

**REBALANCE TO ASIA II: SECURITY AND DEFENSE;
COOPERATION AND CHALLENGES**

HEARING

BEFORE THE

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AND PACIFIC AFFAIRS

OF THE

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REBALANCE TO ASIA II: SECURITY AND DEFENSE; COOPERATION AND CHALLENGES

THURSDAY, APRIL 25, 2013

U.S. SENATE,
SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:10 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Benjamin L. Cardin (chairman of the subcommittee) presiding.

Present: Senators Cardin, Murphy, Rubio, and Johnson.

OPENING STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND

Senator CARDIN. Well, good afternoon. Let me welcome you all to the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs.

Senator Rubio, the ranking Republican member, will be joining us shortly.

This is our second hearing on the Rebalance to Asia policy. In our first hearing, we assessed the rebalance values element, including human rights, democracy, and good governance programs, and I thought that hearing was very, very constructive.

This hearing will deal with the defense and security challenges in the East Asia-Pacific region. This is particularly timely given the Shangri-La dialogue on defense that will take place on May 31. In addition, General Dempsey is visiting the region this week. So I think the timing of this hearing is particularly appropriate.

In this hearing we will look at whether the rebalance is on track to achieve the administration's goal of strengthening strategic alliances, deepening partnerships, building a stable, productive, and constructive relationship with China, and empowering regional institutions to tackle shared challenges and peacefully resolving conflicts.

A stable and cooperative regional security environment is necessary for the free flow of commerce and ideas. The region is undergoing a significant transition with signs of security dilemmas and potential arms races. Our constructive engagement in the region can help ensure the transition takes place in a positive way, ensuring regional peace and security.

A rebalance is about supporting our allies, partners, and interests in the region as together we face pressing security challenges. For the last six decades, our policy has been about constructive engagement, developing partnerships, and working with countries

in that region. And for the last six decades, we have seen countries such as Japan, South Korea, and China develop sophisticated economies, which certainly furthers United States interests in the region.

But it is particularly appropriate that we have this hearing today considering the escalating threat of North Korea, the increasing prevalence of cyber attacks, which is becoming a dominant concern on our security interests, and the rising maritime tensions in the South and East China Seas, including piracy and other transnational crime. And we must continue to engage China in a constructive dialogue on all these issues. We must deepen our United States-China military-to-military dialogue to address many of the sources of the insecurity between our two countries. We need China to understand and respect our cyber security concerns. The April 13 agreement to establish a United States-China cyber security working group is an encouraging development and I look forward to our witnesses' observations as to the merit of that agreement.

China's support for the recent U.N. Security Council resolution on North Korea was a positive move toward securing peace in the region. I am pleased to hear that China remains fully committed to the six-party talks goal of verifiable, peaceful, denuclearization of the Korean Peninsula.

On North Korea more broadly, we must remain vigilant and take threats seriously while not rewarding bad behavior. We must continue to work closely with our allies, Japan and Korea in particular, to maintain security on the Korean Peninsula while ultimately pursuing denuclearization. The Helsinki process model could be helpful in dealing with North Korea as a confidence-building measure to discuss not just nonproliferation, as the six-party talks did, but security, economics, environmental, and human rights concerns.

We look forward to talking more about our new Republic of Korea-United States combined counterprovocation plan and celebrating the 60th year of our strong alliance with the Republic of Korea when President Park Geun-hye arrives in Washington next month.

On maritime conflicts, it is in our national interest to protect free commerce along the world's busiest maritime trade routes and ensure unimpeded access to the maritime commons of the Asia-Pacific. To that end, we must support the establishment of rules-based regional norms which discourage coercion and the use of force. Instability undercuts economic growth for the United States and for all of Asia. Competition for energy and fishery resources only exacerbate the rising maritime tensions. Countries with competing claims should explore joint management of resources to promote peaceful coexistence.

I was encouraged by the April 10 agreement between Japan and Taiwan to jointly share fishing resources in disputed areas of the East China Sea. Malaysia and Brunei established a joint petroleum revenue area in 2009. These examples represent significant diplomatic achievements which I hope will be followed by other such agreements. The Association of Southeast Asian Nations and, in particular, Indonesia, has shown active leadership on these issues.

I hope that an ASEAN-China agreement can be reached on a binding code of conduct for the South China Sea.

The United Nations Convention on the Law of the Sea, UNCLOS, is another important means to building a rules-based order for the region. We should ratify it, but even without Senate ratification, we must continue to adhere to UNCLOS practices.

Our rebalance also must embrace critical military-to-military programs to help professionalize the East Asian region's militaries to better address regional challenges. But equally critical is how we engage these militaries to integrate core U.S. values: human rights, the rule of law, and civilian control of the military. In Indonesia, our military-to-military relationships helped them successfully transition to civilian control and promote rule of law.

But emerging partnerships also present significant challenges. Burma has made progress, but we must engage their military in a careful, measured, and systematic fashion. We must continue to press Burmese forces to make progress on human rights and to protect and respect all ethnic groups.

Within every challenge lies opportunity. Positive military-to-military engagement creates opportunities to advance human rights. Likewise, the threat of North Korea is an opportunity to work more closely with Japan, Korea, and China to find a solution. The rebalance will shift more resources and attention to the region and create more opportunities for positive engagement.

I look forward to hearing more from our witnesses about the state of our alliances, our programs to make the region safer, and how we will maintain the rebalance in the face of our overall defense spending cuts.

I thank our witnesses from both our panels for being here. On our first panel, we are pleased to have with us today Joseph Yun, Acting Assistant Secretary of State for the Bureau of East Asian and Pacific Affairs at the Department of State. Mr. Yun's previous assignment was as Principal Deputy Assistant Secretary in the Bureau of East Asian and Pacific Affairs. He was sworn in as Deputy Assistant Secretary on August 10, 2010. Mr. Yun is a career member of the Senior Foreign Service class of minister counselor. His overseas assignments have been in South Korea, Thailand, France, Indonesia, and Hong Kong.

We are also pleased to have with us today the Honorable David F. Helvey, Deputy Assistant Secretary of Defense for East Asia in the Office of the Under Secretary of Defense for Policy. Previously he served as the Acting Deputy Assistant Secretary of Defense and was the principal director for East Asia in the Office of the Assistant Secretary of Defense for Asian and Pacific Security Affairs. Prior assignments in the Office of Secretary of Defense include Country Manager for China, Director for China, Taiwan, and Mongolia, and Senior Advisor for China Policy and Integration. He has also served as a senior intelligence analyst for China military and political affairs at the Defense Intelligence Agency.

So we have two experts on our first panel that can help us understand the security challenges that we face in Asia today and how the rebalance will be implemented to advance U.S. interests.

So we will start with Mr. Yun.

STATEMENT OF HON. JOSEPH Y. YUN, ACTING ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Mr. YUN. Thank you very much, Mr. Chairman, and my thanks also to Senator Murphy and for inviting myself and my good friend David to testify on this important topic today.

Before we begin, I would like to thank you for your work on building bipartisan consensus on engaging the Asia-Pacific. As you have already noted, this is the second hearing under your chairmanship already on this topic of Rebalance to Asia.

With your permission, Mr. Chairman, I would like to make brief remarks and submit a more detailed written response for the record.

U.S. policy toward the Asia-Pacific reflects the recognition that U.S. prosperity and security will be defined increasingly by what happens in the region and how we engage the region. The Asia-Pacific is home to two-thirds of the world's population and many of the world's fastest growing economies. It offers enormous opportunities but also challenges for U.S. political and economic interests. The annual flow of U.S. investment to East Asia nearly doubled from \$22 billion in 2009 to \$41 billion in 2011. U.S. exports to the Asia-Pacific now total over \$320 billion, and the region is home to 3 of the top 10 U.S. export markets.

This region is also home to some of our most enduring security partners. In Japan, we currently station close to 50,000 Active-Duty U.S. servicepersons. In Korea, we have some 30,000 servicepersons, and of course, we also have important treaty alliances with Australia, the Philippines, and Thailand.

As our response to recent events in North Korea demonstrate, there is no uncertainty about United States military and defense resolve in responding to security challenges in the region. And of course, my colleague from the Pentagon, Mr. Helvey, will get into more detail on these issues.

However, Mr. Chairman, it is also very important to note that security and defense cooperation is only one part of our engagement. Many challenges, both present and future, will be non-military. So as we deepen our military engagement, we are also engaging with our partners and allies in our economic, political, and people-to-people initiatives to demonstrate our longer term commitment to the region. We do this by making progress on bilateral and multilateral trade and investment agreements. We do this by coordinating on law enforcement and counterterrorism initiatives, by adopting programs to combat trafficking, and by advancing good governance, democracy, and human rights under the important pillar of our active participation in building regional architecture that strengthens stability, security, and economic growth throughout the region. To this end, we will deploy our most senior officials.

In June, Secretary Kerry will participate in the ASEAN Regional Forum ministerial meetings, and in July, Secretary Kerry and Treasury Secretary Lew will be joined by their Chinese counterparts for the fifth meeting of the U.S.-China Strategic and Economic Dialogue. In October, President Obama will attend the APEC summit in Bali and his third East Asia summit and his fifth

U.S.-ASEAN summit in Brunei. We believe these multilateral institutions will deepen our security ties and strengthen our alliances in the region.

Mr. Chairman, I also want to emphasize by taking this opportunity that we in the State and Defense Department have the closest of coordination to ensure our military presence and operations in the region match our diplomatic goals and objectives. These include what we do together to advance freedom of navigation, to counter proliferation and counter terrorism, and what we do together for the respect of human rights and the rule of law. And they also include how we operate for humanitarian assistance and disaster relief and, of course, our Nation's own ability to respond to security challenges of the region. And as you know, Mr. Chairman, in most of our missions in the region, we have the defense attaché's office that reports to the chief of mission and works very closely with Foreign Service officers from the State Department.

An example of how we are doing this is our close cooperation with Japan on consolidation and realignment issues of our forces there, which seeks to maintain a sustainable military presence and preserve peace and security in the region.

As we continue to work with DOD to enhance our partnership, build local capacity to deal with threats and disasters, and to promote democratic values, our security assistance resources are very important. In particular, I would highlight foreign military financing, FMF, and international military education and training, IMET. Those funds have been critical in our engagement in the region.

Through these assistance programs and working together with DOD, it remains vital that the United States continues to demonstrate, through intensive and sustained nonmilitary engagement as well, our firm and unwavering commitment to the region.

Thank you, Mr. Chairman, for inviting me to testify. I am very pleased to answer any questions you and the members of the committee may have.

[The prepared statement of Mr. Yun follows:]

PREPARED STATEMENT OF JOSEPH Y. YUN

Mr. Chairman, Senator Rubio, and members of the subcommittee, thank you very much for inviting me here today to testify on this important topic. I would like to thank you for your work to build a bipartisan consensus on the importance of engaging the Asia-Pacific region and advancing U.S. interests there. We value working with you and look forward to continuing to work closely with you and other Members of Congress in the future.

United States policy toward East Asia and the Pacific reflects the profound recognition that the future prosperity and security of our Nation will be defined by events and developments in the region. While our commitments to other regions remain strong, it is also important to recognize just how significant East Asia and the Pacific are to the United States. Home to two-thirds of the world's population and the world's fastest growing economies, the Asia-Pacific offers growing opportunities and challenges for U.S. strategic interests. Placing U.S. interests in context, the annual flow of U.S. investment into East Asia has increased from \$22.5 billion in 2009 to \$41.4 billion in 2011. U.S. exports to the Asia-Pacific totaled over \$320 billion in 2012 after growing nearly 8 percent since 2008.

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

Our commitment to the Asia-Pacific region is demonstrated in a number of ways, including through security and defense-related cooperation. However, I would like

to emphasize that security and defense cooperation is only one part of the policy and to provide you with the larger context of our engagement with the region.

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

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

To date we have demonstrated our commitment through intensive engagement at every level, including interacting with our regional partners at the highest levels. Last year, that high-level engagement included 35 bilateral meetings, 6 trilateral meetings, 32 multilateral meetings, and numerous strategic dialogues. The result of these engagements was progress on trade agreements, closer coordination on law enforcement and counterterrorism initiatives, and advancing antihuman trafficking measures, and other efforts to advance good governance, democracy, and human rights in the region. And we will continue to press forward this year. In June, Secretary Kerry will participate in the ASEAN Regional Forum ministerial meetings in Brunei, demonstrating U.S. commitment to the region and support for strengthened regional institutions. At the fifth meeting of the U.S.-China Strategic and Economic Dialogue (S&ED) in Washington in July, Secretary Kerry and Treasury Secretary Lew will be joined by their Chinese counterparts for a discussion of challenges and opportunities on a range of bilateral, regional, and global issues. In October, President Obama will attend the APEC summit in Bali, his third East Asia summit in Brunei, and the Global Entrepreneurship summit in Kuala Lumpur, all of which showcase our commitment to comprehensive regional engagement.

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

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

Asia's future stability and security are linked to its prosperity and economic development. We are boosting U.S. trade in the region, increasing investment flows, and deepening economic integration, all of which will benefit U.S. businesses and help create jobs here at home, while also creating improved and more inclusive development outcomes in the region itself. Inward investment accounts for over 2 million American manufacturing jobs, a number we are working to increase. Similarly, exports generate over 10 million jobs for American workers. Asia's prosperity is America's prosperity, and we will continue our work to secure markets for U.S. goods and services and welcome tourists, students, and investors to our shores. Establishment of the Trans-Pacific Partnership (TPP) trade agreement with 11 partners will be one of the cornerstones of our "rebalance" toward the Asia-Pacific. Our promotion, through the TPP, APEC, and elsewhere, of a regional economic architecture in which the rules are open, transparent, free, and fair helps U.S. businesses gain access to this dynamic region and further integrate the regional economy under a set of high-standard trade and investment rules. Meanwhile, State Department missions in the field are stepping up their commercial promotion efforts to supplement the Commerce Department's mission to promote exports, tourism, education, and investment opportunities within the United States.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

While bilateral efforts across the Asia-Pacific are demonstrating positive results, we are also working trilaterally. Our trilateral defense talks, including those with Japan and Australia and with Japan and the Republic of Korea, help coordinate our defense policies, and in tight budget times, reinforce synergies and promote interoperability to deal with regional and global challenges. These trilateral arrange-

ments allow us to work together to address a range of issues, such as humanitarian disaster response efforts and counterpiracy operations, while leveraging and learning from major allies' knowledge and experience on security issues from across the region. They also ensure that, working together, we are better able to coordinate on threats such as those from North Korea.

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

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

Our engagement on the military front is formulated in concert with our allies and partners in the region and will continue to reinforce the other aspects of our Asia-Pacific policy. Our security efforts will continue to underpin stability, and provide reassurance to the region as we concurrently focus on fostering economic growth, increasing coordination on transnational issues, strengthening people-to-people ties, and encouraging democratic development. It is increasingly vital for the United States to demonstrate in concrete terms our firm and unwavering commitment to the Asia-Pacific region, not only through our military presence and alliances, but also through our engagement in the full range of issues important to countries in the region.

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

Senator CARDIN. Thank you very much.
Secretary Helvey.

STATEMENT OF HON. DAVID F. HELVEY, DEPUTY ASSISTANT SECRETARY FOR EAST ASIA, OFFICE OF SECURITY AND DEFENSE, U.S. DEPARTMENT OF DEFENSE, WASHINGTON, DC

Mr. HELVEY. Mr. Chairman, Senator Rubio, and members of the subcommittee, thank you very much for inviting me here today to testify on this important topic.

I would like to commend the committee for its ongoing efforts to highlight the challenges and opportunities that the United States faces in the Asia-Pacific.

As President Obama has stated, the decision to rebalance toward the Asia-Pacific reflects a fundamental truth: the United States

has been and always will be a Pacific nation. Generations of U.S. service men and women have fought to help advance the security of this region. The efforts help support our fundamental goal in the Asia-Pacific to advance security so that broader efforts to promote prosperity and to expand human dignity across the Asia-Pacific region will continue to grow and to flourish.

The core element of the Department of Defense's approach to the Asia-Pacific remains our network of alliances and partnerships. Together with our allies, we are working to reinvigorate and modernize these relationships to ensure they remain relevant to the challenges that we will face in the future.

For example, in Australia, we are enhancing our combined defense posture and we recently signed a space situational awareness sharing agreement, the first bilateral arrangement of its kind.

In Japan, we continue to deepen our bilateral efforts on ballistic missile defense, as most recently demonstrated by our plan to introduce a second ground-based X-band radar, TPY-2 radar.

In Korea, in the face of continued provocations from the Democratic Peoples Republic of Korea, the United States has reaffirmed its longstanding commitment to provide and strengthen extended deterrence to the Republic of Korea using the full range of United States military capabilities.

Working with the Government of the Philippines, we are developing a long-term plan to enhance their maritime capabilities, and we are also jointly examining options to increase our rotational presence there.

And in Thailand, we reached a historic milestone last November when we jointly signed a new United States-Thai joint vision statement for the defense alliance, the first foundational alliance document we have had with Thailand in over 50 years.

Beyond the progress we are making in modernizing our longstanding treaty alliances, we are also enhancing our defense relationships with regional partners. We are particularly pleased by the progress we continue to make in deepening our defense partnership with India where Deputy Secretary of Defense Carter is spearheading an initiative to expand our bilateral defense trade and to increase coproduction and codevelopment.

In Southeast Asia, we are excited by the growing defense relationships with important regional partners such as Indonesia and Vietnam.

And in Oceania, we have overcome longstanding obstacles in our military-to-military relationship with New Zealand that will allow exciting operational cooperation that we have not seen for over 25 years, including military staff talks and ship visits to U.S. military ports.

The United States-China relationship is also a central part of our overall rebalance efforts. We are continuously pursuing a more sustained and substantive military-to-military relationship, which is underscored by the chairman's recent visit to China. We believe it is not only in the interests of both China and the United States, but also in the region as a whole. In all our discussions with the Chinese, we continue to urge the importance of increased communication between our militaries and enhanced transparency about the intentions behind China's military modernization. We are

pleased to note that just days ago, China accepted a United States proposal to form a working group on cyber issues under the auspices of the civilian-military strategic security dialogue.

While not a treaty ally, Taiwan is an important partner in the region, and we welcome the progress that has been made in cross-trade relations in recent years. We take seriously our responsibilities as laid out in the Taiwan Relations Act and believe that the preservation of stability in the Taiwan Strait is fundamental to our interests in promoting peace and prosperity in the Asia-Pacific.

Alongside our attention to our bilateral relations, we are deepening U.S. multilateral security engagement throughout the region. Multilateral engagement helps us to strengthen habits of cooperation and to promote trust and transparency and to build regional capacity. This is one reason that we have decided to increase funding for regional exercises and our support for participation by developing countries in multilateral training and exercise programs.

The second element of U.S. defense strategy in Asia is our efforts to enhance our defense posture. We have committed to developing a posture that is more geographically distributed, operationally resilient, and politically sustainable. Some key efforts in this regard include our efforts to enhance missile defense posture by deploying the second radar to Japan and the deployment of a Terminal High-Altitude Air Defense system, or THAAD, to Guam. The recent announcement of a new plan for the consolidation of the U.S. Marine Corps presence on Okinawa is another example of this, as are the initiation of rotations of U.S. marines to Darwin and the arrival just last week of the first of up to four littoral combat ships that will all be rotating through Singapore.

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

We are also prioritizing investments in our budget to develop platforms and capabilities that have a direct applicability and use in the Asia-Pacific region. These investments include programs such as the *Virginia* class nuclear-powered submarine, P-8 maritime patrol aircraft, and the Broad Area Maritime Sensor, air dominance and strike capabilities such as the fifth generation Joint Strike Fighter, a new stealth bomber, and the KC-46 tanker replacement.

In addition to investments in hardware and technical capabilities, we are also investing in our people in language and culture skills, regional and strategic affairs to ensure that we cultivate the intellectual capital that will be required to make good on our rebalance.

The final element of our defense strategy is promoting a continued commitment to those principles that we believe are essential to building a safe and secure world where all can prosper. These include our commitment to free and open commerce, open access

to the air, maritime, space, and cyberspace domains, adherence to the rule of law, and to the principle of settling disputes through peaceful means without coercion. These core principles guide the decisions the Department of Defense makes every day and connects our strategic rebalance to the values that are important to peace and security throughout the world.

At its core, the Department of Defense's Rebalance to Asia is about supporting a system that the United States, our allies, and partners have benefited from for the past 60 years. This system has not only enabled millions to move out of poverty, it has also facilitated tremendous democratic reforms, economic growth, and prevented deadly conflicts and the devastating casualties and destruction that they can bring. That is why the United States has been deeply engaged in the Asia-Pacific for generations, and that is why we will remain a Pacific power for generations to come.

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

[The prepared statement of Mr. Helvey follows:]

PREPARED STATEMENT OF HON. DAVID HELVEY

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

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

It is also important to note that the U.S. approach to Asia will continue to be, as it always has been, a whole-of-government effort. Our defense and security policies, while essential, do not exist in a vacuum, but serve to support an over-arching purpose. As we have for the past 60 years, the Department of Defense works to advance security so that broader efforts to promote prosperity and expand human dignity across the Asia-Pacific region will continue to grow and flourish.

The core element of the Department's approach to the Asia-Pacific region remains our network of alliances and partnerships. Our treaty allies—Australia, Japan, the Republic of Korea, the Philippines, and Thailand—have formed the bedrock of our security engagement in Asia for over 60 years. Together with our allies, we are working to reinvigorate and modernize these alliances to ensure they remain relevant to the challenges we will face in the future.

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

bilateral arrangement of its kind—which will permit an advance exchange of this data.

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

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

As the United States rebalances to the Asia-Pacific, we look to our key allies, Japan and the Republic of Korea, to help us shape and influence the regional agenda. We have put significant effort into developing the Defense Trilateral Talks, which gives us the opportunity to engage in dialogue with counterparts from Japan and the ROK and seek areas of trilateral cooperation such as HADR, information-sharing, and maritime security. We continue to work toward trilateral intelligence sharing and joint operations. Trilateral cooperation strengthens deterrence and contributes to stability in the region, especially in the face of North Korea's ongoing missile programs and efforts to develop nuclear weapons.

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

In Thailand, we reached a historic milestone last November when Secretary Panetta and Thailand's Minister of Defense jointly signed a new U.S.-Thai Joint Vision Statement for the Defense Alliance, the first foundational alliance document in over 50 years. Our new vision directs the relationship in important areas such as improving readiness and interoperability and enhancing regional security in Southeast Asia and beyond.

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

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

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

Similarly, we have made tremendous strides in our bilateral defense relationship with Vietnam. In 2011, we signed the first bilateral Defense Memorandum of Understanding between our two countries, expanding cooperation beyond legacy of war issues into areas of importance for the region, including search and rescue operations and disaster relief. And with New Zealand, we have overcome longstanding obstacles to enter a new era of military-to-military relations. New Zealanders have fought alongside Americans in every modern war, and our recent signature of the bilateral Washington Declaration and subsequent changes of U.S. defense policy on New Zealand provides a common vision for defense cooperation that will allow exciting operational cooperation not seen for over 25 years, including military staff talks and New Zealand ship visits to U.S. military ports.

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

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

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

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

We welcome the leadership of the Association of Southeast Asian Nations (ASEAN) and believe a strong ASEAN will be essential for regional peace and stability. We are particularly pleased with a relatively new forum, the ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus), which has made rapid progress toward action-oriented multilateral defense cooperation. In the few years since former Defense Secretary Robert Gates attended the inaugural ADMM-Plus ministerial in 2010, the

ADMM-Plus has stood up five staff-level Experts' Working Groups and will hold no less than three multilateral exercises this year. The Experts Working Groups focus on HADR, Military Medicine, Peacekeeping Operations, Counter Terrorism, and Maritime Security, and have developed work plans aimed at sharing best practices and undertaking practical cooperation that builds capacity and increases interoperability. The ADMM-Plus HA/DR-Military Medicine Exercise that will take place in June represents a historic advance in ASEAN-led defense cooperation.

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

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

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

We are making steady progress in our efforts to realign U.S. forces across Japan, to ensure our presence is sustainable for the life of the alliance. The centerpiece of this effort is in Okinawa. We recently announced a new plan for the consolidation of the USMC presence on Okinawa, as Marines relocate to Guam and after MCAS Futenma is relocated to a new facility in the northern part of the island. Prime Minister Abe's recent submission of the landfill permit application to the Okinawa Governor for the Futenma Replacement Facility has reinforced our conviction that this plan is achievable and represents the best outcome for the alliance and for the people of Okinawa.

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

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

Our efforts in Australia also help support our commitment to establish an expanded defense presence in Southeast Asia and into the Indian Ocean, which will ensure the United States is postured for a wider array of challenges we face across the region, including natural disasters, humanitarian crises, and the proliferation and trafficking of weapons of mass destruction and illicit goods. To this end, we

have agreed with the Government of Singapore to forward deploy up to four Littoral Combat Ships. The first of these ships, the USS *Freedom*, arrived last week, where it was warmly received by our Singaporean hosts and the region more broadly.

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

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

Additionally, the Department has made a long-term commitment to invest in critical capabilities that will sustain the United States ability to deter and respond to any contingency or crisis we may face in the region. In particular, this includes investing in those capabilities that will ensure U.S. forces can maintain access and the ability to operate freely in all environments, including those where our power projection operations are challenged by adversaries.

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

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

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

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

At its core, the Department's efforts to rebalance to Asia are about supporting a system that the United States, our allies, and partners, have benefited from for the past 60 years. This system has not only enabled billions of individuals to move out of poverty, but has also facilitated tremendous democratic reforms, economic growth, and prevented deadly conflicts and the devastating casualties and destruction they can bring. The fortunes of the United States and our people are inextricably tied to the Asia-Pacific region. This is why the United States has been deeply engaged in the Pacific for centuries and why we will continue to remain a Pacific power in the centuries to come.

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

Senator CARDIN. I thank both of you for your testimony and for your service to our country.

Before turning to a round of questioning, I want to recognize Senator Rubio for any opening comments that he would like to make.

**STATEMENT OF HON. MARCO RUBIO,
U.S. SENATOR FROM FLORIDA**

Senator RUBIO. Thank you, Mr. Chairman. I apologize for being a few minutes late. I will keep my comments brief.

I appreciate your interest in organizing this hearing on what has arguably been the administration's linchpin of the so-called rebalance toward East Asia.

As we have read, the administration has taken high-profile steps to shore up the idea of a renewed focus on this important region, including Presidential participation in regional forums, the deployment of 250 marines in Australia, and rhetorical assurances that its request to dramatically reduce defense spending will not come at the expense of defense commitments in Asia.

But our friends in the region are carefully watching whether America's stated commitments to the region are matched by our actions and, more importantly, by our resources, be they diplomatic or military. This is especially important given growing geopolitical competition in Asia, and the significant resources being spent by many countries in the region on their military capabilities.

From my standpoint, it is important that we clearly understand that the administration's promises include things that are new and innovative and things that will be considered game changers regarding America's security commitments in the region. For example, I would like to see more conversation about how NATO or other close alliances around the world can contribute to this rebalance, as they have in the past in other parts of the world.

I do welcome the recent deployment of military assets to the region, as well as the decision to increase the number of missile interceptors in Alaska. It is a welcome development, given the rhetoric emanating out of North Korea. This renewed focus on missile defense is important, given the President's earlier cuts to these programs, but the way in which administration officials have implied that many of these resources could be withdrawn do raise questions in the region about the duration of our commitment.

I am very interested in asking questions. So let me just close by echoing what I have heard both witnesses say, and that is the United States has long been a Pacific power and I think it is critical that we continue to strengthen our existing alliances with Australia, Japan, South Korea, Taiwan, and we help these partners also strengthen their relationships to each other. And I also think it is a good time to reinvest in relationships with India and hopefully incorporate their security concerns into our regional engagement.

So thank you both for your service to our country and for being here today and to you, Mr. Chairman, for holding this hearing.

Senator CARDIN. Thank you.

Secretary Helvey, let me start with you, if I might. Secretary Hagel is reported to be representing the United States at the May 31 Shangri-La Dialogue. Can you just share with this committee what the United States hopes to achieve in its participation at this meeting?

Mr. HELVEY. Well, sir, thank you very much.

Obviously, I do not want to preempt my leadership in terms of what Secretary Hagel may say. But the opportunity for him to participate at the Shangri-La Dialogue will certainly afford us a platform to talk about our strategy for the Asia-Pacific through a speech, through interactions with senior leaders there.

In addition to the speech, there will also be an opportunity to meet and interact with senior officials from countries that are sending their representatives to the dialogue. So it is part of establishing strong people-to-people relationships with counterparts and continue to develop the network that is so critically important to accomplishing things in the region.

Senator CARDIN. I saw a tentative agenda in which U.S. participation was pretty dominant, at least in the first section on our policies on Asia. It seems to me that that region is going to be looking at that conference to judge the sincerity of the United States rebalancing strategy as far as security issues in Asia.

President Obama made it very clear in his speech—I believe it was in Australia—that sequestration would have no impact on the commitment we have to strengthen our security commitments in Asia.

Secretary Yun, I am curious as to how the Chinese are responding to these developments. We need China's cooperation as it relates to North Korea, and there have been at least some positive signs that China shares our concern and wants to make sure that the Korean Peninsula is free of nuclear weapons.

What impact does the realignment of United States military presence in Asia have on our relationship with China?

Mr. YUN. Thank you, Mr. Chairman. Let me take your questions bit by bit because you have got a number of questions there.

On North Korea, let me try to frame it a little bit. As you know, Secretary Kerry was out there only 2 weeks ago. I accompanied Secretary Kerry in his stops both in Beijing, in Seoul, and Tokyo. And I would say, you know, of course, in Tokyo and Seoul, we conveyed very strongly to our alliance partners what our side has done on security defense, military side, as well as commitment that they will be defended. That includes extended deterrence.

With China, the discussions were long and deep, Chinese side, and this was coming from all of their leadership. Secretary Kerry had met with President Xi Jinping, Premier Li Keqiang, as well as State Councillor Yang Jiechi and Foreign Minister Wang. And their point was that they are prepared to engage us in really unprecedented ways in terms of depth and breadth of discussions because they too are committed to denuclearization. And as a start, this week we have had the chairman of the six-party talks, Wu Dawei, in town, and of course, we have Chairman Dempsey in Beijing, as well as Deputy Secretary Bill Burns in Beijing.

So, Mr. Chairman, in answer to your question, on our side, on the diplomatic side, we have got a series of engagements that are lined up, and this will be the beginning, I believe, of very in-depth discussion with the Chinese side.

Regarding your second part of your question on how do Chinese feel about our renewed focus on Asia; I think there is serious concern on the Chinese side whether this is aimed at them. And our response has been, no, it is not aimed at them. It is because we perceive our interests, economic interests, our global interests as being in Asia, which is why we are going to expend resources.

In regards to resources, Mr. Chairman, on the diplomatic side, you will have noticed the fiscal year 2014 budget which includes, both on the diplomatic side, as well as the foreign assistance side, requests for an increase of, I think, about 7 percent or so, which is kind of more than what other bureaus are doing. So I would like to put in a plug for that, sir.

Senator CARDIN. Thank you.

There have been widely reported episodes of attempted cyber attacks against the United States. The origin of some of those attacks appear to be China, at least it has been reported that way. Now we have some form of an agreement of cooperation that was entered into on April 13. We all agree that is a positive sign. But is this really sincere or is this an effort being made to perhaps distract us and to perhaps for us to be less on guard? The vulnerability to cyber attack is real, what role does the Rebalance to Asia play as far as protecting America against cyber attacks?

Mr. YUN. First, Mr. Chairman, I will talk a little bit and then I will turn it over to my colleague, Mr. Helvey, too.

Again, in the same trip, I would say Secretary Kerry had a lengthy, lengthy conversation on cyber issues with the Chinese leadership. Really, there are two dimensions of cyber issues. And of course, China and the United States are most significant players in cyberspace, and it is very important for us to have a deeper understanding together with us.

And one part of that issue is what I would call business and commercial issues where there have been thefts of business secrets, IP, intellectual property, being violated, and I think U.S. business has suffered quite a bit at this. And of course, there is another element which is the government involvement, state involvement in cyber theft.

And so based on these two issues, we have reached an agreement with the Chinese that we will begin a working group that will report to what we call the SSD channel, that is the Strategic and Security Dialogue. And so we will be having a working group meeting with the Chinese very soon on this. I expect this will happen probably before the big dialogues take place in July.

So let me see if David has something to add.

Senator CARDIN. I would appreciate it if you could also just tell us how sincere you believe the Chinese would be. I assume there are the two baskets of what you are talking about. A lot more problems can be caused in cyber, including actual attacks. But you are looking at the commercial theft issues, as well as some security issues. How detailed have we gotten? And how much of a commitment is there?

Mr. YUN. Mr. Chairman, these are commitments to begin discussions by forming a working group. So I think it will be premature to make any comment on how detailed their commitment is, how sincere it is. So, Mr. Chairman, maybe after the first meeting, we can report back to you for a better answer to your questions on those.

Senator CARDIN. Secretary Helvey, did you want to add anything?

Mr. HELVEY. Yes, sir, just very briefly.

Within the Department of Defense, we are working to enhance awareness of a variety of different types of cyber threats. We are also developing cyber dialogues as part of our bilateral discussions with our allies and partners around the region, again to enhance awareness among others of threats and also best practices, things like cyber hygiene to reduce the risk that you could be targeted or, if you are targeted, to limit the damage that could happen from that.

With China, obviously, we are supporting the State Department in an interagency approach to engage the Chinese. We are very optimistic about the beginning of this cyber working group under the Strategic Security Dialogue. This is an important topic for discussion between the two sides, and we very much look forward to participating.

Senator CARDIN. I would just caution. There are cyber criminals that you point out are trying to steal—cyber theft. And there are cyber soldiers out there trying to harm or to get a security advantage over the United States. Both we believe are concerns from China. So I hope that we are going into this with our eyes fully open and recognizing that there are very serious issues here. Dialogue is always helpful. I am for that. But I hope that we are not going to compromise on our aggressive action to protect this country against cyber mischief.

Senator RUBIO.

Secretary Helvey, thank you, Mr. Chairman.

Secretary Helvey, I wanted to ask you about NATO. What role do you see for NATO in the Rebalance to Asia? We have worked, obviously, together with NATO in Afghanistan and in other places. Is there a role for NATO potentially? Are we exploring that? What is your view or what is the administration's view with regards to how we could work with NATO and those assets to help with the military component of our rebalance and pivot?

Mr. HELVEY. Well, Senator Rubio, I would say that we have had some very initial discussions with NATO partners about the Asia-Pacific, but we do not have—there is very little role, I think, that has been defined to date about how NATO can play in the Asia-Pacific region—NATO as an institution.

We have had some discussions with our European partners outside of the context of NATO where we find that we have shared values and principles as we look toward the Asia-Pacific, and we are identifying areas where we can work together to either engage in China or to cooperate with other countries in the Asia-Pacific region to support common goals.

Senator RUBIO. One more question, this one with regards to China's military. Obviously, we are aware that in this country we

have civilian control over the military. Obviously, the commander in chief is a civilian.

How would you describe or what is our understanding of the civilian control over military decisions that are made? And in particular, I am curious whether it is the military buildup or military decisions in China are the result of military orders that are separate from civilian leadership. Are they integrated? What is our understanding of that chain of command within the Chinese military structure?

Mr. HELVEY. Well, sir, the Chinese military is an institution of the Chinese Communist Party. The General Secretary of the Chinese Communist Party, also the President of China, Xi Jinping, is the Chairman of the Central Military Commission. And so the principle of civilian control of the military is embodied in that one individual who presides over the Central Military Commission.

In terms of the military buildup in China, military modernization is something that has been going on for decades. It is something that I think has enjoyed a great deal of support among both military and civilian leaders in China. I do not view it as being it is just something that the military is doing. Having a stronger military is something that has been a key part of China's modernization across the board.

Senator RUBIO. I understand the structure of the chain of command. I guess what I am wondering is are there indications that we have of any kind that the military officials in China act with a certain level of independence from civilian—for example, do they make their own decisions irrespective of what some of the civilian priorities might be? Your answer is that it is largely confined to the existing structures—our view that they pretty much stay within those confines?

Mr. HELVEY. We have seen evidence and cases in the past where there might be frictions or perhaps miscues between the military authorities and the civilian authorities in China. This is something that Xi Jinping's predecessor, Hu Jintao, and Xi Jinping himself have sought to strengthen, to try to avoid those types of miscues and to improve coordination across the bureaucracy.

Senator RUBIO. And I do not expect you to comment on this particularly because we just do not know a lot of this. But I will tell you the context in which I raise it primarily is with these territorial disputes that continue to arise. And the question that I often have is, is that a priority of the civilian government that they want to push and create some of these conflicts, or is it an emboldened military leadership that wants to stretch out and feel its—kind of spread its wings a little bit and show what it is capable of doing? And I just do not know the answer to that, but it is something we want to watch.

Secretary Yun, I wanted to ask you about some comments Secretary Kerry made about the military rebalance. This is a quote. "I am not convinced that increased military ramp-up is critical yet. You know, the Chinese take a look at that and say, what is the United States doing? They are trying to circle us. What is going on? And so, you know, every action has its reaction. I think we have to be thoughtful about, you know, some sort of how we go forward."

And then in a press conference in China on the 13th of April, he said the following statement. "If the threat disappears—i.e., North Korea denuclearizes—the same imperative does not exist at that point in time for us to have that kind of robust, forward-leaning posture of defense."

My question is, how do those comments line up with what I think has been a pretty clear indication, I hope, from the administration that, in fact, one of the ways we intend to have influence in the region is to be able to live up to our security obligations to our allies because if you put yourself in the position of some of our allies in the region and they see the Secretary of State saying these sorts of things, I think it raises some concerns about whether our military commitments are there.

So my question is—obviously, it is a better question for me to ask of Secretary Kerry the next time we have him before the full committee. But what is your take on how you reconcile these comments with what I thought was a pretty clear indication that we needed to have a more robust military presence in the region, not just vis-a-vis what is happening with North Korea, but in general, to assure our allies that they do not have to go on a buying and spending spree on their military hardware because we are going to live up to our security commitments?

Mr. YUN. Thank you, Senator Rubio.

I think what we are hearing from the region is that there has to be a balance between military presence, as well as nonmilitary presence, and this is what I also try to emphasize in my remarks. That is, U.S. engagement in the Asia-Pacific cannot be only military, that it has to have economic content, it has to have content such as climate change, education, all those. And I believe that was the central point of Secretary Kerry's remarks you just quoted.

On the second issue—

Senator RUBIO. And I am sorry to interrupt. I understand what you are saying. I agree with what you are talking about. We do not just want to be a military power. We want to be an economic and diplomatic one and have influence in the region.

But his comments—and it is not fair to you, I imagine. So I just want to say this for the record. His comments did not talk about a balance. His comments talked about if the United States builds up militarily, there is going to be a counterreaction from China, and he also goes on to say if North Korea denuclearizes, then maybe we do not need as much of a robust military presence in the region. My only point—and I do not expect you to answer for him. I do not think that is fair.

But my only point is I think these comments are concerning to our allies in the region who—on the one hand, we are saying do not worry, we are serious about our security commitments, and on the other hand, they are hearing but those security commitments are going to be balanced against our concern that China may not like it.

So I am sorry to interrupt you but I wanted to put that on the record. Thank you.

Mr. YUN. If I may, regarding the second comment on North Korea specific, again I think his point was that the additional assets we put out there, including the THAAD in Guam, as well

as other missile defense, was specifically aimed because North Korean capability had increased, and if there were no longer the threat, then it could be adjusted. Again, I do not think there was anything that was misleading about that, sir.

Senator RUBIO. I apologize. I am not claiming that the Secretary is misleading us. On the contrary, I am concerned he was actually being brutally honest about the administration's position with regards to the region. And I hope that is not its position because our allies in the region want to make sure that not only are we saying these things, but we are actually in a position to do something about the security commitments.

My last point for the record. I want to be clear. I actually believe the region would be more stable and more peaceful if the United States has the capability and the commitment to live up to its security obligations.

But thank you for your service and thank you for being here.

Senator CARDIN. Senator Johnson.

Senator JOHNSON. Thank you, Mr. Chairman.

I want to thank the witnesses for their testimony.

Let me pick up a little bit where Senator Rubio left off in terms of the military buildup in China. Can you put some numbers on that, dollars spent over the last 10 years, percent of GDP?

Mr. HELVEY. I can get you some specifics in terms of the dollar figures on an annual basis for the past decade, sir. But I mean, in very broad terms, China's defense budget has increased by over 10 percent for the past two decades. I think the most recent budget increase from this past March was again over 10 percent to something like \$120 billion.

The concern that we have is the pace of this military expenditure, as well as the scope of the investments. China is investing in a comprehensive modernization of its military, and this is something that we have documented annually in our reports to Congress on military and security developments involving the Peoples Republic of China under the National Defense Authorization Act for fiscal year 2000.

Senator JOHNSON. So if they are spending \$120 billion per year, can you break that out for me in terms of personnel versus procurement, weapons systems, ships?

Mr. HELVEY. If I can get that for you in the response for the record, sir, I would appreciate that.

[EDITOR'S NOTE.—The information requested for the record by Senator Johnson was not supplied from the Defense Department by the time this hearing went to press.]

Mr. HELVEY. The challenge is that there is not a whole lot of transparency in terms of China's military spending. I mean, they have been able to provide to the United Nations some very gross breakdowns in terms of personnel accounts, operations, and equipment. But beneath that level, it is very difficult to establish exactly what the budget—which line items for the budget—

Senator JOHNSON. What area, just in general, of buildup is of greatest concern to the United States? Is it their naval buildup?

Mr. HELVEY. Sir, I would say that there is a number of different capabilities that we are paying very careful attention to. China's

investments in its nuclear and nuclear capable forces is something that we are watching very carefully, investments in its undersea warfare capabilities, including submarines, both nuclear-powered and conventionally diesel-powered submarines, as well as its long-range conventional precision strike weapons systems, both ballistic and cruise missiles. These are part and parcel of what we in the Department of Defense refer to as an antiaccess and area denial type of strategy which, if put into place and executed, could be intended to limit the ability of the United States or other militaries from operating in the western Pacific.

Senator JOHNSON. So when we go about our rebalancing, then are we very specifically trying to counter those buildups? I mean, is our rebalancing directly related to their buildup?

Mr. HELVEY. I think the best way to characterize it, sir, is the rebalance toward the Asia-Pacific is not about China. It is about what we are doing with our allies and partners in the region, and China can potentially be a partner in this regard. It is what we are doing to support and sustain the regional political and economic system that has persisted for the past six decades. In this respect, the success of the rebalance hinges on having a positive and productive relationship with China. So absolutely, the rebalance is not about China.

What China does, though, of necessity does impact how we think about the region and how others think about the region as well.

Senator JOHNSON. Talk a little bit about the areas where we actually cooperate where we have agreement with China versus the areas that will create stress in the relationship. Either witness can answer that one, or both. So we will start with the best area of cooperation.

Mr. YUN. Sir, I would say we cooperate in a number of fields, and even I would count North Korea as one of them in which China has hosted the six-party talks for a long time.

And another area we do cooperate is in the trade area. I mean, we have an enormous amount of trade and investment in each other's country. Certainly this amount of trade—there will be problems, but there has to be substantial cooperation in order for this to go on.

I would also say in the education field. There are tremendous amounts of Chinese students in the United States, and there are now increasing amounts of American students in China.

And then some further areas of cooperation we are looking at is economic development in Southeast Asia. We have an agricultural cooperation project with China on Timor-Leste.

So I would not minimize our cooperation agenda with China, sir.

Senator JOHNSON. Senator Cardin talked a little bit about cyber security issues that have come to light and been publicized. And by the way, I appreciate the fact the administration is highlighting that. I think information, sunlight is probably the best cure there.

Can you speak a little bit in terms of what has transpired over the last 10 years in terms of just intellectual property and China's cooperation with us trying to protect United States intellectual property?

Mr. YUN. This is a serious issue, IP issues, with China, and we have got a number of companies that have suffered from theft of

IP from the Chinese side. They include some of our optical glass wear, as well as, of course, computer information technology. And this is a discussion that we have, as you know, under the strategic and economic dialogue, and we will continue to have these discussions. We have raised company-specific issues, as well as general issues, and this is something that is very serious. Again, Secretary Kerry raised it with all four leaders he met with.

Senator JOHNSON. So as with cyber, we are talking about awareness, we are talking about dialogue, about a working group. Anything concrete occurring that you can report on? Are we proposing some not only carrots but sticks? And has there been any success in terms of actually enforcement of IP protection?

Mr. YUN. I cannot cite any successes so far, but of course, the problem areas are huge. Let me study the issue and get back to you on how we have approached this issue, for example, in WTO being one of the multilateral rules, whether that has seen any results. But I have not seen any assessment of successes.

Senator JOHNSON. Let me just conclude. I guess for the record, I look at China really as a 1.2 billion person opportunity for the United States. But until China, I think, starts enforcing things like IP and we really come to grips with the cyber security threat, it is going to be very difficult moving forward. So I want to fully cooperate with China, and I certainly want to encourage the administration to continue to highlight the problems and try and get some resolution of those issues. But, again, in case my questioning sounded a little more hostile, it is not. It is really looking toward how we can cooperate.

Thank you.

Senator CARDIN. Well, clearly, intellectual property and cyber are security issues. There is no question about it. They are also economic issues, and we do intend to hold a hearing on the economic issues of the rebalance. So we will get into this again. We may also get into currency manipulation in China. We certainly will bring up the impact that TPP will have on the economics of that region. So there is a lot of matters that, Senator Johnson, you are raising that are critically important to the United States. And I just want to concur. We all want a very productive relationship, mutually beneficial relationship with China, but there are serious issues that need to be addressed.

I want to ask you one or two more questions. Hopefully we can cover this pretty quickly.

Traditionally Australia and New Zealand have been very active with the Pacific island countries. China, in the last decade, has given a lot more attention to the Pacific islands. As we rebalance in Asia, how does China's participation in the region, particularly with the Pacific island countries, affect policies that we might wish to pursue?

Mr. YUN. Thank you, Mr. Chairman.

I would say there are a number of intersections on how we work together with China on the Pacific islands and ocean space.

Certainly one of them is fisheries, and these are very important resources especially for islands like Samoa, Palau, the Marshall Islands. So we have our own approach, obviously. We have a compact with some of these countries that protect our fishing rights.

And so that is one area that we are working very closely with the Pacific islands.

Second is our participation in the Pacific Islands Forum, PIF. And that is where all the leaders of the Pacific islands, as well as Australia and New Zealand, and we participate. And this is becoming a very important forum, how the United States with enormous equities in the Pacific islands deal with these islands, as well as outside powers principally, as you mentioned, China. I mean, there is an issue. Are we expending the right amount of resources to help development, to help overcome some of the problems in the Pacific islands? Because in the end, of course, China has really upped their game in the Pacific islands. Are we competing effectively? And that is a question we are trying to step up. Last year, Secretary Clinton went to participate in the Pacific islands. So it is very much in our mind, sir.

Senator CARDIN. Well, I think it should be priority, and I appreciate your saying that.

Talking generally now on maritime security issues, I mentioned in my opening statement the fisheries agreement between Japan and Taiwan. I also mentioned the Brunei-Malaysia agreement on petroleum.

Historically the United States has taken the position that maritime disputes need to be resolved peacefully through negotiation between the parties and with some orderly process. But these disputes are somewhat frozen in time. They have been there for a long, long time. And they could very well mushroom at any time with an incident.

Has the United States looked at using some form of cooperative agreements on resources as a model to make progress on some of the disputes that exist in that region?

Mr. YUN. Thank you, sir.

I wish they would remain frozen in time. The problem is they do not. As you can imagine, there are no resolutions. Nobody is ever going to give up their claim. So really, the question is, How do you manage it?

One of the models of managing is through joint use, joint exploration, joint agreement. But, of course, in problem cases, each country wants joint use, joint exploitation to be under their sovereignty, and that is when it becomes a problem. If all countries were to shelve their sovereignty issues and have joint exploration, I think that would work out quite well. And there are a number of examples where they have done that. They include ones between Thailand and Malaysia and I think Thailand and Burma have entered into joint exploration. So there are some good examples, and we are trying to encourage them. But the problem has been in very deeply rooted ones. Each country, all the countries will not give up their sovereignty, sir.

Senator CARDIN. Thank you.

Secretary Helvey, talking about sovereignty, the agreement to allow the Republic of Korea to take wartime command back to the country. Does that have any significant impact on the United States security commitments on the Korean Peninsula?

Mr. HELVEY. No, sir, it does not. In fact, the plan that we have in place, as we work toward that OPCON transition, Strategic

Alliance 2015, is a mechanism by which we are actually strengthening our alliance as we are working to prepare and meet the joint certification requirements to enable the ROK to take on this responsibility. So far from diminishing our commitment. It is actually strengthening it, sir.

Senator CARDIN. So that does not change the troop levels.

Mr. HELVEY. We are committed to maintaining the 28,500 troop level, sir.

Senator CARDIN. Well, we thank both of you again for your testimony and for your service.

We will now go to the second panel. I am pleased to introduce Dr. Janine Davidson who is a senior fellow at the Center for a New American Security and assistant professor in the School of Public Policy at George Mason University in Arlington, VA, where she teaches courses on national security policymaking, strategy and civil-military relations, and public policy.

Dr. Davidson began her career in the United States Air Force where she was an aircraft commander, senior pilot for a C-130 and C-17 cargo aircraft. She flew combat support and humanitarian air mobility missions in Asia, Europe, in the Middle East and was an instructor pilot at the U.S. Air Force Academy. Welcome. It is a pleasure to have you here and thank you for your service.

You are joined by Dr. Michael Jonathan Green, who is the senior vice president for Asia and Japan Chair at the Center for Strategic and International Studies, an associate professor at the Edmund A. Walsh School of Foreign Service at Georgetown University. Dr. Green served on the staff of the National Security Council from 2001 to 2005, first as the Director for Asian Affairs and then as a Special Assistant to the President for National Security Affairs and as Senior Director for Asia.

It is a pleasure to have both of you before our committee. We will start with Dr. Davidson.

**STATEMENT OF DR. JANINE DAVIDSON, SENIOR FELLOW,
CENTER FOR A NEW AMERICAN SECURITY, WASHINGTON, DC**

Dr. DAVIDSON. Thank you, Chairman Cardin and members of the committee, for the opportunity to speak with you today on the important topic of the U.S. rebalance in the Asia-Pacific.

Although most of the significant policy moves here are economic or diplomatic, they are of course enabled by a stable and peaceful environment. So my comments today will focus on the role of the U.S. military in the rebalance.

Now, my perspective on this topic has been shaped not only by my most recent experience serving as the Deputy Assistant Secretary of Defense for Plans where I had the responsibility for U.S. global defense posture policy, but also by my experiences at the beginning of my career when I served as an Air Force officer and C-130 pilot stationed at Yokota Air Base, Japan. Flying missions throughout the region, including training exercises in Korea and Southeast Asia, the evacuation of the Philippines following the eruption of Mount Pinatubo, and also in support of POW/MIA repatriation initiatives in Vietnam gave me a front-row view of how our engagement in the region builds relationships and promotes peace.

So in the interest of time, let me just cut to my bottom line up front. America's forward-postured and actively engaged U.S. military has been and will continue to be a smart investment for the American people.

Now, let me just provide three reasons why I believe this is true and how it works.

First, preventing conflict is much better than fighting wars. Our military posture in the region, most notably our bases in Japan and Korea and previously the Philippines, has underwritten decades of peace and enabled the region's extraordinary economic successes of the past 20 years. Thus, the first imperative must be to sustain our core deterrence posture and continue to assure our Northeast Asian allies against the existential threat posed by a nuclear-armed North Korea. As tensions rise on the Korean Peninsula or in the South China Sea, the reaffirmation of the security guarantee can prevent a destabilizing arms race among nervous countries in the region.

Second, remaining forward-postured is a more effective way to promote stability compared to projecting power from our bases at home. During times of rising tensions or crises, visibly sending forces from the continental United States can not only take too much time to be effective, but may also be seen as provocative or escalatory, ironically increasing rather than calming tensions.

Third, remaining forward is an efficient way to promote stability. Home-porting ships, for example, closer to their areas of operation saves 3 to 4 weeks in transit times and requires one-third fewer ships in the inventory, thus saving billions of dollars in acquisition, operations, and maintenance costs. Thus, when budgets are tight, we can actually get more for less by positioning a larger percentage of a smaller force forward, especially in places like Japan or Korea where the governments share the costs to build and maintain our facilities.

Going forward, however, we must recognize that this is not the same Asia in which we based our forces at the end of World War II. Although North Korea continues to menace our allies and now even our homeland, necessitating our sustained military commitment in the northeast, vibrant, growing economies across Southeast Asia are enhancing their own militaries and learning to work together and with us to promote security and stability across the rest of the region. Our presence, policy, and military posture must adjust to these changing dynamics.

New modes of military-to-military engagement and new partnerships will promote stability and burden-sharing throughout the region. The U.S.-hosted RIMPAC, for example, which is the world's largest multilateral maritime exercise, allows militaries from over 20 countries, including China in 2014, to develop shared norms for maritime security. So in addition to promoting interoperability and building partner capacity where needed, such military-to-military engagement enhances personal relationships and develops modes of communication that can prevent mishaps and unintended escalation in future crises.

Over time, as partner militaries improve their own capability and capacity, the possibility of burden sharing increases, ultimately preserving U.S. resources as local actors are better able to respond

to regional security challenges and to contribute to other multilateral operations in and out of the region.

So the Obama administration's strategic approach to the military in Asia is wise. They are focused on remaining operationally resilient vis-a-vis core threats in Northeast Asia, while also becoming more geographically distributed to address the changing dynamics in the southeast. New moves in Australia, Singapore, and elsewhere in the region reflect this vision while also remaining respectful of the domestic political issues in these countries.

So in closing, I believe that America must remain engaged in this vibrant and growing region in ways that will promote the multilateral cooperation, interoperability, and burden-sharing that will underwrite the next 70 years of growth and security. I hope Members of Congress will continue to protect this investment and to also make the case to the American people for why our military presence in the Asia-Pacific remains vital for America's national interests.

Thank you for having me here today and I look forward to your questions.

[The prepared statement of Dr. Davidson follows:]

PREPARED STATEMENT OF JANINE DAVIDSON

Thank you, Chairman Cardin and members of the committee. I am honored to testify today on the important topic of the U.S. "rebalance" in the Asia-Pacific. I began my career as an Air Force officer and C-130 pilot stationed in Yokota Air Base, Japan (1990–1993) where I flew missions throughout the region, including multiple bilateral training exercises in Korea and Malaysia, the evacuation of the Philippines following the eruption of Mt. Pinatubo, and in support of our POW/MIA repatriation initiatives in Vietnam. Most recently, I served for 3 years as the Deputy Assistant Secretary of Defense for plans, where I had the responsibility for U.S. global defense posture policy. As such, I helped develop options for the military's part in the rebalance and was also the cochair for the U.S.-Australia Working Group. Having left government over a year ago, my comments today reflect my personal views, not those of the Department of Defense (DOD), the U.S. Government, or the Center for a New American Security.

Although most of the significant policy moves for America's "rebalance" strategy are rightly focused on economic and diplomatic engagement, such activities are enabled by a stable and secure region. Thus, my comments today will address the importance of the Asia-Pacific to U.S. interests as a whole; how a new U.S. role in the region can better address emerging challenges and opportunities; and more specifically, how a forward postured and engaged U.S. military can support this strategy.

The United States in the Region

For 70 years America's sustained forward presence in Asia has been a stabilizing force. As the foundation for our key alliances, our military posture in the region has underwritten decades of peace and enabled the region's extraordinary economic successes of the last 20 years. Sustained American military leadership in Asia, through which flows 40 percent percent of global trade¹ and which represents nearly a quarter of global GDP,² has paid dividends in peace and prosperity for America and the world. In short, America's military posture in Asia has been a smart investment for the United States.

Looking to the future, the economic importance of a rising Asia is clear. Maintaining peace and stability in this region is thus vital to America's continued prosperity. But this is not the same Asia in which we based our forces at the end of WWII. Although North Korea continues to menace our allies—and now our homeland—necessitating our sustained military commitment in the Northeast, vibrant growing economies across Southeast Asia are enhancing their own militaries and learning to work together and with us to promote security and stability across the rest of the region. Our presence, policy, and military posture must adjust to these changing dynamics. America must remain engaged in this vibrant and growing region, but

in ways that promote the multilateral cooperation, interoperability, and burden-sharing that will underwrite the next 70 years of growth and security.

Security Challenges Old and New

For all the advances in the past few decades, the region still faces a number of challenges—some familiar, some emerging. North Korea is edging closer to deploying nuclear warheads deliverable by long-range ballistic missiles and has an untested young leader who may still be consolidating his grip on power. China, despite a small dip in its economic growth rate, remains a rising strategic competitor to the United States with expanding military capabilities and potentially destabilizing domestic problems. Regional maritime disputes abound in the Asia-Pacific and while they don't present challenges as fundamental as those of China and North Korea, the risk of miscalculation among claimants increases the chances of sparking conflict, applying pressure on the United States to intervene in defense of its treaty allies. Asia is replete with nontraditional security threats as well. Given the importance of Asian shipping lanes, piracy is an enduring challenge as is the potential for international terrorist plots emanating from the region. Global climate change threatens to exacerbate these challenges over the coming decades through more severe natural disasters that will no doubt require military responses. Finally, well-documented offensive cyber activities in Asia further threaten stability.

In light of these issues, there is a need for a new model of U.S. leadership in the region. Washington must take the steps necessary to secure American economic and security interests, assure allies and partners and promote multilateral cooperation and adherence to international law. However, although a U.S. presence is widely desired by our partners and allies in the Asia-Pacific, a heavy-handed approach could undermine U.S. interests and inadvertently reverse longstanding peace and stability in the region. Simultaneously, the United States should recognize that there is a trend developing of strengthening intra-Asian security relationships in Asia. Instead of trying to insert itself into this activity, the United States should let it develop organically. While U.S. military planners must continue to plan for worst-case contingencies, these plans represent only a part of a larger strategy that integrates “partners”—not “host-nations”—and works in a measured, cooperative fashion to promote sustained peace and stability in the Asia-Pacific.

The Value and the Logic of Forward Stationed American Forces

As Senator McCain made clear in his recent speech at the Center for a New American Security, America's current economic challenges and the debilitating gridlock in Congress, have led many in Washington to call for retrenchment. But the idea that disengaging from the world would be in America's best interest is misguided. American forward military presence remains a wise investment in a globally interconnected world, especially in this fiscally constrained environment, for the following reasons.³

First, as our decade-long experience in Iraq and Afghanistan should suggest, preventing wars is undoubtedly cheaper than fighting them. To the extent that America's presence in Asia can continue to deter enemies from launching attacks that kill innocent people and destabilize the global economy, we will save taxpayer dollars and precious lives.

Second, our presence in Asia assures allies that there is no need for them to over-militarize or, worse, to develop destabilizing nuclear arsenals. If the United States were to retrench from the region and create doubts about its commitment to the defense of South Korea or Japan, both of those countries, and maybe some others in the region, would be pressured by their publics to develop nuclear weapons. Although the immediate motivation would be protection against an increasingly belligerent North Korea, a nuclear arms buildup in Northeast Asia would be perceived as a threat to other countries and have destabilizing spillover effects across the region. Given the potential ripple effects of instability beyond the Asian region, this is not a “new normal” anyone in the world should want to see emerge across this region.⁴

Third, forward stationing military assets, especially naval ones, is more efficient than rotating military forces from bases at home on an as-needed basis. In addition to host-nation financial support, port facilities in allied nations provide a forward location for periodic maintenance, saving resources in transit time. Thus, as budgets shrink, having a larger percentage of a smaller force forward, is a prudent economic choice.

Fourth, forward stationed forces are better positioned to manage tensions and to facilitate collective responses to crises. Deploying forces all the way from the United States in times of crisis not only takes more time than might be available; it can also be seen as provocative and escalatory. In contrast, having forces in theater con-

ducting regular bilateral and multilateral exercises and other training activities, allows for sustained engagement with ally and partner militaries. Such engagement promotes interoperability, builds capacity where needed, and, importantly, develops personal relationships among military professionals that can pay dividends during crises. Over time, as partner militaries improve their own capability and capacity, the possibility of burden-sharing increases, ultimately preserving U.S. resources as regional actors are better able to respond to regional security challenges and to contribute to other multilateral operations.

Finally, these steady state activities with our partners and allies promote burden-sharing in and out of the region in a self-reinforcing fashion. For example, our antipiracy efforts in the Horn of Africa are fully multilateral, with 7 of the 27 participating nations coming from Asia. These real-world multilateral operations, like the myriad exercises conducted with partners in Asian waters, further develop rules of engagement, interoperability, and shared values for professional militaries that respect human rights, the rule of law, and civilian control. Such lessons and common operating frameworks can be brought to bear in places like the Straits of Malacca or the South China Sea, where multilateral cooperation can similarly address piracy and trafficking issues or mitigate potential territorial disputes and freedom of navigation issues.

The “Rebalance” and the American Military

The Obama administration’s emphasis on the importance of Asia is a reflection of the rising economic role the region plays and the interdependence of our economies. Thus, the economic and diplomatic engagement is the core of the rebalance policy. That said, the military has an important supporting role in America’s overall Asia-Pacific engagement, as peace and stability in the region enables economic prosperity and free flows of trade.

The Pentagon’s strategic approach here is wise. Our military posture in Asia is meant to be “operationally resilient” vis-a-vis core threats, while also becoming more “geographically distributed” to address the changing dynamics in Southeast Asia. Recognizing that each of the emerging powers in the region has its own interests and domestic political considerations, the Obama team also asserted that U.S. military posture should be “politically sustainable.” Thus, while the Pentagon had a vision for the long-term changes they might want to see in the region, their adage was to “go slow and consult” with regional partners before making dramatic changes that might have negative diplomatic repercussions. Thus, the term “rebalance” is more appropriate than “pivot,” as the former connotes a more gradual process and one that makes adjustments in approach and activities, rather than a simple and abrupt repositioning of forces. Moreover the changes are to occur within the region as more emphasis is placed on activities and engagement in Southeast Asia (while holding strong in the Northeast), as well as across regions, as more American resources are made available following the large-scale wars in Iraq and Afghanistan.

Our military posture in the Asia-Pacific should adjust to the changing dynamics and capabilities of emerging partners, while also taking care not to abandon longstanding arrangements that are still working or are still needed. Thus, the first imperative must be to sustain our core deterrence posture and continue to assure our Northeast Asian allies against the existential threat posed by a nuclear-armed North Korea. Our longstanding posture in this region, including nearly 30,000 troops in South Korea and an additional 50,000 in mainland Japan and Okinawa, are the key to remaining ready to respond to emerging crises. Our bases in Guam, which will absorb approximately 5,000 marines from Okinawa, also provide airfields and naval ports for a more dispersed footprint and thus promote a more operationally resilient posture.

Although we need not—and should not—build large new American bases across the region, we should also be cautious as we make changes to our legacy basing arrangements. As our experience in the Philippines demonstrates, executing a precipitous departure can shock relationships and limit future options. That said, where ally countries host our military forces, we must remain conscious of the fact that these are not our territories. In places like Japan and Korea, decades of political change and economic growth have altered significantly the local environments in which our forces reside. Our posture must account for such shifts, taking an evolutionary, not revolutionary, approach. As the recent adjustments in Okinawa and Korea demonstrate, it is possible to make changes to our traditional posture model that meet our operational requirements while also respecting our allies’ political realities and the need for change.⁵

Elsewhere in the region, where a robust U.S. footprint would not be desirable or practicable, new modes of military engagement by the United States should be designed to enhance regional stability. Changing dynamics and challenges in the

ASEAN region present opportunities for constructive U.S. military engagement. ASEAN countries are thickening bilateral ties among each other across the region and promoting cooperative approaches to shared challenges. In contrast to our partners in Europe who are decreasing defense spending, many Asian countries are investing in new defense capabilities and building their military capacity.⁶ The U.S. role here should be to promote such regional engagement by hosting some of the larger multilateral military exercises, such as RIMPAC7 (Rim of the Pacific) and participating in activities hosted by others when invited, such as ADMM, (ASEAN Defense Ministers' Meeting) or PITCH BLACK (multilateral air forces exercise hosted by Australia). The fact is, the United States has convening authority in the region such that if our military is due to participate, others will sign on. Thus, just by showing up, the U.S. presence can act as a powerful catalyst for multilateral cooperation with very little investment.

As such activity expands, however, it is important that the United States along with its allies and other regional militaries ensure that China also has the opportunity to participate. Regular participation in military exercises builds confidence among participants, dismisses Chinese misperceptions about "encirclement" or "containment," and promotes shared norms for multilateral cooperation. Additionally, should tensions rise over territorial disputes or other issues, the military-to-military relationships forged through such engagement can provide a valuable avenue for communication that can avoid miscalculations or unintended escalation.

Being forward postured is the downpayment that enables all of this engagement. The enhanced rotational Marine Corps presence in Australia as well as the four littoral combat ships to be stationed in Singapore are steps in the right direction. The agreement with Australia reflects the shared desire to enhance interoperability on the very important amphibious role for which the U.S. Marine Corps is so proficient. The plan to start small with 250 marines and grow eventually to 2,500, reflects the flexible "go slow and consult" approach. The engagement should be assessed each year, lessons should be incorporated, and each country should remain flexible along the way to the larger partnership. Meanwhile, the LCS, is the right platform for the maritime challenges in the region. U.S. forces' participation in the region's multilateral and bilateral exercises on humanitarian assistance and disaster relief (HA/DR) not only improves local capability and capacity to respond locally to such crises, but also enhances the general interoperability among all of the militaries participating that will pay dividends in cooperative military responses to future crises of any sort.

These new models of engagement can be replicated elsewhere in the region. Although the United States traditionally thinks of Southeast Asia as a maritime domain, for many of the countries in the region their armies are the dominant military branch. Thus, we might consider more army-to-army engagements and partner capacity-building efforts focused on land forces as a complement to our many maritime efforts.

Going forward, discussions with the Philippines and Vietnam are also promising. From a U.S. perspective, operating agreements in new places enhance our own operational resiliency while military-to-military engagement promotes stability. We must, however, remain savvy about the rising tensions in the region. As we promote stronger bilateral ties through military engagement, we must find a balance between assuring our allies and accidentally emboldening them to take more provocative actions that might enflame tensions. Our allies should not mistake our enhanced engagement throughout the region as an effort to encircle China or as *carte blanche* to fan the flames over territorial disputes. In short, we should affirm our commitment to defend our allies against attack; while also making it clear that we do not condone military aggression.

The Immediate Challenge

With Asian defense budgets rising and weapons proliferating, the United States must continue to serve as a moderating influence in the Asia-Pacific region, promoting shared values for the rule of law, human rights, and good governance. The low-cost, high-payoff initiatives outlined here should be protected as we allocate our stressed defense dollars. As Deputy Secretary of Defense, Ash Carter, asserted, the Pentagon is "turning the great ingenuity of our Department to the Asia-Pacific region, not only in hardware and technical investments, but intellectually—in language and culture skills, regional and strategy affairs."⁸ Congress should support such investments that underwrite our rebalance in the Asia-Pacific.

But for countries in Asia, the uncertainties created by political gridlock in Washington can have a destabilizing effect. Strategic competitors like China are emboldened by American political dysfunction and officials and strategists in allied and partner countries fear that the United States will not remain committed to the

region, despite rhetoric to the contrary. It is imperative that the United States sends strong signals to allies like Japan and South Korea that we are adapting our security relationships to the changing strategic environments. Our partners must believe that they can count on continued U.S. presence and leadership. Lack of faith in U.S. commitment will lead to further hedging by our partners and allies; and such uncertainty will complicate an already complex web of security relations in the region with the greatest long-term economic importance to the United States. Congress has a vital role to play, not only in budgeting and oversight, but also in affirming our commitment to our allies and in speaking directly to the American people about the importance of Asia and our national interests there.

In closing, let me express my gratitude to the committee for its attention to this important issue and for providing me with the opportunity to speak with you today. Thank you.

End Notes

¹“Malacca Strait is Strategic Chokepoint,” Reuters, 4 March 2010; <http://in.reuters.com/article/2010/03/04/idINIndia-46652220100304>.

²World Trade Organization, Statistics Database: <http://stat.wto.org/CountryProfile/WSDBCountryPFReporter.aspx?Language=E>.

³Michèle Flournoy and Janine Davidson, “Obama’s New Global Posture: The Logic of U.S. Foreign Deployments,” *Foreign Affairs*, Vol. 91, No. 4, July/August, 2012, pp. 53–63.

⁴“Rising Voices in S. Korea, Japan Advocate Nuclear Weapons,” *Voice of America*, February 12, 2013; <http://www.voanews.com/content/rising-voices-in-south-korea-japan-advocate-nuclear-weapons/1604309.html>.

⁵In Okinawa, the overall number of marines will be reduced from approximately 18,000 to 10,000 by moving some to Guam, Hawaii and elsewhere in the region. In Korea, U.S. military personnel are moving to less populated parts of the country to accommodate growth in more urban areas. Karen Parish, “U.S., Japan, Agree on Okinawa Troop Relocation,” *Defense News*, April 27, 2012; <http://www.defense.gov/News/NewsArticle.aspx?ID=116105>; T.D. Flack, “Yongsan Relocation Plan Moving Forward,” *Stars and Stripes*, July 10, 2005, <http://www.stripes.com/news/yongsan-relocation-plan-moving-forward-1.35625>.

⁶“Military Spending in Southeast Asia,” *The Economist*, March 21, 2012; <http://www.economist.com/node/21551056>.

⁷“PACOM Supports China Invite to RIMPAC 2014,” *Navy Times*, September 19, 2012; <http://www.navytimes.com/article/20120919/NEWS/209190323/PACOM-supports-China-invite-RIMPAC-2014>.

⁸“The U.S. Strategic Rebalance to Asia: A Defense Perspective,” Ash Carter, speech delivered Asia Society, New York City, August 1, 2012; <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1715>.

Senator CARDIN. Thank you very much for your testimony.
Dr. Green.

STATEMENT OF DR. MICHAEL J. GREEN, SENIOR VICE PRESIDENT FOR ASIA AND JAPAN CHAIR, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, WASHINGTON, DC

Dr. GREEN. Chairman Cardin and members of the committee, thank you for inviting me to talk about the Rebalance to Asia.

Today, virtually all of our allies and partners in the Asia-Pacific region want to increase security cooperation and engagement with the United States in large part because of the rise of China. But many of them trade more with China than they do with us, including Japan, Korea, Australia, three of our most important allies. And so none of them wants to be ever put in a position where they have to choose between Washington and Beijing.

So therein lies the environment within which we need to strengthen our partnerships. We need to be ambitious, but we need to be subtle. We are not always good at subtle, but we are going to have to be.

I agree with Dr. Davidson. I think the administration’s rebalance is generally the right strategy. CSIS was asked by the Congress to do an independent assessment of the strategy, which I co-led with my colleague, David Berteau. We had some specific quibbles which are available in the report. But let me focus on five areas that

concern me going forward about how we are working with allies and partners.

First, Senator Rubio and Senator Johnson asked about the maritime disputes in the first island chain. One thing that concerns me is that we, in the United States or in the administration, do not have a clear consensus on what is behind these disputes. Some people argue that it is nationalism. Others argue it is resources.

I think the underlying theme in these disputes along the first island chain in the East China Sea and the South China Sea is China's pursuit of what in the PLA has called the "Near Sea" doctrine, dominance over the waters near their coast, which is a logical thing for any rising power to do. But it puts this in a particular context.

And frankly, we have not always been consistent in how we articulate our interests and our commitments. We do not have a position on these territorial claims, but we need to be crystal clear and consistent that we will oppose efforts at coercion against partners and allies.

A second concern. If we are going to strengthen these partnerships and especially in a time of limited resources, we need to be much more agile and smart about how we do partnership capacity building. We ought to be doing a lot more building of equipment together, submarines, jets. We need to fix our broken foreign military sales, FMS, system so we can get things to allies and partners when they need them. And we need our Pacific Command and the Pentagon and the White House to be thinking through what capacity we want our partners to have and look for opportunities to advance that dialogue.

The third issue. We need to do a better job networking our alliances. For three administrations, we have built trilateral partnerships: Japan-Korea-United States; Japan-United States-Australia. They are more important than ever. Right now the Japan-Korea leg is a bit broken. We are not going to fix the historical issues between those two countries, but we need to be doing more to keep them both focused on common operating procedures, intelligence sharing, and the kind of things that add to everyone's security in the region.

The fourth concern. Dr. Davidson touched on our realignment strategy. We found in our independent assessment that the idea of dispersing our forces is very logical. We face ballistic missile threats. Dispersal is one answer to that. We have more requirements for engagement across Southeast Asia and the southeastern part of the island chain. Dispersal is necessary for that. And we want our alliances with Japan and Korea to be sustainable, and so taking the pressure off Okinawa and Seoul makes a lot of sense.

I understand in Congress there is a lot of frustration with the administration's realignment plan. The budgets are slippery. The politics are complicated. But the bottom line is Prime Minister Abe in Japan has publicly committed to implementing the Futenma replacement plan in Okinawa. President Park Geun-hye and her predecessor, Lee Myung-bak, are 100 percent behind our plans to realign forces around Camp Humphreys. It would be unfortunate if frustration over flaws in these plans—and there are flaws—

caused us to do a cold stop in place. We would lose a lot of credibility, a lot of momentum.

Finally, the security dynamic in the region is becoming more complicated in cyberspace, outer space, and in the nuclear realm. We have dialogues with our allies on these areas. We need to really ramp them up. We need to be making sure that we are credible to them in terms of our doctrine and our capabilities for the expanding and complicated nuclear threat from North Korea and with the Chinese nuclear military modernization. We need to be talking to them about cyberspace and outer space so that we have some common operating procedures, we understand what our roles and missions are, what capabilities we think we each need so that we are able to jointly deal with these challenges. I know the Department of Defense is working on these things, but we have fewer resources and the problems are more complex, and we are going to have to step our game up considerably in this region.

Thank you.

[The prepared statement of Dr. Green follows:]

PREPARED STATEMENT OF DR. MICHAEL J. GREEN

Chairman Cardin, Senator Rubio, and members of the subcommittee. Thank you for asking me to testify before you today.

For two centuries the United States has pursued policies that kept Asia and the Pacific open to our trade and our values and that prevented a rival hegemon from closing the region off to us. Today Asia is returning to the center of global affairs, and Americans know it. Sixty percent of our exports go to the region now and polls show that for the first time Americans consider Asia to be the most important part of the world to our national interests.

However, just as global power is shifting to Asia, power dynamics within Asia are also shifting. Some scholars argue that we are returning to a Sino-Centric system in Asia, pointing out that China trades more with America's major allies—Japan, Korea, and Australia—than the United States does. This thesis is popular in Beijing, of course, where the forces of history are measured primarily through such material metrics. However, these trade figures miss something more fundamental about prevailing Asian views of their own region's future. That vision is one in which regional integration is guided by the kind of open and rules-based order we have sought throughout our history of engagement with Asia. Recent surveys by the Center for Strategic and International Studies (CSIS) and other institutes have demonstrated that a growing number of elites across Asia are embracing democracy and the rule of law as essential Asian values. Burma's transition, despite remaining pitfalls, stands as an example of this trend. And Burma's leaders tell me that their example was Indonesia; and Indonesia's example of democratic transition was Korea.

China stands out in the region as a country where the elite do not yet embrace these norms, and polls across the region demonstrating wariness of China's rise reflect this to some extent. The so-called "Beijing consensus" of authoritarian economic development may resonate in other parts of the world, but among the major states of the Asia-Pacific region this is not an attractive ideology. Nor, frankly, is there that much of a consensus in Beijing about the so-called "Beijing consensus."

In terms of U.S. interests, therefore, the key is to ensure that the future vision of Asian order is written by all the powers in the region without fear of coercion, and with confidence in American forward presence and engagement. China's rise may be the central issue in Asia, and every administration since Richard Nixon's has worked on improving trust and cooperation with China. That will be even more important and challenging in the years ahead. However, to get China right (as Richard Armitage, Joseph Nye, and a number of us have argued in a series of reports at CSIS), we have to get Asia right.

Today, almost every country in the region wants closer ties to the United States because of China's growing power. We must remain mindful that none wants to ever be forced to choose between Washington and Beijing, but the appetite for increased engagement across the Pacific is strong.

Last year CSIS was asked by the Congress and the Department of Defense to conduct an independent assessment of the administration's strategy for realigning our

forward presence and expanding engagement in the Asia-Pacific. After extensive investigation, a team I led with my colleague, David Berseau, determined that the general thrust of the administration's so-called "rebalance" to the region was consistent with U.S. interests and resources. Frankly, despite the hype about a "pivot" to Asia, we found that the policy largely built on existing plans and policies started in the Bush and even Clinton administrations.

There were a number of areas, however, where we determined that the administration's strategy was flawed in terms of either concept or communication to the Congress. The Defense Department has addressed a number of these areas and I would single out Deputy Secretary Ash Carter and Assistant Secretary Mark Lippert in particular for taking the initiative to ensure better articulation and implementation of the Department's policies. Four broad areas of concern remain with respect to engagement of allies and partners, however.

First, I do not believe that there is a consensus within the administration about why there are growing tensions along the First Island Chain, which extends from the Japanese archipelago through the Senkaku Islands, the Philippines, and the disputed islands in the South China Sea. Some administration officials' comments seem to suggest that the Philippines, Japan or Vietnam are provoking Beijing and that our goal should be to prevent these allies and partners from entrapping us in an unwanted confrontation with China. Others see the disputes as the result of China's effort to establish dominance over its so-called Near Sea and to complicate any U.S. intervention in security crises along the Asian littoral. The assessment of this struggle is fundamental to our understanding of what deterrence and reassurance strategies are necessary with our allies and partners. I would place more of the causality on the second factor—China's pursuit of a Near Sea strategy—but if the administration is worried about our allies entrapping us in a conflict, then it is important to understand that insecurity on their part makes accidental conflict more likely. We should be deepening our security cooperation and working through these maritime security problems with them so that we are inside their decisionmaking loop and able to both reassure and advise on de-escalation strategies in the event of a crisis. The administration also needs to establish greater consistency of message. We cannot say enough that while we do not take a position on the territorial disputes themselves, we do have a strong national interest in ensuring that coercion is not used against our allies or any nation seeking peaceful resolution of these territorial issues. This goes to the fundamental question of who decides the future regional order and how it will be decided.

Second, we have not established a coherent vision of what partnership capacity is necessary in the region. If we did, our allies and partners would know what it is. Instead, I have heard from senior Australian and Japanese defense officials who say that they cannot find an authoritative voice in the administration who can tell them what requirements we would like them to have. The Air Force tells their Air Force and the Navy tells their Navy, but we need a top-down integrated assessment of the capabilities we think our allies and partners need to support the larger strategic goals in the region and then we need a comprehensive plan to build that capacity. The decision to review the U.S.-Japan Defense Guidelines will provide an important opportunity to do just that with Japan; recognizing, of course, that the Japanese side will appropriately have a view on the capabilities they would like us to retain or strengthen. In Korea we have made progress along these lines with the planning for Wartime Op/Con transfer in 2015. However, the U.S. vision of partnership capacity across the region has to be integrated in PACOM and the Office of the Secretary of Defense on a region-wide basis. We did this in the 1980s when the Soviet buildup prompted the U.S. maritime strategy at PACOM and a common vision for the capabilities we and our allies needed to maintain deterrence and the common defense.

Third, we need to sustain our support for networking of alliances, particularly through trilaterals such as the U.S.-Japan-Australia, U.S.-Japan-India, or U.S.-Japan-Korea groupings. Unfortunately, and through no fault of the administration's, the Korea-Japan leg is very weak right now. Seoul refused last year to sign a basic agreement on military information-sharing with Japan and contentious politics over history have prevented much forward movement. Yet given North Korean provocations, this is probably the most important of the trilaterals to get on track. I do not think the United States can solve the historical and territorial issues complicating Japan-ROK relations, but we can make clear to both allies that moving forward is a priority for us. I know that your two witnesses from the administration are working this, but frankly, they will need backup from the White House as well.

Fourth, we need to keep moving forward on realignment of our forces. Prime Minister Shinzo Abe has committed to implementing the Futenma Replacement Facility (FRF) plan and we should support him. We concluded in our CSIS assessment that

this plan was the best of a series of politically complicated options. With Prime Minister Abe's personal commitment the prospects are improving and worth pursuing. The same stands for our plans for consolidation of U.S. bases in Camp Humphreys and other facilities in Korea. I know from our CSIS assessment that there is frustration in Congress with the vague cost estimates and complicated politics of the realignment plan, and we had a number of adjustments we recommended in the report, including built-in reviews of progress with the Congress. However, a stop-in-place with respect to realignment plans would undercut support for our presence and confidence in our ability to execute strategy. Ultimately, realignment makes sense in terms of dispersing assets in the face of new ballistic missile threats; improving engagement along the Asian littoral and the southern part of the First Island Chain; and reducing the burden of a concentrated military presence in places like Seoul and Okinawa.

Finally, we need to recognize that the threat environment is constantly evolving in this region, particularly with respect to nuclear, cyber and outer space challenges. We need constant dialogue with our allies to ensure that our extended deterrent capabilities and doctrine with respect to nuclear threats are credible to them; that they have the necessary capabilities—particularly missile defense—and that we are developing the necessary capabilities and doctrine to ensure credible deterrence and defense in cyber and outer space. We have dialogues on all these areas with our key allies, but we have considerable work to do before we begin to turn those dialogues into joint strategies.

Senator CARDIN. Well, once again, I thank both of you for being here and for your testimony.

It is very clear that this administration is committed to the rebalance in Asia, meaning a stronger U.S. presence in that region on security issues. That is clear by the steps that have already been taken by this administration on troop movement. It is also true when you take a look at the President's budget that he submitted to Congress where additional resources are made available to East Asia and the Pacific.

For those countries that depend upon the United States for security, that is good news. They welcome that announcement and the actions that are taken. But as has already been pointed out, one major country in that region is not exactly thrilled with greater United States military and security presence, that being, of course, China.

China is a very strategic player. They are very calculating in all decisions that they make, very much focused on the impact it has on their country, and they certainly want a stable region, but they are not exactly thrilled by having more United States military presence in the region. We need China's cooperation on North Korea to resolve that in a peaceful manner.

So the question has been asked by, I believe it was, Senator Johnson or Senator Rubio or myself what does the United States do—as it rebalances with greater security presence in Asia—to build a more constructive relationship with China?

Dr. DAVIDSON. Well, thank you for the question.

This is one of the issues that we talk about a lot. There is no perfect answer. We often think of the need to assure allies and to deter aggression from anyone in the region requires a robust presence. But it is a bit of a black art. Right? Because as you start to do that, then you get to the top of the curve, as you just pointed out, and maybe start to provoke the very behavior that you are trying to prevent. So the problem is you never know where you are on the curve and you do not know where that point on the curve is.

And so what it requires, I think in my opinion, is robust engagement and dialogue all along the way, which is part of what I think the strategy is. And like I said in my remarks and in the previous panel, as they pointed out, some of these territorial disputes, for instance, are going to persist. People will have their own sovereign interests and they will have their own domestic politics that they have to consider. So this is where military-to-military engagement focused on shared interests like humanitarian assistance, disaster relief pays off in other ways. When you have shared norms for operating in the region, you can have military-to-military relationships developed over time where you can use those in times of crises to tamp down crises.

I do not think it is a perfect science. I do think it is an art. But I do believe that you have to take a long-term approach to this very problem where you continue to reassure the Chinese especially.

One other element. When America shows up on some of these exercises or in anything, they act as a really powerful catalyst. Other people show up and you get more robust multilateral cooperation. I think it is really important that as we continue to do that and as the actors in the region do that themselves, that they continue to include China in those activities. If they actively or accidentally do not include China, then it will only feed that very dynamic that you described.

Senator CARDIN. Dr. Green.

Dr. GREEN. It is a hard question. Nobody knows exactly where the tipping line is between dissuasion and provoking what scholars call a security dilemma, that China starts reacting so much we create the problem we are trying to avoid. I would emphasize three tools that will help us.

First, every President since Richard Nixon, no matter what they said on the campaign trail, when in office made it very clear they were going to work hard to not only maintain but expand the scope of United States-China relations. And every President in one way or another has done that. So the first tool is we need to, at the Presidential level and the Congress, make it clear to Beijing that that bipartisan consensus in American foreign policy continues and we want to work on more stuff together with China, and we are going to try to nurture and grow this relationship.

The second tool, I think, is we need to recognize—and it is important that Beijing recognize—the rebalance came in the wake of a series of quite aggressive Chinese moves in 2009 and 2010 in the East China Sea and the South China Sea. And the demand side was important in this equation. It was our allies and partners who were calling for more U.S. engagement and more U.S. presence in this period. So we should not be apologetic about that.

I think the effect on China was important. What happened after the rebalance and the strategic guidance in 2012, including the announcement of the Marine deployments, was that the Chinese started coming back to their Southeast Asian counterparts and agreeing to a code of conduct discussion on how they would handle the South China Sea.

So the region is demanding this cooperation with the United States—and they do not want too much of it, as I said. They do not want to be confronting Beijing if they do not have to—I think that

has an actually quite important effect on China. Now, the Chinese side will continue to argue it is containment, but I think they have drawn a lesson. They imposed a self-inflicted wound and on-side goal in 2010 by pushing their neighbors closer to us. And that is not something we should be apologetic about.

And finally, we have to be consistent. That is why I mentioned consistency in our declaratory policy and our understanding of what is happening with these territorial disputes. Part of the problem with the rebalance, or the so-called pivot, was it looked reactive and in many ways was reactive. And we, for a variety of reasons, got in a position where we had to, in effect, double down and demonstrate we were committed to the region. We probably should not have gotten there in the first place. We should not get to the point where we are having to adjust suddenly because the balance of power is out of whack.

That is partly why forward presence is important. As Dr. Davidson said, if we have to surge from the homeland, that is provocative. If we are there and have partnerships and have presence, the dissuasion effect is there without the provocation.

So we let ourselves in 2009 get in a place—and 2010—where we had to, because of demand side pull from our partners and allies, demonstrate our commitment, and that fueled some of this rhetoric in Beijing about containment. So consistency is also key.

Senator CARDIN. Thank you for those responses.

Dr. Davidson, you mentioned military-to-military. Let me put this question to both of you in context. The White House issued a security sector assistance policy in April 2013 that I agree with. It says one of our goals is to promote universal values such as good governance, transparent and accountable oversight of security forces, rule of law, transparency, accountability, delivery of fair and effective justice, and respect for human rights. I fully agree with that. As we deal with security issues in countries, we should be always promoting good governance values.

Well, some of the countries in Asia that we are dealing with where we are looking at military-to-military, their record in this regard is not exactly the best. So how do we balance our concerns for human rights with our military-to-military relationships? You can pick whatever country you want, but I will mention Vietnam because it is a country that has received a great deal of attention and one in which we have made substantial improvements in our relationship over the last several years, and yet, its record in regards to good governance is not where we need it to be and there is a great deal of interest in military-to-military. So how do we balance that?

Dr. DAVIDSON. Yes, sir. This is a bit of a conundrum on the one hand because some of the countries, just in general, who have the most problems are the ones who need the most engagement. On the other hand, there is a need to balance carrots and sticks. Right?

So I am personally not of the opinion that completely removing engagement and isolating any country is going to help the problem. That said, we cannot continue to throw good efforts after bad over time. So I think that what we need to do is have engagement but then also have firm dialogue and conversation about whether or

not that engagement will be enhanced or whether it will be continued over time if the countries in question can clean up their act.

In general, military-to-military engagement, I think, is a positive force for enhancing the kinds of professionalized militaries that you are talking about. We have a longstanding history of doing that well, and we had a lot of mistakes along the way. I think we should be learning from those experiences in the cases that you cite.

Senator CARDIN. Dr. Green.

Dr. GREEN. The capacity of Vietnam and Burma, or Myanmar, is instructive in this regard. They are both countries that want to engage with our military more. They are both countries that have in different places and different ways human rights or democracy or governance concerns.

In the case of Vietnam, the military is not engaged in extensive repression at home, but the system denies religious freedom and has problems with governance, corruption, and obviously although there are reforms in Hanoi, obviously limitations on political expression. So in the case of Vietnam, I think we press our case in a variety of ways. There are legislative tools to do that. There are diplomatic tools to do that, in particular on religious freedom. But the military I think we can engage more broadly.

Burma is different. The Burmese military is actively engaged in 11 different counterinsurgencies. It would be very hard for us to engage in IMET or E-IMET or other forms of military exchange, to vet the officers. It would be, frankly, hard to find officers who were not in some way or another connected with some pretty brutal—you can call them counterinsurgencies. You can call them repression. You can call it forced resettlement. So I do not think personally we can go to IMET or E-IMET with a country like Burma, or Myanmar, right now.

But there are other things we can do. I was in Burma last summer and spent time with the Ministry of Defense. They are interested in training their troops. They hand out to every second lieutenant a piece of paper that says Myanmar is now a democracy. I said, is that all it says? And they said, yes, that is basically it. We can engage, I think, not through IMET or traditional channels but in other ways in helping them think through how do they train, how do they create a doctrine and a training program to understand what militaries do in democracies.

So we are going to have to be agile and do it case by case. And those two countries, illustrate, I think, the kind of menu we need to think about.

Senator CARDIN. I think you both raised very valid points there.

I would point out with a country such as Vietnam, it is reasonable for us to insist upon mechanisms to improve good governance as the price of admission for a military-to-military operation.

I understand your original comments, Dr. Davidson, about avoiding conflict is always better than having to fight a war, and I agree with that completely. And having a country that has a sustainable economy and good governance makes it much more likely that we are going to have an ally and not a country that will present problems in the future. So, yes, we want to build up a sophisticated, professional military capacity within these countries. That is absolutely correct. We do. And military-to-military helps. But if they do

not have the good governance structure, it is not going to provide the security we need to avoid the type of conflicts in the future. So it seems to me that we really need to make this an understanding up front, particularly in a country like Vietnam.

Now, you raise a very good point about Burma. That is a different situation. It is a much more complicated situation. And our expectations in Burma—are on a different time schedule than Vietnam. Both have significant problems. But we can, I think, manage in both countries to make progress on good governance.

Let me ask one last question dealing with the forward deployment. You raise a good point that it is a lot easier to have troops in place than having to move troops in for any reasons. But part is also the perception of America. We want our engagement in Asia to bring about a positive view of America to the people of Asia. We want them to look at us as an ally and friend. We would like them to be customers of our products. We would like them to share our values. But if they look at us more as just coming over to knock someone over the head that they do not seem to have a concern about, that might well present some problems for America advancing its values.

So as we look to this rebalancing with a greater U.S. presence, a greater security presence, how do we go about doing that in a way that maximizes the popular view of America in Asia that in the long term would have a very positive impact on America's interests? Any suggestions?

Dr. GREEN. Sure, thank you. Yes, a few suggestions.

One: the countries where we have troops or bases that have the largest footprint, Japan and Korea, are the countries in Asia where we are most popular. And so we need to sustain that high level of support in the countries where support for the alliance is highest.

We need, I think, to remember that these are countries that have per capita GDP's comparable to our own that are very successful. A place like Futenma, the Marine Corps air station in Okinawa, 50 years ago was surrounded by fields and rice paddies. Now it looks like downtown Bethesda where I live. Yongsan, the major Army base in Seoul, might as well be in Manhattan. That is why realignment is important.

We also need to find ways to give our allies more ownership of bases. OPCON transition in Korea, giving wartime command—transitioning that to Korea is an example. In Japan, people like me and others in the administration have talked about joint use of facilities for a long time. The Japanese ground self-defense forces would like to collocate some of their infantry regiments with our Marines so they can learn how to do amphibious operations. And for bureaucratic reasons, we have been slow rolling them. We ought to be looking at ways to have flags that are not only Japanese and American flags on these bases, but actually Japanese commanders commanding the bases. We ought to be shifting toward that so that there is more ownership of our presence to make it sustainable.

And finally, I think we have an asset in our National Guard and Reserves who performed amazingly well in Southwest Asia and Afghanistan and Iraq and who represent our whole country geographically and who are coming home. And I think in a variety of ways we can look at rotating guard and reserve units in small

units to engage in this region. It will show the best examples of civil-military relations. There are specialty skills the guard and reserves have. And it will really introduce Asia to communities across this country.

So those are a few examples where we ought to be, I think, more agile on the question you raise.

Senator CARDIN. Do you both agree with the assessment that was given by the last panel that the transfer of the wartime military command in the Republic of Korea to Korea from the United States—that there is not a risk factor looking at what is happening in North Korea today? Is that a realistic change that will take place in 2015 without affecting U.S. security interests?

Dr. DAVIDSON. Yes, I do agree with the previous panel with David Helvey on that. We worked closely with the Koreans for years. I think that it reflects a success story in partnership actually that the Koreans are ready, willing, and able to take on the operational control.

The military that we have on the peninsula are incredibly professional, and they have been working for years to make sure that this transition goes well. And it has been pushed off once or twice because they did not think it was time. So I think that is sort of a good news and bad news story because I do think that they are going to make sure that they are ready by the time it happens. And I do think they are tracking to do that.

Dr. GREEN. I think we should proceed with plans for wartime OPCON transition for the reasons that Dr. Davidson said. Korea is ready. It is a sovereign country. And also there is a military or operational problem to having this seam. In peacetime they command; in wartime we command. That 24- or 48-hour transition when you are going from one commander to the other is a very vulnerable moment in the midst of any crisis with North Korea. And so a seamless sequence of knowing who is going to be in command at every stage of a crisis would be advantageous to us, especially given North Korea's more provocative moves. Changing hats, changing jobs, once we go to a full crisis, is not the kind of bureaucratic game you want to play. So it makes sense to move forward.

I am a little more concerned, though, than the previous panel about how we are doing. There is a process for validating that we are ready to do this transition. And my concern—and we put this in our independent report on forward engagement that CSIS conducted for the Congress and the Pentagon. My concern is, first of all—and we can make that available.

But my concern is, first, that while very capable colonels in U.S. Forces Korea are validating that we are ready—I think there also needs to be a higher level check from the Congress and from OSD, and also from the White House to make sure we have really put in the capabilities that we said Korea had to have before we were ready for this.

And the second concern is not capabilities per se, but the signal. There is considerable opposition still within Korea to doing this because particularly conservatives are worried this sends a signal of weakness to the North. And we should not take that lightly.

So I would proceed, but I would not go through the kind of automatic validation and testing we are doing now. I would elevate it,

and I think the Congress and the President need to think this through and make it clear that it has been thought through so that we can have confidence in the capabilities and that we are not sending the wrong signal as we move to this next stage in the alliance.

Senator CARDIN. Well, I thank both of you for your testimony. I think it has been extremely helpful in understanding the challenges of our policies in this region. As I said at the beginning of this hearing, this our second hearing in a series. We will be having further hearings dealing with other dimensions of the rebalance policy. Your participation has been extremely valuable. So thank you all very much.

With that, the subcommittee will stand adjourned.
[Whereupon, at 3:41 p.m., the hearing was adjourned.]

