

STATEMENT OF

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U.S. PACIFIC COMMAND

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INTRODUCTION

Mr. Chairman and members of this Committee, on behalf of the men and women of the United States Pacific Command, thank you for this opportunity to present my perspective on security in the Asia-Pacific region. Having served as USCINCPAC for just over a year, I believe that steady and focused efforts are required to ensure the region develops in ways favorable to American interests. A secure and peaceful Asia-Pacific region presents tremendous opportunities for greater prosperity in America, and in the world, as we enter into this century. Alternatively, an Asia poised for armed conflict, uncertain of the intentions of neighbors and regional powers, and subject to a rising wave of nationalism as a new generation of leaders comes to power, will present only crises and dangers. As the principal guarantor of global peace, the United States, by its actions and omissions, will strongly influence, if not determine, the outcome.

The economic, political, and military contours of the Asian landscape are evolving rapidly. Most Asian economies are now enjoying economic recovery. But one of the lessons learned from Asia's financial turbulence in 1997 and 1998 is that we cannot take Asia's economic prosperity for granted. A durable recovery and economic security in the region can only come when the financial and corporate restructuring process is complete. We

also see reasons for economic concern in a number of key Asian countries. For instance, Japan remains trapped in slow growth. China's economy is also struggling with weak demand and severe price deflation. We are hopeful Jakarta's promising new budget and the recent agreement with IMF will help President Wahid turn Indonesia's economy around. But this will be no easy task. Similarly, fractious Indian politics make it difficult for Prime Minister Vajpayee's new Indian government to implement the kind of bold economic reforms needed to reduce high levels of poverty. Sustainable economic growth in the region is in the interest of all. It provides a favorable setting for diplomatic and military initiatives to build a security framework for the region.

There are many flashpoints in the region. Long-standing tensions threaten serious conflict in places such as Korea, the Taiwan Strait, and Kashmir. Violent separatist movements and ethnic disputes in Burma, China, India, Indonesia, the Philippines, and Sri Lanka set up vicious cycles of terrorism and repression within countries and threaten the region with refugee flows, export of terrorism, and crises between neighboring nations. Rapid economic development has created huge gaps in the distribution of wealth within many countries in the region. Combined with corruption and privilege, this development has caused citizens to challenge the legitimacy of

ruling political regimes and has further inflamed violence between ethnic and religious groups.

Security relations among the states in the region are fluid. Fifty years after the end of World War II, the victory of Mao in China, and the beginning of independence from colonial rule, a new generation of national leaders is coming to power in Asia. Many of these leaders are reviewing the premises of their international security relations. Many bring a new nationalism based upon culture, ethnicity, and religion rather than anti-colonialism. The teachings of Marx, Lenin, and Mao no longer guide the Chinese. India has turned its attentions outward and expects to play a greater role in international politics in the coming years. Indonesia is emerging from almost four decades of authoritarian rule. Globalization increases wealth, but often offends ethnic sensitivities. Balance of power and nationalism will compete against the more enlightened views of greater security and economic cooperation to drive the future of Asia. The role the United States plays is critical to the future of Asia. In the 20th century, America fought three major wars and lost more lives in Asia than in any other theater of conflict. We need to do better in the 21st century.

U.S. PACIFIC COMMAND MISSION

Ready today and preparing for tomorrow, the U.S. Pacific Command enhances security and promotes peaceful development in the Asia-Pacific region by deterring aggression, responding to crises and fighting to win.

Over the past year, the men and women of the Pacific Command have been carrying out our mission. To deepen your appreciation for the region and our efforts to promote security, I would like to summarize key events from the past year and highlight the progress we made towards the priorities I described in my testimony last year.

EVENTS THAT SHAPED THE REGION OVER THE PAST YEAR

Since I last testified to you, numerous events have shaped security developments in the region. Let me begin with a key ally, Japan.

Japan

Despite recent setbacks, Japan remains the second largest economy in the world with a level of technology comparable to the United States. It is the country with the greatest economic impact on the Asia-Pacific region. Japan enjoys a thriving democratic system, with strict civilian control of the Self-Defense Forces and a tradition of close security cooperation with America. About half of American forces forward deployed in

the Western Pacific operate from bases in Japan. Without these bases, it would be much more difficult for the U.S. to meet commitments and defend American interests throughout the Asia-Pacific region.

Over the past year, we made important progress in deepening and strengthening our alliance with Japan. Shortly after I testified to you last year, Japanese Self-Defense Forces chased two North Korean boats from Japanese territorial waters across the Sea of Japan. This was the first time in 46 years Japanese forces have ever fired even warning shots at a foreign flagged vessel. This provocation, combined with North Korea's launch of the Taepo-Dong missile over Japan the previous summer, added urgency for the Japanese Diet to pass new Defense Guidelines legislation. These guidelines will help formalize cooperation for logistical support of U.S. operations and other support to U.S. forces in response to situations in areas surrounding Japan that have an important impact on Japan's security.

Additionally, this Taepo Dong launch stimulated greater Japanese cooperation with the U.S. in developing missile defense and satellite surveillance capabilities. North Korean provocations have resulted in close trilateral consultation and policy coordination among the U.S., Japan, and South Korea beginning under the leadership of former Secretary of Defense Perry. This coordination aligned our nations' policies regarding North Korea

and is contributing to unprecedented security cooperation between Japan and South Korea, establishing a pattern for future cooperation and policy coordination.

The focus with our most important ally Japan must always be on advancing and promoting the future security of the region. We must continue to tackle the tough issues that could impede strengthening this essential alliance. Over the last year, we have made progress in resolving a number of these issues. We are working with the GOJ to eliminate pollution from the Shinkampo waste disposal incinerator that affects Americans stationed at the Atsugi Naval Air Station and Japanese baseworkers and citizens, although progress is slower than both sides would wish. We also are making progress on agreements to relocate bases in Okinawa from the populated southern part of the island to the north. Other issues we are working include negotiations this month on the new Special Measures Agreement that expires March 2001, a key element of Japan's Host Nation Support. Because of Japan's economic problems, funds spent by the Government of Japan to support U.S. Forces have come under increased scrutiny. We have urged the Japanese to think in terms of the strategic importance of Host Nation Support to the security and prosperity of Japan and the entire region. We will continue to work with the Japanese so the alliance emerges as strong in the future as it has been in the past.

North and South Korea

President Kim Dae-jung's forward-looking, visionary approach exemplifies a clear path to regional security. While unwavering in his commitment to deter North Korean aggression, President Kim has reached out to current and historical enemies to build a more secure future for Korea. He strongly supported U.S. efforts led by Dr. Perry and shares responsibility for successful trilateral consultations. His government has increased security dialog and cooperation with Japan and high level defense-related visits with China. Under President Kim's leadership, Korea is coming to peace with the past in the expectation of a more prosperous future. Recognizing the obligation of all nations to contribute to collective security, his government provided substantial forces to peace operations in East Timor.

The coordinated approach to North Korea has resulted for the moment in improved behavior by that regime. The inspection of the suspected nuclear production site at Kumchangni has allayed concern over that particular facility. The most dangerous incident over the past year occurred when a fleet of North Korean fishing boats, escorted by patrol craft, repeatedly crossed the Northern Limit Line, established by the United Nations Command and treated by the ROK as a de facto maritime boundary. Several days of confrontation resulted in a

significant naval battle between the two countries. U.S. Pacific Command sent ships and surveillance platforms to Korean waters in the vicinity to help monitor events and deter escalation. Since that incident, North Korea has been strident in its rhetoric, but has continued to abide by its verbal commitment not to launch missiles as long as negotiations resulting from the Perry Policy Review continue.

Though tensions on the Korean peninsula have eased recently, North Korea remains unpredictable and a serious threat to peace. It continues to enhance its military capability by forward deploying additional long-range artillery, building additional midget submarines, conducting infiltrations, and developing missiles. The scale of operations during the winter training cycle exceeded what we have observed over the past several years, demonstrating North Korea remains willing to expend sizable resources to maintain readiness to resume war with the South. Their economic plunge appears to have bottomed out, albeit at a low level. Sustaining our deterrence posture in South Korea is essential to the success of the strategy we are pursuing with North Korea.

China

Since I testified last year, a confluence of events drove U.S.-China military relations to a new low. The Cox Commission Report, investigations of Chinese efforts to influence the U.S.

domestic political arena, and analyses of the military balance across the Taiwan Strait captured headlines early in the year. They were quickly followed by China's crackdown on Falun Gong followers and Prime Minister Zhu Rongji's failed efforts during his U.S. visit to reach a World Trade Organization agreement. In May, relations reached their nadir with the accidental bombing of the Chinese embassy in Belgrade and the resultant severing by China of military contacts between our two countries. Finally, in July Taiwan's President Lee further exacerbated both cross-strait and Sino-U.S. relations with his "state-to-state" formulation.

These events clearly challenged China's leadership as it wrestled with a strategy for balancing internal stability and the Taiwan issue with the need for outside investment and trade. China's leaders now appear to have adopted a strategy of opening and marketizing its economy - and maintaining good relations with the U.S., while continuing to suppress internal dissent and pressuring Taiwan. Military relations are slowly mending. The U.S. has negotiated a settlement regarding Chinese lives lost in Belgrade and the damage to our respective diplomatic properties; a solid agreement was reached as a step towards entry into the WTO; the STENNIS battlegroup recently visited Hong Kong without incident; and, I have just returned from a useful trip to China

where we exchanged views on security developments in Asia and discussed future interactions between our armed forces.

From a military perspective, the People's Liberation Army (PLA) has made significant structural and organizational changes in all branches of service this last year. It has made noticeable increases, however, in the military capabilities of its Air Force, its Navy, and its rocket forces. These capability changes included increasing combat aircraft inventory, fielding fighter-bomber aircraft, and improving air defenses across the Taiwan Strait. Changes in the PLA Navy (PLAN), PLA missile force, and PLA ground forces focused on improving future capabilities. The PLAN continued sea trials for eventual fielding of additional surface and subsurface ships, continued testing of anti-ship missiles, improved naval helicopter training, and received the first of two Russian destroyers. The PLA missile force continued testing and fielding newer inter-continental and short-range ballistic missiles (SRBM) and is building additional SRBM launch sites, while the PLA ground force continued downsizing to both reduce its force structure and increase mobility.

The Taiwan military also made significant changes during the last year. The Taiwan Air Force increased its combat aircraft and surface-to-air missile inventories. Once assimilated, these systems should improve the island's air-to-

air, anti-ship, and air defense capabilities. The acquisition of two KNOX-class frigates and the commissioning of additional coastal patrol boats should also improve future naval capabilities. The only significant change in the Taiwan army was downsizing some divisions into combined arms brigades.

These changes in PLA and Taiwan military forces did not significantly alter the balance of power across the Taiwan Strait. Taiwan's military maintains a qualitative edge over the PLA, and its combat capabilities should improve steadily over time as it incorporates new weapons into its warfighting doctrine and training. The PLA still lacks the capability to invade and control Taiwan. It maintains a quantitative edge in all branches of service, but does not have an adequate power projection capability to quickly overcome Taiwan's more modern air force and inherent geographical advantages, which favor the defense. It does, however, have the ability to inflict significant damage to Taiwan with its military forces.

We expect China to accelerate its pace of military modernization somewhat by increasing the PLA budget over the next several years. However, this will not decisively alter the military situation across the Strait within that time.

Indonesia and East Timor

Events in Indonesia and East Timor have also been a focus of our attention over the past year. The national elections in

June, the first free elections in over 40 years, were conducted in a peaceful atmosphere, surprising many observers and giving renewed hope to a democratic process for Indonesia. Fear of violence and danger to foreign residents of Indonesia proved unfounded. However, events in East Timor kept Pacific Command, in conjunction with our regional allies and security partners, busy planning for a wide variety of possible contingencies. Following a massive turnout in an open, transparent ballot in the face of militia intimidation, 78.5 percent of the people voted to reject continued ties to Indonesia. Following the vote, the pro-Indonesian militias began a reign of terror, harassing pro-independence leaders and other East Timorese, destroying large portions of the cities and towns, killing people and driving several hundred thousand into West Timor in an apparent attempt to reverse the results of the election. The Indonesian Army, despite assurances by its leadership, did not intervene to stop the violence. Instead, local army elements frequently assisted the militias in the destruction. Following more than a week of violence, President Habibie consented to allow an international force to enter and restore the peace.

The Australian-led, U.S.-backed, coalition operations in East Timor, which included major contingents from Thailand, New Zealand, the Philippines, South Korea, the United Kingdom, Canada, and Italy plus smaller forces from 11 other nations,

brought security to the area. East Timor today is secure from the militias, but the work has just begun to establish a fully functioning society. Our Australian allies did a great job in leading this UN-mandated peace operation and providing 5,500 troops that were the backbone of the coalition.

East Timor was not the only trouble spot in Indonesia. The country continues to face communal violence in the Maluku Islands and separatist elements in Aceh and Irian Jaya. Though the new government faces many challenges, its continued political transition and accounting for human rights crimes and abuses are noteworthy and, in conjunction with military reform, are necessary steps for the eventual restoration of full U.S. military relations.

The pace of any military-to-military re-engagement with Indonesia will also be determined in part by legislative provisions which prohibit certain activities until specific conditions -- including accountability on East Timor human rights abuses and return of refugees from West to East Timor -- are met.

Philippines

President Estrada and his ministers provided strong leadership and after a healthy debate, the Philippine Senate ratified the Visiting Forces Agreement (VFA) on May 25, 1999. This major legislation provides the legal framework to protect

our Armed Forces while on duty in the Philippines. Additionally, it allows us to restart exercises, such as BALIKATAN, and resume port visits that have been suspended since 1996. In July 1999, the USS BLUE RIDGE, 7th Fleet's flagship, was the first ship to visit the Philippines after the VFA ratification. Since then we have had about one port visit per month and look to gradually increase the number of visits in the future. In February we conducted BALIKATAN, our largest joint and combined exercise with the Philippines.

Operations with and assistance from the United States cannot substitute for an adequately funded armed force, and the Philippines have not yet made the necessary investments. As a consequence, military operations against domestic insurgents have not been decisive, and the Air Force and Navy cannot exercise air and sea sovereignty. The United States is looking at ways to help improve its capabilities. Through Secretary Cohen's initiative, a consultative group was established between OSD and the Philippines Department of National Defense last year. The talks are designed to address innovative ways to help the Philippines increase their readiness and become a more active contributor to regional security.

Despite its handicaps, the Philippines has taken a leading and responsible role in East Timor, contributing ground forces to the International Force in East Timor (INTERFET) coalition,

and taking responsibility as the leading nation for the military force of the United Nations Transition Authority for East Timor (UNTAET).

South Asia

Relations between India and Pakistan, which generally deteriorated over the year, drive security in South Asia. India also has significant though less immediate concerns about China. Shortly following promising reconciliation talks at Lahore, Pakistan, fierce fighting erupted along the line-of-control in Kashmir. The subsequent military coup in Pakistan and hijacking of an Indian Airlines flight on Christmas Eve further heated the rhetoric and dangerously strained relations between the two countries. Meanwhile, there is great and potentially dangerous uncertainty about the nuclear programs and policies of both countries. I visited India earlier this year, the first USCINCPAC visit since 1997. Overall, my discussions with Indian leaders were very constructive; they expressed interest in gradually increasing security cooperation with us, initially to counter terrorism and illegal drugs. Once India responds to our nonproliferation concerns, I believe that a gradual strengthening of military interaction is in the interests of both countries. Both of us have many common international interests, and the more we work with India the better we can

defuse tensions by supporting productive relations between that country and Pakistan.

Elsewhere in south Asia, violence continued unabated in Sri Lanka as the Tamil separatists launched suicide bombings against government officials and achieved military successes. Nepal faces a smaller scale insurgency in remote valleys. Neither Sri Lanka nor Nepal has yet fashioned the right combination of negotiations, economic development, and military/police operations to turn the tide of these insurgencies.

Smaller South Asian nations such as Nepal and Bangladesh have a proud and distinguished tradition of participation in U.N. peacekeeping operations (PKO). Pacific Command provides some support for these capabilities. U.S. forces participated in a very successful multi-platoon training exercise designed to improve peacekeeping skills. Commander U.S. Army Pacific sponsored the event and the Royal Nepalese Army hosted the nations involved. In addition to the U.S. and Nepal, Bangladesh and Sri Lanka contributed platoons and 18 other nations, including India and China, sent observers.

POW/MIA Efforts in Southeast Asia

Joint Task Force Full Accounting (JTF-FA) continues to make progress on achieving the fullest possible accounting of Americans unaccounted for as a result of the conflict in Southeast Asia. Last year, we identified and returned 41

remains to their loved ones. Currently 2,031 Americans still remain unaccounted for. JTF-FA conducted 11 joint field activities (JFAs) in fiscal year 1999 - five each in Vietnam and Laos, and one in Cambodia. The JTF-FA field teams investigated 351 cases and excavated 61 sites. 37 remains believed to be unaccounted for Americans were repatriated as a result of these field activities. JTF-FA will continue to maintain its demanding pace of operations in fiscal year 2000, with 11 JFAs scheduled - five each in Vietnam and Laos, and one in Cambodia. These JFAs last 30-45 days in duration. Achieving the fullest possible accounting of Americans is a U.S. Pacific Command priority and we will continue to devote the necessary personnel and resources to obtain the answers the POW/MIA families so richly deserve.

U.S. PACIFIC COMMAND PRIORITIES

The priorities for the Pacific Command are as I testified last year: readiness, regional engagement, Revolution in Military Affairs, and resources.

(1) Readiness

Overall, the warfighting capabilities of American armed forces have leveled out after recent declines, but there are many critical readiness areas that continue to cause concern. While I continue to have no reservations about the Pacific Command's ability to do its job today, I do have doubts about

its ability to do so in the future unless we make more progress in addressing structural readiness issues. My issues are focused in eight areas: people, operations and maintenance funding, mobility infrastructure, real property maintenance, housing, Army prepositioned stocks, preferred munitions, and medical support.

People. Readiness starts with people. First, I would like to express the appreciation of the men and women of the U.S. Pacific Command for the pay and compensation measures taken this past year. These initiatives show senior leaders and officials in both Executive and Legislative branches are taking action to meet the needs of our personnel and their families. I strongly applaud the funding in the fiscal year 2000 budget for a base pay increase, elimination of the REDUX retirement system, returning to 50 percent base pay after 20 years of service, and pay table reform that rewards achievement more than longevity. These actions demonstrate the interest of our nation in equitably and fairly compensating the men and women of the armed forces both on active duty and in retirement. I also very much endorse the Congress's commitment to keep pay raises above the Employment Cost Index for the next several years to continue to ensure competitive compensation.

Pay and retirement are not the only areas of concern. To attract and retain highly motivated, qualified people, we must

continue to emphasize quality medical care, education, and housing while providing the opportunity to live in a secure and safe environment. We must increase our efforts to pursue improvements in TRICARE so customer satisfaction, particularly at military treatment facilities, meets the national standard. This is critical to taking care of our personnel and families. I appreciate the ongoing efforts in the area of dependent education; however, I must emphasize we need to continue our efforts so educational standards in DoD schools offer programs and services that meet or exceed the national average. We should be especially attentive to revitalizing all housing assets. Current funding gaps and delays in privatization have endangered our goal to fix the housing problems by 2010.

An important QOL issue in my AOR is the pet quarantine requirements in Hawaii and Guam. This is a very expensive undertaking for military families and reimbursement for the costs of bringing pets will significantly reduce the stress involved in family relocation. Quality of life activities and programs still require constant and aggressive attention. We must continue with improvements in these areas so Americans perceive the military of this new century as a career choice just as rewarding and challenging as America's world class businesses.

Operations and Maintenance Funding. The next most important component of readiness is funding for operations and maintenance. These funds provide spare parts, fuel for aircraft, ships, and tanks, funds to train, and upkeep for our bases. Here the news is not positive. The Pacific component commands gained only marginally from FY99 & 00 Emergency/Readiness Supplemental Appropriations. Further, the funds provided were only sufficient to prevent further declines in readiness rather than assist in any measurable increase. Accordingly, the readiness of our component commands is not expected to reflect any significant increase this fiscal year from supplemental funding. Forward deployed forces and forces deploying to contingencies are at a high state of readiness. Non-deployed and rear area forces are at lower readiness. Camps, posts and stations continue to deteriorate.

The US ARMY PACIFIC (USARPAC) total operations and maintenance budget was \$594 million in FY98, \$566 million in FY99, and \$659 million in FY00. Most of the FY00 increase was \$56 million for Real Property Maintenance (RPM) which will help reduce the rate at which USARPAC facilities will deteriorate and thereby help improve soldier quality of life. Further, USARPAC received an increase of \$10 million for environmental remediation to support the close-out of chemical-demilitarization operations on Johnston Atoll. USARPAC OPTEMPO

funding also increased by \$18 million, almost all in the Flying Hour Program (FHP) to cover higher per hour costs and to improve aviator proficiency. USARPAC did not benefit significantly from the FY99 Emergency/Readiness Supplemental Appropriations. Of the \$10.67 billion Emergency/Readiness Supplemental, USARPAC received \$19.4 million.

Our current assessment of USARPAC facilities readiness is "substandard and eroding." Facilities maintenance backlog for Army forces in the Pacific has grown to over \$1.7 billion despite aggressive efforts to demolish excess Army infrastructure. Fixing this problem will require a long-term commitment of both RPM and military construction funding.

PACIFIC AIR FORCES (PACAF) receives primarily operations and maintenance funding to improve readiness and sustain operations. During FY98-FY00, PACAF did not benefit from any significant O&M funding increase associated with readiness. PACAF's O&M funding has remained relatively flat at approximately \$1.3 billion (\$1,219 million FY98, \$1,291 million FY99 & \$1,245 million FY00). The FY99 increase reflected higher flying hour costs and increases in operations support. FY99 dollars also included funding for Kosovo support. This funding totaled \$2.8 million, which went to support additional aircraft positioned to defend Korea when the USS KITTY HAWK and PACAF forces deployed to support ALLIED FORCE.

PACAF's FY99 Real Property Maintenance (RPM) funding actually decreased by \$28.4 million last year (from \$210.6 million FY98 to \$182.2 million FY99). FY00 funding includes an additional \$55.2 million (to \$237.4 million). However, there is little gain as some \$22 million worth of FY99 projects migrated to FY00. These dollars go to support and maintain infrastructure and facilities.

In facilities construction, funded projects totaled \$57.2 million in FY98, \$41.5 million in FY99, and \$174.2 million in FY00. \$73.8 million of the FY00 funding was for the Elmendorf, Eielson and Andersen AFB Hydrant Refueling Systems, improving airlift capacity across the Pacific. Other FY98-00 funded projects included runways, parking ramps, enlisted dormitories, and mission support facilities.

U.S. PACIFIC FLEET (PACFLT) operations and maintenance funding totaled \$5.7 billion in FY98, \$5.8 billion in FY99, and \$5.8 billion in FY00. In FY99, PACFLT received \$151 million in O&M Emergency/Readiness Supplemental funding. \$65 million was spent for spare parts and \$86 million for depot maintenance, two key components of fleet readiness. These expenditures covered the expenses incurred in the high tempo contingency operations.

In FY00, PACFLT received \$113 million in O&M Emergency budget declaration funding. \$85 million will be applied to

spare parts, \$23 million to depot maintenance and \$5 million to Real Property Maintenance (RPM).

PACFLT began FY00 with essentially the same constant dollar purchasing power as the year before (\$5.8 billion). The Navy continues to pursue cost savings initiatives like activity consolidations and outsourcing to manage costs. However, I believe essential requirements to maintain fleet readiness are increasing at a faster rate than available funding.

MARINE FORCES PACIFIC (MARFORPAC) operations and maintenance budget (which includes Navy funded aviation) was \$1,305 million in FY98, \$1,324 million in FY99, and \$909 million in FY00. The FY00 amount does not reflect additional Navy and Marine Corps funds expected later this year. MARFORPAC did receive supplemental funding in FY99 and 00 for readiness. However, this funding only served to satisfy emerging deficiencies or sustainment operations and did not result in a measurable change in readiness.

In operations and maintenance Emergency Supplemental/Readiness funding, MARFORPAC gained \$14.8 million in FY99 and \$38.3 million in FY00. To sustain readiness, MARFORPAC applied most of the funds received to maintenance and repair of equipment, ADP systems, training support, and combat operations infrastructure.

MARFORPAC's Maintenance of Real Property (MRP) funding in FY00 declined to \$198 million from \$208 million in FY99. Over the past four years, MARFORPAC's Backlog of Maintenance and Repair (BMAR) has steadily risen from \$281 million to the current \$449 million, a 60 percent increase.

For facilities construction, MARFORPAC funding increased to \$100 million in FY00 from \$81.6 million in FY99. The current MARFORPAC facilities construction requirement backlog is over \$1 billion. Given an annual investment level of \$100 million, the backlog will remain high and continue to grow.

SPECIAL OPERATIONS COMMAND PACIFIC (SOCPAC) O&M funding totaled \$4.8 million in FY98, \$4.1 million in FY99, and \$3.4 million in FY00. SOCPAC received \$1.2 million in readiness related supplemental operations and maintenance funding in FY99 from Special Operations Command, Pacific Command, and Supplemental Appropriations. The additional money funded deployable computer workstations, Y2K systems requirements, communications equipment for the Pacific Situation Assessment Team, and body armor.

Mobility Infrastructure. Of particular concern is the transportation infrastructure required to deploy forces across the Pacific in support of conflict in Korea or other operations. The problem centers on aging fuel systems in Alaska, Hawaii, Guam, and Japan, specifically, fuel hydrant distribution systems

and storage tanks, which in many cases are nearly 50 years old and nearing the end of their useful service life. These existing systems are not only very costly to maintain, but their age reduces our capacity to speed strategic airlift across the Pacific. We have been working closely with USTRANSCOM, the Defense Logistics Agency, and the Service components to program fuels infrastructure costs across the Future Years Defense Program, and, as a result of these efforts, are beginning to see improvements. During this past year, we completed a major pipeline replacement project in Guam and several new storage tanks in Alaska. Our forward deployed and forward based forces, as well as those forces that would deploy in support of a major theater war or contingency, will ultimately reap the benefits from the incremental readiness improvements generated by each of these projects. These initiatives clearly represent a solid start to improving theater throughput; however, sustained funding is still required. The continued appropriation of resources is absolutely essential to maintain this upward trend and complete the necessary repairs of our aging mobility infrastructure.

Real Property Maintenance. Real property maintenance is showing the combined effects of aging facilities and cumulative underfunding. The result is a maintenance backlog that will continue to grow unless the Services can program more funds.

These programs must reflect a commitment to having first-rate facilities that are on a par with the quality of our people and weapons systems. Our components require approximately \$3.6 billion over the next five years to fix this backlog. This amount is above what is needed to maintain the status quo on our bases and infrastructure. The shortfall in real property maintenance affects readiness, quality of life, retention, and force protection, and can no longer be ignored. Our people deserve to live and work in first-class campuses. We have not yet reached this standard.

Housing. Safe, adequate, well-maintained housing remains one of my top quality of life concerns. In the Pacific AOR, the latest assessment shows military family housing (MFP) units totaled 79,471 with shortfalls of over 11,000 on the west coast and Hawaii, 4,000 in Japan, and 2,650 in Korea. We are working hard to correct the housing problems with projects ranging from whole barracks renewals at Fort Richardson, Alaska, and Schofield Barracks, Hawaii, to new family housing at Pearl Harbor and Kaneohe Bay, Hawaii. However, much more remains to be done and I need your continued support for these very important programs which are vital to retaining the quality people that are the cornerstone of our military strength.

Army Prepositioned Stocks. A key logistics and sustainment shortfall remains the Army Prepositioned Stocks 4 (APS-4)

Brigade Set located in Korea. Army heavy forces deploying to fight on the Korean Peninsula would fall-in on this equipment. Although we are happy with the status of the Brigade Set, crucial shortages exist in sustainment stocks that impact our ability to replace combat losses. I fully support CINCUNC/CFC's requirement to have this set of equipment become a Korean version of the capability that exists in Kuwait to support Central Command.

Preferred Munitions. Another logistics shortfall in the Pacific Command is preferred munitions. Operations in Kosovo severely depleted worldwide stocks of Navy and Air Force precision guided munitions, including many types designated in our plans for use in Korea. Although service programs have received supplemental funding that will alleviate some of the shortfalls over time, critical shortages exist now. Theater plans can still be executed successfully, but only by substituting less effective munitions early in the conflict. The result is additional high-risk sorties by combat crews, a longer conflict, and higher casualties.

Medical Support. Finally, we may be accepting some risk in the area of medical support. Although funding has been programmed to meet pre-positioned medical supply shortfalls, and a test will be made of the shortages of pre-positioned medical supplies, an initial shortfall in the number of hospital beds,

the movement of additional hospitals and personnel from CONUS-based hospital facilities, and the untested ability of the industrial base and medical logistics programs to support massive deployment and initial in-theater requirements, makes our ability to provide adequate force health protection uncertain.

In summary, Pacific Command can do the job today. However, we need continued investments to attract and retain quality personnel, maintain both our equipment and facilities, build stocks of the most modern munitions and equipment needed to sustain combat operations most effectively, and provide medical support during a major theater war.

(2) Regional Engagement

The character of U.S. military engagement will be a significant determinant in the future security situation in the Asia-Pacific region. Current circumstances provide both the opportunity and the necessity to develop more mature security arrangements among the nations of the region. Regional engagement is a process to achieve national objectives, not an end in itself. Our program improves the ability of regional partners to defend themselves, strengthens security alliances and partnerships, increases regional readiness for combined operations, promotes access for American forces to facilities in the region, deters potential aggressors, and promotes security

arrangements better suited to the challenges of the 21st century. Let me review the key components of our program.

Regional Exercises. To improve regional readiness for combined operations, we have overhauled our exercise plans. We are working closely with our security partners to merge bilateral exercises into regional exercises using updated scenarios that develop the skills we expect our combined forces will need. Next month we will conduct an initial planning conference to bring together four of our larger exercises in Southeast Asia into one exercise called TEAM CHALLENGE, scheduled for next year.

Foreign Military Officer Education (FMOE). Underlying our engagement initiatives is the need for sustained exchanges of officers for military education. The experience of American officers who have attended foreign military colleges provides an unparalleled understanding of how foreign armed forces see their role and approach operations. Similarly, foreign officers who attend American military colleges develop an understanding of the value of professional armed forces, removed from politics and subordinate to government authority. They come to appreciate that reliance on force to resolve internal disputes, rather than political accommodation and economic development, stokes the fires of rebellion and drives away investment needed for national growth. They also acquire a deeper appreciation of

America's interest in maintaining international security so all may prosper. The contacts they develop with Americans and officers from their region establish a network for dialogue and become particularly valuable as they assume leadership roles within their armed forces.

The recent report from the National Defense University, "The Importance of Foreign Military Officer Education", makes a strong argument for these programs:

"Critics of FMOE programs often fail to grasp that much of the value of FMOE deals with subtle, attitudinal changes that are extremely difficult to measure in quantifiable terms. This is akin to an accident prevention program, which relies heavily on attitudes and awareness. The number of accidents avoided is the key. If some FMOE graduates have been responsible for criminal acts, then they failed to learn or chose to ignore the principal non-technical lessons they were taught. On the other hand, we rarely hear about the real success stories of FMOE ...of unnamed graduates who learn these lessons and adopt changes in their countries quietly and professionally for the greater good of their nations and citizens.

"In a number of non-NATO countries, including several of critical importance to the US such as

Egypt, Jordan, Saudi Arabia, Thailand, Republic of Korea, and Argentina, officers trained in US military schools have for a decade or more held most of the top command positions. This has been especially important in facilitating acceptance of US forces operating out of their territory and ensuring their willingness to join the US in coalition operations. This occurred in the Gulf War and Gulf contingency operations, ROK contingency operations, Operation Restore Democracy in Haiti, and IFOR/SFOR in Bosnia as well as elsewhere. The FMOE experience also has improved cooperation with the US in support of its diplomatic objectives, such as the Middle East Peace Process and policy toward Iraq, Iran, and North Korea."

International Military Education and Training (IMET).

Education is a long-term investment and the IMET program, a main source of funding for FMOE, is our primary tool in this effort. I believe unrestricted IMET programs are fundamentally in the national interest. Some say military education is a reward for countries that behave according to international standards. On the contrary, I believe IMET suspensions and E-IMET restrictions limit our ability to influence future leadership. Many top military leaders in the Asia-Pacific region today are IMET graduates who strongly advocate a continued U.S. presence and

engagement in Asia. Examples include the Supreme Commander, Royal Thai Armed Forces and the Chief of Defence Force, Singapore. IMET is a modest, long-term investment to help build a secure, peacefully developing Asia-Pacific region. Dollar for dollar, IMET is unmatched in engagement value. However, level funding for the past three years combined with increasing course costs and living allowances, means we are educating fewer students each year. Even though USPACOM country ambassadors are requesting more IMET funding each year through their Mission Performance Plans (MPPs), actual funding for Pacific Command nations has decreased over the last three years, from \$6.962 million in FY98 to \$6.525 million in FY00. Our proposed amount in the President's FY01 Budget is \$7.17 million. I urge this committee to strongly support this much-needed increase in funding for a vital engagement program.

Security Communities. My vision of the way ahead for military cooperation in the Asia Pacific is the promotion of a concept that I call security communities -- groups of nations that have dependable expectations of peaceful change. They genuinely do not plan or intend to fight one another. They are willing to put their collective efforts into resolving regional points of friction; contribute armed forces and other aid to peacekeeping and humanitarian operations to support diplomatic solutions; and plan, train, and exercise their armed forces

together for these operations. Security communities may be treaty alliance signatories, participants in a non-military organization such as the ASEAN Regional Forum, or groups of nations joined by geographic considerations or common concerns. They are committed to policy coordination, including combined military cooperation on specific regional security issues, to advance peaceful development over time without major conflict.

The effectiveness of security communities derives from adherence to principles, and the willingness and capabilities to cooperate. Military dialog and rudimentary exercises on common tasks, from search and rescue to peacekeeping operations, promotes understanding and builds needed trust and confidence to foster the formation of security communities. The information sharing and procedures developed through these interactions prepare armed forces to work side-by-side.

I would like to thank the Congress for providing the \$10 million in funding for Asia-Pacific Regional Initiative (APRI). The initiative will support security communities by enhancing regional cooperation, military training, readiness, and exercises. The abilities of our Asia-Pacific neighbors to plan and conduct regional contingency operations, such as East Timor, is critical to security and peaceful development as well as conducive to reducing the U.S. role in responding to these crises. Unlike other theaters with robust multi-lateral

coordination measures, Asia-Pacific nations lack a coherent set of guidelines and procedures, and in some cases, deployable capabilities to respond effectively. Our initiative focuses on regional cooperation, military training, readiness, communication improvement and intelligence sharing, and exercises as methods to enhance the ability of countries to respond to contingencies in the region. Efforts in these key areas will enhance U.S. access in the region and improve the readiness of U.S. and foreign militaries to handle regional crises.

East Timor Operations. The approach that the U.S. used in East Timor demonstrates the potential of security communities and provides a model for future U.S. involvement in coalition operations. Previously, the U.S. has followed two modes of involvement in international peacekeeping operations -- either being large and in charge, or standing aside. East Timor demonstrated the value of having the U.S. in a supporting role to a competent ally, providing unique and significant capabilities needed to ensure success without stretching the capability of U.S. forces and resources to conduct other operations worldwide. The U.S. provided essential planning support, communications systems, intelligence, logistics, strategic airlift, helicopter lift, and civil affairs support, while coalition partners provided the majority of the forces.

East Timor operations also demonstrated the value of coalition operations to the nations of the Asia-Pacific region. These operations have spurred greater interest in standard procedures for planning and conducting humanitarian and peacekeeping operations, better communications among the armed forces of the region, and improving training and equipment. A key objective of Pacific Command's regional engagement program is to increase the readiness of the armed forces in the region to contribute to combined peacekeeping and humanitarian operations, which also builds trust and confidence needed to form effective security communities.

China. The US has important interests in all corners of Asia, as does China by virtue of its central geography. The pressing question is how China will approach security issues in the region.

There are both hopes and fears in the region over China's future development. China's leaders threaten force should Taiwan authorities declare independence, or violate other conditions they have stipulated, using the justification that this is an internal matter and interference is a violation of their sovereignty. Chinese authorities have also claimed sovereignty over the South China Sea. The resulting uncertainty over Chinese intention of using force to resolve territorial claims creates concerns throughout the Asia-Pacific region.

The past year has seen a mixture of contradictory words and actions from China. On the positive side:

- No new military moves in the South China Seas and participation in discussions over a Code of Conduct for the area.
- General respect for Hong Kong's autonomy.
- Restrained actions in the vicinity of the Taiwan Strait following President Lee Tung-hui's remarks regarding "state-to-state" relations.

On the negative side:

- Continued military presence to dissuade other claimants, especially the Philippines, from construction in the Spratly Islands and Scarborough Shoal.
- Vociferous rhetoric in response to President Lee Tung-hui's statements, including veiled threats of attack and invasion.

A major objective of our engagement program with China is to develop areas where it can play a constructive, responsible role in promoting security and peaceful development in the region, rather than approaching the region through zero-sum, balance of power policies.

Summary. We have made progress this year in better structuring our engagement programs in the Asia Pacific. Through continued emphasis on education, dialogue, transparency,

exercises and coordination on matters of common interest, we will continue to strive to achieve security communities that are inclusive of all willing parties in the Asia Pacific.

(3) Revolution in Military Affairs

The phrase Revolution in Military Affairs denotes changes in operational concepts and organizational schemes that take advantage of technology to provide decisive advantages in warfare. The armed forces of the United States are committed to leading that change in the 21st century. At Pacific Command, we maintain frequent communications with Joint Forces Command, the Department's executive agent for joint experimentation. Through these communications we share ideas, learn common lessons, identify shared opportunities and resources for new concepts, and coordinate exercises.

Since I last testified to you, Pacific Command has established a Deputy for Joint Experimentation to develop concepts, refine plans, and participate in Advanced Technology Concept Demonstrations (ACTDs). Our efforts focus on strategic and operational-level problem solving using an array of resources ranging from Pacific Command forces and coalition partners to test ranges in Southern California, Nevada and Alaska. We are working a concept called Joint Mission Force, a seamless Joint/Combined Pacific Theater response package capable of exceptional flexibility and reaction to contingencies.

Though still in its infancy, this concept is a bellwether of our efforts to revolutionize our future force.

In addition to the Joint Mission Force concept, Pacific Command has the lead on two of the larger and more significant ACTDs, Extending the Littoral Battlespace and CINC 21. The former is developing the capability to extend an Internet protocol-based wide area network over a battlespace covering thousands of square miles of land and sea. The effort seeks to establish a dominant information sphere to increase force lethality and enhance force protection. CINC 21 will develop decision aids and displays to improve and share situational awareness and speed decision making for commanders up to the Unified CINCs.

Our efforts to take advantage of new technology are also part of our regional engagement. Australia, Japan, Korea, and Singapore all have the technological resources to work with the United States in developing advanced warfare capabilities. We share information with these countries on our efforts and work together to improve coalition interoperability at the high end of military technology.

Transforming our armed forces to maintain their leading edge and interoperability with coalition partners are essential to protecting American security interests in the 21st century. Several members of Congress have been active in pushing us to

pursue this program and we need your continued support and leadership.

(4) Resources

Pacific Command's ability to carry out its mission depends upon the resources Congress, and ultimately the American taxpayers, provides us. In this section, I will discuss resources in several key areas that are important to Pacific Command's mission accomplishment.

Command, Control, Communications, and Computers (C⁴) Capabilities

Our top warfighting deficiency is the inability to quickly plan and execute to the full extent of our capabilities because of inadequate theater C4. Basic classified network access, capacity in routers and servers, bandwidth, and updated applications all fall short of what we need for small scale contingencies (SSCs), and well short of major theater war (MTW) requirements. Using manpower rather than technology for gathering and formatting data, slows the speed of command at all levels - Joint Task Force, CINC, Joint Staff and National Command Authority - and overextends staffs. With its heavy demands on detailed information that must be shared at all levels of command and among coalition partners, our information infrastructure must be funded and kept up to date for effective operations in the information age. Management of networks, to

include spectrum, bandwidth, and information dissemination, is a mission of the warfighting CINCs. A robust C4 capability is a proven force multiplier -- funding for Theater C4 modernization is critical to achieving this capability.

In a vast area of operations dominated by Pacific and Indian Oceans, USPACOM forces rely heavily on strategic satellite communications. I strongly support either the acceleration of the Advanced Extremely High Frequency (AEHF) Pathfinder satellite or a Milstar Flight 7 as the option to overcome the loss of Milstar Flight 3. The Pathfinder option makes the most sense if the resources must come from the AEHF program. Otherwise, if the resources come from a supplemental appropriation, I support a Milstar Flight 7 while leaving the AEHF program intact.

Finally, our deployed tactical forces must have access to the strategic defense information infrastructure. This capability is critical to providing our Joint Task Force commanders with vital command, control, and intelligence information. The Standardized Tactical Entry Points (STEPS) that provide access for deployed tactical forces today have limited capacity. In the long term, DoD Teleports promise fully integrated, theater-wide, terrestrial and satellite, military and commercial communications. The relay and crossbanding capabilities of DoD Teleports will provide flexibility to our

JTFs, a more efficient use of the entire transmission spectrum, and promote interoperability. I consider DoD Teleport a key component to achieving the information superiority and conducting the network centric warfare envisioned in Joint Vision 2010. DoD Teleport, however, is still in the requirements definition phase and we need a solution to our shortfall today. An initiative called "Enhanced STEP" or "E-STEP" has been considered as a migration path from today's STEP to tomorrow's DOD Teleport, to expand the capacity and flexibility of STEP sites and strengthen the foundation for Teleport as a follow-on. Unfortunately, E-STEP procurement has not yet been funded. In the absence of E-STEP, our forces will continue to experience serious shortfalls in communications connectivity until Teleport is operational.

Infrastructure in Japan and Korea

The Host Nation Funded Construction (HNFC) programs in Japan and Korea are substantial and demonstrate a commitment to our mutual security interests. U.S. funded MILCON that supports HNFC equates to only 2 percent of the approximately \$1 billion (FY99) spent by these two nations. Our portion funds the criteria development, design surveillance, and construction surveillance services for these programs. These services are vital to ensuring HNFC facilities meet U.S. quality and safety standards and, most importantly, our operational requirements.

The Army's request for \$20.5 million in FY01 for these services supports a HNFC program of \$1 billion, a return on our investment of about 50 to 1.

However, HNFC programs cannot provide for all our requirements in Japan and Korea. We require MILCON funding to support emergent requirements like the relocation of Patriot Batteries and MH-47 bed-down in Korea. Additionally, other projects and services are needed such as airfield and fuels infrastructure improvements the host nations will not fund. For example, runway repair and the construction of a fuel tank farm at Yokota AFB are critical for force mobility and sustainment, and demonstrate how these projects must complement each other.

New Headquarters Building

Pacific Command is in the procurement stage of the process to construct our new headquarters. Construction funding, for which we are extremely grateful, was provided in the Navy MILCON program beginning in FY 2000. The associated C4I systems planned for the new headquarters will allow us to incorporate and employ the C4I concepts outlined in Joint Vision 2010. Although \$5 million was provided through reprogramming from Marine Corps to Navy Other Procurement Funds, funding for the C4I systems is still \$20.3 million below requirements. I ask for this committee's continued support for the new headquarters project and its supporting C4I systems.

**Surveillance, Reconnaissance and other High Demand/Low
Density Platforms**

Improvements were mixed over the past year with respect to High Demand/Low Density (LD/HD) assets, as well as signals, human and imagery intelligence collection capabilities, and the capability to exploit and disseminate information. U.S. Pacific Command's EA-6B requirement continues to be only partially satisfied. Worldwide shortages of aircraft and the absence of any follow-on program have forced us to rely on aircraft based in the continental U.S. to meet our OPLAN requirements. The recent decisions to fund the addition of a fifth expeditionary squadron will help, but this unit is not expected to be operational until FY03. For the long term, I urge Congressional support for efforts to develop alternatives for a replacement to the EA-6B aircraft.

PACOM's number one ISR readiness concern remains shortfalls in Airborne Intelligence, Surveillance, and Reconnaissance (ISR) capabilities. Shortages, of both pilots and aircraft continue to impact readiness. The Services have provided funding for additional platforms, however, the theater still requires one RC-135, one EP-3E and one Navy special collection platform, with associated personnel and maintenance requirements, to address collection shortfalls. USN is adding three collection platforms to the worldwide fleet in FY00-05, but modernization of aging

and inadequate equipment remains a critical shortfall. Also, the Services must ensure sufficient crews are available to man these additional platforms. USFK deficiencies cannot be fully resolved until the Air Force solves the problem of pilot shortages. As the UAV programs prove their worth, they may complement manned aircraft in many of these missions.

Intelligence

Advances in global telecommunications technology continue to place enormous pressure on the need to modernize both national and tactical cryptologic capabilities. Current National Security Agency modernization efforts are vital. NSA must continue to transition to the 21st century environment of the global information infrastructure (modern signals, networks, encryption, and requisite analytic and language skills); at the same time it must continue to protect US networks.

Direct cryptologic support provided by regional assets continues to be key to intelligence production in the Pacific. While required renovations have continued throughout the last 20 years, the Kunia Regional SIGINT Operations Center (RSOC) is an aging facility, built in 1945 and renovated for cryptologic operations in 1979. In the future, a new facility will be required to sustain the level of support needed in PACOM. JICPAC's physical facility is not as distressed as the Kunia RSOC; rather, operational efficiency suffers because almost 100

JICPAC personnel must work in a revamped hangar at Hickam AFB, due to space limitations in the main building near Pearl Harbor. These split-based operations cost well over \$500 thousand per year for the separate facility, as well as lost time and efficiency. JICPAC should be in one building, collocated with a new RSOC building. This would improve intelligence exchange, analytical dialogue, and efficiencies in infrastructure. Also important is the force protection dimension for the current JICPAC building: it is located in a vulnerable location near a major highway.

More capable, joint tactical cryptologic systems are needed. Standards and common architectures will be available in the near term. The Joint Tactical SIGINT Architecture, the Joint Airborne SIGINT Architecture, and the Maritime Cryptologic Architecture hold the promise of interoperability and flexibility. However, service programs could be better enhanced to support operations in the joint environment.

Increased HUMINT capabilities are critical to support collection against strategic and operational requirements in the Pacific, particularly on hard target nations, nations in transition, and in historically denied areas. Congressional support is required to continue improving the Defense HUMINT Service (DHS) structure (ADP and manning) to support USPACOM requirements. The Defense HUMINT Service (DHS) plans to provide

information technology enhancements to improve USDAO communications capabilities with unified commands. However, these anticipated improvements will be delayed because of recent funding cuts. The budget cuts result in complicating delays since the initial DHS improvements must ultimately be expanded to include bandwidth upgrades to allow USDAO access to INTELINK-S. Also, Congressional support is needed to continue the initiative to provide additional Defense Attaché System (DAS) and other DHS assets to PACOM.

The Nation's future imagery and geospatial architecture will deliver unmatched capability--but inadequate ability to use the information collected. Congressional attention is needed to ensure modern Tasking, Processing, Exploitation, & Dissemination (TPED) capabilities, commensurate with new collection capabilities, are developed and fielded. TPED modernization must encompass all collectors; national, airborne and commercial - end to end, and Services and Agencies must properly program for TPED. The implications for the intelligence community are huge. The recent Intelligence Program Decision Memorandum (IPDM) applied significant dollars to TPED, but this only amounted to a down payment. Many requirements remain unfunded, and the funding requirements for TPED associated with other intelligence disciplines are yet to come.

Pacific Command's linguist shortfalls are acute. Asian linguist deficiencies are documented in PACOM's Joint Monthly Readiness Report and recurring, persistent shortages of Asian linguists to meet OPLAN & CONPLAN requirements are well recognized. Also, shortages of low density linguists in support of probable Noncombatant Evacuation Operations (NEO) continue to be problematic. Significant Service recruiting and retention shortfalls, coupled with the inherent difficulty of the language and the longer training period for Asian linguists, aggravate these deficiencies. Some improvements have been made. Student slots at the Defense Language Institute have increased and services/agencies are reviewing options like the possibility of increased use of reserves. However, more must be done such as on-duty distant-learning language training and implementation of recruiting/retention bonuses.

Headquarters Personnel

I am concerned about a potential 15 percent Headquarters reduction. USCINCPAC supported the Secretary's Defense Reform Initiative in recent years, reducing joint activities by 260 people, about 10 percent. Much of the reduction was accomplished through transfer of work and manpower to components.

Another 15 percent reduction will result in elimination of functions. Combatant Commander headquarters plan for and

conduct military operations. Eliminating functions means plans will be less timely and complete, and operations will be less responsive and efficient. Because current operations must be accomplished, we will have to take substantial billet reductions in functions related to planning for the future, resulting in missed opportunities and more crises.

Security Assistance

As we begin the 21st century, Security Assistance and International Arms Cooperation will play a larger, more important role than ever before as part of our security strategy. They are crucial to building and maintaining solid security relationships and the military interoperability necessary for successful coalition operations. Security assistance programs such as Foreign Military Sales and Financing (FMS/FMF), and International Military Education and Training (IMET) provide our friends and allies in the Asia-Pacific region with equipment, services, and training for legitimate self-defense and participation in multinational security efforts. These programs are essential to our efforts to shape and develop Security Communities capable and willing to conduct operations from peacekeeping to humanitarian and disaster relief operations. The relationships forged through our security assistance programs enhance our access, improve understanding,

and help lay the necessary foundation for building these Security Communities in the Pacific Theater.

Foreign Military Financing. Foreign Military Financing (FMF) enables our friends and allies to improve their defense capabilities by financing the acquisition of U.S. military articles, services, and training, so they can share the common defense burden in the region. In conjunction with OSD, I have requested new FMF programs for FY01. Due to the Asian economic crisis and reduced military budgets, the Philippines current operational readiness is reduced to a point where their Armed Forces may be unable to adequately defend their country. FMF funding will enable the Philippines to purchase critically needed support for their aviation and naval equipment, and improve the Philippine's capability to monitor their Economic Exclusion Zone. Mongolia is a developing country with problems securing its vast borders. FMF funding would be used to provide communications equipment for its border troops and would help reduce cross-border violations. Finally, FMF funding for Fiji would allow the acquisition of medium-lift vehicles, small arms, and communications equipment, and would enhance Fiji's capability to contribute to international peacekeeping operations and respond to natural disasters. The President's budget includes \$2 million each for the Philippines and

Mongolia. I request your support in funding these much-needed programs.

CONCLUSION

In summary, Asia-Pacific issues are growing in importance on the American security agenda. The coming year will continue to present challenges for the United States in the Asia-Pacific region. We neglect developments in the region at our peril, but with sustained attention we can help build a region which will support American interests over the long term.

APPENDIX A

Asia-Pacific Center for Security Studies

The Asia-Pacific Center for Security Studies (APCSS) is a regional studies, conference, and research center located in Honolulu. Established in September 1995 as a preventive defense and confidence-building measure, its mission is to enhance cooperation and build relationships through mutual understanding and study of comprehensive security issues among military and civilian representatives of the U.S. and other Asia-Pacific nations. The cornerstone of the Center's program is the College of Security Studies, which provides a forum where future military and government civilian leaders from the region can explore pressing security issues at the national policy level within a multilateral setting of mutual respect and transparency to build trust and encourage openness. Central to the College's effectiveness is the relationships forged between participants that bridge cultures and nationalities. Full and unobstructed participation by all nations in the region, to include such countries as Indonesia and Cambodia, is essential to achieving this. Complementing the College is a robust conference and seminar program that brings together current leaders from the region to examine topical regional security concerns, including peacekeeping, arms proliferation and the role of nuclear weapons in the region, and energy and water security.

The Center directly serves to further our regional engagement goals in several ways. First, it serves as a resource for identifying and communicating emerging regional security issues, within the constraints of non-attribution. Secondly, the Center functions as an extremely effective "unofficial" engagement tool to continue critical dialog in cases where official mil-to-mil relations are curtailed. Recent conferences and regional travel involving contact with or participation by prominent representatives from China highlight this role. Additionally, the Center frequently coordinates or hosts conferences addressing topical issues of interest to the U.S. Pacific Command or the region. Finally, the Center serves as a forum for articulating U.S. defense policy to representatives from the region. Passage of pending legislation is crucial to the continued success of the Center, by allowing certain expenses to be waived as an incentive for participation, and by expanding authority to accept domestic as well as foreign donations to help defray costs.

Center of Excellence in Disaster Management and Humanitarian Assistance

Since its beginning in 1994, the Center of Excellence in Disaster Management and Humanitarian Assistance has bridged the gap between civil and military activities related to humanitarian emergencies. Collaborating the resources and

strengths of governmental and non-governmental organizations, the Center of Excellence has helped bring order to chaos following floods in Vietnam and Venezuela, earthquakes in Turkey and Taiwan, and population displacement in Kosovo and East Timor. The Center's unbiased approach to response, education and training, research, and consulting for disasters has become the model for successful interaction between the military and private humanitarian organizations. I urge the committee to continue supporting this important contributor to regional and international security.

U.S. Pacific Command Counterdrug Efforts

Illegal drug trafficking is a significant threat to stability in the Asia-Pacific region. I am particularly concerned with heroin and methamphetamine trafficking in Southeast and Northeast Asia. My counterdrug Joint Task Force, Joint Interagency Task Force West, is involved in multiple activities that counter this threat and supports the President's National Drug Control Strategy. These counterdrug efforts include: intelligence analyst support to the Drug Enforcement Administration's (DEA) international operations, disrupting the East to West heroin flows, providing training to Thai, Malaysian, and Philippine counterdrug units. Additionally, PACOM had significant success disrupting the North/South cocaine flow

in the Eastern Pacific, seizing over 28 metric tons of cocaine last year.