central Command (USCENTCOM) and U.S. Special Operations Command (USSOCOM), to address incidents of terrorism in South Asia.

The Chairman outlined a number of other initiatives that indeed merit our greatest attention. We look forward to your comments.

With that, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. I thank the gentleman.

We look forward to your testimony, and we will go right down the line.

We are blessed to have folks of your caliber and your ability in your positions, and we thank you again for your service as well as your appearance today.

Admiral Keating.

**STATEMENT OF ADM. TIMOTHY J. KEATING, USN,
COMMANDER, U.S. PACIFIC COMMAND**

Admiral KEATING. Mr. Chairman, Mr. McHugh, thank you for the privilege of testifying before your committee. I am honored to

represent the 325,000 men and women in uniform in your United States Pacific Command.

We just revised our command strategy to reflect as closely as we can the National Security Strategy (NSS) and National Military Strategy (NMS). In that revision, we have emphasized partnership, readiness, and presence. We think these are essential to sustaining and enhancing stability and security in our region.

A couple of the issues that you mentioned, Chairman, you and I have had a fairly candid conversation about the Defense Policy Review Initiative (DPRI). Our department remains committed to implementing the DPRI writ large and the agreed implementation plan, which is concentrating on the movement of the Marines from Okinawa to Guam. There are challenges ahead, to be sure, Chairman, but I am confident that the larger issue of security in the Asia-Pacific region is well served by the movement of the Marines to Guam. It is our territory, and any and all efforts that we can use to enhance the training we receive there are beneficial to us.

We enjoy five alliances in our Area of Responsibility (AOR); Japan, Thailand, South Korea, Australia, and the Philippines. Congressman McHugh, you mentioned the Philippines. We have around 650 Special Operations forces (SOF) there now as we speak, training the Armed Forces of the Philippines. And the AFP are making great strides in reducing the maneuverability and the sustainability of the Abu Sayyaf group and Jemaah Islamiyah terrorists that had been trying to secure a foothold in the southern Philippines.

I would like to introduce two gentlemen who have accompanied me from Pacific Command, our foreign policy advisor, Ambassador Gene Christy, who is of inestimable value as we develop and improve on our strategy. He is great at telling us how to use smart power; that is to say, all of the tools of the interagency. And Gene has become an indispensable member of our team.

And finally, Chief Master Sergeant Jim Roy, our Senior enlisted leader, who has traveled far and wide throughout our area. He has done remarkable work to enhance the position that we enjoy with many of our allies and friends throughout the theater.

I look forward to your questions. And I thank you for the opportunity, Chairman.

The CHAIRMAN. Admiral, thank you very much.

[The prepared statement of Admiral Keating can be found in the Appendix on page 42.]

The CHAIRMAN. General Craddock.

**STATEMENT OF GEN. BANTZ J. CRADDOCK, USA, COMMANDER,
U.S. EUROPEAN COMMAND, NATO SUPREME ALLIED COM-
MANDER EUROPE**

General CRADDOCK. Mr. Chairman, may I ask that my written statement be submitted to the committee for the record?

The CHAIRMAN. Yes. All the statements that are proposed will be admitted in the record, without an objection.

General CRADDOCK. Chairman Skelton, Congressman McHugh, distinguished members of the committee, thank you for the opportunity to appear before you today to represent the dedicated men and women of the United States European Command.

Here with me today are my EUCOM policy advisor, Ambassador Kate Canavan, sitting behind me; and my battle buddy, Command Sergeant Major Mark Farley. Both bring perspective, experience, and great wisdom to the command; and we are very appreciative that they are on the team.

Also, if I may, I would like to thank my wingmen here today, Tim Keating and Skip Sharp. I can't imagine having two better wingmen on my flank; longtime friends, great professionals, and true commanders. So thank you.

I am proud of the day-to-day work and the great achievements of the members of the U.S. European Command. Their endeavors daily range from planned partnership capacity events, such as airwing training with the Polish counterparts on C-130 Hercules aircraft, all the way to crisis response actions, such as last summer's 21st Theater Sustainment Command (TSC) facilitating humanitarian support to the people of Georgia.

In today's world we believe nations are repeatedly called on to do more. It is in this call that EUCOM's efforts in building partner capacity are indeed so important. The multinational operations of today and tomorrow succeed only if allies work together, and they must do that effectively. Interoperability and increased partner capacity are indeed essential, and our force presence is indispensable toward that end.

Since 1952, the dedicated men and women of the United States European Command have remained committed to the security and defense of this great Nation. Your continued support allows us to sustain this proud tradition.

Thank you. And I look forward to your questions.

The CHAIRMAN. Thank you, gentleman.

[The prepared statement of General Craddock can be found in the Appendix on page 81.]

The CHAIRMAN. General Sharp.

Will the gentleman suspend?

We ask that the protesters leave right now. Please remove yourself.

I want their names as they go out.

General Sharp, please.

STATEMENT OF GEN. WALTER L. "SKIP" SHARP, USA, COMMANDER, UNITED NATIONS COMMAND, COMMANDER, REPUBLIC OF KOREA-U.S. COMBINED FORCES COMMAND, COMMANDER, U.S. FORCES KOREA

General SHARP. Chairman Skelton, Congressman McHugh, and distinguished members of this committee, on behalf of the outstanding men and women who serve in the Republic of Korea (ROK), thank you for your continued commitment to improving the readiness of our forces and the quality of life for our servicemembers, DOD civilians, and families. Your vital support ensures the security of the Republic of Korea, promotes prosperity and stability in Northeast Asia, and protects our shared national interests in the region.

The Republic of Korea is our partner in one of the most successful alliances in history, an alliance that is forged in blood and maintained by an enduring commitment and friendship of the Ko-

rean and the American people. The Republic of Korea Armed Forces have fought alongside Americans in Vietnam, participated in Operation Desert Storm, and deployed forces to Iraq and Afghanistan.

The Republic of Korea is participating today in six United Nations (U.N.) peacekeeping missions around the world, and recently deployed a 4,500-ton destroyer and an antisubmarine helicopter to the waters off of Somalia to help conduct antipiracy operations.

I want to thank you, the Members of Congress, for passing legislation that elevated the Republic of Korea foreign military sales to a NATO plus 5 status. This legislation will go a long way in ensuring and enhancing the alliance's combined warfighting capabilities.

North Korea remains the primary threat to stability and security in Northeast Asia. Regime survival remains the North Koreans' overriding focus. North Korea remains the world's leading supplier of ballistic missiles and related technology, and remains a major proliferator of conventional weapons as well. North Korea's most recent provocative actions are all an attempt to ensure the regime's survival and improve its bargaining position at international negotiations to gain concessions.

We continue to be concerned with the threat posed by North Korea's large conventional military, artillery, ballistic missiles, and Special Operations Forces, all that are located very near the north-south Korean border.

My first priority as commander is to ensure that we have trained, ready and disciplined Combined and Joint Command that is prepared to fight and win against any potential conflict.

The second priority is to continue to strengthen the alliance. In addition to improving military capabilities, the U.S. and the Republic of Korea forces are transforming into a more modern and capable force, allowing the Republic of Korea Armed Forces to retain wartime operational control until the 17th of April, 2012. A U.S. force presence in Korea after operational control (OPCON) transition in 2012 will ensure an enduring and strong alliance. I am absolutely confident that this alliance will be successful both for the United States and the Republic of Korea, and will serve as a key foundation for future regional stability.

My third priority is improving the quality of life for servicemembers, DOD civilians and their families in Korea. Our goal is to make the Republic of Korea the assignment of choice. Our implementation of tour normalization, normal three-year accompanied tours for the majority of our servicemembers, will significantly increase our warfighting capability and improve the quality of life for our personnel, while eliminating long and unnecessary separation for our servicemembers and their families.

The U.S. presence in Northeast Asia is a long-term investment in regional stability, and the Republic of Korea-U.S. alliance today is more relevant to the national interests of the United States than it has ever been before. The alliance will remain essential to the protection and advancement of the U.S. interests in this strategically vital part of the world well into the future.

The Republic of Korea sits at the nexus of a region influenced by and influencing an emerging China, a resurgent Russia, and a prosperous Japan.

The Army declared the year 2009 as “The Year of the Non-Commissioned Officer (NCO),” and it is my great privilege to have the dedicated professional NCOs from all services defending this great alliance. Without them, none of the advances we have made in the Republic of Korea-U.S. alliance would have been possible.

I am extremely proud of the soldiers, sailors, airmen, marines, DOD civilians and families serving in the Republic of Korea who selflessly support the alliance and help maintain stability throughout the region. On behalf of them, I want to thank you and this committee for your continued support, and I look forward to answering your questions.

The CHAIRMAN. General Sharp, thank you very much.

[The prepared statement of General Sharp can be found in the Appendix on page 161.]

The CHAIRMAN. I understand that we have a Reserve Officers’ Training Corps (ROTC) unit from a university in the State of Missouri. Would they please stand? Northwest Missouri State. To the future Army leaders of our country, thank you for joining us today.

I make note for the committee, we are under the five-minute rule, with the exception of the Ranking Member and me, And we will do our best to keep within that.

Let me ask just one question of each one of you. What is the deepest concern that you have for your area of operation? What bothers you the most?

Admiral Keating.

Admiral KEATING. Chairman, we don’t lose sleep over many things at our headquarters. The area of most concern is the spread of radical terrorists and those who would support them.

As I mentioned in my opening statement, Chairman, I think we are making reasonable to good progress in our efforts to make life difficult for them, to reduce their number, and to reduce their support base.

So that would be my answer, the spread of radical terrorism, sir.

The CHAIRMAN. General Craddock.

General CRADDOCK. For me, what keeps me up at night is the concern of some NATO nations that there must be a solidarity in the Alliance in the call for an Article 4 or Article 5 force to guarantee sovereignty or to repel attack has to be answered in a positive way quickly. That also transcends into my European Command hat, because obviously, as the leader of NATO, the United States would have to respond accordingly.

The CHAIRMAN. General Sharp.

General SHARP. Sir, it is Kim Jong-Il and the North Korea regime, and his absolute desire to be able to do a military-first policy, the fact that he has not taken care of his people, and the willingness to be able to do everything he can for his regime’s survival in North Korea to include all the provocations that he has done recently.

The CHAIRMAN. Mr. McHugh.

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

General Craddock, let me begin with you, sir, and the comments you just talked about, the future of our Transatlantic Security Agreement, principally through NATO.

From what I have read and from what I have heard, there are several amongst that Alliance who have become concerned about our commitment and our ability—NATO writ large—to actually make good on the Article 5 assurances. You may have heard in my opening comments, I fully support engagement with Russia, but I do believe we should be, at the same time, equally focused on our relations with our NATO partners and ensuring that, in our efforts to approach the Russian issue and the Russian leaders, we don't fully undermine our NATO partners' confidence in those abilities.

So I would ask you simply first, is that a legitimate concern on my behalf? And if so, what can we, as a Nation, do to underpin the NATO security agreements and the confidence in our NATO partners that those strategic alignments that have endured over the last 60 years will continue?

General CRADDOCK. Thank you, Congressman.

I think as a result of August of last year with the Russian incursion into Georgia, the geopolitical situation changed; that for 15, 16 years the assumption made in our focus on Europe was that there would be no invasions of anyone's land borders. That turned upside down, and that created an angst, a sense of tension among many of the NATO nations.

So I think that as we now understand it better, and as we move towards the future, the key here is to find and strike balance between Russia and the NATO members and NATO partners.

In life, I think balance is a difficult thing to find, the tension between this and that. And we have got to strive to be able to accommodate the viewpoints of both, to the extent that we can, and then understand. And I believe we need to open up a dialogue and an engagement, both bilaterally—the United States with Russia—and also from an alliance perspective.

What can the United States do? Presence. We are the leaders of the alliance. We must be in the alliance; we must be present for duty, visible, and that means with forces. That means in the diplomatic mode, the economic mode. We have to show that leadership day in and day out. We have to build partners', member nation confidence and capabilities. And also, we have to build non-NATO partners who, in the coming years, want to be a part of the Alliance. That means, again, there, present, engaging, building their capacities, building their capabilities day in and day out.

Mr. MCHUGH. Is it fair to say that our NATO partners are looking very cautiously at our overtures towards Russia, and we need to balance the approach there? I mean, is that a reasonable statement?

General CRADDOCK. It is. I think that some of the NATO members are looking cautiously at what we are doing. Others are welcoming what we are doing. So, indeed, inside the Alliance there are perspectives based upon history, tradition, location, economic impacts, energy provisos. So I think there is a split in the Alliance, but overall, I think that the Alliance—my judgment, this is a political issue, but from where I sit, my observation would be that there would be a welcoming aspect to that.

Mr. MCHUGH. Thank you.

Admiral Keating, both the Chairman and I spoke about the USNS *Impeccable* and what happened there in the South China

Sea off Hainan Island. What does that do downstream with respect to the rules of engagement you are going to put in place, if any, changes, as a result of that aggression?

Admiral KEATING. Congressman, it doesn't change anything. We were fully in accord with international rules of the road, with United Nations Law of the Sea Conventions. Our own rules of engagement were well rehearsed, and our guys and girls who were on the *Impeccable* were sufficiently trained and equipped. The escort vessel that we sent down, the USS *Chung-Hoon*, got there in short order, resumed operations very quickly thereafter.

So the answer is, Congressman, we wouldn't do anything different. We are fully in accord with international standards and will continue to do so.

Mr. MCHUGH. Mr. Chairman, given the bells, I will yield back.

The CHAIRMAN. We have three votes, a 15-minute vote and two five-minute votes. We can go at least to one gentleman.

I yield five minutes to the gentleman from Texas Mr. Ortiz. Immediately upon the cessation of the three votes, we will turn. Gentlemen, we will ask that you remain, and we will continue the hearing.

Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

First of all, thank you so much for your service to our country. We really appreciate the fine work that you are doing.

General Craddock, U.S. Army Europe is in the process of reducing its troop levels from four brigades of combat teams to two. In your testimony you identified your near- and long-term objectives for your command. Now, what impact, if any, would the redeployment of forces have on your near- and long-term theater objectives? And what additional resources can Congress provide to assist you in meeting your objectives?

One of the things that came out in Admiral Keating's testimony was partnership, readiness, friendship. Now, when those brigades come back home, what kind of relationship are you going to have, or what kind of joint training are you going to have with your neighbors in that theater?

General CRADDOCK. Thank you, Congressman.

The planned objective, stay at two brigades vice the four we have now, means that we will reduce significantly, 50 percent or more, our ability to train, exercise and work with NATO members and partners.

I would submit to you that the presence we have had in Europe over the years is the reason that 87 percent of the allied contribution in Afghanistan and 70 percent in Iraq came from the EUCOM area of responsibility and is directly due to that engagement, that cross-leveling, that partnership, if you will, year after year.

I grew up in Europe over multiple tours. Today's chiefs of land forces were those officers that I knew back when I was a junior officer and a colonel and a brigadier. So I think there is, indeed, a payoff there. We need to continue that, and we need to sustain the current force level for the future to accomplish the task I have been given by the Secretary and the Chairman, which is build partner nation capability. A reduction will minimize and reduce our ability to do that. I think it is critical that we continue to grow that in

the future, and that we offer every possibility for this engagement. It has paid off, it will continue to pay off.

Mr. ORTIZ. I know that we are running out of time, and maybe we can let at least another Member ask a question, because we are going to have a long series of votes. But thank you very much for being with us today.

The CHAIRMAN. At this time, we will go ahead and get the three votes and return. So stand ready.

[Recess.]

The CHAIRMAN. The hearing will resume, and Mr. Bartlett is up to bat.

Mr. BARTLETT. Thank you.

Gentlemen, the Chairman asked you what concerns you in your area of command, and what kept you awake at night. I will tell you that, knowing you are there, I have few sleepless nights. Thank you very much for your service.

General Craddock, I want to thank you for your efforts to develop a closer working relationship with Russia. I think this is enormously important.

I would like for a moment for you to imagine with me that we had lost the Cold War. NATO is gone. The Warsaw Pact is alive and growing, and the next two countries that are going to become a part of the Warsaw Pact are Mexico and Canada. How do you think we would feel?

General CRADDOCK. Thank you, Congressman.

Obviously, we are dealing with theoreticals there, and there is a wide range of how would we feel.

Given what we know about the nature of the Warsaw Pact and the form of government, we would probably feel quite uneasy.

Mr. BARTLETT. I would suggest that when we try to take countries like Latvia and Ukraine into NATO, that the Russians probably have similar feelings. And I thank you very much for your efforts to work more closely with Russia. Considering the major concerns globally, they ought to be our friends; should they not?

General CRADDOCK. Well, I would hope that in order to strike up a friendship, we would have shared ideals and values and objectives.

I would submit to you, my judgment is that a nation surrounded by democracy should not worry about its neighbors, and I think that is the case today with Russia. Those are all democracies, representative forms of government. And as NATO continues to enlarge, I don't think it poses a threat to any other nation anywhere. So we need to probably use that as a launching port for continued dialogue.

Mr. BARTLETT. That is our perception; I am not sure it is their perception. We need to remember that NATO was established to counter the Warsaw Pact; was it not?

General CRADDOCK. Indeed, it was an organization for collective defense against the Warsaw Pact. With the fall of the Soviet Union and the Warsaw Pact, it is now an Alliance for collective security. I think that there is, indeed, a difference there because security encompasses a wide range of threats to our interests.

Mr. BARTLETT. I have been to Russia a number of times. The first time was in 1973, when it was part of the Soviet Union. I kind

of went as their guest. I was giving a paper at the Aeronautical and Cosmonautical Conference in Baku and Azerbaijan, a city and state that I had never heard of until they asked me to go there and I found it on the globe. And I have been there a number of times since.

They are a very interesting mixture of Western and Oriental philosophies, and I think that face-saving is enormously more important than we think it is. And I very much appreciate your efforts for more closely working with them.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Dr. Snyder, please.

Dr. SNYDER. Thank you very much, Mr. Chairman.

General Craddock, I mentioned to the staff that I think Little Rock, Arkansas, is a sister city of Mons, Belgium—I don't know if that is still true or not. But that entitles you to a standing invitation to come to Little Rock and speak to us in French or something, I don't know. But I think that relationship still exists, and there is a pretty good number of Little Rock folks that have been to Mons and visited. It started with Wes Clark and being a Little Rock native.

General CRADDOCK. Thank you, Congressman. I will be sure to bring Mayor Di Rupo with me when we come.

Dr. SNYDER. That would be wonderful. That would be wonderful.

I wanted to ask, you started out by introducing your State Department sidekick there, Ambassador. I am not used to this before this committee that someone with your job, you know, formally introduces the ambassador. Tell me how you see you all's relationship, how you see her role, and have you seen that as an evolving role over the last several years? Is there anything different?

General CRADDOCK. Thank you.

Let me answer that based on my two years as Commander of Southern Command, where I had a policy advisor—three different, actually, during that time—and now in European Command. We are increasingly dependent upon the whole-of-government approach to the issues that are faced today. For example, right now the policy advisor, there is a myriad of activities ongoing in State Department, some of which link into and don't link into very well the Department of Defense. And I depend upon the EUCOM Policy Advisor, Ambassador Canavan, and my Shape NATO Policy Advisor, Ambassador Butler, to be able to provide the linkage between the policy diplomatic developments and how they will impact, or not, what we are trying to do.

We have got to stay tied in closely to chief submission. We have to know where they are, what they are thinking, how we can integrate into a country plan our efforts. And we also have to know the policy developments and the judgments being made, diplomatically and politically, in the State Department. So it is an essential task, and I value it very highly.

Dr. SNYDER. Admiral Keating, I have a specific question for you. India falls under your Area of Responsibility, and Pakistan is under CENTCOM. Given the tremendous importance of what goes on in the world and what goes on between India and Pakistan, does it ever lead to some lack of smoothness, the fact that they are di-

vided and whose command they fall under? How do you all deal with that?

Admiral KEATING. Congressman, it is not a source of friction. I think it is more a solution than a problem for Central Command, their AOR, to extend to the India-Pakistan border from west to east, and ours to Pacific Command, to include India, as you state.

I talk to Dave Petraeus with great regularity. I just met with Ambassador Holbrooke two or three days ago. Dave and I attended a meeting with the Indian Foreign Minister. Our J-5 has gone with the Central Command J-5 to Islamabad, then they both went to Delhi. So we have constant cross-AOR dialogue, Congressman.

I will go to India here in a couple of weeks. India remains one of our foremost strategic partners for military readiness, for geographical reasons, for diplomatic reasons, for economic reasons, and for energy reasons. So the boundary, such as it is, between Pakistan and India as it applies to Unified Command plan is very transparent, and I think is an advantage.

Dr. SNYDER. India's outgoing Ambassador to the United States visited Arkansas a month or so ago, and some of us had a series of meetings with a group of legislators from Pakistan. And it is very clear that ultimately they are all trying to get the same things for their people, which is good jobs, economic stability and security. And it seems like our relationships would be good ones.

I wanted to ask General Craddock, as you continue discussion about the ambassador, do you see things in your area that if we were to have a more robust State Department budget and U.S. Agency for International Development (USAID) budget, do you see things that would better help America's foreign policy goals if we did the suggestions of both the previous administration and the current administration? Do you know any shortcomings?

General CRADDOCK. Thank you, Congressman.

Yes, I do. Let me start with State Department.

I think the Title XXII authorities for foreign military financing and IMET, International Military Education Training, increased funds for those programs would be quite helpful, particularly IMET. We get so great a return on that investment for this education training, bringing foreign officers and noncommissioned officers to the United States into our military institutions. We have seen a drop in that over the last three years. We need to hold the line and try to focus it. And where we want to sustain persistent engagement, we have got to do so in IMET.

I think also USAID, where possible, particularly in Eurasia, and also in the Balkan area, where it is possible to focus on development, that would be quite helpful. So I think those authorities are there. The issue, obviously, is always funding. And we have a USAID representative in our staff element; great value, particularly for the disaster teams that they provide on quick notice. I would support in every way increases of resources for those authorities.

Dr. SNYDER. Thank you, Mr. Chairman.

The CHAIRMAN. Randy Forbes, please.

Mr. FORBES. I would like to first thank the Chair and the Ranking Member for having this hearing, and also share my apprecia-

tion for the service that all three of you have done over the years and your defense of our Nation.

One of the things that bothers me is that we have a lot of wonderful men sitting at that desk, a lot of wonderful men and women sitting in this committee. But I am of the belief that, no matter what our intentions are, we have kind of painted ourselves into some holes.

I just point out to the three of you, we heard General Sharp talk about an emerging China, but if we take just these last bailouts and stimulus bills that we passed, the interest that all of us will be paying until our children and grandchildren get old enough to maybe one day pay them off would cover the entire budgets for NASA, the National Science Foundation, the Department of Transportation, the FBI, the Department of Justice, the Army Corps of Engineers, the White House, Congress, and Homeland Security combined. That means at some point in time, whether it is next year or three years from now, when we come together with the best intentions, and we talk about robust budgets for the State Department or weapons systems or whatever else, we can have the greatest intentions, we are just not going to have the money to do it.

So as we look, some of us feel we are virtually dependent on China to finance our economy, and, therefore, indirectly, our military. And I ask the question, how are we going to be able to afford some of the national defense items we will need in the future? I don't know the answer to that. But I think we must examine what we are going to be able to afford to build and to research, and to keep an eye on what China and some other nations are doing.

And so, Admiral Keating, with your experience, if you had to look now at two or three of their weapons modernization programs that may have the greatest potential against our vessels, especially our carriers, what would they be that we should be keeping an eye on?

Admiral KEATING. Congressman, that is a great question. I would like to submit to you for the record some of the classified aspects of the answer. But writ large, we, as you know, are not able to conduct military-to-military dialogue with the Chinese now. They have suspended that aspect of our security relationship following the November Taiwan arms sales announcement. So we are looking forward to resumption of that dialogue so that we can engage in conversations with our colleagues in the People's Republic of China, their army, navy and air force, so as to develop a better sense of their way ahead.

We don't have a clear idea of their broad strategic way ahead. We are watching carefully the development of certain weapons systems. We are watching carefully as their Navy deploys further and further from their shores. We are watching carefully as they begin to train in a more joint fashion and operate in a more joint fashion. So on an unclassified level is this issue of some concern to us. We want to resume dialogue with them so as to develop a better sense of understanding. I would be happy to give you a memorandum for the record that addresses particular aspects of certain weapon programs and systems they are developing, issues that are of particular concern to us.

Mr. FORBES. If you could do that at some particular point in time in a different setting.

Also, if you could let us know what progress you see that they have made in terms of medium-range ballistic missiles and the impact that they might have on our carriers.

And then one other questions—and you may need to address this in a different setting as well. But the Ranking Member, I believe, asked a question about the *Impeccable*, and your comment concerned me a little bit when you said that there was nothing we would do different, that everybody was equipped properly.

I would just ask—if you can't address that here, perhaps address that somewhere else, because that was not my understanding, that there were things that we may be doing differently. So I leave that out for you to perhaps—whatever you can comment on here, or perhaps maybe that you could give us in a different setting, perhaps, that we could get our arms around that a little bit better.

Admiral KEATING. Yes, sir. The tactical particulars are better left in a response to you in a classified manner. And I believe I am aware of the brief that you are mentioning, Congressman, so we will give you a detailed point paper that outlines where we were that evening when I got the phone call, and changes that we have made at a tactical level to address the issue you raised.

Mr. FORBES. Mr. Chairman, I yield back.

The CHAIRMAN. Mrs. Davis, please.

Mrs. DAVIS. Thank you, Mr. Chairman. And thank you to all of you for your extraordinary service. We appreciate your being here.

I wonder if I could just turn first to General Sharp, and thinking about walking through the situation in South Korea for our families. You mention how important that is that you are looking at three-year tours with family accompaniment. Where are we in that, and what do you need? And do you think that you are being provided with the necessary resources to fully complement that strategy?

General SHARP. Yes, ma'am. Thanks for the question.

We currently have about 2,100 what we call command-sponsored families, those that the government has authorized and is in Korea right now, 2,100. We have approximately 1,900 other families that have come to Korea to be with their servicemember for the one-year tour that they are on, basically saying Korea is safe, I am not going to spend another year separated from my family member.

General Bell, when he was the Commander, did exactly the right thing. Those 1,900 do get some money to be able to live off post as far as housing allowance and get some medical care, but it is not what it should be. It should be that they can be command sponsored.

In the beginning of December, the Secretary of Defense authorized us to move towards three-year accompanied tours. The Joint Federal Travel Regulation, which is the regulation that governs this, was just signed the beginning of March, which allows us to be able to move to—in locations where we have good services—to be able to move to three-year accompanied tours for all the servicemembers, and, in areas especially up north where Second Infantry Division is north of Seoul, to move to two-year accompanied tours.

Now, we are going to do this the right way. I am not going to bring more families over than our infrastructure can handle. Our

goal for about a year from now is to go from those 2,100 command-sponsored families to about 4,500. And I have the infrastructure throughout Korea to be able to handle that.

As we build up towards 2015 and 2016 and the completion of the new base or the completion of the Base Camp Humphreys, we should be able to get to about 5,700 command-sponsored families, and then work all the way through our goal to 14,000, which will be the general end state.

We are progressing along to be able to have, I am very confident, as far as the housing for these families because of the housing initiatives that the Army has started at Camp Humphreys that we will be able to utilize throughout Korea. The medical, we are in pretty good shape.

The schools are the issue that we are really working through right now and figuring out how to get the number of schools so that we can get to the endstate. We have enough programs to get to the middle point of about 6,000 command-sponsored by 2014, 2015. It is the additional schools beyond that that we are working a combination of burden-sharing money, of U.S. military construction (MILCON) money, and public-private ventures in order to be able to get to that.

I just want to say that command sponsorship is very important for us because it really adds to my capability, it reduces stress on our military over there, and it really shows our commitment, too—very, very important to Korea, and to Northeast Asia in general.

Mrs. DAVIS. I appreciate that. And perhaps you can join in on this question as well.

Just assessing the public opinion in your AOR and the extent to which the work—I think you obviously identified some partners in the area, but the extent to which you feel that the commands are able to assess and really act on the shifts and changes in public opinion that you experienced there, how are you doing that? How do you maintain that connection? And are you seeing an ongoing partner always in your area?

General SHARP. I will just start, if I can.

The Republic of Korea is a great alliance. It has been there for over 50 years. They want us in Korea. They greatly support our troops and our families. And that is why I am so confident as we move towards these three-year accompaniment tours. Our popularity has consistently been in the 60s and 70 percent of wanting the U.S. military to stay in Korea and to absolutely strengthen this alliance. So from the Korea perspective, it is a strong alliance. And I am confident that it will continue to be even stronger in the future.

Admiral KEATING. In the two years we have been privileged to command, Congresswoman, we have been to 28-something countries in our Area of Responsibility. And in each of those countries, to a varying degree to be sure, but in each of those countries, an unmistakable theme of conversations—not just military to military, but, as John mentioned, it is an intergovernmental approach. We are regarded, the United States, not just Pacific Command, as the indispensable partner.

So our presence there is appreciated. Folks want us to be nearby, if not right in their country. And everywhere we go, that is an unmistakable theme; we are an indispensable partner.

General CRADDOCK. If I may just add on to that. I would agree. We have obviously been in Europe a long time with significant numbers. That has drawn down over the years. My first tour in 1972, we had about 380,000 servicemembers; now we are down to 84,000. But everywhere I go, in Germany, Belgium, Netherlands, United Kingdom, Italy, they still, by and large, want us there at the local level. We are welcomed. There are strong bonds of friendship and support.

Occasionally, as we saw here earlier, in Italy, there are some dissidents who think that there are problems there, and there are environmental issues that, in fact, the government says, not the case, it is being worked out.

So I think the general notion is we won't stay if we are not wanted. And right now, I think we are, indeed, wanted throughout at least the EUCOM Area of Responsibility.

Mrs. DAVIS. Thank you.

The CHAIRMAN. I thank the gentlelady.

Following through on that, General Craddock, with 84,000 of our service personnel in your command at the present time, what would be the effect of a drawdown from that number that has been proposed?

General CRADDOCK. I thank the chairman. If we take the assumption, and we must, that whatever forces are in Europe are still going to be a part of the global force provisioning process; in other words, I send forces, all my forces, Army, Navy, Air Force, Marine, to Iraq, Afghanistan, wherever the contingency arises, a drawdown from four land brigades to two, a drawdown in numbers of fighter squadrons would mean that there will be engagement, less partner Nation capacity and capacity will be generated, exercises will go unfunded and unmet, and we will essentially become absent in the theater where we have been so present before. Our leadership in NATO has been, I think, a key steadfast quality there, and we will lose that to a great extent because there will just not be presence by U.S. forces.

The CHAIRMAN. Are you telling us that a drawdown from 84,000 will cause us to have less ability to be leader, at least in NATO and Europe.

General CRADDOCK. Mr. Chairman, that is my assessment. It will indeed, I believe, endanger our leadership, which is firm and sound now. And also we will not be able to engage with nations to increase capacity, whether they are NATO members or partners, the NATO want-to-be's, which is critical now, because that is what built their capacity and capability and it has allowed them to join us in these contingency operations.

The CHAIRMAN. Is that your recommendation.

General CRADDOCK. My recommendation would be to not draw down the force levels any further from what they are today.

The CHAIRMAN. Thank you.

Mr. MCHUGH. Will the gentleman yield?

The CHAIRMAN. Yes.

Mr. MCHUGH. Thank you. Mr. Chairman, you raise an excellent point, I am encouraged by General Craddock's response. Let me just add another component to it and, General, I know this doesn't directly relate to your EUCOM hat, but would it be your judgment it might also diminish our position vis-a-vis the economies and our economic strategy whether it be in Europe or globally as well? A decrease in military presence means decreased American presence, would that be fair?

General CRADDOCK. Congressman, I think that is a fair statement. Indeed, where we are in these nations, in these communities, we provide substantial economic impacts now. If we are not there, then that will be, I think, a significant difference in the investment we make, whether it is through contracts or housing and things like that, the monies our people spend on the economy of those nations. So I think there will be some impact.

Mr. MCHUGH. If I may, General, I am really thinking about the way in which the way the Europeans view American presence as also beyond the military, meaning we are economic leaders on a world stage?

General CRADDOCK. I don't know that the withdrawal or reduction of American forces will impact upon the commercial activities of U.S. investment and presence. It may well be the case. It is not a security issue. So it is a matter of return on investment, I think, in terms of its commercial aspect.

Mr. MCHUGH. Thank you, General. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman. Thank you, gentlemen, for being here and thanks for your leadership right now in these troubled times.

General Craddock, when it comes to Georgia and the Ukraine, how do you view admitting these emerging democracies into NATO when on one hand if they get attacked it draws us into war, but on the other hand, if they are part of the NATO, our presence is a deterrent to war; how do you view that?

General CRADDOCK. Thank you, Congressman. At the last summit the NATO declaration as a result said that the Ukraine and Georgia would be members of NATO. They were not given membership action plans, which is the standard process that nations must go through to reform their security sector and other governmental processes and regulations, but there is a statement made they were members. So now between the NATO Ukraine Commission and the NATO Georgia Commission there is in development a road map, if you will, for that process to bring those nations into NATO.

From my perspective, I have to assess the security sector and the military capacities and capability. I think that I would say that all nations start off in a process far from the standard at which they would be admitted. It is a long road. The two invitees that will be, I think, admitted to NATO as full members here shortly at the summit, Croatia and Albania, have been in for eight and nine years in that process.

So again, there will be a new construct or road map, and I am ready to use the NATO military opportunities to be able to work with those nations.

Now, with regard to bringing them in and Article 5, again the call for is a national decision, the decision by the North Atlantic Council to commit to is a political decision, I think that again as members they would all be entitled to the same protection. So that will have to be a judgment made by the political masters, the North Atlantic Council.

Mr. HUNTER. How do you see it? Do you see it more as a deterrent or do you see it making it worse for us in these political cases with your military seat?

General CRADDOCK. If those nations are ready and are requested and they are providers of security, not consumers of security, I don't see it as a downside. On the other hand, I think it will be some time before that situation is reached, and I think there will be changing conditions and there will be new relations with neighbors of theirs and bilaterally and multilaterally. So I don't know that I can make a judgment that concisely of the future.

But again, democracies, representative governments are not a threat to other nations.

Mr. HUNTER. Thank you, General. And when it comes to Russia I have been hearing that the drug use and drugs coming up to the southern satellite states through all the different stands from Afghanistan into Russia and radical Islam in Russia is pushing them towards kind of a semblance of cooperation with us right now. Is that true?

General CRADDOCK. Good question. Indeed, that is the case along with the counterdrug issues, the trafficking issues. The flow of heroin up from Afghanistan through the neighboring, the stands if you will, the northern countries that border on Afghanistan through Russia into Europe is significant. Much of that trafficking, the drugs stay in Russia. It is causing an increase in addictions, it is causing criminality. The rates of crime are up. The Russians are concerned. They have provided some counternarcotic training to the Afghans for some time. We are appreciative of that, and I think that they want to continue to work to try to limit the flow of those drugs through their country.

Mr. HUNTER. And radical Islam?

General CRADDOCK. I cannot comment on that. I have not talked with the Russians about that to the extent I have with the counternarcotics so I am not in position. I can provide that to you for the record, if you wish.

[The information referred to was not available at the time of printing.]

Mr. HUNTER. That would be great. I yield back the balance of my time.

The CHAIRMAN. Mr. Larsen.

Mr. LARSEN. General Craddock, the first question for you, in your testimony you said that with regard to missile defense our combined efforts to keep the U.S. And NATO collective security closely linked by providing all members of alliance with defense against a full range of missile threats, presumably meaning U.S. is focusing on long-range defense while NATO systems are directed to handle shorter range threats. In fact, does NATO have a capability package or are they actually moving towards some sort of capability to

address any short or medium range threat, I think it is a concern around here that they are not or it is not.

General CRADDOCK. Thank you, Congressman. Well, indeed, NATO does have a program, albeit it is not moving very fast, but it is an alternate layered theater ballistic missile defense, ALTBMD, and the notion of that is that it will be a layered construct from short range low layer to mid range higher layer. And that conceptually then that would integrate in with the U.S. European capability third site for the long range. So we would have an holistic approach for short southern shoulder of NATO, intermediate a little farther into the continent, and then that would tie into it a command and control integration with the U.S. third site.

Mr. LARSEN. I guess the gist of my question you probably guess this is it probably exists more on paper, it seems, more than moving towards reality. Can you give an assessment of that?

General CRADDOCK. Right now it is not a reality. It is a concept that has got some NATO money against it to develop a command and control integrated system first. But the assets are all national assets, whether they be Patriot or whether they be U.S. Aegis in the region. So there is no—

Mr. LARSEN. No NATO asset?

General CRADDOCK. Well, no NATO assets. The NATO asset we would impose on that would be the integrated command and control system which national assets, Patriots and others, would plug into.

Mr. LARSEN. Can you—and perhaps this is a different way of looking at—what are EUCOM's shortfalls in the area of missile defense to date?

General CRADDOCK. Well, we only have in EUCOM Patriot short-range capability. We have on a rotating presence and eastern Med Aegis presence for the Aegis radar to be able to discriminate and identify. So right now that is pretty much the extent of what we have got.

Beyond that, I would have to provide it to you, if I could, in a classified form for the record.

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

Mr. LARSEN. Sure, and if you would do that, I would appreciate it.

General Sharp, I would just ask my good colleague from Pennsylvania to move to his left. Thanks, Joe.

You mentioned a couple of things. The Republic of Korea, we elevated them to the NATO plus five status for Foreign Military Sales (FMS). You discussed the three-year tours for families. The two other elements I think that your predecessor discussed with us, one was freezing the drawdown at 28-5 and the other was wartime operational control moving toward that in 2012. Can you give us an assessment? It is in your testimony, but verbally can you give us an assessment of where we are with transition of wartime operational control, what challenges we may face to get there?

General SHARP. And on the 28-5 I do think that is about the right number, it is what Secretary Gates has committed to, and I believe that as we move into the Quadrennial Defense Review 28-5 will remain about the number and we will look at the capabilities

that we need as the Republic of Korea military changes their capabilities, but well passed OPCON transfer I think 28-5 is about the right number for this important part of the world. OPCON transfer is coming along really very well, and the bottom line is we are on schedule for 17 April 2012.

We conducted an exercise, Ulchi-Freedom Guardian, last August where the Republic of Korea stood up the command and control structure and organizations they will have after OPCON transfer. So the Chairman, Chairman Kim stood up at headquarters where he commanded the warfight from. We stood up as supporting headquarters. The components, Army, Navy, Air Force, and Marines, stood up what they will have after 2012, and they really did a good job. I have stood up headquarters and deployed to places like Bosnia and into Haiti. It is not an easy job, but they did a good job.

We are working closely with the ROK Chairman and his staff on a whole set of tasks that have milestones that we will look at and certify, yet we have got this capability as we move forward between now and 2012. A whole set of exercises, a whole set of initiatives that we have in order to be able to make sure that we are ready for OPCON transfer. It is the right thing to do. The Republic of Korea military is extremely professional, and I am absolutely confident that in the supporting role that we will end up with after OPCON transfer it is the right thing for the alliance.

Mr. LARSEN. Thank you. Mr. Chairman, all three questions for the record for Admiral Keating as well.

The CHAIRMAN. Thank you very much. Admiral Keating, before I call on Mr. Coffman. Admiral Keating, the proposal of moving 8,000 Marines from Okinawa to Guam, will there at some point be a fully thought out and recommended plan for that effort?

Admiral KEATING. I think it is reasonable to assume that I would predict that there will be significant development of the existing plan, Chairman, and it may serve to be satisfactory to your particular question. I know there are folks who are working hard on the current plan. There is, as you know, the Joint Guam Program Office in the Department of Navy. I think likely there will be expanded interest in this topic and we will remain committed to executing a plan as it develops by 2014.

The CHAIRMAN. The reason I ask, there is a proposal to receive some money for this and a pretty large figure this year. And we want to get this right. There is no second chance in doing it. That is why I am hopeful that when the final product comes over it will have the stamp of approval by the Congress of the United States because we do have to pay for it. And I just hope that the devil is always in the details, those details can be thought out before a great deal of money is sunk into that.

Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

General Sharp, can you review again your estimate of the North Koreans in terms of the stability of regime? It does seem like every time they engage in missile testing of any type it is to acquire foreign aid to sustain their failed economy. What is your view of the current situation right now in North Korea?

General SHARP. That Kim Jong-il is in control. He will resort to many different types of provocations to try to ensure regime sur-

vival within North Korea, to include, as he has said that he is going to do between the 4th and 8th of April, to go against the U.N. Security Council resolution and launch the TD-2. Regime survival is his number one and to a degree his only concern, and I believe he will go to any length to be able to try to ensure that.

Mr. COFFMAN. How would you assess our abilities in terms of missile defense? They seem to be testing longer range systems. What is our ability in terms of deterring them?

General SHARP. In my AOR in south Korea it is mainly the shorter range ballistic missiles, the type of defense that we have with Patriots, that Koreans have recently bought Patriots, they are installing now. We of course have Patriots that we are well defended around, specifically the areas that we need if we had to go to war. As far as the longer range ones, I would defer those to either missile defense or the people who are experts in what we are developing for our national ballistic missile defense.

Mr. COFFMAN. Thank you.

General Craddock, how would you define right now the aspirations of the Russians? It seems to me that they want to essentially—they see within their sphere of influence a number of former satellite states of the Soviet Union and it seems that they want to bring them back into that sphere of influence.

General CRADDOCK. Thank you, Congressman. I tend to agree with your assessment. I think that what we are seeing here is—some would call it resurgent, I kind of call it a risen Russia that over the past few years has benefited immensely from the high price of oil, filled up their foreign exchange coffers, now is seeing some of that with the price fall be used up to support other requirements there inside the country.

I think that they call it the near abroad, which is a term not well received obviously by the former nations of Soviet Union. They want that sphere of influence to remain. They want to be involved in the politics, the decisions in those nations, so it causes an angst and some tension.

The situation in Georgia last August aggravated that, it has caused a matter of concern among nations that border the Russian Federation of potential intentions for the future. So I think that from that aspect it has caused in the alliance, in the NATO alliance, some concern as to what the future holds and what NATO will provide as guarantees.

We obviously bilaterally have had a break in our mil-to-mil relations, and we are standing by as political aspects develop to see where that leads us. But it may well be a stretching or posing, if you will, on the part of the Russians here over the last couple of years. That may be at the end right now given other factors in the worldwide economic situation and the price of energy.

Mr. COFFMAN. Thank you. Admiral Keating, what flash points in PACOM's AOR concern you the most?

Admiral KEATING. There are a couple, Congressman. We talked a little bit earlier about violence extremism throughout our AOR. There has been significant progress in our view made by partners and allies of ours, including Indonesia, Philippines, Singapore. Australia does a good job helping us watch very carefully the flow of personnel support through the southern Pacific regions.

China's behavior of late has gotten a little bit of our attention. Balance what they did in the South China Sea with a fairly good job they are doing in their anti-piracy operations with now 15 other nations in the Gulf of Aden. So their strategy is not clear to us. We are looking forward to resumption of military-to-military (mil-to-mil) dialogue.

And in Skip's backyard, what North Korea is about, not just the Taepodong missile but somewhat erratic behavior, including border access and closure of international air space.

Those areas would be of more concern to us than others, sir.

Mr. COFFMAN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Admiral Keating, you mentioned you are looking forward to the assumption of military-to-military dialogue with the country of China. Would you tell us the status of that or can you enlarge upon that at all, sir?

Admiral KEATING. China suspended mil-to-mil dialogue following the announcement of our recent series of arms sales to Taiwan. We have not resumed that mil-to-mil dialogue. Secretary Clinton mentioned it while she was in China. I have used that as a topic of concern in various conversations. So our Department of State and Department of Defense and I believe the President himself, they have all included this in a series of discussions with their Chinese colleagues. So I know the discussions are ongoing, Chairman. As yet, I am not officially allowed to engage in dialogue with the Chinese.

The CHAIRMAN. Thank you. Mr. Kissell.

Mr. KISSELL. Thank you, Mr. Chairman, and I believe Mr. Coffman and I were on the same wavelength. I am going to follow up a little bit on the questions he asked.

Admiral Keating, beyond the China, Japan, India, North Korea aspect, are there any countries radically changing one way or the other below the radar that we are not hearing about?

Admiral KEATING. Congressman, I would not say there are any changing radically. It is interesting to note perhaps that there are elections that have been held in half a dozen countries in our area of responsibility, and there will be another four or six countries, including India, perhaps Japan soon, Malaysia. These countries all are embracing democracy in ways that are reassuring to us, gratifying to us, and I think are at least of significant interest to us. But writ large, the kind of bumper sticker we use is the guns are relatively silent all throughout the Asia Pacific region, and for that we are grateful.

Mr. KISSELL. Thank you. General Craddock, following up on Russia, one quick question, the movement and interest into their former countries now that were part of the Soviet Union, do you think that Russia's interest there is more imperialistic, yearning for the days of old, or more defensive, kind of wanting that buffer zone around them?

General CRADDOCK. Thank you, sir. I think it is probably something in between. I don't think it is imperialistic, but I think they want to retain a strong sphere of influence with those nations. And some of which have a stronger relationship because of economic residuals, political or even demographic, such as Latvia, which is about 50 percent ethnic Russian.

So I think that it could be a buffer, but again when we look at a buffer against what, the democracies of those nations and the democracies around those border nations? I guess what you see depends on where you stand. But I think it is to retain a sphere of influence, which gives them status and gives them what they may feel—and I don't know this, this is my judgment—that they lost over the years from the days of the Soviet Union. So there are indeed various linkages back into those nations, some stronger than others.

Mr. KISSELL. The BBC reported last week that the President of Russia announced \$140 billion expenditures over the next couple of years to build up Russia's military, especially in areas of strategic nuclear forces. Where do you see this changing Russia's military presence against the areas of our interest and how do we respond?

General CRADDOCK. Well, I think we have already seen in the last couple of years some changing military presence by the Russian forces. We started seeing it with the strategic bomber flights over both the North Atlantic and the polar caps in the Pacific, which hadn't happened in years. So they came out. Why? Because they made some investments in that force in terms of readiness and training to get the crews up flying. So that was something that we saw for the first time.

Maritime force, we have now seen the second or third time over the past 2 or 3 years a carrier task group move out. We have seen it in the Mediterranean and now for the second time it just departed. We have seen it head towards the Caribbean in training activities with the Venezuelans.

So we have seen the results, the manifestation of investments there. Investment in the nuclear force is harder to determine. Basically we can see it in delivery systems, not necessarily in warheads.

What the announcement was actually, as we understand it based upon our assessment and study, was really a delay from the original objectives and the timelines for the investments. So it is the same programs going to be delayed by a year or two we think due to the downturn in the economic situation. Not a surprise in what they are going to do, a surprise in when they are going to do it.

We have discussed with them, when you are moving your carrier task groups out, can we exercise, can we engage. We did this before the cessation of mil-to-mil, both bilaterally U.S.-Russia and NATO-Russia, and have not gotten a response. So we are looking for opportunities and hope to have those in the future.

Mr. KISSELL. Thank you, sir. We appreciate what you all do for us. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Mr. Wittman, please.

Mr. WITTMAN. Thank you, Mr. Chairman. Gentlemen, thank you for joining us today and thank you for your service to our country.

Admiral Keating, looking at the environment we have around us and the changing and emerging threats having to deal with missiles, can you tell us a little bit about PACOM's ability with respect to missile defense and if you think that capability is up to task with the known threats today and maybe the emerging threats and, if there are shortcomings, what those might be and where the challenges lie ahead?

Admiral KEATING. Congressman, we are up to task, I believe. We are ready to defend U.S. territory, our allies, and our national interests as the President so directs. We are monitoring all the international threats as closely as we can, and we are prepared when directed to respond to those crises whenever and wherever they occur.

We are working closely with Japan, as they have fielded a defense capability of their own in the form of their Aegis destroyer. John Craddock mentioned them earlier in his theater. So, too, does Japan have them. They have demonstrated their capability recently in a test in waters north of Hawaii.

So across the spectrum we have concerns with missile activities in North Korea, as Skip mentioned earlier, but I know we are ready to defend our territory and our allies.

Mr. WITTMAN. Thank you, Admiral. A little bit about space assets, based on the post-Chinese ASAT test experience do you believe PACOM has sufficient space assets based on some of these emerging issues that we see?

Admiral KEATING. Congressman, we have sufficient, but we are a little lean in some areas, if you would, and we are working with General Chilton and the United States Strategic Command (USSTRATCOM) to fortify several of those areas where we might be a little weaker than others. The technical answer would be better given to you in an off the record, but classified statement, sir.

Mr. WITTMAN. Thanks, Admiral. How is the growth of regional associations in the Asia-Pacific area challenging the U.S. role on security issues and altering U.S. bilateral security relations in that region? And if there are those issues, what might PACOM be doing to address that?

Admiral KEATING. It is a fertile field, I think, Congressman. Our policy of partnership and presence lends itself to application across a fairly broad spectrum of engagement opportunities, of dialogue, enriched and expanding. It has been said that there is no country or agency so big that they can do it alone in the Pacific, nor is there any agency or country so small that they can't make a significant contribution.

The Republic of Tonga, a very small Pacific Nation, has provided troops for the defense of bases in Iraq for almost 3 years. Mongolia has helped us in ways, big and small. Many of our allies and partners are contributing resources and personnel in the Iraqi and Afghani areas.

So it is a great opportunity for us. There are occasional challenges to be sure, but writ large there are terrific opportunities for us in our strategy in concert with the State Department, Commerce, Labor, Energy and all the Federal Government and increasingly the private sector. Several prominent businessmen are coming to Hawaii just next week to discuss how they might help us capitalize on the opportunities that are ahead of us. So it is an area that we think is right for exploration and potential.

Mr. WITTMAN. Very good. Thank you, Mr. Chairman. I yield the balance of my time.

The CHAIRMAN. I thank the gentleman. Ms. Bordallo, please.

Ms. BORDALLO. Mr. Chairman, thank you and thank you for your concern about Guam and wanting the buildup to proceed in the right way.

General Craddock, General Sharp, and Admiral Keating, I want to thank you for your testimony this afternoon. Admiral Keating, Hafa Adai.

Admiral KEATING. Hafa Adai.

Ms. BORDALLO. And thank you for your continued leadership and your support for Guam.

I have several questions for you, Admiral. You mentioned that one of the major challenges facing the buildup is the capacity of local infrastructure. How is DOD, specifically Pacific Command, working with local officials, the Joint Guam Program Office, to address these concerns? I am interested in understanding what processes might have been entertained in the DOD to see if these local infrastructure projects could have been addressed in the stimulus bill. Did the Department miss an opportunity to address these problems by not having something placed in the stimulus bill?

Admiral KEATING. I think, Congresswoman, the shortest answer I can give you is I don't know whether or not the Department missed an opportunity. I will check with our friends in the Joint Program Office. I would be very surprised if they had intentionally overlooked or passed on an opportunity, but I will check with them and find out for you.

[The information referred to was not available at the time of printing.]

Ms. BORDALLO. Thank you, Admiral.

Also, Admiral, the people on Guam are concerned about the recent news that North Korea has a weapon, the Taepodong-2 missile, that can apparently reach parts of the United States and Guam. Some are concerned that future missile tests may be targeted in such a fashion as to prompt a response from the United States. What action from the U.S. military can we expect if such a missile test were targeting a U.S. Territory like Guam or Alaska? And also what capabilities does a missile defense system on Guam provide our armed services in the Pacific AOR?

Admiral KEATING. Congresswoman, I will need to give you an answer to that, certain parts of your question, in a classified response. But writ large, as I said earlier, we are ready to defend the United States, its Territories, and its assets. Specifics attendant to Guam and Alaska I will have to send you in a classified response. But be assured we are well aware of our responsibilities all throughout the Pacific region, and in concert with General Renuart of the United States Northern Command, General Chilton at United States Strategic Command, we are prepared to execute our responsibilities.

Ms. BORDALLO. This is a concern for the people of Guam.

Admiral KEATING. It is ours, too.

Ms. BORDALLO. My final question, the Marine training requirements on Guam and in the Commonwealth of the Northern Mariana Islands was an issue discussed in the September 2008 Government Accountability report. What is the rationale for why the Mariana Islands range complex environmental impact statement (EIS) did not investigate the requirement for increased training by Ma-

rines in the region. I have a concern that if this issue of training requirements is not addressed in a timely manner, it may complicate the environmental impact statement process on Guam.

Admiral KEATING. The terms of agreement for the environmental impact statement as conducted were a Department of Navy issue. Congresswoman, as you know, we share your concern for providing appropriate training venues, opportunities, and areas for any forces that are stationed in and around Guam. As you know you and I have discussed, I have had the great pleasure of doing an awful lot of flying in and around Guam. So I can attest firsthand to the merits of the Guam training area writ large, and in our view it will over time must expand to include areas to the north of Guam. So the environmental impact statement as it is currently being conducted, it is our hope that in time will be expanded to include other areas that would provide better training for any and all forces that would use Guam as we intend to use it.

Ms. BORDALLO. My concern, Admiral, is by not going along with the EIS in the Northern Marianas that this may be a detriment to our EIS study for Guam, and I hope that doesn't happen.

Admiral KEATING. So do we.

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

The CHAIRMAN. I thank the gentlelady. Mr. Sestak, please.

Mr. SESTAK. Thank you, Mr. Chairman. General Sharp, the Quadrennial Defense Review will come over here sometime next year. Over the last four years we have not had any Army divisions or brigades that could meet the requirements of the 5,000 series of operating plans (OP plans) for the defense of South Korea. The Chairman of the Joint Chiefs of Staff said it was an acceptable risk. So as we sit here in our jobs as dolers out of the national treasure for what is needed in the future, from 1953 until about four or five years ago the force posture of the Army was based upon primarily in the last 15, 20, 30 years of two major conflicts, East and West.

We have had acceptable risk now for quite some period of time, but not having to have anybody need it from the Army. So should we look askance at the Quadrennial Defense Review coming forward and saying we need X amount of Army and part of the justification is to meet the requirements that have not needed to be met the last four years for the defense of South Korea by the Army?

General SHARP. Thank you for the question. Let me first say that I am absolutely confident if North Korea were to attack today we, the Republic of Korea-U.S. alliance would be victorious and we would be able to execute our war plan, 5027.

Mr. SESTAK. Sir, that is not my question. My question has to do with if they come over and ask for these forces to meet the requirements of 5057.

General SHARP. I believe that still is a requirement.

Mr. SESTAK. So even though we haven't needed this Army requirement, we haven't had it for the last four or five years in testimony here, we still should justify pouring money into the Army for that requirement in the future?

General SHARP. There are many requirements around and I believe that the ability to be able to execute a war plan in Korea for the defense of the Republic of Korea still is a valid requirement. And I will also say that we do have the forces.

Mr. SESTAK. Having the Army.

General SHARP. We do have the forces in the Army to be able to do it. The Chairman has said in the past it would take longer and we would have to mobilize, but we would be able to go over and to be able to, from an Army perspective, do what we need to do according to the war plan.

Keep in mind that the Republic of Korea military, especially their army, is set up very well in the defense for the initial part of the conflict. Now, without getting into classified what the Army is really needed for is for later parts of the conflict.

Mr. SESTAK. Would that mean the active would be placed in the reserves then or National Guard, since the requirement is a delayed requirement?

General SHARP. It is not a delayed requirement. What we have right now is because of the forces that we have in Iraq and Afghanistan, in order to be able to get those forces to Korea, there is still that requirement, and we still have that capability to be able to do that—

Mr. SESTAK. Thank you.

General SHARP [continuing]. And that we would win.

Mr. SESTAK. General, ballistic missile defense (BMD) in Europe, there have been some studies that have come out recently from Institute for Defense Analyses, CDO Technologies, Inc. The little bit of knowledge I have when they looked at the various systems, in particular one of the two, the one that is in Czech Republic and Poland, is that this is going to give us—let me just characterize it as minimal capability. But it does say that the Aegis capability, which is already a sunk cost, gives you an equivalent capability. Recently there have been reports—and by the way, we wouldn't have to do this if Iran was not pursuing a nuclear—we have justified this because of Iran.

So is there due gist in saying, well, wait a moment here. These recent reports that have said, let's kind of work with Russia to work on Iran and this ballistic missile defense system, maybe we remove let's just say the shooter in Poland, but we still have the great capability on the our Aegis ships, it is already a sunk cost. Again, as we look at our national treasure, the Quadrennial Defense Review comes over, in one case having a war plan to meet without ready forces. Over here we have a ballistic missile defense system where we have the same capability on the Aegis systems we have sunk our cost in. Is it worth therefore seeing that we can salvage even more resources by pursuing that means rather than staying the road with the Czech and Polish, not—we need the expand radar but doing away from with the shooter in Poland and letting the Aegis ships pick up that capability.

General CRADDOCK. Thank you, Congressman, a very complex question and I quite frankly am not qualified to answer the physics of that. The first issue is, is there a threat? And to date the Intelligence Community and NATO has affirmed there is a threat. That was recently affirmed by the foreign ministers, the 3rd of Decem-

ber, 2008, when they said they felt that that U.S. effort would be helpful in a significant way to Europe.

Now, the ability for an Aegis ship to engage a long-range ballistic missile depends upon where it is, missile launch, angle of flight.

Mr. SESTAK. Those studies have said that the two capabilities are absolutely equivalent.

General CRADDOCK. I am not aware of that, and I would yield to your expertise. So I think I would have to defer your questions of the technical aspect to the Missile Defense Agency.

Mr. SESTAK. I am more interested in—

General CRADDOCK. Let me finish, sir. If there were opportunities that the threat would be mitigated or eliminated by non-military means, read informational, economic, political diplomatic, that is fine. My task is to secure U.S. forces and U.S. interests. And if the threat is not there, then I would say good for us.

The CHAIRMAN. I thank the gentleman. We will have a second round in just a moment.

Mr. McHugh.

Mr. MCHUGH. Thank you, Mr. Chairman. General Craddock, you were commenting earlier with respect to Title 22 funding and International Military Education and Training (IMET) and other programs that are helpful and effective in capacity building amongst our partners in European theater.

What about 1206 funding? Do you view that as a viable means by which we can expand our support and build the capacities of our partners as well?

General CRADDOCK. Thank you, Congressman. I absolutely do. I think 1206, 1207, the ability to help our allies and partners to develop capacity against terrorism is critically important. We have used those authorities, we have used funds an available. I would be the first to say please continue that funding because it is very helpful.

Mr. MCHUGH. Thank you, sir.

Admiral KEATING. Can I be the second to say?

Mr. MCHUGH. Absolutely.

Admiral KEATING. Let me be the second to pile on to John. Those two funding streams are of dramatic impact in all of our area of responsibility. Case in point, we have given a little bit of money that you have given us to Indonesia and Malaysia. The incidents of piracy in the Strait of Malacca, a crucial strategic chokepoint, have gone from upwards of 40 2 years ago to less than 5 in 2008 as a direct result, we believe, and we can provide you the measures of effectiveness, due to 1206 funding. Radars, communications capabilities, information sharing, training that we have been able to give those countries strictly because of 1206 funding.

Mr. MCHUGH. There are those who are interested in putting rather strict ties as to certain qualifications, whether in the European theater, it is a percentage of their GDP on military spending, et cetera. I would suspect, but I don't want to put thoughts or words in your minds and mouths, that you would support the greater flexibility in the utilization of those funds; is that a fair assumption on my part?

General CRADDOCK. Absolutely, Congressman, I would. I looked at two efforts we have ongoing. I can provide this for the record in

detail. In one effort we were using 14 different programs and funding streams, in another one we used 11. And it is an enormous, complex effort and takes incredible energy to go out find all these, to be able to get pieces and parts, put it together to do this. And what we really need also is multiyear authority on some of this, because we need to be consistent and persistent in our approach. But if we are good one year and then we are absent without leave the next year, our allies and friends wonder if we are really serious about this.

Mr. MCHUGH. Admiral, I trust you would agree with that.

Admiral KEATING. Ditto. Yes, sir.

Mr. MCHUGH. General Sharp, you made a comment that certainly comports with most of the intelligence reports that I have seen about Kim Jong-il being in charge. Having said that, I'd be interested in your assessment, what has the current global economic crisis done with respect to the stability of that regime? Are things deteriorating there in terms of the stability? And if so, what are we or what do you think we should be doing to try to avert a total collapse, which if there is one thing worse than Kim Jong-il I guess it would be a total collapse in a catastrophic manner?

General SHARP. We aren't seeing a huge effect. Kim Jung-il I think is still in complete control of his military and his policy of military first, and any resources he gets goes to improving his military, to keeping them loyal to him continues. In fact in his most recent, if you will, State of the Union Address, he called upon his people to sacrifice even more so that the military could remain strong and to remain in effect loyal to Kim Jung-il.

So I think what he is doing right now and the provocations is doing exactly that, seeing to what point can he push the rest of the world to get concessions to be able to continue the regime that he is in charge of right now.

Mr. MCHUGH. That is a hell of a recruiting tool, isn't it?

Mr. Chairman, I am going to yield back. But before I do, let me thank these distinguished leaders for their service. I don't want to assume anything, but this may be General Craddock's final appearance before this committee. And sir, as we do to your comrades as well, we wish you all the best in this Nation that in fact many nations abroad are much better for the sacrifices and the great leadership you brought. And to all of you gentlemen, thank you.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Before I ask a final question, Mr. Sestak, second round.

Mr. SESTAK. Admiral Keating, the Secretary of State has said that China is the most important strategic relationship we have about a year ago when she was in a different job. She also has emphasized kind of the strategic future of that area out there in the world; in fact her first visit was out there. We have looked at Guam as sort of an emphasis for the Air Force and some Navy and Marines. And in the General's testimony he mentions that we want to come out of that theater more naval and air centric.

The question is that for the Navy to keep one aircraft carrier in the Persian Gulf you need seven in the force structure in order to rotate one out there. So it takes seven aircraft carriers to keep one forward deployed, which has often been why you have had to ex-

plain so much over the years, even though it was a few forward why it is so important.

Do you think Guam could potentially be a place where an aircraft carrier battle group, as you look at the honest broker and the strategic area of the world, we do away with that requirement to have X amount of force to keep rotating them. Because the Air Force can fly in very rapidly and the Marines are already there or will be. Is that something we should be looking at, particularly since all planning indicates you need two to defend one. Two carriers, each of them fly—you know, in a crisis, you always want two there normally.

Admiral KEATING. Well, Congressman, parts of your rationale are interesting to me, shall I say. The seven to make one, I don't want to disagree with your calculus, but that is a higher number in the denominator than I am familiar with. Setting that aside, I don't know that Guam, Andersen Air Force Base, Naval Air Station (NAS) Guam will ever replace an aircraft carrier. In my estimation they will not.

Mr. SESTAK. I meant put the aircraft carrier there, put a second carrier out there.

Admiral KEATING. If it means more aircraft carriers for the Pacific Command I am all for it, Congressman.

We have got about the right number out there right now, Congressman, of carriers in the Pacific. The USS *John C. Stennis* is out on a classic West Pac cruise as we speak. USS *George Washington*. We enjoy the support of carriers transiting the Pacific Command to get to the Central Command, and we have some of John's guys that occasionally get over into our AOR.

The mix is about right. We would certainly like the opportunity to put carriers into Guam for a refit, refresh and liberty for the crew. I have done it, it is fabulous. All three of those, mostly, we could upgrade the core capacity. One way of saying, we would enjoy the opportunity to bring carriers in and out of Guam and would anticipate the agreed implementation plan part of the DPRI to provide for those infrastructure upgrades.

Mr. SESTAK. Thank you. And General, one last question on NATO. I was curious, over the last couple of years we seem to flog NATO hard because they hadn't, according to a lot of comments, provided as much forces as one might believe they would have to Afghanistan. And each country has its own caveats of how it operates there. But more to the point, and this is just a lesson I would be curious about. It seemed to me as though and the Chairman of the Joint Chiefs of Staff for our contribution said in Afghanistan we do what we can, in Iraq we do what we must.

I had been always struck that we never had met our own commitment as the U.S., as our Nation to NATO's commitment of how many forces were there to be training the Afghanistan police and troops. I don't think we ever got above 37 or 38 percent.

Do you think in retrospect that our efforts were correct to push them so hard for their contribution when we were just doing what we can, rather than what we must? And second, we never met our own commitment for how many troops we had been assigned for the training of Afghanistan police and troops.

General CRADDOCK. Congressman, there are a couple of different themes there. First of all, I would submit based on my studies assessments for the last two years, four-plus months, the United States has met every commitment it made to the International Security Assistance Force (ISAF), to include the Afghan national army training.

The original construct was the Group of Eight (G8) nations came in and took over responsibility for functions. And the United States accepted the responsibility for training the Afghan National Army. The Germans accepted the responsibility for training the police in the beginning. After two or three years the Army was coming along, better than the police, but we realized there needed to be an acceleration, we NATO, as did the United States. So they put more Army trainers on the ground. Combined Security Transition Command–Afghanistan (CSTC–Alpha) grew some 3,500 Army trainers at all levels to monitor, train the ministry all the way down to the kandaks, the rifle battalions. At the same time there was no increased commitment for police training. It kind of putted along inefficiently and not doing very well. The European Union (EU) came in and said they would help out with a European Police (EUPOL) force that ultimately about 240, and the United States realized if we are going to make this work with security forces we have to have public security police and national security Army, and that is when the U.S. took over the lead for police training. And CSTC office said I need another 3,500 and the U.S. was strapped to provide it. But over time has gotten pretty close, far, far beyond any other contributions.

Now, the ISAF force is governed by a combined joint statement of requirements. That is the troop list. There were no apportioned numbers that every nation had to provide. Every nation said I will do one of those and I will do this and I will do that. And the U.S. took over all of the east, Regional Command East (RC–East), and parts of the south. And the U.S. provides the lion's share—far the largest share of the headquarters.

So I would submit the U.S., in its plus-up last year of the east and its plus-up now of the east and south to the tune of about 30,000, has gone far beyond, and when this is done we will have over 50 percent of the force there—58,000 today in NATO, 26,000 the U.S., the rest are coming. The rest of NATO has yet to ante up and meet their commitment.

Mr. SESTAK. Thank you. And just one comment. I was responding to some Joint slides over the past two years and the Congressional Research Service (CRS) study based upon those slides, of our not meeting our commitment. So they have been wrong. Thank you.

The CHAIRMAN. I thank the gentleman.

Let me follow through on that, if I may. Right after the United States was attacked, General Craddock, on 9/11, NATO, if I understand it, invoked Title V of the charter; am I correct?

General CRADDOCK. Correct, Article V.

The CHAIRMAN. What action did NATO take under that article?

General CRADDOCK. As I understand, NATO offered NATO AWACS, Airborne and Early Warning Systems, to the United States.

The CHAIRMAN. That was it?

General CRADDOCK. Yes, sir. To my knowledge.

The CHAIRMAN. Nothing else?

General CRADDOCK. No, sir. NATO followed up by initiating a maritime operation, Operation Active Endeavor (OAE), in the Mediterranean area, which is a contribution to steam around, interdict aberrant ships' tracks to see if they are carrying terrorist weapons or terrorists throughout the region. But that was later on, not under an Article V response.

The CHAIRMAN. That was it?

General CRADDOCK. As I said, Chairman, to my knowledge, that is it. There may be others I am not aware of.

The CHAIRMAN. You would know.

General CRADDOCK. I wasn't there then, I was somewhere else. But that is what I understand the case is.

The CHAIRMAN. Admiral Keating, are tensions diffused in the Taiwan Strait areas or are they as tense as they were two years ago?

Admiral KEATING. Chairman, tensions are reduced. I would not say they are diffused. It remains an area of concern to us.

Chairman, you may be aware. I will provide to you the numbers of missile systems that China has on their side of the strait. We know about them. President Ma, the newly elected President of Taiwan, has embraced a less aggressive posture than his predecessor. And dialogue across the strait is richer today and is more productive than it was in the years preceding his election. So tensions are reduced, but they have not vanished, sir.

The CHAIRMAN. Thank you. Let me again thank you, each one of you, for your leadership, your dedication, your integrity. It is certainly good to have you serving our country. I know every member of this committee appreciates what you have done.

General Craddock, this is your last appearance, as I understand it. We wish you well. If I remember, it is some 38 years in uniform; is that correct?

General CRADDOCK. It will just be short of 38 years when I retire, yes, sir.

The CHAIRMAN. Well, congratulations to you on your successful career.

General Sharp, thank you. And Admiral Keating, thank you.

[Whereupon, at 3:30 p.m., the committee was adjourned.]

A P P E N D I X

MARCH 24, 2009

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 24, 2009

Opening Statement of Chairman Ike Skelton (D-MO)
Posture Hearing on U.S. Pacific Command,
U.S. European Command, and U.S. Forces Korea
March 24, 2009

“Today the committee will continue its annual series of posture hearings with Combatant Commanders. I’m very pleased to welcome Admiral Timothy Keating, Commander of the U.S. Pacific Command; General Bantz Craddock, Commander of the U.S. European Command and Supreme Allied Commander of NATO; and General “Skip” Sharp, Commander of U.S. Forces Korea. At the outset, I want to thank you all for your leadership. I also want to thank the troops that you lead, along with their families, for their incredible service and personal sacrifice.

“Over the last several years, we have been so focused on Iraq that a broad range of security challenges and potential flashpoints elsewhere in the world have not gotten the attention they merit. The readiness posture of all the combatant commands outside the Middle East has suffered, creating an unacceptable level of strategic risk. There are some clear examples of this across the Asia-Pacific region’s rapidly changing landscape and in Europe as well. We ignore these risks at our peril. We must ensure that we get our level of strategic risk back within acceptable limits and restore our ability to react quickly to unforeseen crises.

“Let me review just a few of the daunting challenges ahead in the Asia-Pacific. The rebasing of U.S. Marines from Japan to Guam is one of the largest movements of military assets in decades, estimated to cost over \$10 billion. Yet it is not clear that DOD has fully thought through its plans to support the Marines on Guam, or those remaining on Okinawa. As Admiral Keating knows, a delegation from this committee recently returned from Okinawa and Guam. The changes being planned as part of that move affect not only our bilateral relationship with Japan; they will shape our strategic posture throughout the critical Asia-Pacific region for 50 years or more. I am deeply concerned that the current plans do not address all the concerns that would impact our ability to train fully and also to operate and fight in

the region if we must. We must get this right and this committee will work with the Department to ensure that we do.

“In Korea, the plans for relocation appear solid, but there are remaining questions about how the upcoming transformation of the U.S.-South Korea command relationship will account for the range of scenarios that could emerge on the Korean peninsula. At the same time, North Korea has threatened to test a missile that could theoretically reach the west coast of the United States, and serious concerns remain about the regime’s nuclear capabilities. China has just announced another double-digit increase in its military budget, and security relations with China remain strained following the harassment of a U.S. naval vessel by Chinese ships in the South China Sea. India’s relations with Pakistan remain strained following the Mumbai terrorist bombing last year. Throughout Indonesia, the Philippines and much of Southeast Asia, the threat of terrorism, violence and instability remains extraordinarily high. And while we’ve been preoccupied in the Middle East, China and others have been expanding their influence in Latin America, Africa and around the globe.

“In Europe, the recent conflict between Georgia and Russia was a stark reminder that our security challenges in the region are still very real. It is a region with real and latent frictions, including the ever present instability in the Balkans. EUCOM plays an important role in the stability and security of the continent. NATO is also as important as ever. Still, we have come to regard NATO chiefly as a resource to be employed elsewhere. We shouldn’t forget its original purpose. While closer ties with Russia are to be encouraged, Russia’s actions in Georgia, its ties with Venezuela, and its involvement in the natural gas crisis this winter remind us that NATO is first and foremost an organization for collective security in Europe.

“I continue to be deeply concerned about NATO’s mission in Afghanistan. The administration will shortly put forward a strategy for Afghanistan and Pakistan. What is clear to me is that, while additional American investment and leadership is needed, our allies must do more as well. The problems from that region affect us all. I know NATO allies have increased their contributions to that mission in recent years, but I remain concerned about the restrictions some nations put on the employment of their forces. In some cases this is a question about national will, but to the extent those decisions reflect concerns about capability, I encourage

EUCOM to continue to do the sorts of capacity-building efforts that have shown such a positive impact over the years, both with our NATO allies and with other regional partners.

“This is a time when we should be proactively engaged in the Asia-Pacific region and in Europe on multiple fronts, and realize that our own actions may well influence the choices and actions of others. We must be able to pursue opportunities for security cooperation with regional allies and partners, and ensure that our force posture will allow us to deter or to confront any security challenge that might emerge in these parts of the world. I am pleased to see the Department of Defense and the Obama administration already taking a number of positive steps in this direction, and I hope to see more as we move forward.

“However, before we begin testimony, I turn to Ranking Member John McHugh for any statement he may wish to make.”

HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF
ADMIRAL TIMOTHY J. KEATING, U.S. NAVY
COMMANDER
U.S. PACIFIC COMMAND
BEFORE THE SENATE ARMED SERVICES COMMITTEE
ON U.S. PACIFIC COMMAND POSTURE
MARCH 24, 2009

HOUSE ARMED SERVICES COMMITTEE

INTRODUCTION

Mr. Chairman and Members of the Committee:

On behalf of the men and women of the U.S. Pacific Command (USPACOM), thank you for this opportunity to testify regarding the posture of our command and security in the Asia-Pacific.

In November, we published the U.S. Pacific Command Strategy. It underscores the fundamental importance of sustained and persistent cooperation and collaboration in times of peace to mitigate situations that could lead to conflict and crisis. While it emphasizes security cooperation and capacity building, it does not signal a departure from our primary responsibility to fight and win. Instead, it acknowledges the complexity of our security environment and the importance of proactively employing forces to strengthen partnerships and support conditions that preclude the necessity for combat operations. It is a strategy in which we collectively seek – with our allies, partners and friends – multilateral solutions, recognizing challenges are best met together. *Ours is a strategy based on partnership, readiness, and presence.*

It is hard to overstate the importance of our engagement in the Asia-Pacific both to our national interests and to the broader interests of all in the region. Having visited most of the 36 nations in our area of responsibility (AOR), I am convinced that our success depends on our ability to understand the complexities and intricacies of this dynamic region.

Please consider the following:

- USPACOM AOR encompasses almost half the earth's surface.
- More than half the world's population lives in our region.

- The Asia-Pacific is home to 36 nations, 3.4 billion people, three thousand different languages, the world's six largest militaries,¹ and five nations allied with the U.S. through mutual defense treaties.²
- The region includes the most populous nation, the largest democracy, the largest Muslim-majority nation, and the smallest republic in the world.³
- China, Japan, South Korea are three of our top trading partners. About one-third of our total two-way goods trade⁴ is with nations in the region.
- Collectively, the region contributes 20% of the world's GDP, thanks to several of the largest economies in the world.⁵
- The Asia-Pacific region is home to 10 of the 15 smallest economies and to several hundred million people who still live below the \$1.25 a day poverty line.

Given such diversity, the challenges are many. While the region is characterized by a remarkable level of relative stability, the endurance of the secure and stable conditions that underpin prosperity in the region is not a foregone conclusion. While USPACOM cannot take full credit for this generally favorable environment, the positive contributions of U.S. Armed Forces cannot be disputed. Our strategy is designed to ensure USPACOM remains an engaged and trusted partner committed to preserving the security, stability, and freedom upon which enduring prosperity in the Asia-Pacific region depends.

USPACOM readiness and presence support extensive military and civil cooperation in the Asia-Pacific. In response to several significant natural disasters this past year, our military forces provided aid during a number of Humanitarian Assistance and Disaster Relief (HADR)

¹ USA, China, India, Russia, North Korea, South Korea (International Institute for Strategic Studies)

² Japan, South Korea, Australia, The Philippines and Thailand (Department of State Treaties in Force 2007)

³ China; India; Indonesia; Nauru

⁴ \$3.4 trillion (U.S. Census Trade Statistics Data)

⁵ #2 Japan, #3 China, #8 Russia, #12 India, #14 Australia, and #15 South Korea (CIA World Fact Book)

operations. Coordinating with U.S. Government Agencies, U.S. embassy teams, and other Asia-Pacific nations, our forces provided support to Burma in the aftermath of Cyclone Nargis; in February and in May 2008, our men and women aided China after it was struck first by extreme winter storms and followed by an earthquake in the Sichuan province; and in the wake of Typhoon Fengshen, the USS RONALD REAGAN Strike Group delivered critical supplies to outlying areas of the Philippines. The tradition of non-disaster related humanitarian assistance continued this past summer with the four- month deployment of USNS MERCY. This multinational, civil-military effort resulted in the treatment of more than 90,000 people in five nations: the Republic of the Philippines, Vietnam, Timor-Leste, Papua New Guinea, and the Federated States of Micronesia.

All five of our alliance relationships are strong and remain critical to stability. Military transformation and realignment continue in Japan with the Defense Policy Review Initiative (DPRI). The transition of United States Forces Korea (USFK) to Korea Command (KORCOM) moves forward with the shift of wartime operational control to the Republic of Korea in 2012. In the Philippines, we are working with our ally to combat violent extremism in its southern region. The 28th COBRA GOLD multinational exercise in Thailand enhances regional interoperability in joint operations. And Australia remains a trustworthy and steadfast ally whose leadership enhances stability within the Pacific.

Our engagement and relationship with the People's Republic of China (PRC) continues to mature. In July, USPACOM hosted the Commander of the Guangzhou Military Region whose responsibilities include the South China Sea and support operations in the Taiwan Strait. We enjoyed a productive visit and developed a relationship that I hope to strengthen in the coming year. Recently, our Senior Enlisted Advisor led a delegation of Non-Commissioned Officers

(NCO) to the PRC to develop a relationship through NCO engagement. In October, his counterparts from the People's Liberation Army (PLA) made a reciprocal visit to USPACOM.

Improving the interaction between USPACOM and China's armed forces is critical to maintaining peace and stability across the Taiwan Strait and reassures our regional allies, partners and friends. While cautiously optimistic, we seek a mature, constructive relationship with our Chinese counterparts. Through cooperation and candor we aim to reduce the chances of miscalculation, increase mutual understanding, and encourage cooperation in areas of common interest.

In November, we partnered with the Chief of the Indonesian Armed Forces to co-host the 11th annual Chiefs of Defense Conference in Indonesia. Of the 27 nations represented, 22 nations were from the Asia-Pacific. This was a remarkable gathering and the informal setting encouraged candor and constructive dialogue. Discussions during the conference did not focus on terrorism, nuclear proliferation, the wars in Iraq and Afghanistan, or emerging threats in the region. Rather, the military leaders shared a common concern over the issues surrounding energy, and the impact on the environment and regional security.

For over 60 years, USPACOM has been a force for security and stability within the Asia-Pacific. Nations rely on our leadership and presence – we are an “indispensable partner” to our allies, partners and friends. Furthermore, we will continue to extend an outstretched hand to nations who desire to collaborate in addressing mutual security goals and concerns.

PARTNERSHIP: Northeast Asia

Japan. Our alliance with Japan is the cornerstone of our strategy in the Asia-Pacific region. Despite difficult economic times and changes in administrations, it remains strong. Six weeks

before the elections in the United States, Japan chose a new Prime Minister, Taro Aso, whose government has continued strong support for the U.S. – Japan Alliance. Secretary Clinton’s first overseas visit to Tokyo demonstrated the importance of the alliance and our broader ties with Japan. The signing of the International Agreement on Guam reflects our shared commitment to the realignment process.

Japan remains a reliable partner in maintaining regional and global stability. From March 2004 to December 2008, Japanese C-130 aircraft flew missions in support of Iraqi reconstruction. In November 2008, the Diet renewed the law allowing Japanese Maritime Self Defense Force ships to refuel coalition ships supporting operations in Afghanistan. And just this past week, Japan deployed two ships to the Gulf of Aden region for counter-piracy operations. Japan hosts the bulk of our forward-deployed forces in the region, and contributes over \$4 billion in Host Nation Support.

Despite a Japanese defense budget that has decreased each year since 2002, the Japan Self Defense Forces remains willing to interact bilaterally with the U.S., and trilaterally with the U.S. and our allies, such as the Republic of Korea and Australia, to enhance regional stability. This year witnessed the completion of several successful milestones in our relationship, including the completion of a year-long study of contingency command and control relationships and the Ballistic Missile Defense (BMD) testing of a second Japan Maritime Self Defense Force Aegis destroyer.

Republic of Korea. The U.S. – ROK alliance is also a critical pillar in our regional strategy, and stability in Northeast Asia. The alliance remains focused on the most immediate security threat: North Korea. We do not foresee a near-term, overt challenge by North Korea; however, Pyongyang retains a significant conventional capability with massed forces near the

demilitarized zone and a potent missile arsenal. We remain convinced that a strong U.S. – ROK alliance is the key to deterring North Korea.

The U.S. – ROK alliance continues to transform to better meet security challenges, both on and off the peninsula. ROK is scheduled to assume wartime operational control over its own forces in April 2012, which is a testament to the advanced capabilities of the ROK military and the strength of our alliance. We continue to seek opportunities to build upon our partnership with the ROK to respond to regional security challenges such as counterproliferation and maritime security. The ROK successfully concluded a 4-year deployment in Iraq in 2008, and recently dispatched a ROK Navy warship to the Gulf of Aden in support of anti-piracy and maritime security operations. Also, trilateral security cooperation between the U.S., ROK, and Japan is particularly relevant since our three nations have the shared values, financial resources, logistical capability, and planning ability to address complex contingencies throughout the region.

People’s Republic of China. Our policy toward China and Taiwan is based on our one China policy, the three joint U.S. – China Communiqués, and the Taiwan Relations Act.

Our military-to-military interaction with the People’s Liberation Army (PLA) fell short of expectations in 2008. This year’s engagement was impacted by the Chinese prioritization of Olympic security and their reaction to the U.S. announcement of arms sales to Taiwan in October. I was able to visit China twice before the Olympics and found my discussions with their senior military leaders generally candid. Overall though, we saw little change in PRC willingness to allow port visits in China, reciprocate a mid-level officer exchange, or conduct pragmatic interactions such as safety issues in the Military Maritime Consultative Agreement (MMCA) talks – the activities USPACOM views as most useful in reducing the potential for

miscalculation and misunderstanding between our forces. The unlawful and dangerous behavior exhibited by Chinese vessels against unarmed U.S. special mission ships lawfully operating in the East and South China Seas underscores the importance of these types of interactions.

Our attempts at engagement with the PRC have been complicated by both nations' differing objectives in our military-to-military relationship. We desire engagement to build understanding and create trust, while the PRC emphasizes putting its best foot forward for the outside world to see, illustrated by our experience when attempting to schedule U.S. port calls in China. Chinese ships have had the opportunity to visit all U.S. fleet concentrations over the years with the exception of Norfolk. In return, the Chinese have offered the U.S. access to ports that, although ostensibly military are designed primarily to showcase their modern and prosperous cities while minimizing our access to their operational forces. We continue to strive for reciprocity in our exchanges with the Chinese military and encourage the Chinese to be more open and forthcoming.

A high point in our relationship with the People's Liberation Army (PLA) is the emerging military-to-military exchange among enlisted members of the U.S. Armed Forces and PLA. In June 2008, our Senior Enlisted Adviser led 12 Senior Non-Commissioned Officers (SNCOs) on a trip to China. The itinerary included briefings by the PLA Department of NCO Administration and Discipline of the General Staff, Nanjing Military Regional Political and Operations Department, and an NCO roundtable and tour of the 179th Motorized Infantry Brigade (Nanjing). In October, a PLA Delegation reciprocated by visiting USPACOM to continue dialogue between the two countries. Both visits represent positive steps in maturing the U.S. – PRC military-to-military relationship and support the USPACOM goal of promoting operational and tactical level exchanges to influence future PLA leaders. In all cases, our

contacts and exchanges with the People's Liberation Army comply with relevant provisions of the National Defense Authorization Act for Fiscal Year 2008.

Taiwan. The foundation of our relationship with Taiwan is based on common democratic values and commitment to peace, stability and prosperity in the Western Pacific. In accordance with legislation and policy, the USPACOM relationship with Taiwan is "unofficial." The USPACOM relationship with Taiwan makes available advice, training, and support for Congressionally-approved equipment necessary to enable Taiwan to maintain a sufficient self-defense capability. This unofficial relationship results in a range of restrictions on our military-to-military interaction; however, we still maintain a robust engagement schedule. USPACOM and its service components provide a wide range of training and assessment activities including support to Taiwan's annual HAN KUANG (HK) exercise.

President MA Ying-jeou's Administration has significantly reduced cross-Strait tension by following a status quo oriented policy of "3 no's" – no unification, no independence, and no use of force – and by working with China to expand cross-Strait ties in such areas as trade, travel and finance. Military challenges include the rapidly increasing military capabilities of the PRC; and Taiwan's goal of making a transition to an all-volunteer force by 2014. Taiwan continues to balance future capabilities with immediate defense needs, such as hardening, readiness, and sustainability.

Mongolia. Mongolia is an enthusiastic U.S. partner willing to support U.S. policy objectives in the region. While a nascent democracy, it is still burdened with Soviet vestiges, including an unresponsive bureaucracy and remnants of corruption. Mongolia is mindful of the delicate balance between its engagement with the U.S. and maintaining relationships with China and Russia.

We continue to help Mongolia transform its military into a professional, modern force capable of self-defense, border security, participation in international peacekeeping, and HADR response. Mongolia is a staunch supporter of our efforts in the struggle against violent extremism and has contributed armed forces in support of both Operation IRAQI FREEDOM and Operation ENDURING FREEDOM in Afghanistan. To further enhance the professionalism and development of Mongolian Armed Forces, they are included in our hosted and co-hosted multilateral activities and seminars such as the Pacific Army Management Seminar, Non-Lethal Weapons Seminar, the Pacific Rim Air Chiefs Conference, and the Chiefs of Defense (CHODs) Conference. USPACOM conducted several exchanges with MAF to increase defense capabilities, including bilateral exercises, security operations exchanges, and NCO development. Finally, the MAF participated in several multinational exercises to build the proficiencies necessary to operate in peacekeeping environments. These include Multinational Planning Augmentation Team events; Military Law Exercises; and KHAAN QUEST, a premier regional multilateral peace-keeping exercise held in Mongolia.

Russia. The U.S. suspended military-to-military engagements with Russia following their incursion into Georgia and subsequent recognition of South Ossetia and Abkhazia as sovereign nations. USPACOM is prepared to re-engage when activities align with U.S. interests. Prior to Russia's invasion, military-to-military cooperation between PACOM and Russian armed forces was modest with room to grow. The USS STETHEM Guided Missile Destroyer visited Vladivostok in May 2008 and two Russian officers observed the RIM OF THE PACIFIC exercise in Hawaii in July 2008. The U.S. and Russia share common interests in the USPACOM AOR including WMD counterproliferation, counter-terrorism, and regional stability. These areas of strategic alignment are the focus of military-to-military cooperation in the future. Of

note, USPACOM coordinates all Russian security cooperation activities with U.S. European Command (EUCOM) to ensure the efforts of both geographic combatant commands are mutually supportive.

PARTNERSHIP: South Asia

People's Republic of Bangladesh. Bangladesh is a solid regional partner that continues to address a growing internal extremist threat while they make the transition from Emergency Rule to a democratically elected government. Over the past year, the Bangladesh armed forces played a constructive role in support of democracy as the Caretaker Government prepared for and held national elections in December 2008. Visits by senior USPACOM delegations and military exchanges with Bangladesh military leadership throughout the duration of Emergency Rule assisted in reinforcing the U.S. desire for free, fair and credible elections. The recent mutiny in Bangladesh by the enlisted members of the Bangladesh Rifles (BDR), Bangladesh's border guards, against the Army officers assigned to the BDR demonstrates our continuing need to support defense sector reform. This reform should not only involve units under the Ministry of Defense but should include all security forces, including those under the Ministry of Home Affairs, such as the BDR and the Rapid Action Battalion.

The key USPACOM focus in Bangladesh is the enhancement of their ability to conduct counter-terrorism operations. We also continue to assist Bangladesh's recovery from the 2007 cyclone and flooding by providing humanitarian assistance for the construction of schools and cyclone shelters, disaster mitigation assessments and civil affairs training. Likewise, through the Global Peace Operations Initiative (GPOI), designed to build competent and professional peacekeepers worldwide, USPACOM is enhancing Bangladesh's ability to conduct international

peacekeeping. In April 2008, Bangladesh successfully hosted the region's GPOI Capstone Event, Exercise SHANTI DOOT 2, which included participation by 12 additional countries.

India. USPACOM activities are helping to build the solid foundation of the evolving U.S. – India strategic partnership. Due to the increasing maturity and complexity of this relationship, our cooperation in areas of common security interests will continue, regardless of the outcome of the Indian national elections scheduled for April-May 2009. Increased defense sales, advanced multilateral / joint exercises and operational cooperation in areas of maritime security, counter-terrorism and HADR highlight our engagement over the past year. Of special note, the Indian Air Force and the Joint POW-MIA Accounting Command (JPAC) jointly conducted the first ever MIA recovery survey mission in India.

The increased piracy in the Gulf of Aden and terrorist attacks in Mumbai highlight areas of common security concerns for enhanced U.S. – India cooperation. We are working together with U.S. Central Command (USCENTCOM) to ensure a more formal and synchronized approach to address incidents of terrorism in South Asia and other issues that may cross Combatant Command boundaries

Nepal. The peaceful assumption of power by the Maoist government after the 2008 national elections started to clarify the political environment that influences our military-to-military relationship with the Nepalese Army. The Nepalese Minister of Defense has indicated that the Maoist-led government desires continued military-to-military engagement with the United States. Due to the potential for the current peace to unravel, USPACOM focus is on supporting the peaceful integration of members of the Maoist People's Liberation Army into the Nepalese security forces. Senior level dialogue and defense sector reform events are the primary

means to assist this change. USPACOM will also continue to help Nepal in the development of its peacekeeping operations and training capabilities through the GPOI.

Democratic Socialist Republic of Sri Lanka. Even with current restrictions on military-to-military engagement and security assistance to Sri Lanka, our military relationship remains strong with room to grow. In an effort to address alleged human rights abuses and the recruitment of child soldiers, the USPACOM theater campaign identified military justice reform, human rights training and professionalization of the armed forces as top priorities. These will continue to be our focus until the Government of Sri Lanka meets the prescribed international standards.

Another priority is civil-military cooperation and nation building. As the Government of Sri Lanka liberates areas previously controlled by the Liberation Tigers of Tamil Eelam (LTTE) in the Eastern and Northern Provinces, the Sri Lankan military is playing a key role in ensuring peace and stability. In support of the U.S. Agency for International Development (USAID) and the Department of State, USPACOM is providing assistance with small-scale repair and rehabilitation of schools and health centers in Eastern provinces, and with civil-military operations / civil affairs training to the Sri Lankan military.

PARTNERSHIP: Southeast Asia

Burma. The policies and practices of the Burmese government undermine regional security through human rights violations particularly when directed against democracy advocates and ethnic minorities, and widespread jailing of dissidents and pro-democracy protesters. Among threats to regional stability are issues concerning narcotics trafficking, trafficking in persons, and disease. Over the past year, our military-to-military engagement with Burma was limited to

facilitating delivery of aid to the Burmese people during Operation CARING RESPONSE, an HADR operation in response to Cyclone Nargis in May 2008. During Operation CARING RESPONSE, USPACOM supported the USAID in delivering over 3 million pounds of relief aid via 185 sorties.

Cambodia. Our military relationship with the Royal Cambodian Armed Forces (RCAF) continues to progress. In 2008, USPACOM held the first working-level talks to plan future engagement events. Cambodia demonstrated a willingness to cooperate closely on counter-terrorism, peacekeeping, disaster response, and medical and health related activities. Cambodia received peacekeeping training through the GPOI. In addition to being a strong participant in peacekeeping exercises and operations, Cambodia has offered to host the region's premier GPOI peacekeeping exercise in 2010. The U.S. Pacific Fleet has conducted five port visits over the past two years to Cambodia's port at Sihanoukville, reinforcing the USPACOM commitment to continued engagement with Cambodia.

Indonesia. Since the normalization of our military relationship with Indonesia in 2005, we moved deliberately to upgrade our ties with the Indonesian Armed Forces (TNI). Sitting astride key sea lanes, Indonesia is the world's largest majority Muslim nation and third-largest democracy. The United States and Indonesia share a broad range of security interests, and our security relationship should reflect that. USPACOM conducted significant military-to-military engagement activity with the TNI in 2008. Two particularly noteworthy events include: the Chiefs of Defense (CHODs) Conference co-hosted by TNI and USPACOM; and the sixth iteration of the multilateral TENDON VALIANT Medical Readiness Exercise. In all activities, and at all levels, the interaction between the U.S. and TNI armed forces was positive, professional, and demonstrated a desire to improve peacekeeping and disaster relief skills.

Consistent with this view, Indonesia has deployed a third and fourth set of military and police troops to support peacekeeping operations (PKO) in Lebanon as well as a 140-person formed police unit to Darfur.

In 2009, we anticipate greater Indonesian leadership and more complex interaction within our theater campaign plan engagement activities. For example, Indonesia has agreed to co-host the GPOI Capstone Exercise and is taking a leading role in the first ASEAN Regional Forum (ARF) HADR activity, to include the ARF Voluntary Display of Requirements (VDR) in which 27 nations will participate.

Laos. We steadily build security-related activities with Laos beyond our important legacy activities such as POW/MIA personnel recovery and humanitarian assistance cooperation. In December, Laos officially received the first U.S. Defense Attaché in over 30 years and selected a Defense Attaché for duty at its embassy in Washington. Engagement activities with Laos focused on English language training for mid- and senior-level officers, medical cooperation, avian influenza preparedness, and increased Lao participation in regional conferences and activities.

Malaysia. Our military-to-military ties with Malaysia remain strong despite the fluid political environment resulting from the March 2008 elections. Malaysia's long-range deployment of three ships to the coast of Somalia in response to the hijacking of two Malaysian-flagged commercial tankers demonstrated a new, impressive capability that prompted discussion with key defense officials on how to develop deeper cooperation in maritime security and counter-piracy. Twenty-one ship visits were made to Malaysia last year, and we engaged with their new Joint Forces Command and submarine forces to increase interoperability. Malaysia is unique in maintaining three challenging border areas: the Strait of Malacca, the border with

Southern Thailand, and the Sulu Sea region with the Philippines and Indonesia. Although the Government of Malaysia opted to end its contributions to the International Monitoring Team in the southern Philippines, it has renewed and increased its contribution of peacekeeping troops to Lebanon.

Republic of Philippines (RP). The Republic of Philippines (RP) is a U.S. treaty ally under the 1951 Mutual Defense Treaty (MDT). The Armed Forces of the Philippines (AFP) continue to make significant strides in combating the terrorist threat in the southern Philippines. The Government of the Philippines and its security forces are also increasingly effective in their prosecution of operations aimed at marginalizing the ongoing insurgency. Utilizing all elements of national power, the Philippines has worked diligently to reduce the armed threat while creating the conditions for sustained peace and prosperity. The U.S. contributes to this success through the KAPIT BISIG strategic framework. KAPIT BISIG provides U.S. forces with clear guidance to support humanitarian and civic assistance, security assistance and training, and operations while ensuring respect for the sovereignty and legal limitations outlined in the Philippines' Constitution and Visiting Forces Agreement. Moreover, USPACOM participates in the implementation of a successful integrated whole-of-government approach, working with the Departments of State and Justice and USAID in the southern Philippines, contributing to a more stable sub-regional security environment and decreasing ungoverned spaces.

During our annual bilateral defense talks in September, we reiterated our support to the ongoing Philippine Defense Reform program. Increasing professionalism and overall military capabilities are key pillars for this program. In close partnership with the AFP, USPACOM continues to support efforts aimed at institutionalizing Enlisted and Officer Professional Development programs. USPACOM is also actively conferring with the AFP on developing a

National Training Center to enhance opportunities to conduct high quality joint training among their Army, Navy, Air Force and Marine Corps units.

Finally, Philippines' agreement to host the first ever ASEAN Regional Forum (ARF) training activity this May represents a significant step forward for the ARF and for improving multinational cooperation in the areas of HADR in the theater.

Singapore. Singapore continues to be one of our strongest security partners in Asia and a key coalition partner. Beyond providing strategic access to ports and airfields for transiting U.S. forces, which includes approximately 100 ship visits and 30,000 service members each year, Singapore cooperates with the U.S. on maritime security, counter-terrorism, and counterproliferation initiatives. Singapore continues to provide niche capabilities, such as engineering and medical teams, to support reconstruction in Afghanistan. Their efforts to enhance maritime security and information sharing in the critical Singapore and Malacca Straits will be realized when their Command and Control Center at Changi Naval Base is completed later this year. In November 2008, the first of Singapore's 24 F-15s deployed to Idaho. Singapore's desire to purchase and maintain U.S. platforms enhances our overall level of cooperation.

Thailand. Thailand remains a critical ally and engagement partner. Co-hosted with Thailand, exercise COBRA GOLD remains the premier USPACOM multilateral exercise with participants and observers from 27 countries. I attended the closing ceremony for this year's COBRA GOLD, and my observation reinforces the value of this event.

We also appreciate Thailand's important global security contributions in the struggle against violent extremism, counter-narcotics efforts, humanitarian assistance and peacekeeping operations, to include a planned 800-troop contingent scheduled to assist the UN mission in

Sudan in the summer of 2009. Regarding the recent changes in Thai political leadership, it is noteworthy that the military has moved beyond the 2006 coup and has affirmed its commitment to using democratic principles to resolve differences.

Timor-Leste. There are several reasons USPACOM remains optimistic about the future of this fledgling democracy. This past year, Timor-Leste's first democratic government managed to maintain control of the country, despite assassination attempts on the President and Prime Minister, strong rallying by the opposition party, and more than 10 percent of the population living in Internally Displaced Person (IDP) Camps. The Timor-Leste civil-military defense establishment is in place, and its Defense Forces operate under the rule of law, despite lacking many basic capabilities. The leadership of Timor-Leste is working with several countries in an effort to begin critical institutional development. USPACOM interaction with Timor-Leste increased significantly. The most notable engagements included two events: an Asia-Pacific Center for Security Studies (APCSS) sponsored workshop to assist the military, government, and opposition party in developing a viable National Security Policy (NSP); and a two-week port visit by USNS MERCY focused on providing humanitarian assistance. Additionally, Marine Forces Pacific (MARFORPAC) initiated an annual platoon exercise with the Timorese military that consists of skills exchanges and Humanitarian Assistance activities. Pacific Fleet (PACFLT) initiated annual port visits and is conducting a maritime and land assessment survey with MARFORPAC to determine the best way to increase our engagement opportunities with Timor-Leste Defense Forces.

Vietnam. Our military-to-military engagement with Vietnam continues to advance at a measured pace. Vietnam willingly receives humanitarian assistance and has shown a desire to be a regional partner as well. The USNS MERCY, the first U.S. military vessel to visit Nha Trang

since 1975, provided humanitarian assistance in cooperation with the Vietnamese Medical Corps. Vietnam announced its intention to participate in training and other activities for peacekeeping operations. USPACOM is also sustaining an information exchange that allows Vietnam to better prepare for and respond to severe typhoons. This year, we continued our support of the Presidential Emergency Program for AIDS Relief, with DoD contributions exceeding \$5 million.

PARTNERSHIP: Oceania

Australia. Australia remains a steadfast ally that works tirelessly to enhance global and regional security and provide institutional assistance in the Pacific. During 2008, Australia continued to lead the International Stabilization Force in Timor-Leste and the Regional Assistance Mission to the Solomon Islands. The Australia Defence Force works closely with USPACOM on building regional security capacity, and continues to make significant contributions to global security through robust support of Operations ENDURING FREEDOM and IRAQI FREEDOM.

Australia places major emphasis on advancing interoperability with the United States through well-coordinated acquisition and training programs. Australia is a Joint Strike Fighter level three partner and has made great progress in implementing Strategic Level and Operational Level Review recommendations to enhance U.S. – Australia interoperability. The biennial Exercise TALISMAN SABER 2009 will test our policies, tactics, hardware, and infrastructure. TALISMAN SABER 2009 will build upon the 2007 exercise, which was very successful and validated the U.S. – Australia Joint Combined Training Capability. We are working to enhance that bilateral capability to inject virtual and constructive forces into exercise and training environments and enhancing our cooperation on Intelligence, Surveillance, and Reconnaissance (ISR) and regional HADR response.

Compact Nations. We appreciate our partnership with the three Compact Nations – the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau. USPACOM was pleased to host visits from the elected leaders of each of these nations during 2008. In concert with the U.S. Coast Guard, USPACOM fully supports their initiatives to expand capacity and operations to protect their valuable economic exclusion zone resources, and acknowledges the mutual benefit of our bilateral ship rider agreements concluded with each of the Compact Nations over the last year. U.S. Army Pacific Joint Task Force Homeland Defense headlines our special relationship with these nations to ensure our mutual defense, as set forth in the Compacts of Free Association. We also recognize the extraordinary support from the citizens of these nations and acknowledge those who serve with great distinction in the U.S. military and Coast Guard. The Marshall Islands host the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site, integral to the development of our missile defense programs and conduct of space operations.

New Zealand. New Zealand shares many U.S. security concerns about terrorism, maritime security, transnational crime, and the proliferation of weapons of mass destruction and delivery systems. New Zealand remains supportive of our global efforts in the struggle against violent extremism and extended its lead of the Provincial Reconstruction Team in Bamyan Province, Afghanistan through at least September 2010. Although the 1987 New Zealand nuclear-free zone legislative declaration and U.S. defense policy guidelines restrict bilateral military-to-military relations, the New Zealand Defence Force participates in many multilateral events that advance our common security interests. Currently, our Marines are supporting the New Zealand Force integration of their recently acquired multi-role maritime patrol vessel HMNZS CANTERBURY which we expect will enhance HADR efforts in the region.

New Zealand remains active in Pacific Island security initiatives, from stabilization efforts in Timor-Leste and the Solomon Islands, to operations in Korea, Sudan, and throughout the Middle East. Additionally, the New Zealand Defence Force supports our National Science Foundation efforts in Antarctica and provides the primary staging area for joint, multinational Operation DEEP FREEZE support.

Tonga. Tonga remains an extraordinarily committed U.S. partner in the struggle against violent extremism and is a regional leader in peacekeeping operations. The Royal Tongan Marines returned to Iraq in September 2007 for two six-month rotations and the Government of Tonga renewed their mandate for an additional year. With changes in the Iraq mission, the Tongan Marines returned home in December 2008. We look forward to the possibility of the Tongan Defence Service joining the international efforts in Afghanistan at some point. USPACOM security cooperation with Tonga supports their efforts to expand the peacekeeping capacity of the Tongan Defence Service through our annual Marine-led Exercise TAFAKULA and through Tongan participation in the region's GPOI capstone exercise.

READINESS

USPACOM is a Combatant Command committed to being a trusted partner and preeminent warfighter. We are a force ready and a force present. Within Asia and throughout the Pacific, in coordination with the Office of the Secretary of Defense, our U.S. Ambassadors and other government agencies, we work with and through our regional partners to combat violent extremism and transform vulnerable environments. We have made progress but must remain actively engaged.

Operation Enduring Freedom – Philippines (OEF-P). With U.S. Government (USG) assistance, the Government of the Philippines (GRP) reduced transnational terrorist organizations' capability, mobility, resources, and popular support to conduct attacks against U.S. and Philippine interests. Although these transnational terrorist threats are substantially diminished, they have not been eliminated, and the underlying conditions for a stable and secure southern Philippines have not been fully achieved. Success will require a persistent interagency approach.

NDAA Sections 1206 & 1207. With authority provided by Congress in Section 1206 of an amendment to the FY 2006 NDAA,USPACOM supported/managed/oversaw more than \$62 million to increase security capacity in Malaysia, Indonesia, the Philippines, and Bangladesh. By reducing unmonitored waterways, these countries restricted the freedom of movement of terrorists in the region.

We continue to work with our partners at the Department of State and USAID to formulate and integrate a Section 1207 proposal that enhances stability and reconstruction efforts across the theater. Section 1207 allows us to complement USAID and other U.S. government efforts in good governance and law enforcement unit capacity building.

Executed in full cooperation with the Department of State and our regional Ambassadors, Sections 1206 and 1207 authorities are effective tools to build regional capacity and deny safe havens to terrorists in Southeast Asia. USPACOM thanks the Congress for supporting these authorities.

Joint Interagency Task Force West (JIATF West). JIATF West is a USPACOM standing task force authorized to use Department of Defense (DoD) resources to advance regional interagency and multilateral cooperation against illicit drug-related transnational

criminal organizations threatening U.S. interests and regional stability. JIATF West partners with and supports U.S. law enforcement agencies, as well as host nation counterparts, to conduct this work. As the USPACOM Executive Agent for regional counter-drug efforts, JIATF West maintains strong programmatic continuity within the following lines of operation: training security forces, building security force infrastructure, and providing analytic and other intelligence support to U.S. law enforcement agencies and host nation counterparts.

JIATF West and our U.S. law enforcement partners recently supported the following national security elements: the Indonesian National Police & Counter Narcotics Bureau; the Royal Thai Police, the Royal Malaysian Police & Malaysian Maritime Enforcement Agency; and the Philippine Drug Enforcement Agency, National Police; and National Bureau of Investigation. Specific examples of JIATF West successes include fostering closer Indonesian and Philippine cooperation through an October 2008 formal agreement to share information on transnational crime between respective national fusion centers. JIATF West established these centers in both countries with strong U.S. Drug Enforcement Agency (DEA) support and sponsorship. In September 2008, Philippine security forces with recent JIATF West interdiction training disrupted a major trafficking operation in the Southern Philippines Sulu Sea region, where local Abu Sayyaf Group (ASG) sub-commanders conduct illicit activities to obtain weapons and supplies.

Communications System. The DoD communications infrastructure continues to be vulnerable to cyber exploitation and attack. USPACOM faces significant challenges to proactively counter cyber threats and maintain freedom of action in cyberspace. We work daily with Joint Task Force Global Network Operations to defend the Global Information Grid against cyber threats. We must proactively defend our critical Command and Control (C2) networks to

ensure confidentiality and integrity of the information. The mitigation of computer network vulnerabilities is a top priority.

USPACOM relies heavily on Military Satellite Communications (MILSATCOM) which shows increasing degradation and vulnerability. Many of the projected replacement systems have suffered funding cuts and schedule delays. USPACOM is engaged with our national satellite community to ensure SATCOM programs remain synchronized and availability gaps are addressed.

Intelligence, Surveillance, and Reconnaissance (ISR). USPACOM needs “pervasive and persistent surveillance,” defined as having the right assets able to observe and understand potential adversary’s plans and intended actions, especially in denied areas. The expansive size of the Asia-Pacific region, combined with finite available assets, means we must prioritize our ISR activities.

Advocacy of programs critical to USPACOM. USPACOM remains a theater of opportunities and challenges requiring the United States to maintain a credible warfighting capability. The trend toward new regional powers and presence of unpredictable actors necessitates that USPACOM maintain preeminence in military capability and understand the emerging threats to deter or defeat any aggression. To this end we must continue to advance our capabilities to better gauge intentions, enhance our ability to operate in an advanced electronic warfare environment, and continue to develop a ballistic missile defense system capability that will protect our high value assets and our territories.

As a theater dominated by the maritime environment we must maintain maritime superiority in a time of conflict. Undersea warfare capabilities of regional players in our theater are continuing to improve, and we must retain the competitive edge we now enjoy. The vast

distances encountered in USPACOM have the potential to stress critical air and sealift capabilities; we continue to look for ways to improve our ability to operate throughout the USPACOM AOR.

By increasing the capabilities of our partners in the theater, we will ensure that the relationships exist and the capability is present to facilitate current and future coalition support and multi-nation operations.

Undersea Superiority. The continued improvement of air, surface, subsurface, Command, Control, Communications, Computers and Intelligence (C4I) systems, acoustic modeling and navigation charts, and cooperative training and operations with partners and allies enhances our ability to operate effectively in the maritime domain. However, with the People's Liberation Army Navy (PLAN) modernization and their expanding area of operations, anti-submarine warfare remains a challenge and is the number one priority for U.S. Pacific Fleet (PACFLT). Maintaining an operational advantage also requires rigorous training at sea before deployment in the AOR. Without the recent Supreme Court ruling overturning two restrictions placed on the use of active SONAR in the waters of Southern California, our maritime force would have faced significant training challenges in preparing for deployment in the Western Pacific.

Combating Weapons of Mass Destruction. The centerpiece for our activity remains the Proliferation Security Initiative (PSI), which aims to build global capacity to disrupt the proliferation of weapons of mass destruction, delivery systems, and related materials among states and non-state actors of proliferation concern. Fourteen nations within the AOR have endorsed the PSI (Australia, Japan, Singapore, New Zealand, the Philippines, Brunei, Cambodia, Fiji, Mongolia, Marshall Islands, Sri Lanka, Papua New Guinea, Russia and Samoa). We

continue to work towards expanded participation during regional military-to-military engagements.

While a common commitment to counterproliferation is important, we also made gains with the essential next step – exercising counterproliferation capabilities. In September 2008, USPACOM participated in the PSI Exercise MARU hosted by New Zealand. DoD personnel participated in a Boarding Operations demonstration, followed by U.S. Coast Guard (USCG) personnel providing in-port demonstrations. In November 2008, USPACOM participated in a Singapore-hosted Table Top Exercise to assess Singapore’s current capability and capacity for dealing with a WMD event. USPACOM, in coordination with the Office of the Under Secretary of Defense for Policy, conducted Chemical, Biological, Radiological, Nuclear (CBRN) Defense and Consequence Management bilateral working groups with Japan, the Republic of Korea, and Singapore with the intent of improving interoperability and mutual response capability and capacity. These activities will become increasingly multilateral.

Maritime Domain Awareness (MDA). USPACOM fully supports the Maritime Domain Awareness process. MDA ties the whole-of-government approach and regional partnerships together to maintain a coherent picture of our AOR. The end result of the MDA process is the ability to locate seaborne smugglers of weapons of mass destruction, terrorists, combatants, and other criminal activity.

While there have been growing pains in the process, we have seen success in integrating partner countries. Our traditional allies continue to collaborate with us while we work to add more partners to the collective. Building Partner Capacity (BPC) program funds have created opportunities for us to improve the capability throughout the AOR.

Pandemic Influenza (PI). USPACOM supports our national strategy for a pandemic influenza response with a robust plan and is prepared to support lead agencies (Department of Homeland Security, Department of Health and Human Services, Department of Agriculture, and Department of State) at the national level. Exercise LIGHTNING RESCUE 08 tested the State of Hawaii's pandemic influenza response and the domestic linkages to the USPACOM pandemic influenza plan and response. Exercise TEMPEST EXPRESS 15 tested our coordination mechanisms, at both the strategic and the operational civil-military levels, in the event of a foreign pandemic influenza outbreak. Over 20 countries, along with members of the United Nations and several Non-Governmental Organizations (NGOs), participated.

The Center for Excellence in Disaster Management and Humanitarian Assistance (COE-DMHA) executes workshops for civil-military influenza cooperation in the AOR. The COE and Malaysian Armed Forces Health Services hosted a Senior Leader Pandemic Influenza Capstone Seminar last August with 15 countries attending. USPACOM collaborates with Centers for Disease Control, World Health Organization, World Food Program, Food and Agriculture Organization of the U.N., and conducts "Laboratory and Rapid Response" train-the-trainer workshops. We are working to improve our cooperation with U.S. Agency for International Development (USAID) which will bring additional opportunities for regional engagements in 2009-2011.

Quality Of Life. The USPACOM partnership, readiness and presence goals require well-equipped, well-trained professionals who are sustained by programs that enhance their quality of life. Exceptional support by Congress has provided consistent pay raises, enhanced compensation and benefits, expanded medical and dental services, derived lasting care and

treatment for veterans and wounded warriors, and secured comprehensive support for our military dependents.

The education of our children remains paramount to sustaining military families, retaining our service members, and, ultimately, our future. Congressional appropriations and initiatives enriched our educational programs, built new schools, and aided the ongoing transformation of our forces. Efforts like the Interstate Compact on Educational Opportunity for Military Children, the Hawaii Joint Venture Education Forum, Tripler Army Medical Center's "Project Assist," and the Department of Defense Education Activity's "Partnership Pilot Program for Hawaii Public Schools" all reflect the sincere dedication of Congress to our military children and their teachers. Specifically, I appreciate the military construction funding which provided two state of the art facilities for our military children on Guam. Looking at the sweeping transformation and force posture changes throughout the Pacific theater, I request your continued support and dedication to military child education, the number one priority for our families.

PRESENCE

Our current level of force presence and posture is essential to maintain stability in the Asia-Pacific region. Our presence reassures our allies and partners and dissuades those who would threaten the security of the region. We will sustain our warfighting readiness and credible combat power through programs that support training, education, and quality of life for USPACOM personnel.

The Defense Policy Review Initiative (DPRI). DPRI, initiated by the Secretary of State and Secretary of Defense with their counterparts in December 2002, will significantly impact our

forces in the Japan posture realignment. This agreement was codified by Secretary Clinton during her recent visit to Tokyo. Major elements of the Realignment Roadmap with Japan include relocating two U.S. air bases from urbanized to rural areas; transferring approximately 8,000 Marines from Okinawa to Guam; co-locating U.S. and Japanese command and control capabilities; deploying U.S. missile defense capabilities to Japan, in conjunction with Japan's own deployments; and improving operational coordination between U.S. and Japanese forces. Both the Governments of Japan and the U.S. remain committed to the provisions of the DPRI.

USMC Relocation to Guam. The rebasing of 8,000 Marines and their dependents from Okinawa to Guam enhances the flexibility of the forward-based Marine presence in the USPACOM AOR and eases the burden on the people of Japan. The Joint Guam Program Office, led by the Department of the Navy, continues to manage all aspects of this relocation effort. We plan to begin upgrades to the military infrastructure, housing, and training facilities on Guam in 2010.

U.S. Forces Korea (USFK) Transformation. We continue to support transformation on the Korean Peninsula with the full cooperation of the Republic of Korea (ROK) Government. U.S. forces will consolidate into two enduring hubs south of the Han River, resulting in a less intrusive U.S. military footprint. To increase readiness and boost the quality of life for Korea-based forces, the Department of Defense (DoD) approved "tour normalization" resulting in longer family accompanied tour lengths. This aspect of transformation is good for our service members and reinforces our commitment to our alliance with South Korea.

The Secretary of Defense and the ROK Minister of National Defense confirmed, during the 40th U.S. – ROK Security Consultative Meeting in October 2008, that we are on schedule to transfer responsibility for wartime operational control (OPCON) from the U.S. to the ROK in

2012. As part of this transition, the U.S.-led Combined Forces Command (CFC) will be deactivated and U.S. Forces Korea (USFK) will become a U.S. joint warfighting command, provisionally-titled Korea Command (KORCOM). The new command is charged to support the ROK military in defense of their nation. The robust combined training and exercise program is the primary mechanism to validate the new command relationship which will see the U.S. military in a supporting role to the ROK military. One of two major theater-level exercises in Korea, Exercise ULCHI FREEDOM GUARDIAN in August 2008, was the first test of the future command structure with two separate, but complementary ROK and U.S. warfighting headquarters. The exercise was a success and demonstrated the capabilities of the ROK military to lead the U.S. – ROK combined forces.

Although we have seen significant progress, a great deal of work remains for the transformation of the U.S. – ROK alliance. USPACOM is actively engaged with USFK to ensure that the structure, function, and capabilities of the future KORCOM will make our enduring U.S. – ROK alliance stronger.

Preferred Munitions / Prepositioned Stocks. Due to time-distance challenges in the Pacific theater, our forces require readily available and properly maintained preferred munitions and prepositioned stocks at the outset of any conflict. Over the past year, USPACOM Service Components made steady progress in improving inventory levels of preferred munitions.

Missile Defense. To defend U.S. forces, interests, and allies from short, medium range and intermediate range ballistic missiles, USPACOM seeks a forward-deployed, layered, and integrated air and missile defense system that is capable of intercepting threat missiles throughout the entire time of flight. USPACOM established an initial missile defense capability by forward deploying the Standard Missile 3 (SM-3) aboard U.S. Navy Aegis ships, integrating a

forward-based X-band radar into the Ballistic Missile Defense System (BMDS) architecture, conducting BMD exercises and training with key partners, and refining the tactics, techniques, and procedures required for coordination with U.S. Northern Command (USNORTHCOM) and other Combatant Commands. Increased inventories of both PATRIOT PAC-3 and SM-3 interceptors, continued development of far-term sea-based terminal and boost phase interceptor capabilities and enhanced non-kinetic offensive and defensive capabilities would effectively build on the initial missile defense capability already deployed in the USPACOM AOR. Additionally, basing an air and missile defense capabilities in Guam would increase our BMD forward presence. The Army continues to work with the Joint Guam Project Office to set the conditions for air and missile defense on Guam.

As the Government of Japan fields its own national Ballistic Missile Defense System (BMDS) consisting of PATRIOT PAC-3 Fire Units, Aegis SM-3 capable ships and new search and track radars, USPACOM will continue to work closely with our Japanese allies to maximize our bilateral planning efforts to achieve the most effective bilateral employment of this combined capability. As we grow the overall BMD architecture, interoperability will play an even greater role. Accordingly, it is vital to mission success to have communication systems capable of integrating across the joint spectrum as well as with our partner nations.

Acquisition and Cross-Servicing Agreements (ACSA). ACSAs are bilateral agreements for exchange of logistics support, supplies, and services. They are used to enhance interoperability and readiness, and provide a cost effective, legal mechanism for mutual logistics support between U.S. and allied or partner military forces. USPACOM forces that participated in FY07/08 exercises such as COBRA GOLD, TALISMAN SABER and BALIKATAN were able to reduce their logistics footprint by using ACSAs. Furthermore, ACSAs have been

particularly helpful in conducting operations in the struggle against violent extremism. For example, we have made extensive use of the current agreement with the Philippines to support Armed Forces of the Philippines (AFP) operations against terrorist cells in that country.

USPACOM has twelve ACSAs in place. We are negotiating with Australia to renew the current ACSA. We continue work on concluding agreements with the following countries: India, Vietnam, Papua New Guinea, Indonesia, Brunei and Timor-Leste. These agreements will yield positive results and are viewed as vital in maximizing our interoperability and increasing the readiness of coalition partners in the Pacific region.

Security Assistance. Foreign Military Financing (FMF) and International Military Education and Training (IMET), executed in partnership with the Department of State and our embassy country teams, are critically important features of the USPACOM Theater Campaign Plan and are powerful engagement tools for building security partnerships with developing countries. FMF continues to prove its value in equipping and training regional partners to more effectively contribute toward common security goals and is vital to supporting U.S. partners such as the Philippines, Indonesia, and Mongolia in combating violent extremism.

IMET is the program of record where defense and diplomacy join to advance U.S. interests by educating participants in essential principles of a professional military force, creating trust and influence, access and interoperability. IMET provides lasting value to the individual participants, the respective nations and the United States. The program is a modest but highly effective investment that yields productive personal and professional relationships, fostering a more secure and stable region.

Enlisted Leader Development -- Partner Nation Enlisted Development. We place a premium on developing the enlisted leaders of partner nations in the Asia-Pacific. To that end,

we are assisting selected militaries as they work to create a professionally-committed, competent, and empowered enlisted force. The operational success across the full spectrum of security interests of these nations is enhanced through professional enlisted forces that directly contribute to the struggle against violent extremism, global peacekeeping initiatives, and humanitarian assistance. For example, we are currently supporting the transformation efforts of Indonesia, Republic of the Philippines, Mongolia and Taiwan.

Joint Exercise Program (JEP). The USPACOM Joint Exercise Program remains a productive and tangible part of our Theater Campaign Plan and joint training plan. The Joint Exercise Program continues to mature and advance the USPACOM partnership, readiness, and presence while improving interoperability with allies and partner nations. USPACOM is currently undertaking a thorough review of its program to realize greater efficiencies, mitigate strains on the force, and seek opportunities for expanded engagement with allies and partner nations.

To maximize the important engagement opportunities afforded by the Joint Exercise Program, it is a USPACOM priority to increase multinational participation in the exercises, and we are realizing success. In 2008, Exercise COBRA GOLD expanded to include 24 participating nations with Japan, Indonesia, Thailand, and Singapore participating in all of the exercise events for the first time, and China observing. Additionally, the United Nations (UN) Force Headquarters was completely manned and operated by partner nations, representing a major advancement in partner nation capability. Interoperability is also stressed in exercises, including BALIKATAN and TALISMAN SABER. We continue to advance our ability to plan and operate successfully in an “integrated” environment.

This past year marked the first year of executing our training and exercise programs under the Combatant Commander Exercise Engagement Program (CE2). By almost every measure, CE2 has fulfilled its charter. It has provided USPACOM an effective and adaptable means of funding for our joint, multinational, and “whole-of-government” training programs, at all levels.

CE2 funding enables a wide range of priorities for USPACOM, including force readiness and interoperability, partner nation capacity building, multinational training, and military-to-military engagements. Continued Congressional support acknowledges the critical role training and engagement activities play in providing security and stability in the Pacific.

Global Peace Operations Initiative (GPOI). GPOI is an initiative in support of a G-8 action plan to build competent and professional peacekeepers worldwide. Within the Asia-Pacific region, the USPACOM implementation of the GPOI program continues to leverage existing host-nation programs, institutions, policies, and exercises. This program is one of our key components for fostering military-to-military relationships and meeting theater campaign objectives among nations within the Asia-Pacific region. We encourage long-term sustainment of qualified peace support operations forces through a train-the-trainer approach, ensuring standardization and interoperability, and working within the framework of United Nations guidelines. To date, USPACOM has produced over 3,256 tactical peacekeepers, 1,097 qualified staff officers, and 499 trainers available for immediate worldwide deployment.

In 2009, USPACOM will fully implement the GPOI program in Bangladesh, Cambodia, Indonesia, Malaysia, Mongolia, Nepal, Sri Lanka, Thailand, and Tonga, and will begin implementation in the Philippines and Vietnam. We expect to train 5,000 peacekeepers this year. Also, in June 2009 and in conjunction with Indonesia, USPACOM will host the largest

multinational peacekeeping capstone exercise conducted in the Asia-Pacific region, with all 11 current regional GPOI partner nations participating.

Multinational Planning Augmentation Team (MPAT). The MPAT is a multinational program established in 2000 by the Chiefs of Defense of the countries in the USPACOM AOR. In a part of the world where there are no comprehensive regional security arrangements like NATO, MPAT was set up to develop procedures to facilitate the establishment of a multinational task force headquarters, focusing on military operations other than war -- from humanitarian assistance through peace operations, including aspects of counter-terrorism. This entails training a cadre of military planners in each of the participating MPAT nations who are available to support or augment a multinational response.

Thirty-one nations' militaries are part of the MPAT program, which is supported by United Nations humanitarian agencies (for example, the World Food Program and the Office for the Coordination of Humanitarian Affairs), the Red Cross and Red Crescent, and numerous Non-Governmental Organizations (NGO). USPACOM provides the MPAT Secretariat that supports and coordinates the activities of the program. By developing and practicing common operating procedures, developing possible responses to natural disasters and other humanitarian crises, and working with the various civil, relief, and international organizations, the MPAT cadre and the countries they represent are enhancing regional security cooperation and increasing our collective capacity to respond to crises in the Asia-Pacific region. As part of the program, the MPAT nations have developed and use a Multinational Force Standing Operating Procedures (MNF SOP) to enable multinational operations in the theater.

Recent MPAT events have focused on building capacity for responding to humanitarian crises, reflecting one of the most likely contingencies in the Asia-Pacific region. The MPAT

program continues to serve as an excellent tool for regional engagement and building capacity. It is our most productive multinational program.

PACIFIC PARTNERSHIP. USNS MERCY deployed to Southeast Asia and Oceania for 150 days from May to September 2008 to perform public diplomacy. The mission consisted of humanitarian assistance and theater campaign plan activities focused on improving regional stability, building partner capacity, and demonstrating U.S. commitment. Pacific Partnership enhances strategic partnerships through public diplomacy and goodwill established during its previous missions in 2005, 2006, and the USS PELELIU mission in 2007. The Pacific Partnership 2008 team of regional partners, NGOs, military engineers, doctors, dentists, veterinarians, and the Pacific Fleet Band provided support to the Philippines, Vietnam, Timor-Leste, Papua New Guinea, and Micronesia. Together they conducted 128 Medical Civic Action programs, seeing 90,963 patients. In addition, they treated 1,369 surgical patients, 14,866 dental patients, 6,665 veterinary patients and completed 26 engineering civic-action projects for the betterment of the host nation populace. In 2009, the USS Dubuque, a smaller ship with reduced medical capability, will conduct PACIFIC PARTNERSHIP with a shift from on-board medical care to an increased emphasis on primary care ashore and long-term capacity building efforts.

PACIFIC ANGEL. PACIFIC ANGEL employed the exceptional capabilities of the Pacific Air Forces International Health Services to conduct humanitarian assistance and public diplomacy in Southeast Asia. This unique C-130 based humanitarian assistance operation helped increase public health capacity as well as cooperation and understanding among the armed forces and peoples of Cambodia, Thailand, and the United States. In just 17 days, from May to June 2008, 6,880 medical patients, 966 dental patients, and 978 veterinary patients were assisted by U.S., partner nation, and NGO medical personnel providing health care, building health care

capacity, and increasing cooperation. In the future, USPACOM will continue similar missions using the unique capability of the C-17 to bring assistance to remote, generally isolated locations in the Asia-Pacific region to foster regional cooperation and build host nation capacity.

Center for Excellence in Disaster Management and Humanitarian Assistance (COE-DMHA). COE-DMHA is a direct reporting unit to USPACOM and is the principal organization to promote stability, security and resiliency in the Asia-Pacific region. COE-DMHA facilitates education and training in disaster management, humanitarian assistance, societal resiliency, and health security to develop domestic, foreign, and international capability and capacity. In FY08, COE-DMHA participated in multinational capacity-building efforts throughout the AOR, including international disaster management, civil-military coordination and humanitarian resiliency educational workshops, seminars, and conferences to promote effective management of complex contingency situations. COE-DMHA efforts to create, enhance, and broaden regional partnerships are an integral part of the USPACOM effort to foster a secure, stable region while improving responsible governance and promoting universal individual liberties.

Asia-Pacific Center for Security Studies (APCSS). APCSS supports USPACOM multinational security cooperation and capacity-building efforts through its programs of international executive education and tailored assistance on important security challenges that educate, empower and connect key regional security-practitioner leaders. FY08 witnessed continued expansion of this critical international network, with 12 newly-formed alumni associations added throughout the region. APCSS workshops and other outreach events produced significant actionable outputs addressing key security issues facing Indonesia, Mongolia, Timor-Leste, and others, collaboratively developed by participants with APCSS facilitation. Transformational progress achieved during FY08 in the areas of educational

technology and services that enrich the APCSS learning environment is already paying dividends in terms of enhancing participant-centered learning and connection to global audiences. These initiatives will continue to build a community of interest and action to advance progressive change in specific security-cooperation areas.

Joint POW/MIA Accounting Command (JPAC). JPAC has an important and honorable mission: achieve the fullest possible accounting of Americans missing from our nation's conflicts. JPAC successfully accomplished 69 missions globally last year. The JPAC Central Identification Laboratory identified 82 unaccounted Americans from the Vietnam War, Korean War, and World Wars I & II. In conducting its recovery and investigation mission during 2008, JPAC relied upon cooperation from Cambodia, Vietnam, Laos, Republic of Korea, India, Japan, Papua New Guinea, Palau, Canada, Solomon Islands, Suriname, Hungary, Germany, France, and Indonesia. We anticipate similar results in the coming year. JPAC conducted one mission to India in October 2008 with the second mission ongoing from February – April 2009. JPAC continues to engage with the People's Republic of China on details attendant to a mission there. Operations in North Korea remain suspended, but we are prepared to resume discussions on the resumption of operations when conditions permit and upon interagency approval.

In FY09, the Navy programmed \$8.4M for design plans for a new JPAC facility located on Hickam AFB, Hawaii, with construction scheduled to begin in FY11 and continue with the final increment in FY12. I appreciate support for this new facility that reinforces America's commitment to those that have honorably served and gave their lives in the ultimate sacrifice, and to those that continue to honorably serve the nation.

SUMMARY

USPACOM is a force for peace and a steadfast partner throughout the Asia-Pacific. Our long-term priorities promote a region that is stable, secure and at peace. We are engaged extensively throughout the AOR to advance our theater campaign goals through partnership, readiness, and presence. We are committed – along with our allies and partners – to turn the promise of a stable and secure region into reality and transform challenges into opportunities that strengthen regional relationships and cooperation. We are fortunate to have traditional allies, and both existing and emerging partners, who are willing to promote conditions for security and stability, and collaborate for the well-being of the people in the Asia-Pacific.

We are very aware that without the unwavering support of the Congress and the American people, we cannot succeed. I am proud and honored to represent the men and women of the U.S. Pacific Command and, on their behalf, thank you for your support.

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THE HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

GENERAL BANTZ J. CRADDOCK, USA

COMMANDER,

UNITED STATES EUROPEAN COMMAND

BEFORE THE HOUSE ARMED SERVICES COMMITTEE

ON

24 MARCH 2009

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INTRODUCTION

The United States European Command (EUCOM) defends the United States from forward positions in Europe; protects U.S. citizens; and creates and maintains an environment that advances U.S. strategic interests. EUCOM's strategic environment has evolved significantly over the past year, particularly because of Russia's newly assertive posture towards our friends and Allies, both those on its borders and those who depend on it for energy. This evolution represents an additional element of the global security spectrum which confronts EUCOM. Enduring challenges remain: potential regional conflicts, unstable nations with poor governance, separatist movements, continued challenges from transnational terrorism, violent extremism, and the proliferation of Weapons of Mass Destruction. Other new challenges confront us in the realm of cyber security and disputes over territorial and economic claims in the Arctic.

Because these challenges are not limited to the traditional geographic confines of Europe, the Black Sea, and Eurasia, EUCOM is transforming to meet them. Our efforts in Building Partner Capacity (BPC) promise to be the strongest and most flexible response to this broad spectrum of threats. EUCOM BPC efforts are the most visible signal of the shift that the Command has made to focus on enhancing the peace and stability of our area of responsibility, while at the same time providing our Allies and partners with the tools required to more effectively operate outside of the traditional Area of Responsibility (AOR). In times of fiscal constraint, cooperative efforts such as our BPC programs also make more than just strategic sense.

Permanently stationed forces have proven to be an indispensable tool for conducting effective BPC activities and building trust, confidence, and interoperability with our partner nations. They are able to solidify the long-term, stable relationships that cannot be built with

rotational forces. Permanently assigned forces can conduct BPC activities more frequently and less expensively than rotational forces, are more responsive and flexible in a crisis, and are essential to our ability to export security from Europe. Permanently assigned air, land and naval forces are also those that stand ready to defend U.S. and Allied national sovereignty and vital national interests and deter any potential adversaries anywhere in the world

Investment in maintaining EUCOM's present strength will be repaid many times over in stronger partners, a more stable environment, and effective action should it become necessary. These security dividends are outlined in our eight long-term Theater Objectives, which also provide focus and purpose for all EUCOM activities. These Theater Objectives are:

- EUCOM forces are transformed and expeditionary, trained and ready for global deployment and prepared to execute joint/multinational operations and training
- North Atlantic Treaty Organization (NATO) is capable and willing to conduct out-of-area operations
- European partner nations and organizations work with EUCOM to actively solve common problems
- Partner nations have the capacity to provide for their own security and to sustain regional stability
- Protection of Allies, partners, and U.S. interests is assured
- Basing and access support strategic freedom of action and security cooperation activities
- Russia acts as a responsible partner with the U.S., our Allies, and our partners
- Local crises are prevented from becoming regional conflicts.

Of course, no strategy can stand alone. It stands on the daily efforts of all of the Active Duty and Reserve Component servicemembers assigned to the Command. Ensuring an appropriate quality of life for the servicemembers who implement this demanding effort is an essential parallel investment.

This Posture Statement will outline the strategic environment, describe the key elements of EUCOM's Strategy of Active Security, detail the activities of our Service Component Commands, specify our theater investment needs, and describe EUCOM's support to NATO.

STRATEGIC ENVIRONMENT

The EUCOM Area of Responsibility (AOR) includes Europe, Russia, the Caucasus, Greenland, and the waters within these borders (see Enclosure 1). Composed of 51 independent states, the AOR is home to approximately 825 million people, 12 percent of the world's population. Over 200 ethnic groups speak more than 80 languages, profess over 50 religious affiliations, experience the full range of human conditions, and live under a variety of systems of government.

Regional Approach

The extent of U.S. interests and relationships within the theater requires a regional approach focused on engagement in Europe and that part of the EUCOM AOR that lies within Eurasia. Interregional linkages and secondary effects require theater-level coordination against transnational challenges that consistently cross traditional geographic, political, and organizational lines. Often the events in one region are directly associated with effects in another.

Europe and NATO

The protection from state-based threats the United States has enjoyed for over 60 years is a product not only of its ocean buffers. Our security in that time has been tied ever more closely to that of our Allies and partners in Europe. The last six decades have been an unprecedented period of security, stability, and prosperity. NATO has successfully promoted stability and security throughout its history and it remains the world's premier security organization. For over a decade NATO has also undertaken major missions outside of its members' territories, most recently leading the International Security Assistance Force (ISAF) in Afghanistan. NATO and ISAF are central to improving both the security and governance of Afghanistan. They protect

Afghanistan's citizens from Taliban and other insurgents and seek to improve the ability of Afghanistan to protect and govern itself in the future. If ISAF, and hence NATO, fails, it will have a direct and dire impact on our own future national security.

Over the last 20 years, EUCOM has taken the opportunity offered by the emergence of new democracies in Central and Eastern Europe to shape defense reform, emphasize the rule of law, and assist in training deployable units to support operations in Afghanistan and Iraq. Extending NATO membership to a number of Central and Eastern European nations has not only helped facilitate the spread of democratic values and institutions, it also provided a promise of security and protection. This is key in areas like the Baltic states, who identify themselves politically and economically as part of Western Europe and as members of NATO enjoy the additional security of the Alliance's Article 5 protection. Defense reforms through targeted security cooperation activities also bring about significant military interoperability between U.S. and NATO forces. Direct interaction with U.S. forces has succeeded both in developing useful military capabilities and in establishing reliable Allies whose political and material support has proven invaluable. In addition, the basing and facilities the United States maintains on Allied soil enables U.S. global presence, access, and crisis response capability.

Not all trends, however, are positive. The defense budgets of many NATO nations have fallen to levels that jeopardize their ability to sustain operational commitments to both coalition and NATO-led forces and make long-term strategic military capability commitments to meet the Alliance's 21st Century missions. The current global economic slowdown may exacerbate this situation. The demand for the security that NATO and its institutions provide, however, sees no concurrent slowdown. Indeed, there has never been a greater need for the security NATO and our European allies can provide, even beyond NATO's borders.

Kosovo continues to be a source of instability in the greater Balkan region. After over 8 years as a UN-administered Serbian province, Kosovo declared independence on 17 February 2008. The U.S. recognized the fledgling government and is encouraging the 27 members of the European Union (EU) to unite in recognizing Kosovo, 22 of which have done so thus far. Political and diplomatic efforts are expected to continue throughout 2009 as Kosovo prepares to generally implement the tenets of the Ahtisaari recommendations, although second-order effects of the 17 February declaration may impede progress.

The NATO-led Kosovo Force (KFOR) is the most respected security organization in Kosovo. It is well positioned, well trained, well prepared, and committed to providing a safe and secure environment. KFOR has close to 15,000 troops from 32 nations. EUCOM will remain committed to Kosovo for security cooperation, security assistance, and defense reform for the long term through the International Military Education and Training (IMET) and Foreign Military Financing (FMF) programs. EUCOM will assist NATO in training an NCO corps within the Kosovo Security Force (KSF) and support NATO in the stand up of a Ministry for the KSF. Additionally, EUCOM will purchase uniforms for the nascent 2,500-man KSF.

Significant overall progress has been made in defense reform in the Balkans despite difficult political, economic, and social challenges. EUCOM is focusing its security cooperation and BPC programs to help integrate the Balkan nations into the Euro-Atlantic community. EUCOM activities supported the Adriatic Charter nations (Croatia, Macedonia, and Albania) for NATO accession at the Bucharest Summit in Apr 08, facilitates Intensified Dialogue for Bosnia-Herzegovina and Montenegro, and is encouraging Serbia to move closer toward NATO cooperation.

We will work aggressively to accelerate defense reform in the Balkans and address their toughest issues. These include: training/equipping deployable forces to contribute to stability operations in Iraq or Afghanistan; establishing human resource management, multi-year budgeting, organic logistics capability, and building the capacity of defense institutions. A robust military-to-military relationship, including exercises, high-level visits, State Partnership Program events, and EUCOM component activities will increase regional stability. We believe our security cooperation activities will contribute to combating the transnational threat of terrorism that might be resourced by the abundant stockpiles of small arms, light weapons, ammo, and man-portable air defense systems endemic to the Balkan region. EUCOM will work with other agencies and NATO to assist and advocate the destruction of excess stockpiles and to better secure and manage retained stockpiles. EUCOM will encourage Balkan nations to become contributing members of the trans-Atlantic family and foster security and stability throughout the region. NATO presence is a critical enabler toward that goal in this potentially volatile area.

Black Sea/Eurasia

Eurasian nations in EUCOM's theater face a wide spectrum of threats to their security and stability. This region is the most conflict-plagued area along the Euro-Atlantic perimeter. Terrorism, illegal arms and drugs trafficking, transnational crime, secessionist pressures, frozen conflicts, economic crisis, ethnic and religious tensions, and demographic trends challenge regional cooperation and sustained strategic partnerships. U.S. interests and Western interests generally in this region require stable, reform-oriented states in control of their own borders, safe from external military or economic pressures, secure as energy transit routes, and capable of supporting Alliance/coalition operations. This region is important for a number of significant reasons some of which include: WMD proliferation, counterterrorism, strategic access to bases

and theaters of operation in Central Asia, coalition support, and westbound transit routes for Caspian energy supplies. Security and stability of this region are necessary to sustain U.S. interests, operations, and initiatives.

The greatest challenge which affects the entire region is how we engage with Russia. We are in a time of uncertainty in the U.S. - Russian relationship brought about by disagreements over European security, Russia's role in what it regards as its neighborhood, and Russia's decision to send forces into Georgia and to recognize the breakaway regions of South Ossetia and Abkhazia. The refusal of any neighboring country to endorse Russia's recognition of South Ossetia and Abkhazia reflects regional unease over a revanchist Russia. Russian-European energy interdependence is a key factor in their broader relationship and calculations. The relationship with Russia is likely to be more difficult to manage in coming years than any time since the end of the Cold War. That said, national and NATO efforts are underway to explore areas where security could be strengthened through arms control regimes, consultations, and military cooperation.

Despite previous progress in our military-to-military cooperation with Russia, events in Georgia clearly set back expectations for at least the near term. Bilateral military-to-military cooperation activities were suspended in the aftermath of the conflict in August 2008. Prior to suspension, Russia took a number of steps that signaled their desire to engage with U.S. forces. They began fully funding their own participation in activities with U.S. forces - a significant change from previous years - and ratified the NATO Partnership for Peace Status of Forces Agreement which is now in effect. Russian leaders, political and military, have signaled that the door remains open to closer cooperation. Nevertheless their actions in Georgia in August 2008,

and with European natural gas supplies in January 2009, suggest that their overall intent may be to weaken European solidarity and systematically reduce U.S. influence.

EUCOM seeks a pragmatic military-to-military relationship with a Russia that is a responsible partner in security affairs. How we and our European Allies and partners engage Russia will affect what role Russia plays. While taking steps to assure Allies and partners, EUCOM stands ready to use the important tool of security cooperation in concert with interagency partners to rebuild a structure for our bilateral relationship with Russia that allows wide-ranging and candid engagement on all issues of concern.

The Mediterranean Sea and its environs have long been noted as a strategic opening, for good or ill, into the European heartland. This opening is also now vulnerable to use by violent extremists, transnational criminal activities, and ballistic missiles. Continued engagement with, and presence in, the area are also key to our shared security.

A secular democracy with a Muslim population, Turkey is an example of the successful integration of these two elements. It is also geographically, economically, politically, and militarily critical. Turkey's geostrategic location, European orientation, NATO membership, and enduring relationship with the U.S. make it a bridge of stability between the Euro-Atlantic community and the nations of Central Asia and the Arabian Gulf. Its international lines of communication are an important factor in energy security. Its proximity to Iran, Iraq, Syria and Russia ensure Turkey will continue to play a vital role in international efforts to combat terrorism.

At the same time, Kurdistan Workers' Party (PKK/KGK) terrorist attacks that emanate from northern Iraq strain the relations between Iraq and Turkey and threaten regional stability. Earnest dialogue can continue to facilitate the resolution of this problem. While there is no

solely military solution to the PKK/KGK terrorist issue, improving Turkey's ability to limit the organization's ability to cross the border between Iraq and Turkey is an essential step. This will improve the stability of northern Iraq, contribute to the overall stability of the region, and increase Turkey's chances of acceptance into the EU.

In the Levant, persistent conflict between Israel and Palestinian groups perpetuates regional instability. While significant, neither the 2006 Israeli war against Hezbollah forces in Lebanon nor the recent military action against Hamas in Gaza proved decisive in eliminating immediate threats to Israel's security. February elections for the Israeli Knesset failed to provide a clear and unequivocal policy mandate for a new government, while infighting between the Hamas and Fatah factions prevents adoption of a coherent Palestinian position toward Israel. Thus, in the near term, these enduring challenges to the Middle East peace process ensure that the outlook for achieving a lasting resolution of these intractable issues remains unsettled. In order to build prospects for peace and security in the Levant and, by implication, the rest of the broader Middle East, EUCOM must remain engaged in this vital and volatile region.

The Caucasus is an important area for the U.S. and its partners. Caucasus nations actively support Operation IRAQI FREEDOM and ISAF by providing both with troops and over-flight access for critical supply lines from EUCOM to the CENTCOM AOR. They provide alternative energy sources from the Caspian Sea basin and alternative routes of access to Central Asian energy reserves. It is an important region for European energy diversification.

Georgia actively seeks NATO membership and, prior to its withdrawal during the conflict with Russia, was the number one OIF coalition contributor per capita and second only to the United Kingdom in terms of total troops. Georgia has also recently approved a resumption of troop contributions to ISAF. Along with Ukraine, Georgia has requested favorable consideration

of a NATO Membership Action Plan. Following the cessation of hostilities with Russia, EUCOM dispatched assessment teams to Georgia to ascertain the precise status of the Georgian defense establishment. EUCOM remains committed to helping Georgia become a strong and capable regional partner in accordance with USG policy.

Azerbaijan has taken deliberate steps towards Euro-Atlantic integration, to include realigning its staff structures to NATO standards, training a company to NATO standards under the Operational Capabilities Concept, and it recently began a Strategic Defense Review which the U.S. is leading with support from Latvia, Lithuania, and possibly Turkey. Its close proximity to Iran, Russia, and Caspian Sea energy resources makes it important to U.S. strategic interests. Azerbaijan provides an alternative energy source for our European Allies. An example of the region's growing importance to the global market is the Baku-Tbilisi-Ceyhan pipeline, bringing oil from the Caspian Sea to the Mediterranean.

Furthermore, Azerbaijan's support to the U.S. in global security has been substantial, including being a troop contributor to KFOR, ISAF and OIF. Until recently, Azerbaijan had 151 troops deployed to Iraq, and recently doubled its ISAF commitment to 90 soldiers. In January 2007, Azerbaijan extended blanket diplomatic overflight clearance for U.S. government and contract flights in support of OEF and OIF – extremely important from both political and operational points of view.

Some nations of the Caucasus are exporting security by actively supporting efforts to fight terrorism, but continued corruption and a lack of transparency limit progress with defense reform efforts in this region. Internecine conflicts also continue to challenge security and long-term stability in the region. Armenia and Azerbaijan are stalemated over Nagorno-Karabakh; the status of Transdnistra has not been officially defined; South Ossetia and Abkhazia recently

declared independence from Georgia, declarations which were immediately recognized by their *de facto* patron state, Russia. These conflicts will remain significant obstacles to long-term regional stability.

Early optimism as a result of the Ukrainian Orange Revolution has faded as crisis and uncertainty undermined the functioning of domestic institutions and increased tensions with Russia. Ukraine, nevertheless, remains an important bridge between East and West. Its strategic location, contributions to international operations, and its government's policy of Euro-Atlantic integration make it an increasingly important regional partner. The Ukrainian government's desire to achieve Western standards of political, economic, and defense reform represents a sharp break with its Cold War past. Like Georgia, it has recently requested favorable consideration of a NATO Membership Action Plan. It is the only non-NATO nation providing or offering forces to all four major NATO operations: ISAF, NATO Training Mission in Iraq (NTM-I), KFOR, and ACTIVE ENDEAVOR.

Transnational Terrorism

There is a growing awareness among many nations in the EUCOM AOR of violent extremist threats to their populations. Attacks in Europe during recent years demonstrate intent to extend the battlefield beyond Iraq and Afghanistan. While attacks during 2008 were fewer than previous years, partner nation law enforcement officials continued to uncover terror plots and arrest terrorism suspects with alarming regularity. EUCOM continues to deal with the threat of terrorism in all its forms.

Many violent extremist groups are integrally tied to criminal and smuggling networks. Illegal activities such as narcotics trafficking, document forgery, and credit card fraud help fund extremist operations while Europe's open borders facilitate travel across the region. Terrorists

clearly wish to use Europe and Eurasia as sanctuaries and logistics centers. Additionally, there is a growing trend of extremist organizations recruiting and training Western European citizens and returning them to Europe to launch attacks targeting U.S. and Allied installations and personnel.

Weapons of Mass Destruction (WMD)

The acquisition and potential employment of WMD by state and non-state actors pose a security threat to the United States and our partners and Allies. The majority of the world's nuclear weapons are located within the EUCOM AOR. In Europe and Eurasia, stockpiles of nuclear materiel may become vulnerable by varying degrees to access, damage, illicit diversion, or removal by international and internal threats via corruption, criminal activity, insider threats, and inadequate border monitoring. Coordination with the Department of State and strengthening our nonproliferation and counterproliferation efforts is increasingly important.

U.S. EUROPEAN COMMAND STRATEGY

The EUCOM Strategy of Active Security (SAS) is EUCOM's plan for performing the tasks assigned by the Secretary of Defense. The SAS looks out five years and aims at two overarching strategic objectives: "Defend the Homeland" and "Create and Maintain an Environment that Advances U.S. Strategic and Economic Interests." The diversity of the security environments, regional political relations, culture, geography, and our partners' needs make it useful to divide our AOR into two regions, Europe and Black Sea-Eurasia.

European nations, particularly those that are NATO members, are for political, security, economic, and cultural reasons our historical and enduring Allies. They contribute to stability both within and beyond the region; they are net exporters of security. Their granting basing rights on their territory contributes directly to U.S. global strategic reach.

The majority of the nations in the Black Sea-Eurasia region are at strategic crossroads in terms of security, political, and economic reform. Their desire to move closer to Euro-Atlantic security institutions can lead ultimately to greater security and prosperity, but they also face challenges. “Frozen conflicts” have the potential to break out into conventional war with devastating economic and political consequences; terrorism and the possible proliferation of WMD threaten populations on an unprecedented scale and undermine government authority. In both regions, Russia seems determined see Euro-Atlantic security institutions weakened and has shown a readiness to use economic leverage and military force to achieve its aims.

Strategic Approach

The SAS focuses on maintaining a high state of military readiness and using these forces to conduct a wide range of security cooperation activities. Because the capabilities and high readiness of EUCOM forces strengthen the desire of other nations to train with them, these are mutually reinforcing lines of activity. Our strategic approach promotes stable environments, protects U.S. interests, and reduces the likelihood of crises erupting into larger conflicts by maintaining and strengthening alliances, partnerships, influence, and access where we have long-standing relationships and creating and expanding influence into new areas of the theater.

Theater Objectives and Priorities

Our strategy identifies eight previously-identified *long-term Theater Objectives* (written in the form of effects we want to achieve) that provide focus and purpose for EUCOM’s activities:

- EUCOM forces are transformed and expeditionary, trained and ready for global deployment and prepared to execute joint/multinational operations and training
- NATO is capable and willing to conduct out-of-area operations

- European partner nations and organizations work with EUCOM to actively solve common problems
- Partner nations have the capacity to provide for their own security and to sustain regional stability
- Protection of Allies, partners, and U.S. interests is assured
- Basing and access support strategic freedom of action and security cooperation activities
- Russia acts as a responsible partner with the U.S., our Allies, and our partners
- Local crises are prevented from becoming regional conflicts.

Additionally, in the *near term* these objectives lead to the following *strategic priorities*:

- Support for the International Security and Assistance Force (ISAF) in Afghanistan and Operation IRAQI FREEDOM.
- Maintain relevance of, and U.S. leadership within, NATO.
- Increase integration of EUCOM activities with the rest of the U.S. Government, especially in combating terrorism and WMD proliferation.
- Engage Russia or mitigate any potentially negative influence.
- Support improved energy security for Europe, Eurasia, and the Black Sea region, to include NATO and USEUCOM.
- Support NATO Transformation for out-of-area operations.
- Ensure EUCOM's end-state transformation and basing ensures EUCOM has the capabilities to accomplish all assigned missions and tasks.

Moving rapidly toward the Strategy of Active Security's objectives requires that EUCOM transform both its basing and its forces.

THEATER POSTURE AND TRANSFORMATION

Forward deployed forces are the primary tool for executing this strategy, maintaining U.S. influence in the AOR, and projecting influence beyond it. Forward-stationed units, rotational forces, and installations are visible manifestations of the U.S. commitment. They enable us to apply influence, assure access when and where needed, and preserve our leadership role in NATO. Precisely because it is challenging for the U.S and the host nation, the decision to station U.S. units in a nation sends a clear message of our support to the host, to other partners, and to would-be aggressors. The response time of such units for crises or Article 5 situations is far shorter than that of similar units in CONUS; their ability to build partner capacity on an enduring, habitual basis is many times greater.

The Trans-Atlantic security relationship has evolved an important new dimension over the last two decades. Initially, it provided primarily collective security to the western parts of Europe. Our commitment to fellow NATO members embodied in Article 5 of the North Atlantic Treaty remains undiminished. But the Trans-Atlantic relationship has evolved increasingly to export security *from* Europe. As forward presence provides more frequent engagement at all levels, builds habitual relationships and trust, provides critical continuity, and serves as a role model and catalyst for transformation efforts among European militaries, it also simultaneously strengthens partner confidence and willingness to contribute to Alliance and coalition operations.

As EUCOM continues its Strategic Theater Transformation, the contributions of the Reserve Component (RC) are increasingly important. On any given day, approximately 3,600 members of the RC are deployed across the theater. Without this support, EUCOM would be unable to fulfill many of its staffing and force protection requirements. The contributions of our

Guard and Reserve forces have enabled us to mitigate risk, while programs such as the National Guard's State Partnership Program (SPP) have helped us achieve our theater goals.

Strategic Theater Transformation

In this context, EUCOM's Strategic Theater Transformation (STT) plan implements a basing strategy that sustains and leverages commitments to our long-standing Allies and partners and U.S. operations in other theaters, such as ISAF, OEF, and OIF.

EUCOM's STT plan includes retaining eight fighter aircraft squadrons in the U.K., Germany, and Italy. For ground forces, it includes two permanently stationed infantry brigade combat teams — a Stryker Brigade Combat Team in Germany and an Airborne Brigade Combat Team (ABCT) in Italy — along with two heavy Brigade Combat Teams in Germany. Although these two brigades are scheduled to return to CONUS in 2012 and 2013, I have recommended and continue to recommend that we retain them in EUCOM. As I discuss in the USAREUR section, these forces contribute directly to our dissuasion and deterrence efforts. They increase our flexibility in dealing with crises and over time progressively increase the capability of friendly forces because of their ability to build partner capacity. Retention of this force level must be planned carefully, since EUCOM's STT plan is closely synchronized with OSD, the Joint Staff, individual Services, and NATO to ensure that global efforts of other Combatant Commands, NATO, and the results of the Base Realignment and Closure (BRAC) Commission process are mutually supportive. STT aims at improving our effectiveness and operational flexibility, but it has at the same time significantly reduced costs. The fact remains, however, that forward stationed units meet the same deployment schedules to Afghanistan and Iraq as CONUS units but, when at home station, are able to establish the long term relationships with partner

countries that are essential to BPC. In addition, studies show that rotating multiple units from the CONUS to Europe is more expensive than forward stationing a single unit.

Since this process began in 2003, EUCOM has closed 43 bases and installations and returned approximately 11,000 servicemembers and 16,000 family members to the United States. Present EUCOM force strength is approximately 84,000 military members. Retention of EUCOM's forces at the current level will enable the accomplishment of assigned missions and tasks.

SECURITY COOPERATION

For any given level of U.S. military presence, an increase in our partners' capacity disproportionately strengthens our ability to maintain security—not only because of its direct effects but because of its synergistic effects as well.

Security Cooperation (SC) programs remain the foundation of EUCOM's BPC efforts. The direct impact of the combat power of overseas-stationed U.S. forces is amplified when their presence, example, and their ability to conduct combined exercises are employed in EUCOM BPC efforts. These programs contribute to building the vital relationships that bolster U.S. strategic interests, enhance partner security capabilities, provide essential access (particularly to en-route infrastructure), and improve information exchange and intelligence sharing.

Our security cooperation BPC efforts are the central aspect of our strategy because they offer the most intense form of foreign partner interaction in peacetime. Through BPC activities such as those executed through the Foreign Military Financing Program, Joint Contact Team Program, Section 1206, the International Military Education and Training Program, Warsaw Initiative Funding (WIF), the Cooperative Threat Reduction (CTR) program, and the Global Peace Operations Initiative (GPOI) we anticipate not only the strengthening of our relationships

with existing Allies, but also the development of new relationships with additional partner countries.

Our SC programs identify low-cost, high-impact engagement initiatives to build relationships that will shape the security environment in which we engage. A major focus of our efforts is building partner capacity with strategically important nations seeking to enhance their own security. EUCOM's assigned units provide frequent engagement at all levels. These engagements build habitual relationships and trust and provide critical continuity. EUCOM facilities and programs, ranging from airborne exercises to non-lethal weapons instruction, provide practical and state-of-the-art training that strengthens relationships and increases the capacity of our Allies and partners. For example, during FY2008, HQ EUCOM and United States Army Europe (USAREUR) programmed and coordinated the execution of the Unit Level Event ADRIATIC AURORA. This combined arms familiarization exercise brought together Croatian, Albanian, and Macedonian forces with their respective State Partners (Minnesota, New Jersey, and Vermont National Guard) to emphasize coalition operations in an effort to improve regional security.

EUCOM's BPC efforts to help partners develop the capacity to conduct effective peacekeeping and contingency operations help mitigate the conditions that lead to conflict. These efforts will ensure that we can work effectively with our Allies and partners should conflict arise. EUCOM BPC efforts require consistent and predictable investment in order to have an impact on the multitude of strategic, security, economic, and political challenges we face.

EUCOM is working with OSD, the Joint Staff, and other COCOMs to address these issues and increase the Department's capabilities to build partner capacity to contribute to

coalition operations. Such programs would address critical capability gaps in coalition partners that we have been unable to satisfy due to declining FMF levels in Europe and, as with DoD's other train and equip authorities, would be implemented with the concurrence of the Secretary of State. Our desired end state is increased partner nation participation in current operations so we can alleviate pressure on U.S. troops as the sole source for deployments.

Security Cooperation Programs

EUCOM also builds partner capacity by executing security assistance programs using our 44 Offices of Defense Cooperation who work with the host nation in close partnership with U.S. Embassy Country Teams and under the direction of the U.S. Ambassador. The Title 22 IMET and FMS programs are central to our BPC Efforts.

International Military Education and Training (IMET) and Expanded IMET (E-IMET) provide education and training opportunities for foreign military and civilian personnel. During FY08, the IMET program sent 1,514 students to 2,510 schools/courses on U.S. military installations and learning centers. The final FY08 EUCOM IMET allocation of \$24.7M was a decrease of about 7 percent from the final FY07 IMET allocation of \$26.9M. IMET remains our most powerful SC tool and proves its long-term value every day. For a relatively small investment, it provides foreign military and civilian leaders access to U.S. military training, builds relationships, and expands influence. Indeed, today's IMET graduates are tomorrow's Chiefs of Defense, Ministers of Defense, and Heads of State.

We continue to see the value of this program in the professional development and transformation of militaries in such established partners as Poland, Romania, and many other countries. The importance of IMET to our BPC efforts cannot be overstated, and we appreciate Congress' continued support in sustaining and increasing this valuable Title 22 resource.

Foreign Military Financing (FMF) provides critical resources to assist strategically important nations without the financial means to acquire U.S. military equipment and training. EUCOM's FMF increases over the past years are due solely to increases in the directed funding for Israel. When the mandated amounts for Israel are removed, the remainder of EUCOM's FMF has steadily decreased (FY07, \$170M; FY08, \$160M; FY09, \$140M). Additional directed spending further restricts what can be undertaken with the available funds, and have resulted in delayed or cancelled programs meant to improve Allied and partner abilities and create significant impediments to the implementation of our BPC efforts.

FMF is an essential instrument of influence, building allied and coalition military capabilities and improving interoperability with U.S. and other Allied forces. When countries buy U.S. military equipment through the FMF program, they also buy into a long-term commitment for spare parts and training. Failing to fully fund vital FMF programs in any of these nations can unintentionally send negative messages.

Foreign Military Sales (FMS) and Direct Commercial Sales (DCS) demonstrate our nation's continued commitment to the security of our Allies and partners by allowing them to acquire U.S. military equipment and training. FMS and DCS are vital to improving interoperability with U.S. and NATO forces, closing capability gaps, and modernizing the military forces of our Allies and partners.

Section 1206 of the FY06 National Defense Authorization Act coupled State Department authorities with DoD resources to build and enhance the military capacity of our key partners. In FY08, EUCOM received \$18.7M to conduct innovative train and equip programs for partners interested in assisting the U.S. in current operations and providing security and stability throughout the AOR. A prime example is the improved national capacity of Azerbaijan and

Albania to conduct counterterrorist operations in seaborne interdiction operations and coastal patrols. Section 1206 authority and corresponding appropriations are key tools that EUCOM will continue to utilize to build partner capacity.

The *National Guard State Partnership Program (SPP)* (See Enclosure 2) continues to be one of our most effective BPC programs, with 20 states currently participating. By linking American states with designated partner countries, we promote access, enhance military capabilities, improve interoperability, and advance the principles of responsible governance. The unique civil-military nature of the National Guard allows it to participate actively in a wide range of security cooperation activities and help bridge the gap between DoD and DoS responsibilities.

In 2008 alone, the National Guard conducted over 90 SPP events and, along with members of the Army and Air Force Reserve, participated in over 150 of 527 Joint Contact Team Program (JCTP) activities. For example, the Oklahoma Army National Guard and its SPP partner Azerbaijan executed an extremely successful SPP medical outreach exercise that administered medical examinations and care to thousands of Azeris – an immediate impact with long-term implications.

Also in 2008, *Traditional Commanders Activity (TCA)* funding supported roughly 400 bilateral military-to-military engagement events. These important events strengthened military ties with our partners and forged new relationships at the senior enlisted to mid-grade officer levels. These relationships translate into long-term linkages that pay future dividends at the Chief of Defense level. FY09 TCA funding level is \$10.3M with a reduction from the FY08 appropriation of \$12.3M.

Combating Weapons of Mass Destruction (WMD) Proliferation is among our highest priorities as the majority of the world's nuclear weapons are located in the EUCOM AOR. The

Defense Threat Reduction Agency (DTRA) is a Combat Support Agency in support of EUCOM to cover the entire spectrum of this unique mission. Cooperative Threat Reduction programs seek to stem the proliferation of known WMD; detection programs address counter-proliferation, particularly interdiction of unknown items; and DTRA's exercise programs address our consequence management responsibilities, reassuring our partners and Allies about EUCOM capabilities.

State Department-led programs such as the Global Initiative to Combat Nuclear Terrorism and the Proliferation Security Initiative focus on denial of access at the source, build capacity for interdiction in transit, and form the most effective framework to prevent the use of WMD. In this regard, the Nunn-Lugar program has been very successful in mitigating the risk posed by WMD through non-proliferation projects that reduce and secure WMD materials and weapons. In recent years, the Nunn-Lugar program has expanded into building partner capacity to interdict WMD in transit, making it a significant aspect of the counter-WMD effort.

Additionally, for the past three years USAREUR has provided *Tactical Human Intelligence (HUMINT) Collection and Management Training* to our NATO Allies, including Estonia, Latvia, and Lithuania. Recently, the initiative led to the training of the HUMINT force in the Romanian Army. As a result, Romanian HUMINT teams have been embedded within U.S. forces during the last two Balkans rotations. We look forward to expanding this program to other countries in the AOR eager to build needed military capabilities.

EUCOM conducts multiple *Humanitarian Assistance (HA) Programs* to assist populations in need and to shape perceptions and the security environment while also showing the U.S. and the Department of Defense in a positive light. This is especially necessary in areas susceptible to the adoption of extremist ideologies or where general discontent and lack of hope

are potential breeding grounds for instability. EUCOM continues to focus these important humanitarian initiatives in the most vulnerable locations and emphasize the importance of this strategic tool.

EUCOM's HA programs consist of the Humanitarian and Civic Assistance (HCA) Program, the Humanitarian Assistance-Other (HA-Other) Program, and Humanitarian Assistance Program-Excess Property (HAP-EP).

Projects funded through these resources complement USAID efforts, enhance regional security cooperation, and advance U.S. interests throughout the region. These valuable efforts also train U.S. troops while generating a positive public image of the Command and the nation. They also bolster a country's capability to respond to disasters, thereby diminishing the need for future U.S. involvement, and provide an example of the value of a professional military beyond wartime events. While the EUCOM HA budget is small compared to other BPC activities, it has a disproportionately high impact as a very visible and positive engagement activity.

For FY08, EUCOM executed \$5.2M in HA Project funding for 135 security assistance related projects in 17 countries. In addition to this outreach through security assistance-type HA projects, the Command also provided \$15.4M in HA Disaster Relief funding in FY08 for airlift and relief supplies as part of Operation ASSURED DELIVERY in support of the Republic of Georgia following the Russian incursion. HA Project funding for FY09 is \$6.35M and will once again encompass approximately 17 countries in the eastern portion of the EUCOM AOR.

EUCOM is also an active participant in DoD's *U.S. Humanitarian Mine Action* (HMA) Program. HMA's goal is to relieve the plight of civilian populations experiencing adverse effects from landmines and other explosive remnants of war. In this capacity, it promotes economic stability and growth by reclaiming farmland critical to a nation's survival. The

EUCOM HMA Program is currently engaging 22 countries on two continents with a focus on “training the trainer” to assist mine victims, develop demining capabilities, and enhance mine-risk educational programs.

EUCOM's *Caspian Regional Maritime Security Cooperation* efforts aim to coordinate and complement U.S. government maritime security cooperation activities in Azerbaijan, Kazakhstan, and more recently, Turkmenistan. Maritime security cooperation efforts seek to build and enhance our partners' capacity to prevent or respond to terrorism, proliferation, drug trafficking, and additional transnational threats in the littorals. EUCOM and United States Naval Forces Europe (NAVEUR) continue to promote Maritime Safety and Security and Maritime Domain Awareness in the Caspian Sea through routine engagement with our partners in the region.

The Caspian Sea's location on the EUCOM-CENTCOM seam, and the critical support Caspian nations provide for Operations IRAQI FREEDOM and ENDURING FREEDOM, make coordination between EUCOM/NAVEUR and CENTCOM/Naval Forces Central Command (NAVCENT) critical to promoting security efforts in the region. EUCOM's biennial Caspian Regional Security Working Group meetings, as well as NAVEUR's and NAVCENT's shared flag-level visits, provide formally coordinated interaction and unity of message.

The *George C. Marshall European Center for Security Studies* is the original of five such centers supported by the Department of Defense. Cosponsored by the U.S. and German governments, it provides professional development to emerging civilian and military leaders, reinforces ideals of democratic governance and stable apolitical militaries, and facilitates long-term dialogue with and among current and future international leaders. As significant, it has built an active network of Euro-Atlantic minded security experts. Its strong reputation in the

region has made it an essential asset in the execution of EUCOM's regional strategy. Marshall Center alumni represent a community of more than 6,000 security sector leaders from over 100 nations, including nearly 200 distinguished alumni who have risen to parliamentary and ministerial leadership levels of government, have become senior defense officials, or advanced to their nation's highest military ranks. This network has proven invaluable for harmonizing views on common security challenges in the region. The Marshall Center has played a significant role in building the capacity of new and aspiring NATO members. Since 1994, NATO has admitted ten new countries and almost 2,000 participants from these ten countries have attended Marshall Center resident programs; almost 28% of total participants over this time period.

The Marshall Center provides a range of resident and non-resident security educational programs that are essential to EUCOM's effort to enhance the security sector capacity of our Allies and partners. The Marshall Center's focus is on developing partner capabilities for democratic governance, combating terrorism, conducting stability operations and homeland defense. Marshall Center programs and activities serve as vital strategic communications platforms, greatly enhancing our ability to explain and elicit partner nation support for combating a host of shared security challenges.

The Defense Environmental International Cooperation (DEIC) program is another low-cost, high-impact program that is reaping dividends beyond its focus area. Established in FY01, the annual worldwide DoD budget for the DEIC program is less than two million dollars with the FY09 DEIC funding level for the EUCOM AOR set at \$200,000. The cost of a typical project or event ranges from \$10,000 to \$80,000. As an example, the Baltic Sea Spill Response Exercise focused on host nations' capabilities, plans, and procedures. Representatives from Azerbaijan, Denmark, Estonia, Finland, Georgia, Germany, Latvia, Lithuania, Poland, Sweden, and Ukraine

participated in this successful exercise. A second significant DEIC engagement activity was the Sustainability Workshop, held in October 2007 in Bucharest, Romania, with a focus on the new Romanian military strategy and its effect on the environment. Discussions in the workshop centered on sustainable training ranges, land rehabilitation, and Geographic Information Systems. Planned engagement activities for FY09 include projects in Integrated Training Area Management, encroachment, field drinking water supply, and marine spill response.

Partnership for Peace (PfP) exercises support efforts to deepen defense and military cooperation between the U.S., NATO, and PfP partners. Application of DoD Warsaw Initiative Funds (WIF) to PfP activities has proven successful in building partner nation participation and cooperation in theater. FY09 WIF funding for the EUCOM Theater is \$16M, an increase of 8% percent over FY08 funding. DoD WIF provides an important source of funding for a number of partner countries that would otherwise be unable to participate in these important activities. DoD WIF pays for partner participation in NATO/PfP and “*In the Spirit of PfP*” exercises and conferences, defense institution building, the Civil Military Emergency Preparedness Program (CMEP) and OSD interoperability events that include U.S. participation.

Regional cooperation through PfP greatly facilitates U.S. access to bases and overflight rights in the prosecution of current and future operations. Several PfP nations have provided basing, force protection at bases, and personnel to operations in Afghanistan and Iraq. Through PfP-sponsored exercises, Eastern European and Central Asian states have gained familiarity with U.S. forces, methodologies, and leadership. Without this pre-established relationship, support to U.S. operations would be harder to secure and incorporate.

WIF-supported PfP activities have also been remarkably successful in preparing nations for full NATO membership. Ten PfP states (Bulgaria, the Czech Republic, Estonia, Hungary,

Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia) have become NATO members since the program's inception. These new NATO members and twelve other PfP states (Albania, Armenia, Austria, Azerbaijan, Croatia, Finland, Georgia, Ireland, Macedonia, Sweden, Switzerland, and Ukraine) provide forces to ISAF/OEF/OIF and Kosovo.

EUCOM's *Clearinghouse Initiatives* ensure that BPC actions are coordinated with other nations involved in the same region or issue. Clearinghouse Initiatives help deconflict programs, avoid duplication, and find ways to collaborate on matters of mutual interest. They exist in the South Caucasus and Southeast Europe and enable interested countries to share information about security assistance programs. The goal is to capitalize on limited resources by merging various BPC programs into a comprehensive, synchronized regional effort.

BALLISTIC MISSILE DEFENSE (BMD)

Taken together, the programs detailed above provide the initial preparation of the U.S., our Allies and partners for the full range of military and full-spectrum threats in the 21st Century.

Some threats have developed to the point where a more direct response is required. At the upper end of the technological spectrum is the spread of nuclear, chemical, and biological weapons and ballistic missiles that can be used to deliver them. Iran already possesses ballistic missiles that can reach parts of Europe and is developing missiles that can reach most of Europe. Iran also continues to threaten one of our key regional allies with its advancing missile technology. In response, the U.S. deployed an X-Band Radar to provide advanced early warning indications. Entirely defensive in nature, the radar provides additional warning time to execute defensive counter-measures. By 2015 Iran may also deploy an Intercontinental Ballistic Missile (ICBM) capable of reaching all of Europe and parts of the U.S.

The proposed U.S. Missile Defense (MD) European Component includes the midcourse tracking radar in the Czech Republic, 10 long range interceptor missiles in Poland (similar to the interceptor missiles based in Alaska and California), and command and control systems. The European locations allow the defense of both Europe and the U.S. against longer-range threats launched from the Middle East. While the U.S. system will provide initial long-range protection to much of Europe, areas of southeastern Europe would still be threatened by shorter-range ballistic missiles. NATO is pursuing a program that integrates national short to medium range MD systems. In essence, the U.S. is primarily focusing on long-range defense while NATO systems are oriented to handle shorter-range threats. Our combined efforts keep the U.S. and NATO collective security closely linked by providing all members of the Alliance with defense against the full range of missile threats.

Russia has expressed opposition to this initiative, claiming it would threaten Russian national security. In fact, the system is purely defensive in nature – it does not carry explosives. The planned 10 defensive interceptors do not pose a threat to Russia’s strategic deterrent force. The Russians are aware of this fact and the U.S. has gone to great lengths to discuss our plans at very senior levels.

OVERSEAS CONTINGENCY OPERATIONS

Technologically sophisticated threats, however, are by no means the only, or even the most dangerous, in the EUCOM AOR.

EUCOM’s number one theater-wide goal remains the defeat of transnational extremist organizations that threaten the United States, its Allies and partners, and its interests. Our multi-layered approach integrates the U.S. Government activities of building partner capacity to combat terrorism, working with partners to promote regional stability in order to diminish the

conditions that foster violent extremism, and denying extremists freedom of action and access to resources.

We will continue our work to deter, interdict, or defeat violent extremism wherever it appears. These efforts involve close cooperation with other Geographic Combatant Commands, the United States Special Operations Command, U.S. Government agencies and departments, and perhaps most importantly, a growing list of foreign partners with the same desire to protect their societies from the threat of terrorism. While much of this collaboration remains outside the public arena, it is vitally important to sustaining a shared view of the enemy threat and enhancing mutual support for counter-terrorism efforts.

As detailed in the Component Activities sections below, EUCOM-stationed forces continue to be heavily engaged in ongoing combat operations in Iraq and Afghanistan, as well as in building partner nation and coalition capacity supporting these operations. 87% of all ISAF/NATO contributors to Afghanistan and 75% of all coalition partners in Iraq came from the EUCOM AOR.

Outside of direct support to combat operations, EUCOM-based forces are in the forefront of promoting the transformation of European militaries. The engagement with, and support to, our Allies and partners underlines the importance of persistent presence of U.S. forces for building effective expeditionary capacity for multilateral theater and global operations.

COMPONENT COMMAND ACTIVITIES

EUCOM's four theater Service Components – U.S. Army Europe, (USAREUR), U.S. Air Forces in Europe (USAFE), U.S. Naval Forces Europe (NAVEUR), U.S. Marine Corps Forces Europe (MARFOREUR), and its functional subordinate unified command for special operations, Special Operations Command Europe (SOCEUR), are responsible for supporting our Theater

Campaign Plan (TCP) and implementation of our Theater Security Cooperation (TSC) program across the AOR. Headquartered in Heidelberg, Ramstein, Naples, and Stuttgart respectively, the Components provide critical capabilities necessary to build military capacity among our partners and allies, support military requirements, and promote vital national security interests through the use of military power.

United States Army Europe (USAREUR)

EUCOM-assigned U.S. Army forces continue to provide extensive support to ongoing combat operations in Afghanistan, Iraq, and throughout the CENTCOM AOR. These forces are heavily engaged in EUCOM's efforts to build partner military capacity while providing an intrinsic expeditionary posture through strategic positioning and power projection of forward-stationed combat formations from sanctuaries in Europe.

Full Spectrum Operations. USAREUR remains decisively engaged in the effort to combat global terrorism and extremism. During the past year, all USAREUR combat brigades returned from, or deployed to, ISAF/Operations ENDURING FREEDOM and IRAQI FREEDOM. The 172nd Brigade Combat Team (BCT) and 2nd Brigade, 1st Armored Division are currently deployed to Iraq. The 1st Armored Division headquarters and 2nd Stryker Cavalry Regiment (2SCR) returned from Iraq and are replacing their battle losses and repairing their critical equipment (RESET program). The 173rd Airborne Brigade Combat Team (173ABCT) returned from Afghanistan, completed their RESET, and is in what is called their dwell window. This is time spent at home station after combat and operational deployments of 12 months or longer and is currently at least 12 months. Additionally, USAREUR has been an essential force provider by deploying the 12th Combat Aviation Brigade; the 18th Military Police Brigade; the

18th Engineer Brigade; and separate Military Police, Engineer, and Signal battalions plus numerous companies/detachments in support of ISAF, OEF and OIF.

USAREUR was the centerpiece of the United States humanitarian assistance mission in Georgia as its conflict with Russia unfolded. The 21st Theater Sustainment Command provided the core of the EUCOM Military Assessment Team (EMAT). Correspondingly, USAREUR provided expertise to the EUCOM Joint Assessment Team (EJAT) as they evaluated Georgia's military capacity and capabilities.

USAREUR continues to provide key logistical support to forces in Kosovo, Iraq, Afghanistan, Africa, and throughout the EUCOM AOR. Likewise, USAREUR is the Army Force headquarters for EUCOM's numerous named contingency operations.

It is imperative that USAREUR, as the Army Service Component Command of EUCOM, have the capabilities, capacity, enablers, and resident core competencies to perform as a Combined Joint Task Force (CJTF) or Combined Joint Force Land Component Commander (CJFLCC) in full spectrum operations across the AOR. A review of EUCOM force capability requirements has shown that USAREUR must retain the current four BCTs and Division HQ structure to deter aggression; promote security and stability; bolster relations with Allies and partners, and project U.S. combat power.

Building Partner Capacity and Coalition Capabilities. The protracted nature of conflict in this dynamic 21st century security environment highlights the increased importance of multinational partnerships and joint/combined interoperability in meeting common security objectives. The persistent presence of U.S. Army forces in Europe is critical to assisting our Allies and partners as they build such capabilities. In addition to the deployment of its own formations, USAREUR plays a leading role in promoting and enabling the transformation of

armies across the EUCOM AOR into effective expeditionary partners for current and future multinational operations.

Since 2005, USAREUR's Joint Multinational Training Command (JMTC) in Germany has trained numerous battalion equivalents from more than 20 Allied and partner nations for deployment to ISAF, OIF, and the KFOR mission. JMTC training focuses on building expeditionary competencies and increasing interoperability between and among partner nations' militaries through collective multinational training. JMTC has the ability to engage in even greater BPC events if the proper authorities can be granted. Existing funding to train and equip General Purpose Forces of coalition partners are limited. To overcome this obstacle, we are working within the DoD and with the DoS to develop a proposal for seeking adequate funding.

Recognizing the importance of its contribution to EUCOM's Strategy of Active Security (SAS), USAREUR continues to execute a robust schedule of bilateral and multilateral exercises across the AOR. While deploying its organic units to the current conflicts, USAREUR is sustaining, redeploying, and resetting those forces upon return from combat. USAREUR employs its remaining forces to execute a wide range of mil-to-mil events and exercises. In FY08, USAREUR conducted 15 such exercises in Albania, Croatia, Georgia, Israel, Morocco, Poland, and Ukraine, as well as a host of others throughout the EUCOM and AFRICOM AORs. These exercises enhanced joint and combined interoperability to lay the foundation for potential future multinational operations. USAREUR has become well-versed in integrating Reserve Component organizations while performing its ASCC mission. The breadth and scope of USAREUR's ASCC, Executive Agent, and Title 10 requirements in support of EUCOM, and a COCOM supporting headquarters to AFRICOM are substantial and continue to evolve. Current and future mission requirements in support of Theater Ballistic Missile Defense may well direct

the USAREUR Air Missile Defense Detachment to increase capability. These requirements are a moving target and will demand considerable flexibility to identify and resource them in the near- to mid-term.

Setting an Expeditionary Posture. USAREUR is executing its plan to consolidate its footprint across Europe on a timeline synchronized with BRAC requirements and the modular transformation of enduring Army forces. By the end of 2009, USAREUR will have transformed into the new Theater Army functional staff configuration. This process is well under way with the merger of V Corps and USAREUR staffs to form a consolidated ASCC headquarters. When all transformation actions are complete in 2015, USAREUR's brigades and separate battalions will be fully restructured and efficiently garrisoned across six Main Operating Bases (MOB): Wiesbaden, Grafenwoehr-Vilseck/Hohenfels, Ansbach, Baumholder, and Kaiserslautern, Germany and Vicenza, Italy.

Although USAREUR is reducing its footprint across the AOR, its forward presence affords unique advantages across the entire range of EUCOM missions. Habitual relationships are foundational to effective BPC initiatives. The relationships between USAREUR's formations and host nation, Allied, and partner nation armies across the AOR pay significant dividends every day for this command. Instilling trust and confidence in our Allies and partners to effectively and efficiently work together in multinational operations is an investment that we are making in regional and global security. It is part of an expeditionary model that catalyzes transformational efforts through more frequent engagement and continuity, builds habitual relationships and trust, and provides opportunities for partners to train alongside formations-- increasing interoperability and expanding confidence and willingness of our allies and partners to participate in multinational operations.

USAREUR's largest AOR expeditionary mission in terms of fiscal resources and troops-to-task commitments is JTF-E. This DoD-directed initiative is designed to support a full time training effort in Romania and Bulgaria. In addition, JTF-E provides the logistical base for United States Air Forces in Europe and Special Operations Command Europe exercises in Eastern Europe and Eurasia. This past winter, USAREUR had commitments from the U.S. Air Force to plan, coordinate, and execute a significant multinational exercise. Likewise, we expect both the Dutch forces and U.S. Marines to hold short rotations in conjunction with JTF-E rotations. USAREUR provides surge staff to support these requirements. USAREUR engineers, in coordination with the U.S. Navy and Army Corps of Engineers, are constructing facilities to support one task force plus trainers and sustainers at both Mihail Kogalniceanu (M-K) Air Base, Romania and Novo Selo Training Area, Bulgaria. Permanent Forward Operating Sites and other training facilities in Romania and Bulgaria have projected completion dates of 2009 and 2011, respectively. In the interim, USAREUR is conducting summer rotations with Army National Guard, select USAREUR formations, and host nation forces at temporary FOS locations. In summation, USAREUR is an invaluable asset to EUCOM as we advance our SAS across Europe and Eurasia in an uncertain future.

United States Naval Forces Europe (NAVEUR)

NAVEUR continues to build and maintain naval leadership and combat readiness to counter any adversary. NAVEUR's assigned fleet, U.S. SIXTH Fleet, demonstrated their operational capabilities through actual Joint Task Force (JTF) and Joint Force Maritime Component Commander (JFMCC) operations during FY08 in support of maritime interdiction operations, JTF LEBANON planning, and Operation ASSURED DELIVERY humanitarian

assistance support to Georgia. In FY09 SIXTH Fleet will re-certify as a JFMCC Head Quarters for full-spectrum operations during exercise AUSTERE CHALLENGE 09.

NAVEUR's forward presence not only strengthens relationships with enduring Allies and emerging partners, it also develops maritime capabilities throughout the region, contributing to regional stability and enabling them to support operations out of their local areas. One of NAVEUR's primary objectives is building maritime partnerships. Over the past year, NAVEUR has focused increasingly on international efforts primarily in the Black Sea-Eurasia region. NAVEUR is using its maritime expertise to support and encourage prosperity and development ashore by improving regional Maritime Safety and Security (MSS). NAVEUR addresses Maritime Safety and Security within partner nations by assisting partner nations in developing an organic capacity to observe, evaluate, and respond in their maritime domain. At the same time these improvements contribute to a global maritime awareness picture focused on improving Maritime Safety and Security around the world.

Maritime Domain Awareness provides participating nations the capability to network maritime detection and identification information with appropriate national defense and law enforcement agencies. Transparency and partnership are vital to its success. The first step to achieve Maritime Domain Awareness is the Automatic Identification System (AIS). AIS is a transponder system that reports ship position and other information similar to the system in use globally for air traffic control. Through NAVEUR initiatives, 23 nations in Europe now share unclassified AIS data through the Maritime Safety and Security Information System (MSSIS).

Nations differ in how they organize and assign responsibility for maritime issues to governmental agencies and organizations. NAVEUR continues to expand engagement of maritime professionals from beyond the host nation's traditional navy to include Coast Guard,

Gendarmerie, Customs, Harbor and Ports Authorities, Hospitals, Police, Fire, and Fisheries departments. These engagements have served to focus efforts on those responsible and most capable to improve Maritime Safety and Security. Additionally, NAVEUR uses the U.S. Navy's Total Force Concept employing its Reserve Component throughout the NAVEUR staff and to supplement manpower and expertise in embassy country teams. Reservists are deployed as Maritime Assistance Officers to assist in planning and executing maritime activities, enabling and enhancing execution of security cooperation.

NAVEUR played a significant role in enhancing maritime safety, security, and cooperation in the EUCOM AOR in FY08. Some examples of our engagement activities during FY08 include:

The Black Sea Partnership Cruise 2008 (BSPC08), the second installment of a U.S.-led initiative to improve NATO interoperability, build Maritime Domain Awareness, and enhance theater security cooperation among Black Sea nations, was conducted onboard USS MOUNT WHITNEY at sea with maritime professionals from five Black Sea area nations (Azerbaijan, Bulgaria, Georgia, Romania, and Ukraine) and NATO observers from four nations (Estonia, Greece, Lithuania, and Poland). Major topics taught or demonstrated during the cruise include NCO development, Shipboard Helicopter Operations, Law of the Sea, Oil Spill Response and Consequence Management exercises, and a robust Visit Board Search and Seizure (VBSS)/Customs Enforcement workshop. Aside from the academic benefits, the BSPC serves to foster an open and collaborative environment among Black Sea nations and to build long term relationships between junior officers that would not otherwise develop.

NAVEUR and SIXTH Fleet commands and units along with several European and North African navies (France, Italy, Malta, Mauritania, Morocco, Portugal, Spain, Tunisia, and

Turkey), conducted a multilateral naval exercise called PHOENIX EXPRESS 2008. This exercise has grown in size and complexity over the last three years and it continues to be a great success in building partner capacity and developing relations, focusing on maritime interdiction, communications, and information sharing. The desire is to expand PHOENIX EXPRESS 2009 to include navies from Algeria, France, Greece, Italy, Malta, Morocco, Portugal, Spain, Tunisia, Turkey, Senegal, and possibly others.

The 36th annual Baltic Operations Exercise 2008 (BALTOPS 08) with 13 participating nations, (Denmark, Estonia, Finland, France, Germany, Latvia, Lithuania, Netherlands, Poland, Sweden, Russia, United Kingdom, and the United States) was a EUCOM-directed, NAVEUR-sponsored, and U.S. SIXTH Fleet-executed multinational exercise conducted in the spirit of Partnership for Peace (PfP). This exercise tested U.S. and our key maritime partners' abilities to operate and protect Europe's sea lines of communication against highly capable submarine threats.

In response to the increasing ballistic missile threat to this AOR, NAVEUR is leading an urgent effort to develop the requirement for ballistic missile defense (BMD) command and control capability both ashore and afloat. NAVEUR, in collaboration with NAVCENT, war gamed scenarios to develop a command and control architecture for a BMD capable Aegis ship operating in defense of Eastern Mediterranean nations.

Naval Mobile Construction Battalion Four (NMCB-4) deployed a 25 person detachment to Romania (Mihail Kogalniceanu Air Base, Constanta) and Bulgaria (Novo Seio Training Area, Silven) in FY08. The CB Detachment conducted HCA in Romania and exercise related construction (ERC) in Bulgaria in support of the JTF-E Commander's forward basing initiative.

Explosive Ordnance Disposal Mobile Unit Eight (EODMU-8), a forward deployed NAVEUR EOD command consisting of 170 personnel, supported a total of seven combat deployments in 2008 to OIF and OEF.

NAVEUR and Navy Region Europe continue to exercise and refine the Task Force Consequence Management (CM) structure to respond to "all-hazard" CM events in the EUCOM AOR. In FY08, NAVEUR and Navy Region Europe conducted a Pandemic Influenza Table Top Exercise with the Italian Government. Over 100 participants met at the Lazzaro Spallanzani National Institute for Infectious Disease in Rome in order to clarify the authorities, responsibilities, and roles of participating agencies in an integrated, comprehensive response to pandemic influenza.

The infrastructure at NAVEUR bases sustains the combat readiness of permanent, rotational and surge naval forces, as well as that of other Service Component forces. NAVEUR transformation, in support of the Integrated Global Presence and Basing Strategy, has reshaped the U.S. Navy's footprint in Europe to support operations south and east into Africa and Eastern Europe. NAVEUR's transformation efforts over the past five years have closed NAS Keflavik, Iceland, U.S. Naval Activities, United Kingdom, and Naval Support Activity La Maddalena, Italy. Joint Maritime Facility St. Mawgan, United Kingdom is proposed to close in FY09 while the port of Gaeta, Italy will realign under NSA Naples. This will leave Naval Forces Europe with four enduring bases. The enduring bases at Rota, Spain; Sigonella, Italy; and Souda Bay, Greece are strategically located across the Mediterranean to provide flexible and highly capable inter- and intra-theater logistic support. The base at NSA Naples, Italy provides a consolidated command and control location for Headquarters, NAVEUR and SIXTH Fleet in close proximity

to the NATO operational Headquarters of Allied Joint Forces Command Naples and Striking and Support Forces NATO.

From a basing and infrastructure perspective, the base closure phase of NAVEUR transformation is substantially complete. NAVEUR is shifting the focus of its transformation efforts ashore to developing a Joint framework that enables alignment between Navy infrastructure and validated Combatant Commander requirements. Navy Installations are increasingly critical to supporting current and proposed future operations of the Geographic and Functional Combatant Commanders. Existing processes and procedures do not provide adequate and timely visibility of COCOM, NATO, and other U.S. Agency requirements. In order to integrate COCOM/NATO/USG Agency requirements into the Service resourcing processes, NAVEUR is participating in the development of Theater Asset Management for application at key Navy Installations with joint value such as NAVSTA Rota, NAS Sigonella and NSA Souda Bay. The three key components of Theater Asset Management (joint manning, joint processes and governance, joint standards and criteria) are critical to NAVEUR's effort to advance the art and science of transformation beyond its Service-specific origins and realize a cross-Service, cross-COCOM, cross-agency linkage between capability, capacity, infrastructure and requirements.

United States Air Forces Europe (USAFE)

USAFE is a key force provider in the form of tactical combat air forces, tanker, and airlift assets for EUCOM, OIF, ISAF, and OEF. In 2008, USAFE units flew over 26,000 combat-fighter hours, nearly 4,000 tanker/transport hours, and trained 18 NATO Joint Terminal Air Controllers (JTAC) from 7 countries supporting peacekeeping operations in Kosovo, OIF, ISAF, and OEF. USAFE has deployed six of its eight fighter squadrons, 100 percent of its heavy airlift

and tanker squadrons, and a large percentage of its Airmen in support of global operations. To plan and execute EUCOM's quick-strike capability, USAFE operates a fully functional Falconer Air Operations Center (AOC). In addition, USAFE's deployed Control and Reporting Centers support OEF, ISAF and OIF with persistent round-the-clock wide-area surveillance, common tactical picture fusion and distribution, and tactical air battle management and control capability from Kandahar AB, Afghanistan and Al Udeid AB, Qatar.

Direct support of current multinational operations is provided by nearly all USAFE bases and units. USAFE main bases and Geographically Separated Units (GSUs) throughout the EUCOM AOR enable Global Attack, Global Mobility, CORONET (movement of air assets, primarily fighter aircraft), Air Bridge, Force Extension and Theater Support air refueling missions. USAFE air mobility hubs at Incirlik AB in Turkey, Ramstein and Spangdahlem Air Bases in Germany, Moron AB in Spain, and RAF Mildenhall in the U.K. enable crucial logistical support of U.S., Allied, and coalition forces fighting in the CENTCOM AOR. Meanwhile, Lajes AB in the Azores (Portugal) provides vital throughput for combat and mobility air forces alike. USAFE also directly supports our wounded Airmen and brothers and sisters in arms. USAFE's 435th Contingency Aeromedical Staging Facility at Ramstein processed 12,787 patient movements – as many as 94 in a single day – during the past year. USAFE's 86th Aeromedical Evacuation Squadron is directly involved in providing airborne medical support for many of these patients from Iraq to Ramstein AB and on to CONUS-based medical facilities. Sick and wounded patients received at Ramstein AB are treated at Landstuhl Regional Medical Center (LRMC). LRMC, a jointly staffed Medical Treatment Facility (MTF) with permanently assigned Army and Air Force medical staffs and considerable deployed augmentation from the Navy and Air Force, is the largest MTF in the world for contingency support medicine and the only

Secretary of Defense designated Level 3 MTF in support of OEF and OIF. Once stabilized, LPMC patients are sent on to the U.S. for additional care.

In addition to fully supporting ongoing combat operations, USAFE, as the air component to EUCOM, provides full-spectrum air, space, and cyberspace capabilities and options. USAFE promotes regional stability through focused theater engagement and supports combat operations, humanitarian assistance, and Ballistic Missile Defense (BMD). USAFE is also EUCOM's lead agent for personnel recovery, theater air mobility and aeromedical evacuation. As the designated Area Air Defense Commander (AADC) for EUCOM, USAFE took an initial step to deliver integrated ballistic missile defense by installing a Command, Control, Battle Management, & Communication (C2BMC) suite in its 3rd AF Air Operations Center. C2BMC provides the commander with BMD situational awareness and the capability to rapidly identify and track ballistic missile threats for early warning and possible defensive counter-measures. In an effort to ensure overall mission success as EUCOM's Air Component, USAFE annually revalidates its full spectrum capability during Joint Exercises like AUSTERE CHALLENGE.

USAFE also plays a vital role in EUCOM's Strategy of Active Security (SAS) and Theater Campaign Plan. In support of the SAS and theater engagement, USAFE participated in over 450 TSC events in 44 countries. This includes USAFE support to events such as MEDCEUR 2008, a multinational medical training exercise in Croatia. This "In the Spirit of" Partnership for Peace (PfP) JCS-sponsored regional, multinational exercise in Central and Eastern Europe, integrated the Air National Guard (ANG), Air Force Reserve Command (AFRC) and 320 participants from 14 different countries in crisis response, humanitarian assistance, disaster relief, and foreign consequence management operations. MEDCEUR 2008 culminated

in a one week mass casualty training exercise to challenge and test first responders, triage and stabilization procedures, and medical evacuation.

USAFE's operational theater engagement highlights include support to NATO and Mobility Operations. USAFE provided continuous Combat Air Patrols in the skies over Bucharest, Romania during the NATO Summit. This effort included fighter, mobility and support forces from five separate USAFE Wings. In support of the NATO Baltic Air Policing mission, USAFE deployed four F-15Cs to Lithuania for three months. These fighters maintained a constant 24-hour alert, ever-ready to intercept aircraft which might violate the air sovereignty of Estonia, Latvia or Lithuania. Additionally, USAFE executed the largest air exercise since the fall of communism in the Baltic region. American fighter and tanker aircraft, joined by Polish and Danish air forces and guided by Baltic weapons controllers, participated in an exercise that clearly demonstrated NATO alert force capability as well as a commitment to the defense of Allies. Finally, at the first call for Georgian Humanitarian Assistance, USAFE airlifters flew over 220 tons of cargo and 164 passengers in 115 sorties logging over 460 flight hours.

A vital component of USAFE's presence in theater is cooperation and interaction with our NATO Allies. USAFE conducted 19 JCS exercises in 16 different countries. NORTHERN VIKING 08, conducted in Keflavik, Iceland, provided training and experience in joint and combined air defense, sea surveillance, public relations, and counter-terrorism for U.S. and NATO forces and successfully demonstrated continued support to U.S. treaty commitments to Iceland.

USAFE is collaborating with 12 other nations to achieve a Strategic Airlift Capability (SAC) based in the European Theater. The SAC will provide dedicated and timely access to global C-17 airlift to each of 12 participating nations: 10 NATO Allies, including the U.S., plus

Sweden and Finland. This consortium is implementing a multinational military Heavy Airlift Wing (HAW) at Papa Air Base, Hungary. The HAW will be comprised of military members from each of the 12 participating nations and will operate 3 C-17 aircraft. The C-17s will support NATO, EU, UN, and sovereign operations. Of the approximate 151 HAW personnel, 41 will be U.S. Air Force members. The HAW Commander is expected to declare Initial Operational Capability (IOC) later in 2009 when the unit is ready to assume its full range of missions with its first C-17 aircraft.

To further interoperability and extend capacity of limited U.S. Intelligence, Surveillance, and Reconnaissance (ISR) assets, USAFE continues to explore expansion of its traditional intelligence exchanges, while investigating new opportunities with partner nations. USAFE aggressively pursues the opportunity to work with partner nations which now possess, or are developing, airborne ISR capabilities. Robust coalition operations can be realized by building on these relationships and standardizing tactics, techniques, and procedures (TTPs).

In addition, USAFE and partner nations are simultaneously pursuing methods to integrate ISR architectures and leverage coalition assets to satisfy mutual requirements. For example, USAFE is engaged in an intelligence initiative with the U.K. to develop a shared/integrated net-centric ISR capability to support coalition partners. These actions have provided much-needed manpower relief and additional insight into complex problem sets for both USAFE and CENTCOM. Moreover, USAFE's Distributed Ground Station (DGS-4) began SIGINT Mission Management last fall and obtained a multiple-intelligence methods collection capability, improving accuracy and timeliness of actionable intelligence for theater warfighters. This was a combined operations engagement entailing 24-hour operations in support of the NATO Summit in Bucharest.

USAFE, as a service Major Command, provides Administrative Control (ADCON) of Seventeenth Air Force (17 AF), the Air Force Component assigned to AFRICOM. 17 AF (AFAFRICA) was stood up with IOC on 1 Oct 08 and plans to meet FOC by 1 Oct 09. During this build-up period, USAFE's 3 AF Air Operations Center (AOC) has supported 17 AF with air, space, and cyberspace capability as necessary to carry out AFRICOM mission requirements.

Looking toward the future, USAFE will recapitalize the vast majority of its aircraft with next generation variants. Starting in March 2009, sixteen Vietnam-era C-130E models will be replaced by C-130J models that provide both increased range and payload capability. Next will be the replacement of the U-2 with the RQ-4 Global Hawk at NAS Sigonella, as approved by the Italian government last April. Beddown of the Global Hawk support assets will be complete by December of this year with the first aircraft scheduled to arrive in the second quarter of 2010. Five F-35 squadrons will be replacing our air-to-ground fighters over the next 13 years. USAFE is working aggressively to accelerate delivery of the F-35 to the EUCOM theater to be concurrent with our F-35 NATO program participants Denmark, Italy, the Netherlands, Norway, Turkey, and the U.K.. This earlier delivery will allow USAFE to lead NATO, encourage transformation, deter future threats, and leverage coalition basing, tactics and training. In addition, starting in 2015, the current Combat Search and Rescue (CSAR) squadron is planned to begin to grow into a full CSAR Group to include a robust CSAR-X squadron, HC-130s, and Guardian Angel Weapon System (GAWS). This forward deployed Group will provide expeditionary CSAR support, to meet EUCOM and other COCOM demands. These assets will also be used to continue to develop an internal NATO capacity for out-of-area CSAR operations.

United States Marine Forces, Europe (MARFOREUR)

MARFOREUR continues to conduct operations, exercises, training, and security cooperation activities in the region through the employment of a small staff of both active duty and RC Marines. MARFOREUR optimizes the smallest commitment of forces or senior level visits by focusing them in priority areas. MARFOREUR also assisted in Marine Forces Africa's (MARFORAF) standup as a Service Component of AFRICOM and continues to provide consolidated administrative headquarters functions.

The majority of MARFOREUR's activities were focused on the Black Sea-Caucasus and West Africa-Gulf of Guinea regions. MARFOREUR participated in 11 exercises and 45 separate mil-to-mil events throughout Europe and Africa. Eleven DoS-sponsored African Contingency Operations Training Assistance (ACOTA) events were conducted prior to the standup of AFRICOM that resulted in the training of six separate African nations in preparation for United Nations or African Union peacekeeping missions.

U.S. Marine Corps prepositioned equipment plays an important role in supporting EUCOM's contingency plans and its Strategy of Active Security. MARFOREUR seeks to enhance its ability to rapidly deploy forces into the AOR by conducting maritime prepositioning force (MPF) exercises and utilizing equipment stored in Marine Corps Prepositioning Program – Norway (MCPN) in support of exercises and operations whenever possible. During the conduct of humanitarian assistance operations in Georgia, equipment supplied from MCPN contributed to the overall relief effort.

The High Speed Vessel (HSV) is an asset that enables more frequent, focused engagement activities with coalition and emerging partners across the EUCOM AOR. The vessel provides persistent "soft presence," and enhances our strategic lift capability by bridging the gap between low speed sea lift and high speed air lift, and enabling a broad spectrum of missions.

The Joint High Speed Vessel (JHSV) is a key piece of the SEABASING architecture. It will enable rapid closure of Marines to the sea base from forward-deployed advanced land bases, logistics movement from MPF ships to amphibious ships, ship-to-ship replenishment, and, in appropriate threat environments, maneuver of assault forces to in-theater austere ports.

In 2008, MARFOREUR and NAVEUR conducted the inaugural Africa Partnership Station (APS) deployment aboard the USS FORT MCHENRY, thus initiating a new era of naval BPC operations in the AOR. In March, the West Africa Training Cruise (WATC) 08 demonstrated current SEABASING capabilities utilizing existing platforms and equipment. CTF-365 had four ships under tactical control, the USS FORT MCHENRY, the High Speed Vessel (HSV-2) SWIFT, and two maritime prepositioning squadron ships, the USNS BOBO and USNS WHEAT. The Naval force aggregated the sea base off the coast of Liberia from different origins and assembled maritime prepositioned equipment via tactical connectors. Once assembled, the task force was employed ashore via HSV to support a humanitarian effort, delivering supplies to clinics, hospitals, and schools. Upon conclusion, the task force reconstituted aboard the sea base and all vessels redeployed to conduct their separate follow-on missions.

In Europe, prior to the recent conflict in Georgia, MARFOREUR coordinated a HMMWV driver training program that contributed to the sustained rotation of a Georgian brigade through OIF. MARFOREUR will continue to seek similar engagement opportunities in this strategically important region and will capitalize on ODC initiatives and partner nation interest in the full range of Marine Corps capabilities such as NCO development, maintenance management, intelligence capacity building, and communications support.

MARFOREUR support to the Joint Exercise Program relies largely on the Marine Corps Reserve, offering unique annual training opportunities to U.S.-based forces while mitigating the impact of limited active duty force availability. Additionally, MARFOREUR conducts exercises in the region involving Marine units up to the battalion/squadron-size level, again utilizing the RC as the primary force provider. These exercises will increasingly integrate MPF and prepositioned equipment in support of the developing joint SEABASING concept as well as enhancing Marine Corps expeditionary warfare capabilities.

As the executive agent within DoD for non-lethal weapons (NLW), the Marine Corps, through MARFOREUR, conducted NLW education and training programs involving both existing and emerging partners. This year, by integrating NLW weapons training into JTF-E rotations, MARFOREUR conducted NLW training with over 500 military personnel from Romania and Bulgaria. Current equipment sets facilitate a basic NLW capability, however the next generation of NLW will utilize cutting-edge directed energy technologies to provide Marine units as well as joint and combined forces the option of selectively escalating levels of force with reversible effects, thus giving commanders more time to make decisions in uncertain environments and avoid undesirable effects.

United States Special Operations Command, Europe (SOCEUR)

SOCEUR efforts at countering terrorism in 2008 focused on expanding European SOF partnerships and capacity through the Partner Development Plan and by improving the counter-terrorism capability of North African partner nations through OEF-TS. In his role as director of the NATO Special Operations Coordination Center (NSCC), COMSOCEUR directed the development of common Terms of Reference as well as standardized doctrine and training for NATO Special Operations to enhance SOF integration and interoperability within the Alliance.

Finally, following the stand-up of AFRICOM in October 08, SOCEUR implemented a transition team to support the establishment of SOCAFRICA as a sub-unified command. SOCEUR then undertook a comprehensive evaluation that redefined its roles and missions to focus on the dynamic European security environment, upon completion of transfer of responsibilities of OEF-TS to AFRICOM.

SOCEUR's operations in the Trans-Sahara region gained momentum and made increased progress towards building a capable counter-terrorism capacity to enable governments to conduct operations against violent extremists operating within their borders. Partner enthusiasm and support for this capacity building was evident during JCS Exercise SILENT WARRIOR in May 2008, when nine African and three European partner nations executed a combined counter-terrorism exercise across an area larger than the entire continental United States. In September 2008 fifteen partner nations contributed a total of 567 personnel to JCS Exercise FLINTLOCK 2008 in a combined counter-terrorism exercise in four African and one European nation. These highly successful exercises forged relationships and developed a common understanding among participants about how to proceed against an insidious and mutual threat to regional security.

SOCEUR conducted 29 Joint Combined Exchange Training (JCET) events and 13 Bilateral Training Events in 27 countries during 2008. These events have continued to develop our European and OEF-TS partner nations into more capable, professional Special Operations Forces, with the added benefit of increased political support and commitment from their political leadership.

When OEF-TS transfers to SOCAFRICA, SOCEUR will increasingly shift its focus towards building partner SOF capacity in Europe along three lines of development: continuing support for the NATO SOF Transformation Initiative; expanding SOCEUR-led, bilateral Partner

Development Plan activities; and sustaining 1-10 SFG component deployments to ISAF. These initiatives directly support EUCOM's objective to enhance partner and Allied SOF capability and generate increased SOF capacity for deployment to NATO missions and other expeditionary operations.

Beginning with just a handful of loaned U.S. personnel, the NSCC became a true coalition organization by the end of 2007, reaching IOC with voluntary national contributions of 81 personnel from France, Germany, Italy, Spain, the U.K., and the U.S. There are currently 23 nations represented in the NSCC, the largest standing coalition of SOF in the world. The NSCC, as the NATO SOF proponent, continues to generate increased desire and willingness on the part of Alliance and partner nations to contribute additional SOF to NATO operations in Afghanistan.

SOCEUR conducted JCS Exercise JACKAL STONE 08 to continue partner development in support of EUCOM Strategy of Active Security, to conduct CJSOTF training for forces deploying to Afghanistan, to enhance partner special operations training, and to exercise in the unique training environment offered by participating nations. Approximately 1,420 personnel from eight European nations participated in this month-long exercise.

The SOCEUR Partner Development Plan (PDP) remains the catalyst to allow our European partners to take a more proactive role in global defense efforts where our national interests intersect, and in the future this may lead to strategic relief for deployed U.S. SOF. PDP has recently been designated a Program of Record. As a direct result of the SOCEUR Partner Development Plan and NSCC initiatives, NATO SOF contributions to ISAF increased the number of deployed NATO Special Operations Task Groups to ISAF from two in 2007 to eight by the end of 2008--representing a 400% increase in NATO SOF combat power.

In 2007, SOCEUR expanded its efforts in Afghanistan by deploying a Special Operations Task Group (one U.S. Special Forces company and associated staff officers) to support ISAF. This deployment was a tangible example of U.S. commitment to NATO success and demonstrated the ability to further increase NATO SOF capacity in Afghanistan. SOCEUR will continue to sustain this rotational deployment of component forces to ISAF which serves to demonstrate best practices to our SOF partners, reinforces U.S. commitment to ISAF / NATO and allows more capable SOF to mentor others.

In FY09, SOCEUR plans to conduct 42 different engagement events with 21 countries within the EUCOM AOR and 40 JSOTF-TS engagements in 11 African nations. In addition to JCETs and bi-lateral training, SOCEUR supplements its tactical efforts by bringing senior officers and civil authorities from partner nations together to attend seminars and courses to promote exchanges about military aspects of good governance and interagency coordination. Furthering these themes, the Command's information operations and civil military support actions have focused on humanitarian activities, with messages designed to erode popular support for violent extremist organizations.

SOCEUR continues to deploy component forces and staff members to OEF/OIF and contributes to EUCOM's initial crisis response force. During 2008, the Command deployed crisis response teams to Chad and the Republic of Georgia as well as an assessment team to the Democratic Republic of the Congo. In the 4th quarter of 2009, SOCEUR will conduct a major SOF exercise in Central and Southeastern Europe, involving up to seven nations and multiple U.S. agencies and military commands in order to further develop European partner SOF capacity and validate the Command's crisis response capabilities.

THEATER INVESTMENT NEEDS

Both EUCOM and component activities require infrastructure for fixed facilities, mobility, prepositioning of equipment, and interoperability. EUCOM's ability to continue its transformation and recapitalization in Europe will depend in large measure on the investment provided for military construction (MILCON), Strategic Mobility and Maneuver programs, Quality of Life programs, Theater Command, Control and Communications Systems, ISR, and Pre-positioned Equipment.

Theater Infrastructure

EUCOM advocates MILCON investment in enduring installations that support EUCOM transformation. While we resist investing MILCON in non-enduring installations, we must continue to use sustainment, restoration and modernization (SRM) funds and other resources to maintain these installations until all the Soldiers, Airmen, Sailors, civilian employees and their families depart and the installations are removed from the inventory.

Previous annual MILCON authorizations and appropriations have enabled EUCOM to modernize infrastructure, basing and housing facilities. These authorizations and appropriations have supported our theater strategy by providing enduring infrastructure from which to operate. As these were discussed in detail in the 2008 EUCOM posture hearings, they will not be recapitulated here.

We must anticipate infrastructure requests beyond FY09 for our future force structure. These investments will enable us to eliminate substandard housing and includes projects that will pay dividends as we divest non-enduring bases and consolidate our forces into more efficient communities.

EUCOM's future requirements will form the basis for our Strategic Theater Transformation and Military Construction requests. For FY10, these will be available after the Administration finalizes the FY10 budget submission.

NATO Security Investment Program (NSIP)

The NATO Security Investment Program (NSIP) reduces the need for MILCON and SRM money to fund many of EUCOM's operational infrastructure requirements. Through EUCOM's continuous and collaborative dialogue with NATO and host nation military staffs, the Command has successfully planned, programmed and benefitted from over \$640 million in NSIP investment since 2004. This investment has increased operational capabilities at nearly all of EUCOM's Main Operating Bases and Forward Operating Sites on projects ranging from harbor dredging and hydrant fuel systems, to aircraft parking and maintenance facilities. NATO identifies infrastructure requirements through Capability Packages, which are statements of military capabilities required to meet NATO military requirements. Our involvement in emerging Capability Packages will likely include funding for projects to enhance operational capabilities for strategic air transport, air-to-air refueling and theater-wide fuel distribution and storage.

STRATEGIC MOBILITY AND MANEUVER

Because facilities and forces must be effectively linked, sea lift, strategic and tactical airlift, and ground transportation systems are essential elements of EUCOM's Strategy of Active Security. Meeting the objectives of this strategy, particularly robust BPC activities, requires dependable and available transport. Further, we envision increased lift requirements to support the increased engagement in Africa facilitated by AFRICOM whose organic lift capability is severely limited. Equally important, our ability to respond rapidly to crises depends on readily

available strategic lift platforms capable of covering the vast expanse of our AOR--the distance between Central Europe and Sub-Saharan Africa is equivalent to that between Europe and California. EUCOM's current fleet of C-130s, which cannot carry out-sized cargo, lack the range or capacity to support the rapid movement of forces or humanitarian assistance throughout the theater. To this end, EUCOM will continue to pursue increased organic tactical and strategic lift capability to enable the full range of engagement and contingency activities. We appreciate the support in the FY08 NDAA for the Strategic Airlift Capability and look forward to the successful implementation of the SAC program and its associated Memorandum of Understanding.

The mobility infrastructure within Europe and Africa continues to be an integral part of the national strategic mobility effort. In recent years, EUCOM has inherited significantly increased responsibilities in, and through, our theater directly supporting current global operations. EUCOM is meeting that challenge, and simultaneously fulfilling our existing mission requirements of training and engagement with Allies and partners, through key programs of support.

In the near term, EUCOM is actively addressing emerging requirements to the south and east, including en-route expansion possibilities and locations, new air and sea port uses, and continued support to AFRICOM and CENTCOM AORs. From FY06 to FY09 EUCOM successfully planned and executed \$81M in MILCON for four EUCOM en-route infrastructure projects. During this same time frame, EUCOM's enroute locations benefited from over \$65M in NATO Security Investment Program (NSIP) funding, off-setting additional MILCON costs.

Future EUCOM enroute infrastructure requirements will continue to be shaped by emerging global access demands from changes in the long-term EUCOM force posture, seam

regions such as the Caucasus and Central Asia, trans-regional mobility support to CENTCOM, continued support to AFRICOM, and NATO/ISAF operations.

Pre-positioned Equipment

Pre-positioned equipment reduces demands on the transportation system and appreciably shortens its response time. Continued support of the Services' Pre-positioned War Reserve Materiel (PWRM) programs also demonstrates commitment through presence and preserves a broad spectrum of traditional crisis response and irregular warfare options globally. As we transform and transition to a more expeditionary posture, there is a heightened need for PWRM equipment sets configured to support both kinetic and non-kinetic operations, positioned in strategically flexible locations. Transformation of prepositioning to support has taken on new urgency in light of the U.S. actions in Operation ASSURED DELIVERY.

All four Services maintain PWRM in EUCOM's AOR, either on land or afloat. USAFE continues to maintain PWRM at main operating bases within the theater, with centrally managed storage sites in Norway and Luxembourg. Equipment includes Basic Expeditionary Airfield Resources (BEAR) kits postured for global use, as well as multiple classes of flight line support equipment for exercises, maneuvers, and operations in the EUCOM AOR. USAFE also maintains a stock of pre-positioned equipment in the U.K. for support of Global Strike Command bomber beddown.

Many stocks have been drawn down to support ISAF, OEF, and OIF and will not be reset until at least 2015. Over two-thirds of the Marine Corps Pre-positioning Program-Norway (MCPN) stocks were withdrawn in direct support of OIF and OEF. Equipment was also drawn out of the EUCOM Maritime Pre-positioned Force (MPF) program to outfit additional combat units in support of the Marine Corps expansion. The Department of the Army's Heavy Brigade

Combat Team (HBCT) pre-positioned set from Camp Darby near Livorno, Italy is being used to support operations in Iraq and Afghanistan as well.

Continued Service investment in this capability is necessary to ensure that a fully flexible range of military operations remains available to Combatant Commanders. EUCOM is actively involved in DoD-led studies examining the global disposition of PWRM and is working to ensure our strategic direction and operational requirements are incorporated in these studies and ultimately in an overarching DoD prepositioning strategy, beyond traditional “war reserve.”

INTEROPERABILITY AND LOGISTICS

Partner and Coalition Interoperability

Interoperability enables us to build effective coalitions and improves the logistics of even single-nation operations.

COMBINED ENDEAVOR (CE) is the largest and most powerful Security Cooperation, Communications, and Information Systems exercise in the world. It is sponsored by EUCOM and brings NATO, PfP members, and other nations together to plan and execute interoperability scenarios with national systems in preparation for future combined humanitarian, peacekeeping, and disaster relief operations. Further, results are published in the CE Interoperability Guide, enabling multinational communicators to rapidly establish command and control systems for the force commander. The rapid integration of past participants into the UN Mission in Lebanon, tsunami relief, ISAF deployments and multinational divisions in OIF were salient examples of COMBINED ENDEAVOR'S effectiveness. CE '08 emphasized network security, multinational common operational picture, friendly force tracking, as well as information sharing and collaboration with NGOs. CE '08 provided communications support to Exercise MEDCEUR, affording CE participants a venue to address TTPs in an operational environment.

The Coalition Warrior Interoperability Demonstration (CWID) is an annual event that enables the COCOMs and the international community to investigate command, control, communications, computer, intelligence, surveillance, and reconnaissance (C4ISR) solutions that focus on relevant and timely objectives for enhancing coalition interoperability. CWID investigates information technologies that will integrate into an operational environment within the near term. CWID is also a venue for information technology development or validation of fielded or near-fielded commercial, DoD, and partner systems to reduce fielding costs or programmed transition timelines.

As has been described above, EUCOM has significant competencies, relationships, and resources to draw upon in order to promote security and stability throughout the region. One of the primary ways that we mitigate the risk to our own security is through building strong relationships with our partner nations. Our Security Cooperation programs form a foundation for shared and interoperable capabilities to respond to contingencies.

Reform of the Security Cooperation Framework is crucial to the achievement of national strategic objectives in the EUCOM AOR, including those related to supporting coalition operations in Iraq and Afghanistan, dealing with Russia and its actions in Georgia, maintaining U.S. leadership in NATO, and strengthening the Alliance.

As the Secretary of Defense has stated, the “U.S. strategy is to employ indirect approaches – primarily through building the capacity of partner governments – to prevent festering problems from turning into crises that require costly and controversial direct military intervention.” In Europe, this strategy not only helps nations provide for their own security and maintain stability within the region, but also enables many Allies and partners to *export* security to other regions, most notably as contributors to coalition operations in Iraq and Afghanistan.

Both directly and indirectly, our BPC efforts reduce the burden on U.S. military forces and advance U.S. strategic interests.

Our BPC efforts encompass a wide range of activities, including training individual units, modernizing and transforming military forces, educating current and future military leaders, and developing the defense institutions of Allies and partners. They require a Security Cooperation Framework that enables strategic planning and application of resources to achieve national objectives. They also require a whole-of-government approach supported by robust military *and* civilian capacity. However, existing Security Cooperation authorities, procedures, resources, and interagency coordination mechanisms do not adequately support a strategy based on building partner capacity. Limited resources and the proliferation of multiple, complex, restrictive authorities and processes, each with their own set of rules and management procedures, significantly constrain our ability to plan, make commitments to Allies and partners, respond to strategic events, and execute operations and activities to achieve U.S. strategic objectives in Europe. Furthermore, the lack of interagency unity of effort undermines our ability to capitalize on opportunities to achieve national security objectives in the EUCOM AOR.

Recent initiatives, such as Section 1206 of the 2006 NDAA, Building Capacity of Foreign Military Forces, have partially mitigated some of these shortcomings. These and other measures are important first steps toward the more comprehensive reform of the Security Assistance Framework that is required to execute the strategy outlined by Secretary Gates. Such reform should streamline existing Title 10 and 22 authorities, facilitate strategic planning and application of resources, increase responsiveness and effectiveness in meeting emerging requirements, enhance interagency coordination to permit whole-of-government approaches, and -- as the Secretary of Defense has proposed elsewhere -- increase the capacity of the State

Department and other civilian agencies to support building partner capacity. These reforms are essential to executing our strategy to achieve national objectives.

THEATER COMMAND, CONTROL, AND COMMUNICATIONS SYSTEMS, AND ISR

Communicating and sharing information across an expansive theater are critical capabilities and essential enablers of our Nation's strategic mission. Whether conducting activities within the EUCOM AOR or supporting other COCOMS, the ability to command & control forces is provided by EUCOM and its partners' Command, Control, and Communications (C3) network infrastructures. In order to continue our warfighting dominance, we must continue to evolve how we use this valuable asset, and at the same time, maintain and protect it.

The U.S. increasingly relies on its network of coalition partners to carry out missions abroad. Participating nations bring unique hardware, software, data structures, information, and capabilities for command and control purposes. Investments in international communications standards enable interoperable solutions for sharing of operational information. Continued development of information sharing policies enables commanders to make better decisions using timely and reliable knowledge. Together, interoperable standards and policies that facilitate information sharing will help to bridge the gap between differing systems effectively enabling command and control during coalition and combined operations.

Our Strategy of Active Security places forces in regions not currently supported on a day-to-day basis by the Global Information Grid (GIG). Establishing network capabilities to support operations in remote areas can only be accomplished with reliable and responsive satellite resources. Military Satellite Communications (MILSATCOM) can provide this capability, enabling the joint force secure access to critical C³ ISR and logistics information. In order to

achieve a high level of agility and effectiveness in a dispersed, decentralized, dynamic, and uncertain operational environment, we must maintain our MILSATCOM infrastructure, ensuring it is ready, robust, and available on demand.

Today, current MILSATCOM systems are fragile and over-utilized. The proposed replacement architecture is plagued with delays and unacceptable disconnects between space and ground segments

Cyber attack activity is on the rise. Our increased reliance on network capabilities and the value of information riding on those networks becomes ever more critical. While a network-centric, web-enabled force offers a tremendous advantage in carrying out nearly every dimension of our national strategy, it will be our greatest vulnerability if left inadequately protected. The “cyber riot” in Estonia, coupled with the cyber attacks associated with the Russian incursion into Georgia, are demonstrations of potential havoc that can be created by a well-resourced and technically advanced opponent. Essentially, the network is our most vital non-kinetic weapon system. We must continue to support initiatives for defending our networks and building our cyber operations force.

Without continued improvements to information sharing and interoperable solutions, we limit our coalition capabilities. Without a well-maintained and protected communications infrastructure, our ability to command and control military forces becomes severely degraded. We must continue efforts to safeguard, resource, and exploit the tools enabling the most powerful weapon in our arsenal: information and the knowledge it can engender.

QUALITY OF LIFE (QOL) PROGRAMS

Quality of Life programs and services are vital contributors to our warfighting effectiveness within the European theater. Our warfighters and their families continue to endure real and perceived hardships in an operational overseas environment impacted by transformation and extended deployments. As we transform to meet emerging mission requirements, we owe it to our service and civilian members and their families to provide a safe, productive, and enriching environment. I am committed to helping improve this environment and sustain appropriate entitlements that compensate our servicemembers for their sacrifices. Our collective efforts should match their commitment to duty and country with a pledge that we will strive to provide them with a standard of living comparable to that of the society they have committed to defend.

EUCOM's top QoL issues are: deployment and counseling support for service members and families; support for Child, Youth, and Teen programs; predictable access to healthcare; and servicemember benefits and entitlements especially adequate housing and support for dependent education programs provided by the DoD Dependent Schools – Europe (DoDDS-E). The importance of these programs is magnified in an overseas environment where members and families cannot rely on off-base options as they do in the U.S.

Deployment and Counseling Support

Protracted combat operations and associated tempo and casualties have critically increased the immediate and future mental health requirements of our servicemembers and their families. Multiple studies identify the requirement for increased mental health support to military and family members including the DoD Mental Health Task Force recommendations

which recommended that Congress provide adequate assessment and appropriate mental and behavioral health care.

Because supplementing overseas counseling through off-base providers is extremely challenging due to differences in language and standards of care, Component Commanders have identified the need for additional mental health providers and technicians to provide evaluation, counseling, and when required, physiological treatment referral for EUCOM military and family members.

Child, Youth and Teen Programs

EUCOM and our Service Component Commands consistently receive requests for increased support of child development centers, school age programs, and youth and teen programs and services. Forty-four percent of EUCOM's civilian and military personnel have children. EUCOM is dedicated to supporting child, youth, and teen programs such as the child care subsidy, after school programs, summer camps, summer enrichment and summer school programs, gang prevention and awareness programs, and Drug Abuse Resistance Education (D.A.R.E.).

Off-base options for child, youth and teen programs are limited by culture, language barriers, lack of U.S. standards of care and quality, availability, and above-average costs compared with those at U.S.-based military communities. A recent EUCOM-wide analysis identified a staff shortage, due to difficult hiring processes and staff turn over, as the primary reason for a gap between our members' and families' child care requirements and the level of care available to provide programs that meet their needs. Our ongoing efforts to address this gap will improve EUCOM's ability to conduct and sustain our diverse missions, especially in this era of continuously high operational tempo.

Access to Healthcare

Family member access to both medical and dental care is challenging overseas. EUCOM's military medical treatment facilities (MTFs) must prioritize their limited resources to ensure a ready military force. As a result, the already limited, space-available care may not cover the population and our families are frequently referred off-base to receive host nation medical and dental care. EUCOM family members must often use local community medical and dental services characterized by providers who speak a different language, manage care according to the standards of their culture, and are difficult to access and understand when compared to on-post care in a MTF.

Additionally, during periods when the dollar is weak, families required to use off-base care are further stressed, as upfront costs then are higher and insurance limits (expressed in dollars), especially in dental care, would be reached much sooner than in the U.S. This presents a challenge to EUCOM's ability to sustain an adequate QoL. Our success in strengthening programs, obtaining resources and deploying beneficiary awareness campaigns will lead to healthier communities.

Servicemember Benefits and Entitlements**Family Housing**

EUCOM QoL construction investments affirm our commitment to servicemembers and their families as we strive to fulfill Defense Planning Guidance (DPG) requirements to eliminate inadequate housing.

USAFE, NAVEUR and USAREUR continue to improve their housing inventory through the Build-to-Lease (BTL) program. Through this program, USAREUR continues the process of

improving Grafenwoehr, with 1,300 units acquired and 300 more new units to be acquired, to complete the project. Also, USAREUR plans to acquire 215 more BTL units in Vicenza. Each Component continues to explore additional BTL housing opportunities throughout Europe to meet housing requirements.

EUCOM's request for funding for family housing and barracks construction, renovation, and replacement as Quality of Life projects will follow the submission of the President's FY10 budget.

Commissaries and Exchanges

Investment in commissaries and exchanges ensures our servicemembers and their families have access to the supplies and services they need and we strongly encourage continued support for these key activities. The importance of these programs is magnified in an overseas environment where personnel and families cannot rely on off-base options as readily as they do in the United States.

Department of Defense Education Activity (DoDEA) Schools

EUCOM works with DoDEA and Department of Defense Dependent Schools-Europe (DoDDS-E) to provide our children with quality educational opportunities. Ensuring DoDDS-E delivers a first class education is essential to families serving in Europe, where there are no affordable off-base schooling options like those available in the U.S. DoDDS-E has 90 schools serving EUCOM's 36,500 students. These schools represent almost half of DoDEA's inventory of 199 schools. Operating and maintaining them requires constant attention.

Delivery of a quality education depends on quality facilities. DoDDS-E has aging schools, many of which were built prior to World War II. With 43 percent of DoDEA's students in the EUCOM theater, the health of DoDEA's facility sustainment and recapitalization budgets

is essential to the effectiveness of our education programs. Unfortunately, DoDEA has had a growing backlog of facility recapitalization requirements, although beginning in FY2009, DoDEA has put a renewed emphasis on facilities, increasing funding for facilities sustainment, restoration and modernization. World-wide, nearly 70% of DoDEA's permanent-built infrastructure is assessed by DoD facility standards as poorly maintained or in need of replacement. Within Europe, this ratio has reached 72%. Based on data in DoDEA's recently submitted Report on Condition of Schools, six of DoDEA's top ten recapitalization needs are in Europe. Some of these needs address children attending classes in long-standing temporary buildings, unable to clean up after physical education, or rushing through lunch in cramped cafeterias to accommodate multi-stage dining schedules. We strongly support DoDEA MILCON funding to meet the requirements of EUCOM families.

EUCOM appreciates continued Congressional support to make school construction a top quality of life priority for overseas families. Giving students and their families an education comparable to what they would receive stateside improves retention and enhances readiness.

NATO/SHAPE

The Washington Treaty marks its 60th anniversary in 2009. For over 60 years, it has been the cornerstone of security and stability, and NATO is the world's most successful Alliance. The Alliance's current and future role in international security is set by the principles and provisions of the Washington Treaty. As the past six decades have demonstrated, NATO has protected, and will protect its members' sovereignty. Trans-Atlantic security today is not threatened by one strategic threat, but is challenged by regional and global networks of instability, which contain risks and threats to our nations individually and collectively. Consequently, 21st Century Trans-Atlantic security is by necessity part of a global network of security - interconnected with other

regional and global networks. NATO will play an even more critical role in the years to come in anchoring global security as NATO nations work in a comprehensive approach with members, partners, and international organizations. The Alliance is determined to enhance security and stability and to cooperate in building a stable, peaceful Europe. The benefits of Trans-Atlantic stability that we enjoy today can be extended to the insecure and unstable beyond Europe, as has been demonstrated in Afghanistan and Africa. Risks are omni-directional, and crises can develop rapidly, transforming political disputes into military conflicts. Crises must be identified, managed, and resolved. The Alliance is uniquely capable, uniquely structured, and will play a major role in the management of crises. I believe our Alliance's core mission is to be prepared to address the myriad risks that jeopardize stability in the modern era. It is my hope that the 60th Anniversary Summit will produce a renewed impetus to adapt the Alliance further to meet the demands of the security challenges of the 21st century.

The threats to our security in a globalized world do not stop at national borders and cannot be successfully addressed by any nation alone. NATO is essential, as is our steadfast commitment to NATO and trans-Atlantic security. The challenges of the 21st century require greater cooperation than ever in areas such as energy security, terrorism, piracy, and arms control, all supported by an integrated, robust, visible U.S. presence. To the extent possible, U.S. security policies must be sufficiently aligned with our Allies to provide mutually beneficial effects. Significant contributions of forces supporting NATO are absolutely critical, particularly to the current out-of-area operations. However, we must be mindful that EUCOM presence is our most visible form of the U.S. commitment to the Alliance. Operationally, we must maintain the appropriate EUCOM force structure to implement our strategy. Active security cooperation

and habitual training relationships improve operational readiness and enhance our position of influence in European security.

In addition to the honor of serving as Commander of EUCOM, I am privileged to command Allied Command Operations as the Supreme Allied Commander, Europe. During this past year, the men and women of NATO have worked tirelessly on behalf of the Alliance and served their nations with distinction. Our Allies and partners have answered the call to duty, fought valiantly, and paid in blood and treasure. There are now over 70,000 deployed military forces from 43 NATO and non-NATO nations conducting operations under my command on three continents. They demonstrate NATO's relevance in today's dynamic security environment.

Operations

In Afghanistan, over 55,000 men and women from 41 NATO and non-NATO partner nations assigned to ISAF are assisting the Government of the Islamic Republic of Afghanistan (GIROA) in the establishment and maintenance of a safe and secure environment, facilitating reconstruction and development, and extending GIROA control. In my time as SACEUR, ISAF has increased from approximately 30,000 to the current force strength. Allies have increased their contributions to this operation since 2006. We still have shortcomings in both forces and enablers, which I address with the nations. The nations of the Alliance understand the significance of this operation for the security of their people, the security of the region, and the future of the Alliance.

While 2008 saw a marked increase in violence by insurgents, the activity is concentrated in generally the same districts as the previous year. We attribute this increase in violence to three factors. First, ISAF and the Afghan National Army (ANA) have increased operational tempo and extended their reach into areas that were once safe havens for the insurgency. Second, the

Federally Administered Tribal Areas in Pakistan remain a sanctuary for the arming, training, and planning of operations against ISAF in Afghanistan. Third, insurgents have taken to attacking reconstruction and development in an effort to convince Afghans that their government cannot provide for their individual security, or the security of the International Community efforts to rebuild and reconstruct Afghanistan.

Development of the Afghan National Security Forces (ANSF) is crucial to combating this trend and key to long-term success in Afghanistan. In the last year, the ANA has fielded 5 infantry battalions, 4 commando battalions, 4 support battalions, and 3 brigade headquarters. The ANA participates in more than 90% of all ISAF operations and has led planning and execution of 58% of the more than 200 planned operations this year. The Afghan National Army Air Corps (ANAAC) continues to grow in both size and capability due to contributions of aircraft and training teams. In the past year the ANAAC has provided 90% of the airlift required by the ANSF. Critical to the development of the ANA is the coordination between EUCOM, CENTCOM, and SHAPE in developing training and deployment programs that have resulted in 48 fielded Operational Mentor and Liaison Teams (OMLTs) Another 12 teams are training to deploy this year. Additionally, SHAPE is assisting with non-U.S. sponsorship in 11 of 19 ANA schools.

Security must be accompanied by good governance and lasting reconstruction and development. The GIRoA struggles to deliver substantive and sustainable service to the Afghan people. Efforts are ongoing, but markedly improved conditions are still unrealized today. More than 60,000 projects are currently underway and signs of progress are evident.

Security in Pakistan and Afghanistan is undoubtedly linked. We must engage with Pakistan at all levels, and Pakistan must work to be part of the solution. We work with Pakistan

militarily in the framework of the Tripartite Commission, which is a cooperative effort comprising military representatives from ISAF, Afghanistan, and Pakistan. I believe a similar diplomatic cooperative effort is also needed.

The narcotics trade is a major obstacle on the road to a secure and stable Afghanistan. In October, NATO's political leaders approved enhanced counter-narcotic actions by ISAF forces against drug facilities and facilitators that support the insurgency. The nexus between the illegal drug trade and the insurgency is real, and narco-profits represent a significant funding stream to arm and train the insurgents. The objective of the ISAF action is to impact the resources made available to the insurgency through illegal drug activities. ISAF will work in support of the Afghan government. ISAF will not conduct operations to eradicate the poppy crops.

Whatever discussion we have about strategy, no strategy will work if it is not matched by the right resources. I have written separately to Ministers of Defense to articulate the importance of filling the Combined Joint Statement of Requirements (CJSOR). In late 2008 we saw an increase in national troop commitments and a reduction in national force caveats, though more is needed.

Increases in U.S. troop levels are not enough. NATO forces in Afghanistan have shown their ability to clear opposing forces from any terrain, but to hold terrain and build the nation of Afghanistan will take a much larger commitment. International organizations as well as the Afghan Government need to make greater progress thru a collective, comprehensive effort. Ambassador Kai Eide, the Special Representative of the UN Secretary General for Afghanistan, is charged to bring coherency to the international effort. He must have our steadfast support, all of it, all of the time. Euro-Atlantic and wider international security is closely tied to Afghanistan's future as a peaceful, democratic state.

While ISAF is our top priority, we have more than 14,000 troops from 33 NATO and partner nations in Kosovo continuing to ensure a safe and secure environment. The future roles of the UN and the European Union Rule of Law Mission are still being clarified, but NATO's mandate to ensure a safe and secure environment remains the backdrop of discussions.

NATO is overseeing the stand-down of the Kosovo Protection Corps, supervising and supporting the stand-up of the civilian-controlled Kosovo Security Force. This important mission requires increased resources. I have called on NATO nations to sustain their commitment to achieve success in Kosovo.

Our commitment to regional security and stability throughout the Balkans remains steadfast. We continue to assist in defense reform, including Partnership for Peace and NATO membership activities, through our NATO HQs in Sarajevo, Skopje, and Tirana and the Military Liaison Office in Belgrade.

NATO ships participating in Operation ACTIVE ENDEAVOR (OAE) continue to patrol the Mediterranean Sea in a counter-terrorism mission. Through advances in surveillance technology and contributions of non-NATO nations, OAE now maintains a continuous watch and deterrent presence of a vital strategic waterway used by more than 6,000 merchant vessels at any given time.

NATO provides an essential trans-Atlantic dimension to the response against terrorism. We need to strengthen the ability to share information and intelligence on terrorism, especially in support of NATO operations.

We train Iraqi Security Forces with just under 200 personnel assigned to the NATO Training Mission-Iraq (NTM-I). NTM-I assisted with the establishment of the Iraqi Training and

Doctrine Command and National Defense University, and operates the Iraqi Military Academy Ar Rustamiyah (IMAR), where two-thirds of Iraq's Second Lieutenants are trained.

NATO has agreed to assist the African Union (AU) mission in Somalia by providing airlift support to deploying AU member states. The first request was in June and NATO transported a battalion of Burundian peacekeepers to Mogadishu. We are also assisting making the African Standby Force operational

Operation ALLIED PROVIDER (OAP) was NATO's response to a request by the UN to conduct maritime operations off the coast of Somalia to deter, defend, and disrupt piracy activities and allow the World Food Program to deliver humanitarian aid to the region. We should not underestimate the importance of this decision, nor the precedent it sets for our Alliance. NATO's political leaders approved a mission for which there was no detailed contingency or operational plan, demonstrating that we can react quickly in times of crisis. NATO is considering a possible long-term role in counter-piracy that could complement UN Security Council Resolutions and actions by others, including the European Union.

A strong collective defense of our populations, territory, and forces is the core purpose of our Alliance and remains our most important security task. The member nations don't always see the threats in the same way nor do they always agree on the ways and means to confront them. However, difference of views is nothing new - with 26 perspectives and a system of consensus, we can be certain decisions taken by the Alliance will be well-reasoned, serve a common purpose, and be underwritten by our professional military forces.

There are substantial issues confronting us; issues that could challenge the success of our operations or the military credibility of the Alliance. I would like to note four of them. First, shortcomings that directly impact on our collective ability to react to crisis--forces in ongoing

operations, command structure, operational and strategic reserves, and the NATO Response Force (NRF). Strategic success hinges on adequate resourcing--deployed forces deserve to be fully resourced. Resourcing is the single most important means to demonstrate political will and symbolize our collective accountability to the servicemembers put in harm's way. In its current construct, the NRF has been plagued by force shortfalls and insufficient national contributions. The Peacetime Establishment Review has been an exercise in compromise and, in the end, does not meet all of our expectations. We are successfully transforming the command structure to better support and enable the operations of today and improve our ability to manage and react to crises, but we must have a properly manned HQ for the future.

Secondly, NATO's role as a security provider will be determined by how the Alliance performs in its military operations in meeting new security challenges. Piracy may be the immediate challenge, but others must be addressed: energy security, proliferation, and cyber attacks to name a few. At a time of financial crisis, discussion of increased capabilities and new missions is very unpopular. We need nations committed to equitable burden-sharing to achieve our stated ambition.

Thirdly, our operations highlight the need to develop and field modern, interoperable, flexible and sustainable forces. These forces must be able to conduct collective defense and crisis response on and beyond Alliance territory, on its periphery, and at strategic distance. We can further information superiority through networked capabilities, including an integrated air command and control system, increased maritime situational awareness and the Alliance Ground Surveillance (AGS) capability. AGS is a mix of manned and unmanned airborne radar platforms and is an essential capability for decision makers and planners. We can improve strategic lift and intra-theater airlift, especially mission-capable helicopters. A major milestone in meeting

Alliance strategic airlift needs was realized when ten NATO countries plus two partner countries (Finland and Sweden) signed the Memorandum of Understanding confirming their participation in the acquisition and sustainment of three C-17 strategic transport aircraft. The Alliance also clearly recognizes the importance of protecting the territory and citizens of NATO member nations and is developing options for a possible integrated NATO-wide missile defense architecture.

The fourth challenge is Strategic Communications. Strategically communicating the implications of NATO's policy and actions is essential. With new challenges and NATO increasingly acting in concert with other countries and institutions, it has been much more difficult for our publics to understand what NATO is all about. We need public understanding and public support. Additionally, the need for appropriate, timely, accurate and responsive communication with local and international audiences in relation to NATO's policies and operations is vital.

NATO's relationship with key partner nations is critically important to the overall security environment. NATO's diverse relationships with the Mediterranean nations of Africa, the Middle East, troop contributing nations from the Pacific and South America, Partnership for Peace nations from the Caucasus and Central Asia, and special relationships with Russia, Georgia, and Ukraine all demonstrate the vast potential for security cooperation, consultation, and joint action together. In particular, Albania and Croatia accession protocols have been signed, and ratification by the member nations is ongoing. I am satisfied with the progress of Albania and Croatia militarily and am confident in both national and NATO plans in place. Both nations are already valuable participants in the NATO mission in Afghanistan. We continue work with prospective members. The Former Yugoslav Republic of Macedonia has had a

membership action plan since 1999 and Georgia and Ukraine began intensified dialogue in 2006. All of these nations will contribute to Alliance security. We stand ready to further develop a substantive relationship with Serbia making full use of its Partnership for Peace (PfP) membership.

The NATO-Russia Council (NRC) has been a valuable mechanism for consultation, cooperation, joint decision and joint action since 2003. Russia's disproportionate use of force in the conflict with Georgia led the Alliance to suspend formal discussions and cooperation with Russia in the NATO-Russia Council. The Alliance did agree at the recent Foreign Ministers Meeting to restart the NRC some time this summer as a mechanism for dialog on issues of disagreement and on those where we have common interests. These common interests should be the focus for future engagement. We welcome Russia's approval of the Land Transit Agreement (LTA), allowing transit of NATO non-military goods through Russia to Afghanistan via Central Asia.

In 2009, 60 years after the signing of the Washington Treaty, 18 years after the end of the Cold War, the Alliance is engaged with the broadest set of challenges, risks, and threats in its history, reflecting the increasingly complex and multi-layered nature of the 21st century security environment. U.S. leadership in NATO is critical to our national security, as well as being critical to the success of NATO. As we look to the future with the goal of building a stable, secure, and united Europe, NATO should be an anchor in the framework of a turbulent global environment, a source of political solidarity to confront these challenges with a comprehensive and strategic approach, and have capabilities and capacities sufficient to respond rapidly. EUCOM's role is vital to sustaining U.S. leadership within the Alliance, shaping the comprehensive and strategic approach necessary, and providing the capabilities and capacities to

respond rapidly to NATO's call. U.S. military contributions are only possible with the staunch and steady support of Congress and we greatly appreciate your leadership and assistance.

CONCLUSION

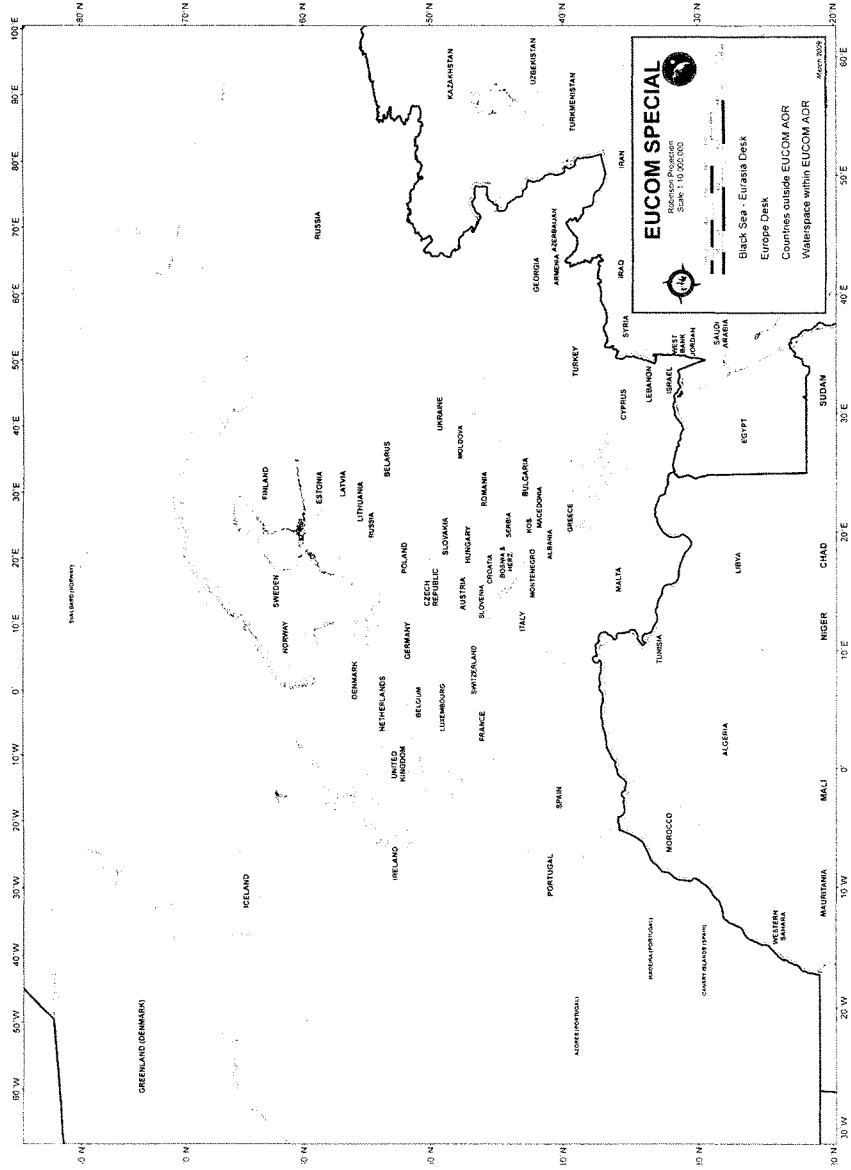
EUCOM works with other U.S. government agencies using a whole-of-government approach to strengthen U.S. leadership in its Area of Responsibility even as we support operations in other theaters. EUCOM's overall mission to defend the homeland and create an environment that advances U.S. strategic and economic interests is accomplished in many ways, the most effective of which are our BPC efforts. Building Partner Capacity has also been a key function of NATO throughout its existence. In the last two decades it has taken on an additional dimension as NATO as an organization and its members as individual nations export security to other nations in Europe, Eurasia, and Africa. NATO, as an alliance of shared values, remains the essential forum for trans-Atlantic security consultations and cooperation, helping us and our partners confront common threats in a unified manner.

Challenges in the region are both numerous and dynamic. In Europe, threats to the independence of nations in the Baltics, conflict over missile defense, Kosovo's disputed status, the numerous other reduced but not eliminated conflicts in the Balkans, enormous stockpiles of legacy ammunition, and terrorist attacks by the Kurdistan Worker's Party threaten the establishment of a secure environment in Europe. In the Black Sea/Eurasia region, the impact of a more assertive Russia, in particular the challenges produced by its conflict with Georgia, frozen conflicts between Armenia and Azerbaijan, between Georgia and its separatist regions, between Transdnistra and Moldova, and the potential repercussions of the status of the Crimea present

similar challenges. The Israel-Palestinian conflict produces tensions not only in the immediate vicinity but also far beyond it.

Using eight long-term objectives and seven immediate priorities, EUCOM's *Strategy of Active Security* guides the Command in reducing all of these challenges. Adapting EUCOM's structure and infrastructure to the new challenges requires strategic theater transformation, which affects not only EUCOM headquarters and its associated agencies, but the five subordinate commands as well.

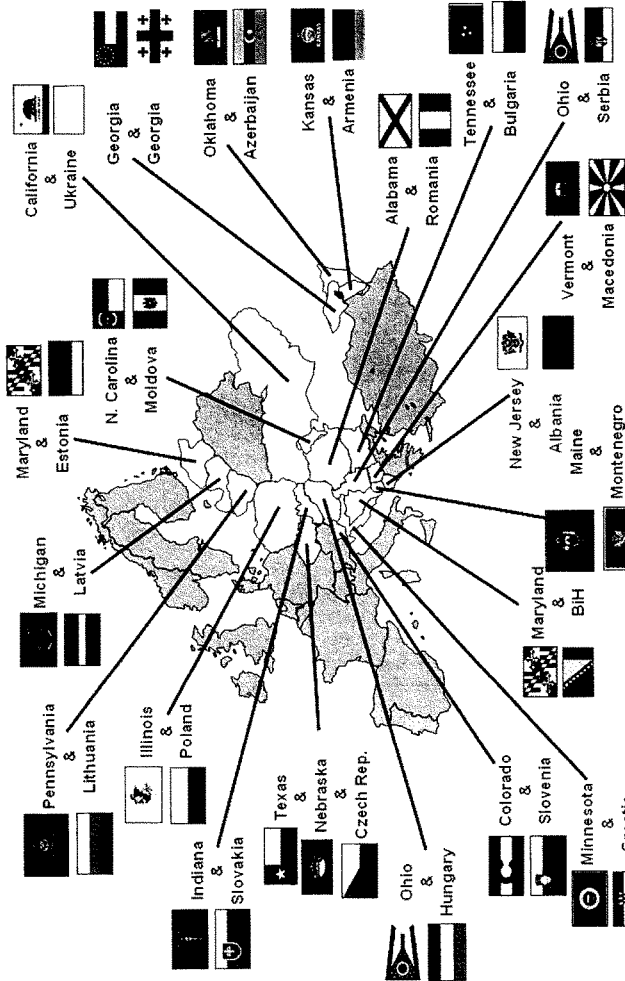
The assistance of the Members of this Committee is essential in ensuring EUCOM's effectiveness in its ongoing programs, operations and initiatives. Your efforts underpin EUCOM's ability to operate across the entire spectrum of military missions. Committee support also sustains effective engagement with, and credible support to, the NATO Alliance and our regional partners. Since 1952 the dedicated men and women of the United States European Command have remained committed and able to achieve our national goals. Your support allows them to continue in this proud tradition.



UNCLASSIFIED



51 EUCOM Countries 21 State Partnerships



UNCLASSIFIED

**STATEMENT OF
GENERAL WALTER L. SHARP
COMMANDER, UNITED NATIONS COMMAND;
COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES
COMMAND;
AND COMMANDER, UNITED STATES FORCES KOREA
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
24 MARCH 2009**



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I. INTRODUCTION

Mr. Chairman and distinguished members of the committee, I am honored to appear before you today. As the Commander, United Nations Command (UNC); Commander, Republic of Korea – United States (U.S.) Combined Forces Command (CFC); and Commander, United States Forces Korea (USFK), it is a privilege to represent the Soldiers, Sailors, Airmen, Marines, Department of Defense (DoD) Civilians, and their families who serve in the Republic of Korea (ROK). On behalf of these outstanding men and women, thank you for your continued commitment to improving the quality of life for our service members and their families. Your vital support allows us to ensure the security of the ROK, promote prosperity and stability in Northeast Asia, and protect our shared national interests in the region. I appreciate this opportunity to report on the state of the Command and our plan for the ongoing transformation and strengthening of the ROK-U.S. Alliance.

For the last 56 years, since ratification of the Mutual Defense Treaty by the U.S. and the ROK, the ROK-U.S. Alliance has deterred aggression, maintained peace on the Korean Peninsula, and promoted security and stability in this vital region. Our bilateral Alliance has served both nations well. The ROK transformed from a country devastated by war to a vibrant democracy with the world's 14th largest economy.¹ The U.S. gained a stalwart ally and strategic partner with unwavering dedication to the defense of peace and freedom in a challenging part of the world. ROK armed forces fought alongside Americans in Vietnam and participated in OPERATION DESERT STORM. More recently, the ROK has deployed forces to Iraq and Afghanistan, being the third largest contributor of forces to OPERATION IRAQI FREEDOM

¹ ROK gross domestic product (GDP) was valued at \$1.3 trillion in the year 2008 when measured at purchasing power parity. The GDP figure and ranking were obtained from the *CIA World Fact Book 2009*.

during most of the 2004 to 2008 time period.² The ROK's five-year presence in northern Iraq contributed significantly to the stabilization and reconstruction of that country. Similarly, the ROK currently maintains a civilian medical and vocational training team in Afghanistan and has contributed assistance to that country worth millions of dollars. On a broader scale, the ROK has also participated in United Nations (UN) peacekeeping operations, currently having a presence in six operations around the world.³ The ROK also deployed the Cheonghae unit – which consists of a 4,500-ton destroyer and an anti-submarine helicopter – to the waters off Somalia for the conduct of anti-piracy operations.

President Lee Myung-bak's efforts to maintain regional security and stability include robust, economically-focused, and results-oriented regional outreach initiatives. Within the first year of his term of office, President Lee has conducted multiple summits with each of the national leaders of China, Japan, Russia, and the U.S. President Lee and his cabinet actively participated in our ULCHI FREEDOM GUARDIAN exercise in August 2008 and promised even more participation in 2009. Measures aimed at strengthening the ROK-U.S. Alliance, establishing strategic partnerships with China and Russia, and working with Japan and China on a multi-lateral response to the recent global financial crisis demonstrates his resolve to achieve a more prosperous, stable, and secure future for the ROK.

In the past year our two nations have taken significant actions to enhance the military capabilities of and reinforce the mutual trust that underscores this great Alliance. In 2008, our

² In the year 2004 the ROK deployed 3,566 troops to Iraq, making it the third largest contingent in that country only exceeded in number by the United States and the United Kingdom. Troop figure obtained from the ROK Ministry of National Defense 2006 Defense White Paper.

³ The six UN peacekeeping operations currently having representation from the ROK are UNMOGIP (Pakistan), UNOMIG (Georgia), UNOMIL (Liberia), UNAMA (Afghanistan), UNMIS (Sudan), and UNIFIL (Lebanon).

governments agreed to maintain the current level and capability of U.S. force presence on the Korean Peninsula for the foreseeable future. This is a clear and visible statement of U.S. commitment to the Alliance. Our two nations also concluded host nation burden sharing negotiations, resulting in a Special Measures Agreement (SMA) that will provide ROK funding support for U.S. forces in Korea over the next five years. And I thank you for passing legislation that elevated the ROK's Foreign Military Sales (FMS) status to be on par with NATO countries and other longstanding allies. This legislation will enhance interoperability with the ROK and the Alliance's warfighting capability. Finally, the U.S. DoD approved proceeding with implementation of three-year accompanied tours for service members assigned to Seoul, Pyeongtaek, Osan, Daegu and Chinhae. This constitutes a major step forward in ending our outdated system of one-year unaccompanied tours for the large majority of service members assigned to Korea. These measures will strengthen the Alliance and improve our ability to promote regional security and stability in Northeast Asia.

The U.S. has significant national security interests in Northeast Asia. With five of the world's 19 largest economies located in the region and a combined 2008 gross domestic product (GDP) of \$16.6 trillion (23.5 percent of global GDP), Northeast Asia is a crucial component of the global economy.⁴ The ROK plays a vital role in a region that accounts for 22 percent of all U.S. trade in goods.⁵ It is a first-class economic power, our seventh largest trading partner and

⁴ GDP at purchasing power parity in 2008 for the countries of Northeast Asia were as follows: China \$7.8 trillion; Japan \$4.48 trillion; Russia \$2.22 trillion; ROK \$1.3 trillion; Taiwan \$757 billion; DPRK \$40 billion; and Mongolia \$9 billion. World GDP in 2008 was valued at \$70.6 trillion. Source: *2009 CIA World Fact Book*.

⁵ US trade in goods during 2008 was valued at \$409.2 billion with China, \$205.8 billion with Japan, \$82.9 billion with the ROK, and \$61.6 billion with Taiwan. Total US trade with these four countries of Northeast Asia was valued at \$759.5 billion in 2008, accounting for 22.3% of total American foreign goods trade of \$3.4 trillion. Source: *U.S. Census Bureau*.

one of the most technologically and scientifically advanced countries in the world that boasts the world's largest shipbuilding industry.

While Northeast Asia generates a significant share of the world's commerce, it is also characterized by uncertainty, complexity, and rapid change, and has consistently posed difficult security challenges to the international community. Beyond the North Korean threat, the presence of four of the world's six largest militaries⁶ and two proven nuclear powers (China and Russia), not including the U.S., as well as historical animosities, territorial disputes, resource competition, and historical struggles for regional hegemony combine to pose long-term regional security challenges. The ROK sits at the nexus of a region influenced by – and influencing – an emerging China, a resurgent Russia, and a prosperous Japan.

U.S. presence in Northeast Asia is a long-term investment in regional stability with specific objectives: promoting democracy and free market economies; preserving peace and stability in the region; engaging other regional powers; and setting the conditions for denuclearization and the eventual peaceful reunification of the Korean Peninsula. A strong Alliance, with a meaningful U.S. force presence, is absolutely essential to meeting these objectives. U.S. forces in Korea are adapting to changing conditions in this dynamic region. We are transforming into more modern and capable warfighting units and headquarters, while preparing to assume a doctrinally supporting role after the transition of ROK wartime operational control (OPCON) to the Korean government on April 17, 2012. An enduring U.S. force

⁶ The world's six largest militaries in terms of number of personnel are: China #1 (2.1 million personnel); US #2 (1.54 million); India #3 (1.28 million); North Korea #4 (1.2 million); Russia #5 (1.02 million); and the ROK #6 (687,000). Source: *The Military Balance 2009*, produced by the International Institute for Strategic Studies.

presence in Korea after OPCON transition in 2012 will ensure a strong Alliance fully capable of meeting its treaty commitments well into the future.

II. NORTH KOREA ASSESSMENT

North Korea (DPRK) remains the primary threat to stability and security in Northeast Asia, though we have made progress in reducing that threat through the ongoing Six-Party Talks to achieve the complete and verifiable denuclearization of the Korean Peninsula. Regime survival remains the DPRK's overriding internal and external focus. Reports of Kim Jong-il's major health problems last year highlight uncertainties about the future and the possibility of North Korean instability. The DPRK's recent actions contributing to the continued chill in South-North relations, to include severe restrictions on ROK activity at the Kaesong Industrial Complex, the Mount Kumgang Tourist Resort and on cross-border travel, threats against the ROK in the West Sea and unilateral nullification of the South-North Basic Agreement, as well as the DPRK's stated inability to protect the safety of civilian airliners traveling through its airspace, are reminders of the state of tension that exists between the two Koreas.⁷ The DPRK has previously resorted to provocative behavior, including ballistic missile launches, a nuclear test, and slowing down, ceasing, and reversing disablement activities at Yongbyon, all in an attempt to improve its bargaining position at international negotiations to gain concessions. North Korea remains the world's leading supplier of ballistic missiles and related technology, and remains a major proliferator of conventional weapons as well. Finally, we continue to be concerned with

⁷ The South-North Basic Agreement, formally named the Agreement on Reconciliation, Non-Aggression, and Exchanges and Cooperation (ARNE), was signed by the ROK and DPRK on 13 December 1991. The agreement and associated supplements cover three areas of inter-Korean relations: ROK-DPRK reconciliation; non-aggression between the two Koreas; and exchanges and cooperation between the ROK and DPRK.

the threat posed by DPRK's large conventional military, artillery, ballistic missiles, and Special Operations Forces (SOF).

North Korea's Strategy and Goals

The DPRK continues to focus its strategic efforts on regime survival and reunification of the peninsula on its terms. Internally, North Korea ensures regime survival by securing the loyalty of the elites and military forces. The DPRK retains the loyalty of its elites by providing incentives purchased with hard currency partly raised through money laundering, counterfeiting, drug trafficking and arms sales. To maintain the military's loyalty, North Korea devotes up to one-third of its available resources to maintaining and developing its conventional and asymmetric capabilities, thereby seeking to deter external interference and provide leverage for international negotiations.

North Korean Nuclear and Ballistic Missile Developments

The DPRK currently maintains nuclear and ballistic missile development programs, both as a deterrent and as its greatest international manipulation tool, leverage exacerbated by the potential export of Weapons of Mass Destruction (WMD) material. The DPRK conducted its only nuclear test in October 2006. Prior to the test, the intelligence community assessed that the DPRK had reprocessed enough plutonium for at least a half a dozen nuclear weapons. Additionally, the Director of National Intelligence assesses that in the past Pyongyang pursued a uranium enrichment capability for nuclear weapons and notes that some in the Intelligence

Community have increasing concerns that North Korea has an ongoing covert uranium enrichment program.⁸

The DPRK views its ballistic missiles programs as a source of prestige, a strategic deterrent, a means of exerting regional influence, and a source of hard currency. North Korea continues building missiles of increasing range, lethality and accuracy, thereby bolstering its inventory of missiles available for internal use or external sale, while maintaining several hundred missiles in its active force. North Korea is now fielding a new intermediate range ballistic missile capable of striking Okinawa, Guam and Alaska, and continues to develop and mature systems with an intercontinental range capability. The DPRK's missile export program, with established links to Syria and Iran, among others, along with its quest to develop improved ballistic missile technology, poses a threat to Northeast Asia and the world at large. It is a threat that we cannot afford to overlook.

North Korea Armed Forces

North Korea continues to maintain the world's fourth largest armed force with 1.2 million active duty personnel, 5-7 million reserves, 1,700 aircraft, 800 naval vessels, and over 13,000 artillery systems. Though outfitted with aging and unsophisticated equipment, 70 percent of the DPRK's ground forces remain staged within 90 kilometers of the Demilitarized Zone (DMZ), including 250 long range artillery systems capable of striking the greater Seoul metropolitan area and its 23 million inhabitants. Despite a failing economy, the North Korean government consistently diverts precious resources from the civil sector to military readiness. While

⁸Assessment obtained from the "Annual Threat Assessment of the Intelligence Community" produced by the Director of National Intelligence for the Senate Select Committee on Intelligence and released on 12 February 2009.

qualitatively inferior to CFC, resource-constrained, and incapable of sustained deep maneuver, North Korea's military forces retain the capability to inflict lethal, catastrophic destruction on and off the Korean Peninsula. They are well postured to conduct limited attacks or kinetic provocations against the Alliance, as well as our allies and interests in the region, with little or no warning.

The DPRK continues to maintain the largest SOF in the world, comprised of over 80,000 personnel. Among the best resourced forces in North Korea's military, these tough, well-trained, and profoundly loyal troops are capable of conducting illicit activities, strategic reconnaissance, and asymmetric attacks against a range of critical civilian infrastructure and military targets across the region.

North Korean Threat Outlook

The potential for North Korean instability will remain a top concern for the foreseeable future. The DPRK's long-term viability and corresponding stability remains problematic, as the North Korean government has shown little tolerance for market reform, resulting in deteriorating infrastructure and chronically depressed agricultural and industrial sectors. While keenly aware of its economic crisis and the impact of its chronic dependency on foreign aid for survival, the DPRK continues to struggle with balancing the benefits of increased international interaction and assistance against the risks such interaction and assistance pose to regime control. This raises questions about the long-term viability of an increasingly stressed North Korean regime.

Absent a commitment to economic and other reforms, we expect the regime's goals and strategy to remain static, as it pursues regime survival at the expense of both the North Korean state and its people's future prosperity.

Now, I would like to briefly discuss my three priorities for the Command: 1) be prepared to fight and win; 2) strengthen the Alliance; and 3) improving the quality of life for personnel under my command.

III. PREPARED TO FIGHT AND WIN

My first priority as Commander of CFC, UNC, and USFK is a trained, ready, and disciplined Combined and Joint Command that is prepared to fight and win. Facing any number of challenges that could arise on the peninsula with little warning, our commitment to the Alliance spans the entire spectrum of conflict, from major combat operations under conditions of general war through multiple instability possibilities to humanitarian assistance, or elimination of WMD in an environment characterized by instability. Given these varied potential challenges, it is imperative that our forces maintain the highest possible level of training and readiness.

Training

Readiness can only be maintained by training to conduct full spectrum operations in today's complex operational environment. We must ensure that our training facilities and opportunities fully support the transformation of U.S. military forces stationed in Korea. The U.S. Army and U.S. Marine Corps possess adequate training resources on the Korean Peninsula to maintain unit combat readiness including the conduct of robust amphibious operations. Eighth U.S. Army is aggressively improving, in conjunction with the Department of the Army, Live, Virtual, Constructive and Gaming technologies that train Brigade and Battalion Battle Command in a major combat and full spectrum operating environment.

USFK still faces challenges with insufficient training range capacity and capability needed to maintain the readiness of our air forces in Korea. In addition, the continued shortfall in electronic warfare training capability for our on-peninsula air assets poses a significant challenge that must be addressed. Increased deployments of U.S. air forces to off-peninsula training events will mitigate current training shortfalls within Korea and ensure the same standard of training and readiness as the rest of our combat air forces. We are working with the ROK government and military to solve our training challenges and anticipate continued progress throughout the remaining months of FY 2009 and into FY 2010.

Combined Exercises

Our CFC exercise program is designed to maintain the "Fight Tonight" readiness of our combined forces and drive the transformation of CFC into separate ROK and U.S. warfighting headquarters. KEY RESOLVE and FOAL EAGLE (KR/FE), held concurrently each year, ensure CFC readiness while visibly demonstrating the strength of the Alliance. FE is a large-scale combined Field Training Exercise, which includes the strategic deployment of U.S. forces from bases in the United States as well as the participation of 200,000 ROK troops. KR, a Command Post Exercise focused on crisis management, trains as we will fight today, with CFC executing command and control (C2) of our combined forces. KR/FE 2009, taking place this month, will once again confirm that CFC remains highly capable of deterring aggression, and should deterrence fail, decisively defeat a North Korean attack.

ULCHI FREEDOM GUARDIAN (UFG), an annual computer-simulated warfighting exercise, focuses on training and certifying the 2012 and beyond future command structure. We executed the first UFG in August 2008 under the command structure as it will exist after the

transition of wartime OPCON of ROK forces in 2012, with two separate warfighting headquarters. The ROK Joint Chiefs of Staff led the warfight with U.S. Korea Command (KORCOM) in a supporting role. The ROK military leadership performed well, and proved that it will be fully capable of taking the leading role in the defense of the ROK by 2012. While there is still much work to do between now and April 2012, based on performance in this first UFG exercise, I am confident that the ROK is ready for this challenge.

Readiness

Continued Congressional support for force capability enhancements is also critical to readiness. USFK has continued to make meaningful progress in several key focus areas for modernization: joint C2, communications, and intelligence, surveillance and reconnaissance (ISR); counter-fire and precision munitions; theater missile defense (TMD); and pre-positioned equipment and logistics. I ask for your support to meet resource requirements in these areas, which are essential to our readiness posture, as well as the successful transformation of U.S. forces in Korea.

Command and Control (C2) and Communications

We are making strides in modernizing our C2 and communications systems, yet a significant vulnerability to our infrastructure continues to exist. Numerous facilities are vulnerable to service disruption due to reliance on single outdated communication platforms. North Korean SOF and ballistic missiles represent the most significant infrastructure threats, but accidental damage to the data path due to construction and natural disasters also poses a threat. We are mitigating this threat by upgrading microwave capacity and replacing vintage fiber optic

cable. These upgrade and replacement programs are projected to be executed over the next few years with the high priority facilities and cable phases being completed by November 2009 which will significantly reduce existing infrastructure vulnerabilities. We will continue to address these vulnerabilities and prioritize our efforts and resources to mitigate the risk to the infrastructure with having full replacement and redundancy complete by the end of 2011.

We are also designing a Joint Information Environment-Korea (JIE) that will be designed to consolidate numerous federated systems into a unified communications network under the management of a single provider. Adoption of JIE into the Korea Theater of Operations will make operational the Joint Staff Global Information Grid 2.0 concept. The JIE-Korea approach will reduce operations and maintenance costs, lower network redundancies, and reduce network seams that have caused past network disruptions.

Intelligence, Surveillance, and Reconnaissance (ISR)

Continued modernization of ISR capabilities also remains a top priority, crucial to transforming the ROK-U.S. Alliance. As we prepare to transition wartime OPCON of ROK military forces in 2012, coalition interoperability is of paramount significance for the establishment of a seamless multi-national C2 capability. While the ROK intelligence community transforms in parallel with USFK transformation and the U.S. Rebalancing Intelligence effort, our preeminent challenges are to enhance intelligence sharing and the ability to leverage and integrate unique ROK intelligence capabilities without losing the synergy gained from combined intelligence production. To this end, we are now publishing new modules of CFC's Peninsula Intelligence Estimate (PIE) with the support of ROK and US intelligence

community partners – all coordinated via DoD’s Intelligence Planning (IP) initiative. In parallel with OPCON transition, the PIE will change from a CFC publication to a bilateral ROK-US intelligence community product by 2012, ensuring a common intelligence baseline for Allied operational planning, indications & warning and crisis management.

Other major milestones include maturation of integrated ROK intelligence systems; establishment of the Intelligence Fusion Center in Seoul; continued development of the Warning and Intelligence Operations Center, which is a combined intelligence coordination organization successfully tested during UFG 08; and embedded national multi-intelligence support elements at ROK military single discipline intelligence centers. Concurrently, maintenance of a viable U.S.-only link with national authorities that also enables reach back and reach forward capabilities to and from support agencies will enhance operational and strategic decision making.

Congressional support is essential to sustain and improve ISR during this critical period of Alliance transformation. Validated U.S. requirements for Global Hawk, Predator, the Joint Surveillance and Target Attack Radar System, along with improvements to our more sensitive intelligence capabilities, continue to exist. Support for our intelligence requirements ensures that we close the most critical gaps, support diligent ongoing daily operations, and improve the overall long-term intelligence posture in the region.

Precision Strike and Preferred Munitions

Increasing the forward stocks of preferred munitions is vital to operational success in the Korean theater. Precision strike is a critical requirement for our contingency plans because it affords the opportunity to change the dynamics of a conflict and rapidly achieve campaign objectives. Our priority ordnance requirements include: Guided Multiple Launch Rocket

System with extended range capability; a ground-launched, extended range, all weather capability to defeat hardened and deeply buried targets; precision guided munitions; and air-to-ground and air-to-air missiles. In the near-term, we will address this problem by requesting available munitions from war reserve stocks in the United States and other theaters of operations. For the mid- to long-term, we will use the DoD planning and programming process to acquire the needed munitions and capabilities.

Theater Missile Defense

The DPRK missile threat demands a robust, active TMD. PAC-3 PATRIOT Missile System upgrades and improved munitions have significantly enhanced our ability to protect critical U.S. facilities in Korea. I would like to thank the committee for its FY 2009 support of production of PAC-3 missiles and development of the Terminal High Altitude Area Defense and AEGIS Ballistic Missile Defense. In addition, a speed-of-light capability to destroy ballistic missiles in their early stages of flight, when combined with the previous programs, would provide a layered missile defense capability to protect U.S. forces on the Korean Peninsula.

The ROK should also continue to invest in a TMD capability, which would ideally be interoperable with U.S. systems to enhance our combined defensive capabilities. The ROK recently began operational deployment of eight Configuration-2+ German PATRIOT fire units, which will be operational in 2010. Once fielded, these eight firing units will possess a U.S. PATRIOT PAC-2 equivalent theater ballistic missile defense capability. The ROK must continue to develop and field an interoperable TMD system to protect critical civilian and military command capabilities, infrastructure and population centers.

Theater Logistics, Pre-positioned and War Reserve Stocks

Army Pre-positioned Stocks-4 (APS-4), which includes critical combat equipment, weapon systems, preferred munitions, repair parts, and essential supplies, is vital for rapid combat power projection to the Korean theater. Army Materiel Command has made great strides maintaining our pre-positioned stocks in Korea. APS-4 critical combat systems are currently at 100% fill and the Heavy Brigade Combat Team (HBCT) equipment set is 98% Fully Mission Capable.⁹ We annually certify APS-4 HBCT equipment set readiness during the KR/FE exercise. In March 2008, Task Force Blackhorse, from the 11th Armored Cavalry Regiment at Fort Irwin, California, drew several APS-4 HBCT combat vehicles and conducted a road march that culminated in a live-fire exercise.

The Army is steadily addressing remaining equipment shortfalls. For example, we have 79 percent of the full authorization of up-armored (UA) High-Mobility Multipurpose Wheeled Vehicles (HMMWV) in our Army operational and pre-positioned fleets.¹⁰ Eighth U.S. Army fielded 170 UA HMMWVs in FY 2008, and anticipates fielding an additional 148 UA HMMWVs in the third and fourth quarters of FY 2009.

Responsive strategic transportation platforms, such as cargo aircraft and APS-4, remain essential to our ability to rapidly reinforce the Korean theater and sustain U.S. forces in the event of crisis. We tested our critical strategic airlift capability during the March 2009 KR/FE exercise, deploying multiple units to the ROK including U.S. Army III Corps Tactical Command Post. During the same exercise, elements of III Marine Expeditionary Force deployed to the

⁹ As of 4 September 2008

¹⁰ EUSA: 78 O/H of 244 AUTH; APS-4 554 O/H of 554 AUTH; total 632 O/H of 798 AUTH = 79%; EUSA G4 12 MAY 09.

peninsula via the Marine High Speed Vessel, WESTPAC EXPRESS. These deployments demonstrate the vital role that expeditionary capability and responsive strategic lift play in defense of the ROK and will continue to be a part of future exercises.

Significant progress was made in the area of war reserves stocks. In October 2008 the U.S. and ROK reached agreement on the transfer of surplus U.S. ammunition and military equipment to the ROK. Thank you for passing the special legislation that enabled DoD to reach this win-win agreement, signed by the Secretary of Defense and the Korean Minister of Defense at the recent 40th Security Consultative Meeting. Under this agreement, the ROK received 248,000 short tons of munitions and other equipment for \$280 million worth of concessions, such as munitions storage and domestic transportation costs. The transfer benefits both nations. The U.S. avoids almost \$1 billion in transportation and demilitarization costs and the ROK gains, at no cash cost, munitions stocks that will address sustainment shortages and enhance readiness.

IV. STRENGTHENING THE ALLIANCE

After "Prepared to Fight and Win," my second Command priority is to continue strengthening the Alliance. In addition to improving combined military capabilities, strengthening the Alliance also requires actions that ensure the Alliance's future viability. The most significant of these actions is the transition to a ROK-led national defense. It is both prudent and the ROK's sovereign obligation to assume primary responsibility for the lead role in its own defense. To achieve that aim, our two nations have embarked on the most profound defense transformation on the peninsula since the end of the Korean War. This transition will be

a success story for both the U.S. and the ROK and will serve as a key foundation for future regional stability.

Wartime OPCON Transition

In September 2006 the presidents of the U.S. and the ROK agreed that the ROK should assume the lead for its own defense. In early 2007, the U.S. Secretary of Defense and ROK Minister of National Defense determined that the ROK will assume wartime OPCON of its forces on April 17, 2012. Transitioning the Alliance to a new ROK-led military command and control structure in 2012, with U.S. and UNC forces in doctrinally supporting roles, will best serve all nations' long-term interests and matches each nation's defense capabilities. Both the ROK and U.S. will stand up new headquarters, the ROK JCS will be the supported command and the U.S. Korea Command (KORCOM) will be the supporting command. After the transition of wartime OPCON in 2012, CFC will be disestablished. Although the U.S. KORCOM Commander will assume a doctrinally supporting military relationship, he will still maintain national command over all U.S. forces. As is USFK, KORCOM will be a fully capable and resourced U.S. joint warfighting command.

To achieve this realignment of roles and responsibilities, in 2007 the ROK and U.S. established and agreed to a transition road map – the Strategic Transition Plan (STP) – to identify requirements and milestones leading to OPCON transition in 2012. Prior to the ROK assuming wartime operational control of its own forces, U.S. and ROK planners are developing new terms of reference, crisis action standard operating procedures, wartime C2 procedures, and operational plans through formal Alliance consultative processes such as the Security Policy Initiative and the annual Security Consultative and Military Committee Meetings. Lessons learned from our

combined exercise program will also help to eliminate shortfalls in capabilities and ensure a strong and credible deterrent during the transition period. The culmination of the STP will be marked by a certification exercise in March 2012. Our intent is to achieve initial operational capability by December 2010 for the doctrinally supporting KORCOM and its Service components, followed with full operational capability by June 2011, prior to the final certification exercise.

U.S. Force Capabilities

Over the last few decades, as the ROK armed forces have gained in capability, the U.S. has reduced its ground forces in Korea while maintaining the ability to quickly repel any threat with robust and lethal U.S. regional air and naval forces. While maintaining the 28,500-force level in Korea, U.S. military capabilities in the region need to be more air and naval-centric. U.S. air and naval platforms stationed in the region provide the Alliance with strategic flexibility, and a powerful response to augment the modern, highly capable, ROK ground forces. This arrangement combined with significant U.S. follow-on forces will complete the warfight. The upcoming Quadrennial Defense Review will further refine the capability requirements of U.S. forces in Korea over the next 20 years.

ROK Defense Initiatives

Since assuming operational control in 1994 of its armed forces under armistice conditions, the ROK has made great strides in modernizing the organization, equipment, and training of its forces. The goal of the ROK's ambitious Defense Reform 2020 plan is the development of a self-reliant and technology-oriented, qualitatively superior military force. The

plan's emphasis on advanced technology will result in an approximately 45% reduction of its total (active and reserve) Army ground forces, from about 3.7 million to 2 million personnel. The ROK military is on its way to realizing its goals. U.S. willingness to share technology and advanced capabilities will enable the modernization of ROK forces to accommodate increased responsibility following OPCON transition. Further, passage by the U.S. Congress of legislation that upgraded the ROK's FMS status will greatly assist the ROK's modernization efforts and support interoperability with U.S. military forces. Beyond the real impact it will have on Alliance warfighting capability, the upgrade in FMS status is recognition of the ROK as a longstanding ally and one of the U.S.' largest FMS partners. In the year 2007 ROK spending on national defense was equal to 2.74% of GDP, lower than the 3.99% figure registered by the United States for that same year but well above the 1.57% average allocated by the countries of the North Atlantic Treaty Organization (NATO) [excluding the United States].¹¹

ROK Global and Regional Security Cooperation

The ROK, a committed U.S. ally, is an active defender of freedom around the world. The ROK armed forces fought alongside Americans in Vietnam, participated in OPERATION DESERT STORM, and conducted peacekeeping operations in Somalia and East Timor. More recently, the ROK deployment in support of OPERATION IRAQI FREEDOM, the Zaytun unit, concluded in December 2008. The Zaytun unit's five-year mission in northern Iraq contributed significantly to the stabilization and reconstruction of that country, and at its peak strength of about 3,600 soldiers in 2004, constituted the third largest national contingent of forces in Iraq.

¹¹ Percentages obtained from *The Military Balance 2008*, produced by the International Institute for Strategic Studies.

The Zaytun unit's honorable service stands as a source of great pride to the Korean people. The ROK military deployment to Afghanistan, in support of OPERATION ENDURING FREEDOM, ended in December 2007; however, the ROK maintains a civilian medical and vocational training team, has contributed other military assistance worth millions of dollars, and dispatched survey teams in November 2008 and January 2009 to assess future assistance opportunities. In July 2007 the ROK deployed a peacekeeping force to Lebanon in support of UN operations there and has deployed a destroyer to the Gulf of Aden to participate in maritime security operations. We will continue to work with our Alliance partner to seek new opportunities for ROK contributions to global peace and security.

Allied Burden Sharing

Defense burden sharing is advantageous to both Alliance partners. For the U.S., host nation funded construction satisfies critical infrastructure requirements that would otherwise be borne by U.S. taxpayers. For the ROK, nearly all ROK Special Measures Agreement (SMA) burden sharing funds are expended in the Korean economy through the payment of Korean national employee wages, Korean service contracts, and Korean construction firms. In 2008 the ROK contributed 315.8 billion won (\$307.9 million) toward Korean national employee wages, funding the majority of the cost of this absolutely necessary workforce on U.S. bases. ROK SMA contributions also provided 161.5 billion won (\$157.5 million) of U.S. logistics requirements last year, through contracts with Korean companies in critical warfighting functions such as equipment repair, maintenance, and munitions storage.¹² Finally, ROK SMA funds in

¹² DOD official 2008 exchange rate 1025.7 won to the U.S. dollar was used for currency conversion.

the year 2008 are being used to conduct 264.2 billion won (\$257.6 million) worth of construction work for my command.

The ROK and the U.S. recently concluded a new SMA governing ROK cost sharing contributions for the years 2009 – 2013. Under this new agreement, the ROK will contribute 760 billion won (\$741 million) in 2009, with subsequent annual contributions increased by changes in the ROK Consumer Price Index.¹³ We have also agreed to transition ROK host nation funded construction contributions from primarily cash to majority “in-kind” provision of services, in which the ROK constructs buildings to U.S. specifications and standards in accordance with mutually agreed principles and U.S. priorities. This long-term agreement on host nation burden sharing will provide a predictable funding stream that is essential to the successful completion of our relocation plans.

V. IMPROVING QUALITY OF LIFE

Improving the quality of life for service members, DoD civilians, and their families is my third and final command priority. Our goal is to make the ROK an assignment of choice for all service members – both single and accompanied. Central to achieving this aim is allowing the majority of service members the opportunity to serve normal three-year tours, accompanied by their families. This is an important step and full implementation of tour normalization supports all of my Command priorities. It improves our “Fight Tonight” readiness by keeping trained forces in place for a longer period of time, improving continuity and stability. It demonstrates a strong, visible, and enduring U.S. commitment to security for the ROK. The greater number of American families in Korea offers more opportunities for meaningful interaction between

¹³ DOD official 2008 exchange rate 1025.7 won to the U.S. dollar was used for currency conversion.

Americans and Koreans, further strengthening the long-term viability of the Alliance. Finally, tour normalization significantly improves quality of life, eliminating long and unnecessary separation of service members from their families.

Tour Normalization

Over the past 56 years the ROK has transformed from a war ravaged country to a modern, progressive, and democratic nation. Despite Korea's emergence as a prosperous country that offers a standard of living commensurate with that found in Japan and much of Europe, we continue to rotate the majority of U.S. service members on one-year unaccompanied tours. During the Cold War, facing a significant Soviet and Warsaw Pact military threat, we encouraged our service members to bring their families on assignment to Europe. This stationing policy decision granted much needed stability to U.S. forces and sent a strong message of American commitment and reliability to our European Allies. But we have sent a message to our Northeast Asian allies that we remain less than fully committed and can withdraw our forces at a moment's notice. Conflict on the peninsula is not imminent, and, once our forces relocate to enduring locations south of Seoul, our immediate no-notice vulnerability will be dramatically less than that faced by our forces in Europe during the Cold War. A policy of three-year family accompanied tours in Korea, exactly as we have in place in Japan and across Europe, demonstrates long-term U.S. commitment to the ROK and other members of the Northeast Asia community.

Current stationing practices in Korea needlessly contribute to family separations, exacerbating the strain placed on service members and their families by continuing operations in Iraq and Afghanistan. There are currently just over 4,000 U.S. service member families in

Korea. Of those, 2,135 families are Command Sponsored, authorized relocation to Korea at U.S. government expense.¹⁴ The other families, many undoubtedly motivated by the prospect of future separation during combat tours, have decided to accompany their service members to Korea at their own expense. While we provide a housing allowance for off-post quarters and medical care, relocating families to Korea without Command Sponsorship is a significant financial burden borne by service members. We ultimately seek to expand Command Sponsorship so that the majority of service members assigned to Korea have the opportunity to bring their families at government expense.

We are making progress. In December 2008 the DoD increased accompanied tour lengths from two- to three-years for service members assigned to Pyeongtaek, Osan, Daegu, Chinhae, and Seoul. The new stationing policy maintains one-year unaccompanied tours for all locations, and authorizes two-year accompanied tours at two new locations, Uijongbu and Dongducheon. In accordance with this policy change, Command Sponsorship will expand as needed growth in infrastructure, services, and base support is realized. Existing infrastructure will allow an increase to 4,350 Command Sponsored positions. A phased program will synchronize further increases in family authorizations with the expansion of necessary infrastructure. A phased approach ensures that the appropriate level of necessary services, such as education and medical care, are in place as the number of family members increase. Execution of this phased approach could be expedited if additional appropriated funding were made available for this purpose. Our goal is to eventually increase the number of Command Sponsored positions to approximately 14,250.

¹⁴ As of 4 December 2008 there were 4,044 service member families in the ROK. Of this total, 2,135 were command sponsored while 1,909 were not.

The benefits of normalizing tours are many and include improved continuity, stability, readiness and retention of regional, institutional, and cultural knowledge. Full implementation of this policy change will provide our service members a better quality of life, strengthen the Alliance, and send a strong message of U.S. commitment to the long-term security and stability of the ROK and Northeast Asia. I ask for your support of the infrastructure and services required to fully implement normalized tours in Korea, which will have a significant and lasting positive impact on service member quality of life as well as the ROK-U.S. Alliance.

Realignment of U.S. Forces

Under the Yongsan Relocation Plan (YRP), signed by the U.S. and ROK in 2004, U.S. forces stationed at USAG Yongsan in Seoul will relocate to USAG Humphreys near Pyeongtaek, approximately 40 miles south of Seoul. The majority of costs associated with the implementation of YRP will be paid by the ROK. A separate U.S.-ROK realignment plan, the Land Partnership Plan (LPP), provides for the relocation of the 2nd Infantry Division south of the Han River. SMA burden sharing will fund a significant portion of the costs associated with this realignment. After the YRP is completed U.S. forces will no longer be located in the traditional military operational avenues between Seoul and the DMZ but they will still be optimally positioned to support ROK forces in defending the ROK against an attack from North Korea. This change moves U.S. forces to locations south of the nation's capital where they will assume a less intrusive footprint and returns valuable land to the ROK government and Korean people. Relocation of U.S. forces also offers the opportunity to significantly improve the quality of life for our service members.

The realignment of U.S. forces on the Korean peninsula has frequently been contentious between the ROK and U.S. governments. The central issue has been the application of the bilaterally negotiated Status of Forces Agreement (SOFA) procedures to return vacated U.S. base camps to the ROK. Nonetheless, we are making progress. In 2008, we returned two SOFA granted facilities and expect to return seven other SOFA granted facilities in 2009.¹⁵ To date, we have closed 37 installations encompassing over 17,208 acres with a tax assessed value of over \$500 million and returned 35 of those installations to the ROK. Our goal is to close a total of 63 facilities and areas, two-thirds of all land granted under the SOFA, totaling more than 38,000 acres. In exchange for the return of the majority of our dispersed camps, the ROK, per our agreements, has purchased about 2,800 acres of land required to expand USAG Humphreys and Osan AB.¹⁶

Military Construction

USFK construction priorities are focused on the transformation of USAG Humphreys into a modern installation capable of accommodating U.S. forces that will relocate under the YRP and the LPP. Appropriated military construction funding remains an important component of our overall funding strategy, which includes host nation construction funds, ROK in-kind construction, and commercial investment. I ask for your support of future appropriated military construction funding requests that will provide facilities essential to the success of the ongoing relocation of U.S. forces to USAG Humphreys. Continued military construction funding also sends a clear signal to the ROK of U.S. commitment to a long-term presence and willingness to

¹⁵ These seven facilities include 4 training ranges, Camp Hialeah, a transportation management office at Camp Carroll, and a mail facility at Kimpo.

¹⁶ This figure includes 2,328 acres at Camp Humphreys and 409 acres at Osan AB.

fulfill our agreed LPP and YRP requirements. Relocation and consolidation of U.S. forces into enduring locations provides a unique opportunity to change the paradigm in Korea and start meeting the needs of our service members and their families, and allows us to dramatically improve living and working conditions. Sustained access to several different funding programs, to include U.S. appropriated military construction, ROK burden sharing contributions, and commercial investment, will be essential for this endeavor to succeed.

Family Housing

Under the YRP, the ROK agreed to fund and construct the majority of the required facilities and infrastructure at USAG Humphreys. The ROK has already spent over two billion dollars on these requirements that includes the purchase of 2,300 acres of land at USAG Humphreys and the development of 133 acres. The U.S. agreed to provide the majority of family housing. Fulfilling this obligation will display American determination to improve the quality of life for our service members by providing adequate family housing, as well as meet our commitments under an international agreement with a longstanding ally.

In FY 2009 the Army received \$125 million to fund the construction of 216 family housing units at USAG Humphreys.¹⁷ This represents a necessary start, and I appreciate the Congressional support it received, as well as the powerful message it sends to the ROK. The Army has developed a commercial investment alternative, the Humphreys Housing Opportunity Program (HHOP), to fulfill the remaining U.S. YRP family housing requirement. The HHOP involves private sector development, financing, design, construction, operations and

¹⁷ Note that a total number of 2,974 units will be built at USAG Humphreys. This total is composed of: 331 ROK-funded units; 216 US-funded units; and 2,427 units to be built under the HHOP program.

maintenance, and long-term property management of new family housing units at USAG Humphreys. The program requires no capital construction investment by the Army and housing units will be rented by soldiers through use of their overseas housing allowance. The HHOP will ultimately provide 2,427 new family housing units at USAG Humphreys. I fully support this Army initiative, as it provides a cost-effective alternative solution to our YRP housing requirement and affords the opportunity to meet our commitment to service members and their families. Additional family housing will be required to support full tour normalization, and the HHOP represents a solid foundation for a phased approach to providing housing for the increase in U.S. service member families in Korea.

Sustaining, Restoring, and Modernizing Existing Infrastructure

While we continue to commit funding toward our ongoing relocation efforts, we must not lose sight of the urgent need to maintain our current infrastructure. Some of our facilities in Korea are the most dilapidated in the U.S. military, outside of active combat or peace enforcement zones. This regrettable situation is not in keeping with our commitment to the men and women who selflessly serve our nation. We must commit appropriate resources to the recapitalization of our enduring facilities and infrastructure.

Over one-half of the buildings on Army facilities are between 25 and 50 years of age and another quarter are classified as “temporary” structures. Long-term annual sustainment, restoration, and modernization shortfalls have created a condition of continual deterioration, with many buildings accumulating substantial deferred maintenance requirements. Your commitment to our Sustainment, Restoration, and Modernization Program requirements, supplemented by

ROK burden sharing contributions, will enhance our readiness and improve the quality of life for our service members and their families.

VI. CONCLUSION

The ROK-U.S. Alliance is one of the greatest bilateral success stories in modern history. In 1950, the UNC was created to defend the ROK when it was attacked by North Korea. In 1957, establishment of USFK provided a command structure to fully support the Alliance. In 1978, the Alliance further evolved with the creation of the CFC, a unified ROK and U.S. command structure. The Alliance evolved once again in 1994 when peacetime OPCON of ROK forces was transferred to the ROK. With the transition of wartime OPCON to the ROK in 2012, the U.S. and the ROK will enter a new era of cooperation, an era marked by a Republic of Korea with defense responsibilities commensurate with its capabilities and sovereign rights. After 2012, the ROK-U.S. Alliance needs to remain strong in order to preserve peace and stability on the Korean Peninsula as well as in the region as a whole.

Today the Alliance is more relevant to the national interests of the U.S. than it has ever been. It will remain essential to the protection and advancement of U.S. national interests in this strategically vital region of the world. We look forward to continuing this vital partnership, one that promotes freedom, democracy, and global free trade in Northeast Asia. Moving forward together, I am more confident than ever that this Alliance will continue to maintain peace and stability in a region for which Americans, side-by-side with our Korean partners, have shed blood.

I am extremely proud of the Soldiers, Sailors, Airmen, Marines, DoD Civilians, and families serving in the ROK who selflessly support the Alliance, and through their selfless service, maintain stability in the region. Your continued support for our service members and the Alliance is greatly appreciated. I know you will agree that our men and women in uniform deserve the very best working, living, and training environment, and we should do everything in our power to provide it. Thank you.

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 24, 2009

QUESTIONS SUBMITTED BY MR. WILSON

Mr. WILSON. I was happy to read in your written statement, that Pacific Command has identified the need and programmed \$8.4 million for an improved Joint POW/MIA Accounting Command (JPAC) facility. What is your assessment of JPAC manning? Do you plan to increase JPAC manning levels, as well?

Admiral KEATING. JPAC is authorized 407 billets, 246 military and 161 civilian. Its current manning is 86% with 97% (239) military and 70% (112) civilians on-board. The low percentage is due to two primary factors: (1) 74 military-to-civilian conversions and (2) the closing of the Navy Human Resource Service Center (HRSC)-Pacific, its servicing personnel center. The HRSC-Pacific was part of a base realignment and closure, which directly impacted JPAC's ability to hire personnel. However, as of January 2009 HRSC-Northwest has managed JPAC's personnel actions and made its requirements a top priority.

JPAC is also undergoing a comprehensive manpower survey and analysis which should be completed by the end of this year. The results of this process should determine and validate the organization's manpower requirements, and provide the U.S. Pacific Command and JPAC the necessary information to make informed decisions on future personnel structure and requirements.

Mr. WILSON. Based on your written statement regarding Congressional support for DOD Dependent Schools, you have pointed out the absolute necessity for a military construction program to recapitalize an old, worn-out set of school facilities in your command. Can you give us a better sense of the need for this military construction, why you consider it so important, and the magnitude of what is needed in FY 2010 and beyond?

General CRADDOCK. For more than a decade, DODEA MILCON funding has not kept pace with its recapitalization requirement by either industry standards or DOD facility sustainment standards. As a result, many DODEA schools, nearly half of which are in Europe, are in poor/failing condition and in need of repair or replacement. Most notable problems include fire and life safety deficiencies, overcrowding, and failing building systems. The condition of these schools is a top quality of life issue for members and families serving in Europe, where there are no affordable schooling alternatives. Consequently, the quality of our schools has also become an important readiness issue. If service members are dissuaded from serving in Europe by deficiencies in crucial quality of life programs like DODEA schools, the morale and effectiveness of the assigned forces will suffer.

To address this problem, we have worked closely with DODEA to increase their MILCON funding in the coming years. The FY10 President's Budget includes \$142M for school replacements or upgrades in Europe. I estimate an additional \$300-400M in European school requirements will be included in budget years FY11-15. These projected funding levels will eliminate the recapitalization backlog; however, DODEA must continue to invest a minimum of \$50M in MILCON per year in Europe to keep pace with school sustainment needs. This effort is well supported within OSD; however, Congressional support will clearly be needed as the enhanced DODEA MILCON program moves through the budget process.

QUESTIONS SUBMITTED BY MR. LARSEN

Mr. LARSEN. Earlier this year, Secretary Gates testified to this committee that he could envision U.S. and Chinese troops serving side-by-side in a multilateral operation. China's recent Defense White Paper lays out a concept of "Historic New Missions" and focuses heavily on "Military Operations Other Than War." The PLA has recently stepped up its multilateral efforts by engaging in counter-piracy operations in the Gulf of Aden and peacekeeping operations around the globe. Could you share your views regarding the PLA's cooperation with foreign militaries? Could you discuss potential areas of military cooperation with China in the PACOM area of responsibility?

Admiral KEATING. China has increased its efforts to assist in global security and stability operations. With its involvement in the Gulf of Aden, the PLA is now aware of the complexities of working with multinational coalitions in peacekeeping

operations. Key to future cooperation between the PLA and other foreign militaries, however, is the realization from the Chinese of the importance of their leadership responsibilities as well as the multinational framework to achieve regional security.

Potential areas of military cooperation with China in the PACOM area of responsibility may include humanitarian assistance and disaster relief, search and rescue, and counter proliferation operations of which both nations have shared interests in the Asia-Pacific region.

Mr. LARSEN. I have spoken with you before about our mutual support for mil-to-mil exchanges with China. These exchanges reduce uncertainty about strategic intentions and build long-term relationships that will help us avoid future conflict. As we are all aware, China cut off mil-to-mil exchanges in response to U.S. arms sales to Taiwan last year, and restarted them only recently, when Deputy Assistant Secretary of Defense for East Asia Affairs David Sedney made a visit to the country. Could you discuss the value of mil-to-mil exchanges and let the committee know what exchanges are currently planned?

Admiral KEATING. Although military-to-military relations with China resumed in May 2009, the details of specific engagements for the remainder of the year are currently being discussed with Beijing. Engagements may include visits by U.S. military leaders such as the commanders from Pacific Command, Marine Forces Pacific, and Pacific Air Forces, and exchanges at the Mid-Level Officer and Senior Enlisted Leaders level from both nations.

These military-to-military exchanges are essential not only to increase transparency and reduce uncertainty about strategic intentions between the U.S. and China, but also to create venues to discuss security issues beneficial to both nations as well as others in the Asia-Pacific region.

Mr. LARSEN. Admiral Keating, I would like to ask you about how the harassment of the USNS *Impeccable* has affected the U.S.-China military relationship. Can you give the committee an update on China's response to the Department of Defense's official protest? Do you anticipate that this incident will have any long-term effect on U.S.-China military relationships?

Admiral KEATING. To date, we have not received an official response from the Chinese government on the protest issued by the Department of Defense regarding the USNS *Impeccable* incident. I assure the Committee, however, that the incident has not changed the U.S. perspective on exercising its rights of maritime navigation.

As such, I do not foresee any long-term effects on the U.S.-China military relationship resulting from this incident. It is in both the U.S. and China's strategic interests to maintain a beneficial military-to-military relationship to effectively address regional security issues and avoid future conflict.

QUESTIONS SUBMITTED BY MR. LAMBORN

Mr. LAMBORN. Are you aware that commercial data providers now have the capability to allow you, as a combatant commander, to directly task an imagery satellite and downlink the high-resolution imagery directly into your theater of operations?

Admiral KEATING. U.S. Pacific Command is aware that it can task commercial imagery satellites and does so as part of its operations.

Mr. LAMBORN. Do you believe that such a capability would be useful in carrying out your mission?

Admiral KEATING. Such capability is useful in carrying out the U.S. Pacific Command mission, especially in the area of Humanitarian Assistance/Disaster Relief (HA/DR). The ability to download timely commercial imagery and provide directly to on-the-scene Non-Government Organizations (NGOs) and host country officials are of great benefit in coordinating HA/DR efforts. Additionally, as most theater operations are now conducted with bilateral partners, providing these partners with timely unclassified commercial imagery is helpful in coordinating such operations.