

**HEARING TO RECEIVE TESTIMONY ON
UNITED STATES PACIFIC COMMAND AND
U.S. NORTHERN FORCES KOREA IN REVIEW
OF THE DEFENSE AUTHORIZATION RE-
QUEST FOR FISCAL YEAR 2009 AND THE FU-
TURE YEARS DEFENSE PROGRAM**

Tuesday, March 11, 2008

U.S. SENATE
COMMITTEE ON ARMED SERVICES
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m. in Room SH-216, Hart Senate Office Building, Hon. Carl Levin, chairman of the committee, presiding.

Committee Members Present: Levin [presiding], Lieberman, Reed, Akaka, Bill Nelson, Webb, Warner, Thune, Martinez, and Wicker.

Committee staff members present: Richard D. DeBobes, Staff Director, and Leah C. Brewer, Nominations and Hearings Clerk.

Majority staff members present: Evelyn N. Farkas, Professional Staff Member, Peter K. Levine, General Counsel, and Michael J. McCord, Professional Staff Member.

Minority staff members present: Michael V. Kostiw, Republican Staff Director, William M. Caniano, Professional Staff Member, David G. Collins, Research assistant, David M. Morriss, Minority Counsel, Sean G. Stackley, Professional Staff Member, Diana G. Tabler, Professional Staff Member, Richard F. Walsh, Minority Counsel, and Dana W. White, Professional Staff Member.

Staff assistants present: Jessica L. Kingston, Ali Z. Pasha, and Brian F. Sebold.

Committee members' assistants present: Jay Maroney, assistant to Senator Kennedy, Frederick M. Downey, assistant to Senator Lieberman, Bonni Berge, assistant to Senator Akaka, Darcie Tokioka, assistant to Senator Akaka, Christopher Caple, assistant to Senator Bill Nelson, Gordon I. Peterson, assistant to Senator Webb, Sandra Luff, assistant to Senator Warner, Brian Polley, assistant to Senator Cornyn, Jason Van Beek, assistant to Senator Thune, Brian W. Walsh, assistant to Senator Martinez, and Erskine W. Wells, III, assistant to Senator Martinez.

**OPENING STATEMENT OF HON. CARL LEVIN, U.S. SENATOR
FROM MICHIGAN**

Chairman LEVIN. On behalf of the committee, we welcome our witnesses: Admiral Keating, Commander of the U.S. Pacific Command; and General Bell, Commander of the United Nations Command, the Republic of Korea-U.S. Combined Forces Command, and Commander, U.S. Forces Korea.

This will be General Bell's last hearing before our committee. We want to thank him particularly for his strong and his capable leadership throughout the years. We also welcome Jim Roy, the Pacific Command's Command Master Sergeant. The committee thanks you all for your service and, through you, to the men and women that you lead and the families who support you and them, for the hard work and sacrifice that makes our military so strong.

The U.S. Pacific Command encompasses the most populous area of the world, with almost 60 percent of the world's population. This area is also home to five of the world's six largest militaries, not including the United States, and three of the five largest economies in the world. The Asian Pacific area is complex and rapidly changes. In the last several years we've witnessed two of Asia's largest countries and economies, China and India, substantially increase their economic and military power and that has affected the strategic dynamic throughout the Asia Pacific region.

At the same time, another major phenomenon transforming the strategic calculus, especially in south and southeast Asia, is the role of the armed forces of the region to counter terrorist organizations.

Finally, with the 2006 North Korean nuclear test, the threat of nuclear proliferation has increased. All of this makes our alliances with Japan, South Korea, and Australia critical and lends new significance to our relationships with other friendly nations, such as Singapore, India, Thailand, Taiwan, and the Philippines.

The committee hopes to explore the implications of this strategic dynamic in Asia and on the Korean peninsula in particular with our two witnesses today. With China, we've seen an unprecedented interest in military to military cooperation, but at the same time a sudden denial of first a U.S. Navy carrier port call in November, and second denial of requests for refuge by two U.S. Navy minesweepers.

The 2008 report on the military power of the People's Republic of China, which came out last week, is a catalogue of China's growing military capabilities. What is missing from the picture is what intelligence professionals call intent: What does China intend to do with these military assets?

Regarding South Asia, this committee has held several hearings recently that focused on an issue in Central Command's area of responsibility, the terrorist threat found in Afghanistan and Pakistan. This committee and many members of Congress have been concerned about whether Pakistan is doing enough to fight terrorism in South Asia. A related issue relevant to the Pacific Command is the extent to which Pakistan is a threat to India and vice versa. Admiral Fallon told the committee last week that in the past Pakistan was "focused on India as the big threat to the country. I think they see things differently now."

In the not so distant past, in 2006 Pakistan signed a \$3.5 billion deal to purchase advanced F-16 fighter aircraft. Even at that time, and especially after the October 2006 earthquake in Pakistan, some observers felt they would be better off investing in helicopters that they could use for humanitarian and counterterrorist operations.

What is the assessment on the other side of the border in the Pacific Command area of operation? Does India regard Pakistan as a threat? If so, to what extent, and what can the United States do to ensure that India and Pakistan devote more of their resources to working together and with the United States to address the threat of terrorism and other threats that are common to each of them?

With respect to the Korean peninsula, this committee in the fiscal year '07 Defense Authorization Act directed the administration to appoint a high level envoy to coordinate policy towards North Korea and to engage seriously in negotiations with Pyongyang to eliminate its nuclear weapons program. Last year, finally, four to eight or more additional plutonium-based nuclear bombs and one nuclear test later, finally the administration started negotiating in earnest.

Today we inquire: Is there more that the United States and South Korea need to do together on the conventional military front to ensure that we are negotiating from a position of strength? How likely is it that we will see North Korea move from North Korea disablement to nuclear disarmament—dismantlement, excuse me—from nuclear disablement to nuclear dismantlement within the next couple years, and the implications for our force posture if they don't do that.

Finally, I hope our witnesses will give us an assessment of the readiness of the nondeployed forces in the Pacific theater and how personnel and equipment shortages are affecting the ability of the United States to meet commitments and challenges in the Pacific theater, how much risk results for the United States from that shortfall in personnel and equipment shortages and the readiness, how—is that an acceptable risk, and how are we mitigating that risk.

So again we thank our two witnesses for their tremendous service to this Nation, for their leadership of the men and women who they do lead. And now I turn this over to Senator Warner.

STATEMENT OF HON. JOHN WARNER, U.S. SENATOR FROM VIRGINIA

Senator WARNER. Thank you, Mr. Chairman. I join you in welcoming these two distinguished public servants. Indeed, Admiral Keating does go back a way. I think we were on the same watch a long time ago. General Bell, you and I have discussed Korea and your knowing of my interest in that strategic part of the world, myself having spent the winter of '51-'52 there. I commend both of you for your long service and thank your families.

Mr. Chairman, I think you've covered basically the same points I have in mind, so I'll put my statement in the record so we can proceed directly to the witnesses. [The prepared statement of Senator Warner follows:] [COMMITTEE INSERT]

Chairman LEVIN. Thank you, Senator Warner.
Admiral Keating?

**STATEMENT OF ADMIRAL TIMOTHY J. KEATING, U.S. NAVY,
COMMANDER, UNITED STATES PACIFIC COMMAND**

Admiral Keating: Thank you, Mr. Chairman. To you and Senator Warner, Senator Reed, Senator Akaka: Good morning and a warm aloha from the 350,000 men and women who are proud to serve the United States Pacific Command. They're all throughout the Asia and the Pacific region, and they're building capacity in the theater, as you mentioned, Mr. Chairman.

I have had the great privilege of serving as the Commander of the Pacific Command for a year now since you confirmed me and allowed me and Wandalee to return to Camp Smith. In a word, I'm optimistic. The region is stable, the guns are silent all throughout the Pacific, security is improving across the board, economies are growing, as you mentioned, chairman, and things are generally positive.

A few key points that I'd emphasize to support what I think is a solid foundation for that perspective. There are several new leaders all throughout the Asia Pacific region, in Japan, in Thailand, the Republic of Korea, in Australia. In each case we visited those countries and met with those new leaders and their administrations, and the beat goes on for the United States Pacific Command.

There's a collaborative mind set amongst all of these partners and our counterparts. We have been to 21 of the 39 nations in our area of responsibility in less than a year. We had the 23 chiefs of defense from those countries visit our headquarters in Hawaii. Without exception, they all agree that we can improve our security and a multilateral mind set is to be recommended. Capacity- building is on their mind. They view the United States as the indispensable element in combatting terrorism and enhancing maritime security and providing humanitarian assistance when needed.

Some countries in particular where we're making significant progress: Indonesia. In close coordination with our State Department colleagues, Ambassador Christie Kenny in particular, we're making great progress in the southern Philippines in the war on terror. We're pleased with the humanitarian efforts and civil-military operations that are transforming this at-risk environment. The USS PELLALU visited last year to conduct medical assistance and engineering assistance and dental assistance. The United States Naval Ship MERCY, our hospital ship, will go against this summer, repeating the visit, her visit of 2 years ago. PELLALU saw over 30,000 patients. There were 1,000 major surgeries performed by this one ship in a short period of time, and it wasn't just United States military personnel on board. There were members from health organizations and the commercial sector as well.

Exercise BALIKATAN was just concluded. We had 8,000 soldiers and marines from the Pacific region who were in the central and southern Philippines and they saw over 10,000 medical patients, rebuilt schools, and contributed in a big way to enhancing our perspective in the Philippines and making it ever harder for the Abu Sayyaf Group and Jamail al-Azmiya to continue to prosecute the people of the Philippines.

The train and equip authorities that you give us through 1206 money are very, very helpful in the war on terror. It allows us in a very short period of time to improve maritime security in Malaysia, Indonesia, Singapore, and the Philippines in particular. That triborder area had been a rather fertile area for violent extremists. It is much tougher for those folks to move around in that part of the woods now because of the 1206 money that you have given us. It was \$95 million in '06 and '07 and we're hoping that we can continue that very responsive funding.

The Six-Party Talks. Chairman, you mentioned North Korea. B.B., of course, he lives there and can address the topic well. I have met with Ambassador Hill on several occasions, as late as last week in Thailand. The way I would characterize Pacific Command's perspective, chairman, is we are optimistic, cautiously optimistic, very, very, very cautiously optimistic. But we think that there is progress being made by Ambassador Hill and his colleagues. The readiness and the force posture of our forces in South Korea and throughout the Pacific region remains high, and I'd be happy to address particulars with you if questions remain.

You mentioned India, chairman. We have wonderful opportunities that we're exploring with India. I was there in 1985 as the flag lieutenant to then Commander in Chief- Pacific Admiral William J. Crowe. We visited last August. So it's been 22 or 32 years since I was there. The difference is startling. Admiral Crowe's reception was much less warm, much less engaging, than was ours. We have engaged with the Indians in significant exercises in the Bay of Bengal, where we had two aircraft carriers of ours, one of theirs, and ships from Australia, Japan, Indonesia, in a very sophisticated maritime exercise, and we were communicating real-time across secure circuits with all the ships in all of that battle group.

The Pakistan-India border remains calm. We are in frequent discussion with our colleagues in India. Their force posture, their force readiness throughout the country, has not increased significantly due to pressures, perceived pressures from Pakistan. So we see no significant difference there on the Indian side of that particular border.

That said, there are challenges for us in the Pacific. There was a coup in Fiji. The situation in Burma is certainly unsettled. We think in both cases a return to democratic institutions is essential.

The struggle against violent extremism continues all throughout the AOR. Progress being made in Malaysia and Indonesia and the Philippines to the contrary, that remains our number one concern, the struggle against violent extremism.

As you mentioned, the People's Republic of China is in our area of responsibility. We have been there twice. Our most recent—our more recent visit about 6 weeks ago was a much more constructive, warm, and there was more dialogue on this second visit. That said, there are miles to go before we sleep in our relationship with China. We want a mature, constructive, cooperative relationship. We are making progress, chairman, but, as I said, we have a long way to go.

You mentioned Chief Master Sergeant Jim Roy. He will go to China. One of the interesting parts about dealing with China is they do not have a senior noncommissioned officer corps. It doesn't

exist in the People's Liberation Army. So when Jim Roy goes he doesn't have a counterpart with which to meet. So he will sit down and talk with colonels and captains. Those are his counterparts in China.

We are working with them to help them understand the authorities and responsibilities we vest in our senior noncommissioned officer corps and we hope that opens the door a little bit more to the kind of dialogue that we're looking to not just initiate, but sustain and enhance with the People's Republic of China.

All that said, we're moving forward in the Pacific Command. Our initiatives fall into four major priorities: Warfighting readiness. We are ready to respond today. There are 30,000-some soldiers, marines, airmen, and soldiers who are forward deployed, added to Admiral Fallon's air responsibility. But that said, we remain ready across the board.

We are working to make even more dominant our presence and our force posture. We're looking at ways to engage with all the countries in our area of responsibility in exercises and personnel exchanges, including humanitarian assistance and disaster relief and increasingly focused on pandemic influenza.

Regional engagement is the ticket. We seek multilateral, rather than just a series of bilaterals. We find that this could be very beneficial in dealing with countries whose military power is significantly less than the United States, and they're happy to be partners of ours, not necessarily allies, and it works better if we bring more than one country with us when we show up to engage with them.

Last but most important of all is your continued support for those 350,000 men and women in uniform by continuing to improve the quality of life for them and their families all through the area of responsibility. Your support is of course key in all these initiatives. Thank you very much for that support and I'd be happy to take your questions. [The prepared statement of Admiral Keating follows:]

Chairman LEVIN. Admiral, thank you so much.
General Bell?

**STATEMENT OF GENERAL BURWELL B. BELL III, U.S. ARMY,
COMMANDER, UNITED NATIONS COMMAND AND REPUBLIC
OF KOREA/UNITED STATES COMBINED FORCES COMMAND;
COMMANDER, UNITED STATES FORCES KOREA**

General Bell: Thank you very much, Mr. Chairman, Senator Warner, distinguished members of the committee.

Your support for our alliance with Korea in an area of the world which I view as vital interest area to the United States of America is greatly appreciated, as is your commitment to our servicemembers serving there in Korea, about 8,000 miles from home.

Sir, for the record I'd like to submit my 2008 posture statement.
Chairman LEVIN. Thank you.

General Bell: On February 25 of 2008, just last month, Lee Myung-bak was inaugurated as the president of the Republic of Korea in a landslide victory. In his inaugural address before international heads of state, diplomats, dignitaries, with 45,000 South

Koreans gathered there, he spoke eloquently about the relationship with the United States. Singling us out individually, he said—and I just want to give you a quick quote: “We will work to develop and further strengthen traditional friendly relations with the United States into a future-oriented relationship. Based on the deep mutual trust that exists between our two peoples, we will also strengthen our strategic alliance with the United States.”

It was an interesting moment for him in his inaugural address to stop and talk about the U.S. specifically, and then he went on, of course, and dealt with other subjects.

Our partnership with the Republic of Korea is entering in my view an extremely positive era, wherein the South Koreans strongly desire to reinvigorate our alliance. In recent State Department public polling, 75 percent of South Koreans viewed the American military presence to be important to South Korean national security. 68 believe that the United States-South Korean mutual defense treaty should be maintained even if the threat of aggression from North Korea ended.

Today we are indeed welcome and wanted in the Republic of Korea. It's my strongest recommendation that the United States seize this moment and extend a reciprocating welcoming hand to one of our most steadfast and long-term allies.

Today the Republic of Korea, as you know, is a modern first world nation. Rising from the third world stagnation to an economic powerhouse, South Korea is bidding to become one of the ten largest economies in the world and they do rank eleventh right now.

Korea is strategically located on the east Asian mainland at the regional nexus of an economically advancing China, resurgent Russia, and economically powerful Japan. Illustrative of this is that Seoul is 100 miles closer to Beijing than it is to Tokyo. I cannot overstate the strategic importance of the long-term U.S. alliance with the Republic of Korea to help ensure continued peace and stability in northeast Asia.

Today North Korea does remain the single most dangerous threat to regional security in East Asia in my view. With the fourth largest military in the world, North Korea continues to train and ready itself for potential war. North Korea employs a military-first policy while depriving its citizens of basic sustenance. North Korea focuses proportionately enormous energy on developing weapons of mass destruction and it has worked hard to develop a sophisticated missile capability. Its past record of proliferation coupled with its recent nuclear weapons and missile developmental activities are a matter of great concern, as you all know.

I too believe, as Admiral Keating stated, the Six-Party Talks process is the most viable path to achieve denuclearization of North Korea, and I too remain hopeful that the North Korean will continue to demonstrate good faith in executing the agreement that they signed up for. Until full denuclearization is achieved, progress in lowering the risks to regional and even global peace and stability, our course will remain problematic.

Meanwhile, in working with South Korea to modernize and transform our alliance, we're on the threshold of transferring operational command or operational control, as we call it, of South Ko-

rean military forces in potential wartime from the U.S. Combined Forces headquarters, which I command, to the South Korean military itself. That's going to take place in 2012 and this OPCON transfer, as we call it, will realize the final step in sovereign self-reliance for the South Korean government, with the United States remaining a trusted ally, fully committed to fighting side by side with our partner.

Gentlemen, I conclude my statement today by reiterating my view that Korea is located at the geographical and geopolitical nexus of Northeast Asia. Global economic prosperity, including our own, is immensely dependent on continued peace and economic enterprise with our trading partners in this area of the world. My strongest recommendation is that the United States approach our alliance with South Korea from a long-term strategic perspective.

Next month President Lee Myung-bak will visit the United States and Washington. We are the first country that he will travel to since assuming the presidency and I hope that Congress will embrace this very friendly, pro- U.S., and visionary South Korean leader. He's extending a welcoming hand of friendship to us and I think that we must be no less forthcoming and seize this opportunity.

It's my best judgment that our alliance with U.S. forces stationed in South Korea is of vital importance to us and it should be the centerpiece of our foreign and security policy throughout the 21st century and beyond, regardless of any future resolution of the North Korean issue.

I thank you for allowing me to make this statement and, gentlemen, I'll be glad to take your questions. Thank you. [The prepared statement of General Bell follows:]

Chairman LEVIN. General, thank you so much.

Admiral, let me start with a few questions for you. Let's have an 8-minute first round.

What do you believe or assume the intent of the Chinese is in their increasing military capability?

Admiral Keating: Chairman, I asked them that question twice. Many times during two visits, let me put it that way. The answer that comes back, it is the same answer with a slightly different turn of phrase each time. The Chinese would say: We only look to protect that which we think is ours.

So they do not state any hegemonic intentions. They do not state any desire for expansion. They don't state any desire for a grab or to reach beyond their ability to protect those things that are theirs. That obviously includes an increased presence in the maritime domain. Their appetite for oil is significant and is growing. They can't keep up with their demand with their own coal. So the Strait of Malacca, the Indian Ocean, the Bay of Bengal are of critical strategic importance to them just to supply their energy demands.

When we counter with questions along the lines of development of area denial weapons, anti-satellite tests, and similar military technological advances, we don't get much back and forth here. The saw doesn't cut both ways. It goes to your request from us to them to understand intentions. The transparency that they profess is insufficient in my view. Being able to see what they have doesn't tell us what they intend to do with that equipment.

So I think that they are developing a blue water capability. They want to develop weapons systems that will allow them, should they so choose, to make it harder for other military forces to operate within 1,000, 2,000 kilometers of their borders. Also, they're obviously demonstrating a capability to exercise some control in space.

It is overall I believe a desire to improve their position strategically in the world. They view themselves as a rising military power, and it is something that in our view merits close observation.

Chairman LEVIN. You've had a number of visits now with China. You made reference to them. What is your relationship? How do you get along with your Chinese counterparts?

Admiral Keating: Fair to good, chairman. I have seen now some of these senior officers three times, twice in China and once at the Shangri-La Dialogue in Singapore. We're hardly "let's go to the club and have a beer" pals, but I know them to see them now. But it is such a different sort of friendship. I mentioned in a couple of calls yesterday afternoon while visiting them in their offices in Beijing and Guanxio and Nanjing you notice a phone on their desk. Many of them have aides who have cell phones. So I would say to each and every one of them somewhere during our call: May I please have your phone number. I'd like to call you when I get back to Hawaii to thank you for your hospitality, and if something comes up in the South China Sea that maybe we can talk about and defuse tensions and spread some information around, I'd just like to call you. Can't get the phone number.

So it is hardly like we're as close as I am with many military officers in Japan and in South Korea, much less the relationship that B.B. Bell and I enjoy. So better friends than we were a year ago; a long way to go, and even then the breakdown of decades-old mistrust and custom is going to take a lot more effort.

Chairman LEVIN. I take it you offered them your phone number?

Admiral Keating: Yes, sir. Gave them our card and it has our phone number on it. They haven't called.

Chairman LEVIN. On the Indian side, India with Pakistan, have you talked to the Indian military about their possibly developing confidence-building measures with their Pakistani counterparts?

Admiral Keating: Yes, sir, we did. And it goes back a couple of years. I had the pleasure of serving in Bahrain as the naval component commander for Central Command, then Tommy Franks and John Abizaid, so came at it from the Pakistan side, if you will. We had discussions then. That was in 2003, 2004.

Now, in the Pacific we're on the other, another side of it, and while with Indian had discussions with senior army and naval officers, including Admiral Mehta, and encouraged them and continue to encourage them to find ways to cooperate, albeit in a very small, measured approach right now, to increase their cooperation with Pakistan. It is a very important part of an overarching theater security cooperation plan to enhance stability in the region. I think it's very important.

Chairman LEVIN. Now let me ask both of you about the readiness of our non-deployed forces and what effect that has on you. I believe, Admiral, you made reference to 30,000 of your forces being forward deployed and obviously that has an effect on your readi-

ness to some extent. But what about the non-deployed forces that we have? To what extent are those problems affecting your capability? What are the risks that are entailed from your perspective when our non-deployed forces are not ready, which is the case today?

Why don't I start with you, General, and make sure that we hear from you during my first round. And then, Admiral, we'll turn to you. General?

General Bell: Thank you, chairman. I'm very pleased with the forces that are ashore and Korea's readiness. We put enormous energy into that, the commands have, and the services have supported us.

As you know, our principal capability ashore is Army and Air Force. Air Force gives us the ability to assure deterrence because it's ready to fight tonight and respond to some kind of provocation. I'll just tell you, we completed an exercise 3 days ago called KEY RESOLVE-FULL EAGLE. Quite frankly, as the cards just played out we had a large number of forces involved. Certainly all of our on-peninsula forces were involved. I got around to see all of them, plus deploying forces that came to Korea, and I was very impressed.

Our Second Infantry Division, which has one maneuver brigade and then some enabling brigades like an artillery brigade—fires brigade we call it now—military intelligence, etcetera, is doing very, very well and is fully resourced.

I will tell you they don't have all the equipment that we see that we need in Iraq, which I would want. For example, they do not have all up-armored wheeled vehicles yet and I see that, given the experience that we've had in Afghanistan and Iraq, and knowing the special operating force capability of North Korea, I want all of my wheeled vehicles to be up-armored on the peninsula, and that has not taken place yet.

So I would say the readiness of our forces, certainly the Army and the Air Force, is very good, particularly against the criteria, if you will, pre-war. Some of the things I've seen in Iraq and Afghanistan I would like to bring to Korea and that has not happened yet.

Last point if I might. Our prepositioned stocks that are ashore there, APS-4 it's called, Army Prepositioned, is in extremely good shape and it is ready to fight, and we've drawn it and used it and it has a very good record. So I'm satisfied.

Chairman LEVIN. Admiral, let me focus in on the contingency plans that you have if you needed to bring forward non-deployed forces and the problem we have with the readiness of the non-deployed forces. It's a different situation, I think, than General Bell has described. What concerns do you have about the challenges that are faced by our non-deployed forces and how does it affect your current contingency plans, which require and assume that those non-deployed forces be ready?

Admiral Keating: For those CON plans and O plans, chairman, we address those and assess those daily in our headquarters and I report back on a monthly basis to the Secretary of Defense on our readiness to execute those plans. I have not yet had to submit to the Secretary anything other than "We can execute the plans as they are on the shelf." Now, that said, with a larger proportion of

land forces out of our area of responsibility, we have shifted some of our focus and some of our planning to the naval and air forces that we would use in the early stages of those O plans and CON plans. There is increased risk attendant thereto and I have reported that to the Secretary of Defense. It is not unmanageable. It is not a cause of great concern for us, and I would back that up or move that time line left a little bit from the execution of the CON plan. An area of some concern to us is intelligence, surveillance, and reconnaissance. Because assets are forward-deployed and for other reasons I'm sure of which the committee is aware, we don't have quite the visibility into the regions we would watch carefully in the weeks, days leading up to a potential conflict.

So it's intelligence, surveillance, and reconnaissance assets and capabilities that are of increasing concern to us.

Chairman LEVIN. Thank you both.

Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

First, Mr. Chairman, we note that General Bell will be stepping down, and I'd like to comment that I have vivid memories of earlier appearances in this hearing room when we assessed the challenges that faced you in the first years of your distinguished service there. I recall very well that in the Army we were experiencing, particularly among younger officers, that they would rather leave the Army than face another tour in Korea, given the harshness of the weather and oftentimes the families couldn't accompany them.

But you turned that around, and I understand—I had a nice visit this week with your successor, General Sharp, and he gave you full credit for that. How'd you do it?

General Bell: Senator, thank you for the compliment. I don't know that I deserve that much. I think we've seen a turn-around in attitude about serving in Korea, in think principally because it is a vital national interest area for America. And I've tried to craft with the servicemembers there how important their service is, and I think they realize that.

Part of it's just attitude about why we are there today. We are there to deter, let there be no doubt about it. That's our principal mission, to deter North Korean aggression. But also I think the mission goes much broader than that. As Tim Keating has said, the U.S. engagement in that area of the world, given the situation that we see developing in East Asia, is vital. And I think that we've been able to instill in your young servicemembers a sense of duty about the future of the United States. 25 percent of our trade flows through that area. 25 percent of the world's GDP is generated in that area. This is a vital place for us.

Senator WARNER. I think you've answered the question, but you did a lot to make that happen.

General Bell: Well, thank you.

Senator WARNER. I remember some declined to take on their first major command as maybe a battalion commander, rather than go there.

General Bell: Those were different days.

Senator WARNER. Tough times.

I'm quite concerned about—you said that 2012 would be the shift of the responsibility in the command structure.

General Bell: Yes, Senator.

Senator WARNER. Run a quick mathematics. I was scribbling it down. The war started in 1950. This is 2008. That's 58 years. And you're saying it's going to take another 4 for them to come to the realization that they're going to step up and take a greater degree of responsibility for the defense of that peninsula. And that's in the face of South Korea today is I believe the eleventh strongest economy in the world.

General Bell: Yes, sir.

Senator WARNER. Now, maybe they've been spending a little too much time on building up the economy and not enough on the military. But I find that—is that 2012 locked in place? There was a target of 2009.

General Bell: Yes, sir.

Senator WARNER. What happened to that?

General Bell: Senator, I was a proponent of 2009. I thought in 2006 that we could effectively do this over a 3- year period of transition, both in terms of training and assisting our allies to execute high-level battle command. Their formations are very competent. They're very good. It's an impressive military, one of the best in the world. But at high-level battle command, they've allowed the United States—they've allowed; we've certainly pursued that—to be the theater command structure apparatus, to have the theater command structure apparatus.

And it takes quite a bit to train high-level battle staffs to function. So I said 2009—

Senator WARNER. General, 3 or 2 years is a long time to train some senior officers to take over the command. I must express a degree of indignation and disappointment, and I don't know quite it rests on your shoulders. It rests on basically the South Korean government's shoulders to take it over. I think it would be a matter of a sense of pride for them to do it.

After all, we're relocating a number of our forces down the peninsula, away from the DMZ, to add somewhat of an element of security and for other reasons. I can't understand why they don't step up and accept the challenge.

General Bell: Senator, I will tell you that the Secretary of Defense of the United States and the minister of national defense of South Korea agreed last year that the year 2012 would be satisfactory to both of them. I have a very good time line worked out now with the South Korean military.

Senator WARNER. I've made my point, you've made yours, and you did your best.

Admiral, I picked up on your colloquy with the chairman here. I'm concerned about the lack of transparency with the Chinese. You would think that they might take an element of pride on growing as they have with their military professionalism and the size of their forces. I think in response to the chairman's question, while you didn't say it directly, you inferred that the current size of the force structure that they now have and that they're—as a matter of fact, I think they increased their defense budget this year, am I not correct?

Admiral Keating: Yes, sir.

Senator WARNER. That that force structure goes well beyond the size of force structure that might be needed just to, as you say, protect that which is ours. Do you not agree with that?

Admiral Keating: I do agree, Senator.

Senator WARNER. Now, your predecessors, again having had the privilege of being in this chair for a number of years, made efforts, I recall distinctly, of urging that we do an incident at sea type of agreement that we successfully had with the Soviet Union in the height of the Cold War. The tensions between our Nation and then the Soviet Union and the European nations, we pushed that aside and realized the military necessity for rapid communications between the Soviet Union, the United States, and other NATO nations, and it was done.

I remember very well, Mr. Chairman, you and I together with Senator Nunn worked on the hot line to the Soviet Union, whereby we literally had a phone on CINCPAC's—excuse me—the NATO commander's desk and back here in the Pentagon with a direct line into the senior elements of the military of the Soviet Union.

Have you explored the possibility of a hot line? I mean, these people have got to remove themselves from the dark ages if they want to be respected, I think, by other military powers.

Admiral Keating: Yes, sir. The Secretary of Defense has just concluded technical discussions with counterparts in the People's Republic of China. A hot line will likely be in place and functional I'll say within 2 months.

Senator WARNER. That's encouraging news.

Admiral Keating: Well, yes, sir, it is. It's not the end-all, as you'd expect, but it's a step.

Senator WARNER. But it's a step forward.

Admiral Keating: On the INCSEA agreement, we took your advice and we have engaged with the People's Liberation Army-Navy, PLA-N. As recently as 4 or 5 days ago, within the past week, our J-5, General Conan, has been in Shanghai with his counterparts for the Marine Consultative Agreement discussions. Not very productive and a lot of political back and forth, not much hard-core military yes and no, but it's a step in the direction that you recommend for us. And we cite as an example that we got it done with the Russians in times of increased tension.

So we have that under way. It is going to take a while, but that is our goal, is to have something very similar to the INCSEA agreement.

Senator WARNER. Well, I take that as at least some progress. But it's in the mutual interest of the United States and China, and indeed China and other nations in that area, to have it, because sometimes mistakes are made at a flashpoint and they should avoid that mistake. I'm not suggesting the mistake is on their side. It could well be on the side of another military power. But instant communications to determine the nature of the problem and the corrective measures that should be taken can save lives.

Admiral Keating: I couldn't agree more.

Senator WARNER. I listened carefully. I sort of said a few things about Taiwan and the relationship, but that always concerns me. We have the Taiwan Relations Act in this country and I'm con-

cerned that Taiwan thinks that's a 911: Dialing the United States, come rescue us.

What is the current status of that situation now, the degree of tension, the degree of armaments that each are building up, and in your professional judgment the likelihood that anything could happen by way of an outbreak of the use of force?

Admiral Keating: I think it very unlikely, Senator, that anything will happen across the strait. It is our overarching concern when discussing with Taiwan or China, we want to maintain stability in the region, across the strait in particular. There has been significant military buildup by the People's Republic of China on their side of the strait. The Taiwan officials certainly notice that. We caution both sides against untoward military activity.

The Taiwan election, as you know, is on the 22nd of March. The two leading candidates both advocate a more moderate, less belligerent approach in their dealings, in Taiwan's dealings with the People's Liberation—with the People's Republic of China. So we're cautiously optimistic that a little bit of the steam will leave the kettle after the 22nd of March.

We do then have that period of transition between election and inauguration, which is in late May. So there will be a period of a couple of months there where we'll continue to watch very carefully cross-strait tensions. I don't think—I think it very unlikely that any hostilities will break out.

Senator WARNER. Thank you.

Mr. Chairman, my time is up.

Chairman LEVIN. Thank you, Senator Warner.

Senator Webb?

Senator WEBB. Thank you, Mr. Chairman.

Admiral, General, welcome. Admiral, I'd like to follow up a little bit on the line of questioning that the chairman began and that Senator Warner picked up on with respect to understanding how China is asserting its pressure in the region irrespective of whether there is predictable hostility, actual kinetic hostilities against Taiwan. You're right to say that it's difficult to speculate about intentions and that we should look at capabilities. But I think we can also look at decipherable actions in order to try to examine exactly what this set of increasing pressures might mean.

I'm thinking specifically of three different areas in the immediate region around China, the South China Sea. One is the Paracel Islands, which, as you know, China and Vietnam both claim. China years ago put an air strip on the Paracels at the same time that it was articulating a more offensive military posture in the way it was structuring its military, downsizing a lot of the army units, upgrading its technology.

The second is the Spratlys, which I think five countries claim at least pieces of it, including China—China, Vietnam, I think Malaysia, Brunei, Philippines. China several years ago had actually erected a structure that could be interpreted as a military structure on the Spratlys.

Then the Senkaku Islands between Taiwan and the Ryukyus, where there was some activity a year or so ago, naval activity that the Japanese were pretty engaged about and I think actually had sent in some of their own destroyer squadrons. I don't remember

the exact details of it. But and does claim the Senkakus. China has never accepted that the Ryukyus are actually a part of Japan. They've been active in the Ryukyus, which include Okinawa, since the 60s, actually since the late 60s.

So if we take a look at these three data points as they give us some indication of how China has been expanding its activity, what do you make of it?

Admiral Keating: If I could, a very brief anecdote, Senator. While in discussions with a senior Chinese naval officer on our first visit, he with a straight face, so apparently seriously, proposed the following deal to me. He said: As we develop our aircraft carriers—an interesting note to begin with—why don't we reach an agreement, you and I. You take Hawaii east, we'll take Hawaii west, we'll share information, and we'll save you all the trouble of deploying your naval forces west of Hawaii.

Even if in jest, it indicates some consideration of the strategic vision that the People's Liberation Army, Navy, and Air Force might have. While not necessarily hegemonic, they clearly want to expand their areas of influence and those strategic goals of theirs are, while not necessarily counter to ours, they're at least of concern to us.

So it is for that reason and many others that we stress our forward engagement, that we stress the readiness of those forces that we have who can move around those parts of the world, engage in exercises with smaller countries on a multilateral basis, so as to be the offset for the Chinese presence in the area and this increased pressure applied by Chinese checkbook diplomacy.

So we're watching very carefully. We are actively engaged in activities that we think serve as an effective foil to this increased Chinese presence and pressure.

Senator WEBB. Thank you for that. I would suggest that that is every bit as much an indicator, not simply of military strategy, but it's of a piece when you look at a nation's grand strategy, the way that the Chinese have been increasing their pressure in a lot of countries in that region.

There was a piece in Economist magazine just a couple of weeks ago saying that Burma, now calling itself some other name, but still it's Burma, may be moving toward the Chinese currency as their national currency. When I was in that country in '01—I think you and I have had a discussion about this previously—that you went an hour outside of Yangon, there was a huge port facility that had been built by the Chinese, which if you follow the strategic logic of it could result in oil pipelines and other pipelines moving through Myanmar or whatever they want to call themselves now, up to the southern part of China, so that the Straits of Malacca, the Straits of Longbok, these other places, would have less strategic—would be less strategically vulnerable to them than they are to us.

Have you been following those developments at all?

Admiral Keating: Yes, sir, we have. The Chinese expansion, as you say, is not just a straight military, destroyers, potential aircraft carriers. They are working all throughout Oceania, the area that is Australia's front porch, if you will, on through the Indian Ocean and all the way to the coast, into internal Africa, to develop

these ports of call so as to provide some, it would seem, some sort of foothold in the area, not just a military port presence, so as to be able to protect that which is theirs and to ensure access to those maritime domains.

So the answer to your question is yes, sir, we are watching that, and not necessarily attempting to counter it, but just to serve as a balance to those countries who are subjected to the Chinese pressure, offering them some sort of balance on a military basis at Pacific Command headquarters.

Senator WEBB. Thank you.

General, my time is about to run out, but I am curious as to the level, if any, of exchange programs, military to military programs, with the North Koreans that might allow the future leaders of North Korea to see what the rest of the world looks like. This was done with very good success in Vietnam as we began the normalization process there.

General Bell: Senator, it's pretty sparse. We do have weekly contact and, frankly, we can have it any time we want the, with the North Korean People's Army at Pammunjon. It's at the colonel level, in other words not the brigadier general or higher level, unfortunately. But we do have contact, and we do talk about a range of issues.

That doesn't seem to go very far, however. I believe the North Koreans treat it as a bureaucratic process more than an opportunity for advancement. Over the years the North Koreans have rejected any number of opportunities. The Neutral Nations Supervisory Commission, they ran them out of North Korea. We still have them with us, and that was a great opportunity for dialogue. Certainly the high-level meetings we had at Pammunjon for years at the general officer level produced some merit. They don't allow that now.

So frankly, other than those meetings that we have at Pammunjon about once a week at the colonel level, our contact with the North Korean military is nonexistent, and I regret that. And I do agree with you, sir, that that is something that down the road we need to find a way at the right diplomatic levels to re-engage somehow and to convince them that reengagement is in their interest.

Senator WEBB. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator Thune?

Senator THUNE. Thank you, Mr. Chairman.

General, Admiral, thank you for your service to our country and thank you for being with us today.

Admiral, there's a lot of discussion around here about the next generation bomber, which is scheduled to be fielded in the year 2018. I'm just wondering if you might comment on the importance of long-range strike as a deterrent capability in your command's area of operations.

Admiral Keating: It's a critical element of our operational planning and conceptual planning, Senator. We're very interested in the Air Force program. The particular platform is of less consequence to us. The capability is of course where our focus remains. So the short answer to your question, we're very interested in that long-

range penetration capability and it is an important element of our planning.

Senator THUNE. Admiral, the Chinese have recently undergone an incredible leap forward in terms of their air defense capability by fielding a lot of systems such as the SA-10, SA-20, SAN-20, SAN-7, HQ-9, and HHQ-9. What are the capabilities and survivability of our legacy fighter and bomber forces versus these advanced surface-to-air missile systems, and are you concerned about these and other Chinese anti-access technologies?

Admiral Keating: Senator, we are concerned about the Chinese surface-to-air capabilities. It is a source of discussion between those of us at Pacific Command and our counterparts when we visit China and on those rare occasions when they come visit us. We have state of the art equipment that we can deploy if we need to. That said, we also are flying some airplanes that I flew when I was still doing that sort of thing as a younger man.

The electronic countermeasures we enjoy are in most cases sufficient, in some cases insufficient. So, writ large, we are concerned with the Chinese electronic warfare developments and it has been a topic that I've discussed with the Joint Chiefs within the past couple months expressing our concern.

Senator THUNE. Thanks.

Admiral, let me just ask a question too if I might regarding some of China's claims with regard to they claim they don't have—that there's no threat to U.S. interests. But on the other hand, there has been this issue with cyber intrusions that originate in China and attempt to gain access to various U.S. institutions that deal with national security, ranging from the Pentagon to think tanks.

What's your opinion of the message that China is attempting to deliver, at least publicly, and how that conflicts with some of the things they're doing, and have you communicated that with the Chinese military leadership about how these intrusions—about these intrusions, and what's their reply when you ask them?

Admiral Keating: We have communicated our concerns, Senator. We asked them to try and describe for us their intentions in the warfare specialty they call informationization. They study it in their war colleges. They have books upon which—the subject of which is informationization. It's a concept a little foreign to us, but fundamentally it comes down to asymmetric warfare, computer network attack, computer network defense.

They acknowledge that they are pursuing these specialties and subspecialties, but they do not acknowledge, at least to me, their engagement in those activities. It is clear they are engaging in those activities. We have expressed our concern. I know that the State Department, the Department of Homeland Security, Department of Defense all have efforts to provide better protection for our networks and to be able to determine conclusively who it is conducting the penetration.

Senator THUNE. General, as the ranking member on the Readiness Subcommittee I'm interested in the preparedness of U.S. forces on the Korean peninsula. How would you rate the preparedness of your units and are there enough exercise venues and events to effectively train on the peninsula, or do you see a necessity to deploy forces more for training events?

General Bell: Senator, last year I was getting nervous about this, but I've got to tell you, over the last year I've seen a lot of emphasis placed from off the peninsula to ensuring my readiness on the peninsula is where it ought to be. We've just concluded a major exercise, both command post exercise that's driven by simulation, but real field exercises, land, sea, and air, and all those were done in a very, very professional way, a very pleasing way to me, and reiterated for me I think the capacity that we've achieved in the last year.

Our air forces ashore are ready. We've gotten upgrades to our F-16 fleet that's very impressive. Our Army forces ashore are very ready. However, they do not have all the equipment that I wish they had, given our lessons in Iraq, for example up-armored wheeled vehicles. If you walked amongst the Second Infantry Division right now, you'd see a very ready division without up-armored vehicles. So that piece, given what we've seen in Iraq and that vulnerability, does concern me, and we're working with the Army to get in line to make sure that we get this equipment over to Korea pretty quick.

But I'm pleased with our readiness ashore and I would put it at a high level right now. It's very good.

Senator THUNE. Let me ask both of you. I'd like to explore just for a minute or 2 the North Korean ballistic missile threat. Where do you see the biggest gap in defense against that threat and how do you propose that we solve it?

General Bell: Shall I start? North Korea has a range of ballistic missiles, obviously. They cross all the spectrum of missile capability from relatively short-range missiles, which they've just begun to field a modern version of. It's called the KNO missile, K-N-O-2, solid fuel, very mobile, and if you're aware of it kind of something like our Multiple Launch Rocket System or our ATACMS system, pretty sophisticated; all the way up through their traditional Scuds, which are liquid fuel but very reliable. Every time they test them they work. They kind of land where they're supposed to go.

They are working hard on—they have the Nodong missile, which is an extended range Scud. The Musadon they have in R and D, which is a medium range missile which could threaten Guam and certainly threatens all of Japan, all the way out to their hard work on an intercontinental ballistic missile called the Taepodong-2, which has failed in its last flight test.

So they've got the whole range and we have to protect against all those ranges. Ashore in Korea I've got today eight Patriot batteries. That is adequate to protect my U.S. force. Our Republic of Korea ally does not have adequate theater ballistic missile defenses on their peninsula. They recognize this as a shortcoming. They are now purchasing Patriot systems, believe it or not, from Germany and they're fielding Aegis cruisers that could have an air defense capability as well.

My biggest concern would be not for theater ballistic missiles coming at South Korea. I think we are adequately prepared for that. It's the off-peninsula missile capability that they are developing and have to either threaten Japan, Guam, Hawaii, or even the continental United States that is the biggest issue for us to address right now. I will hand that off to Admiral Keating because

he is more aware of and into the layered defense that we have to defend against that threat.

Senator THUNE. Admiral?

Admiral Keating: The Lower 48 and Alaska and Hawaii can be well defended against intercontinental ballistic missiles from North Korea with our ground-based mid-course interceptors and increasingly by our sea-based ballistic missile defensive capabilities. I am more concerned about protecting—helping our allies protect themselves. As you know, Senator, the Japanese just conducted a successful—one of their Aegis ships, the CONGO, the Japanese ship CONGO, launched an SM-3 missile and intercepted a target intercontinental ballistic missile over the Pacific Missile Range Facility and successfully destroyed that target ICBM.

So Japan is developing the capability themselves, but there are other countries, of course, that do not have any capability throughout our area of responsibility. So helping our allies protect themselves is a source of some concern to us. I am not—I am satisfied that we have the development, continue the development of the integrated system to which B.B. alludes. It is important for the 48 States, Alaska, and Hawaii, and we're working with our allies for their own self-protection.

Senator THUNE. Thank you, gentlemen, very much for your service.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Senator Reed?

Senator REED. Well, thank you very much, Mr. Chairman, and thank you, gentlemen, for joining us today.

General Bell, I want to thank and commend you for your extraordinary service to the Army and the Nation. You have inspired great confidence in many, and good luck as you move forward, and thank you.

Admiral Keating, you say in your written statement that anti-submarine warfare is a top priority of U.S. Pacific Fleet and that PACOM requires pervasive and persistent surveillance to understand the adversary's plans, etcetera. Do you have a sufficient number of submarines in your AOR to do that?

Admiral Keating: I do today, yes, sir.

Senator REED. And looking forward in terms of your longer term, medium term?

Admiral Keating: Through the midterm, through the fiscal yearDP, Senator—5 to 10 years, we have sufficient numbers of U.S. attack submarines.

Senator REED. But I would—I don't want to put words in your mouth, but you probably have missions that you would like to run but you can't at the moment, that you have excess demand?

Admiral Keating: That would be true, sir.

Senator REED. General Bell, you are recommending, I believe, departing from the 1-year tour in Iraq—excuse me—in Korea and going to a 3-year stabilized tour with family. Can you talk to that recommendation, and also the impact on your plans on the constant draw of troops into Iraq and Afghanistan, and just generally the whole sort of flow of troops back and forth?

General Bell: Senator, I'm an advocate of what I call troop normalization. I am convinced, after serving over there for over 2 years, that the 1-year unaccompanied tours that we pursued over there sends a message of temporary commitment by the United States. Just 1 year in and we can be out. I believe that a 3-year tour would send the right message of commitment of the United States to that area of the world, first. Second, it adds measurably to the personnel tempo of our military services right now, unnecessarily in my view.

I admit that I've advocated a 10-year transition period to a normalization policy over there because there are a lot of issues to be dealt with. You just can't one afternoon say, bring another 15,000 U.S. families over there. But over time and with the help of our ally, who I believe would help us resource part of this, I believe that it's best for our families, it's best for our readiness. If I had a service member over there for 3 years, he or she would be awfully ready, I mean very ready, as opposed to just being 1 year.

And I think it sends the right message to our allies of a commitment to that area of the world, which is of vital interest to the United States of America.

Now, there are a lot of details to be worked out here and I have not yet gotten the policy decision out of the Department of Defense yet, and I certainly haven't even had a formal request from my Korean ally yet. But I believe those may be forthcoming, and then with that in hand we could lay out a program to achieve this.

I do believe it's necessary for the United States to send the message to all of our friends in that area of the world that that area of the world is important to us and that if the North Korean issue is resolved, through whatever methodology, peace treaty, reunification, or otherwise, that that does not mean the end of U.S. commitment and we're not going to just take our troops and go home. As long as we're welcome and wanted by the Republic of Korea and they desire our alliance to continue, I believe it's in our interest, and the best way to demonstrate that is through normalization.

Senator REED. Thank you, sir.

The Second Infantry Division, at this juncture, and correct me, but my impression is they have one brigade in Korea and two plus brigades in Iraq or Afghanistan or in combination. Is that correct?

General Bell: Sir, true. We have one brigade that is permanently stationed in Korea with the division headquarters. The other brigades are permanently stationed in the United States and there is no desire to bring them forward unless, of course, we had a conflict break out. In addition to the one maneuver brigade, we have other important brigades there in the Second Infantry Division, an aviation brigade with attack helicopters, a fires brigade, artillery, military intelligence, engineers, etcetera, etcetera. It's still a pretty good-sized division, but it only has that one maneuver brigade. I deem it essential to force protection, quick reaction force capability, and, believe it or not, if I had to do a noncombatant evacuation. There are 100,000 U.S. citizens that live in Seoul pursuing American business. I would need those maneuver troops to help run an evacuation.

So we're at about the lowest level I'm interested in getting to on Army troops right now, Senator.

Senator REED. And that brigade has so far been immune to deployment as a brigade into Iraq and Afghanistan?

General Bell: It has. We had two maneuver brigades there until 2 years ago. One of them was withdrawn, went to Iraq, and it's now stationed at Fort Carson, Colorado. This brigade is not on the deployment list.

Senator REED. But are you seeing some personnel turmoil? Not brigade units, battalions, but individuals moving in and out of the division because of Army-wide demands? And is that affecting your readiness at all?

General Bell: The Army does a good job of keeping up with the 1-year rotations. What I think is the fallout from the current commitment to Iraq and Afghanistan is it's very normal for me to get a servicemember, a soldier mostly because it does affect the Army more perhaps than it does the Air Force, but it's not unusual for a soldier to show up, a young specialist or a staff sergeant or a master sergeant, having just returned from Iraq 5 or 6 months ago. And here they are with another set of orders for a short tour in Korea and continued family separation.

That's fairly common now, and of course I would like to end that practice by a normalization tour. So the issue is that they are not getting much time at home before they're ordered on forward to Korea, having come out of Iraq. The same thing happens when they're going back, Senator. They'll leave Korea after a year, end up in a unit, and then off they are to Iraq or Afghanistan, perhaps fairly quickly.

Senator REED. We have—I have read in news accounts of incidents of depression with troops based on service in combat, Iraq, Afghanistan, troops that are being medicated with Prozac still in combat areas. Are you detecting that in terms of your soldiers and airmen who are coming back through Korea?

General Bell: I'm really not seeing that in Korea. I think this is an issue for our military. I'm not trying to minimize it. But I can tell you that, having been in this business now 39 years, this Army that we have remains an Army of great morale, great commitment, brotherhood and sisterhood. It's very special. It is different than some of the issues that we had during other wars, Vietnam, etcetera, etcetera. And I can tell you in Korea these troops are high-spirited, they're committed, they're dedicated, and I'm very proud of them and I do not see a degradation in their morale or their readiness because of Iraq or Afghanistan.

Senator REED. Well, my impression is similar to yours, but I think there is—this is a fault line in terms of some of the mental health issues that our troops are—and it's something, as you suggested, that the Army particularly, and the Marine Corps, and all of our services have to be acutely aware of because we're asking these young men and women to do some extraordinary things repeatedly, and it adds up.

General Bell: It is, it is.

Senator REED. Admiral Keating, we spoke briefly about the renewed relationship with Thailand. Can you comment on your efforts on cooperation with the Thais, particularly the anti-drug efforts?

Admiral Keating: Yes, sir. We were just there 2 weeks ago, met their supreme commander, General Boonsrang, who was a good friend from previous engagements. The Thai military remains strong. They are solid. They're aware of some concerns we have had about their observing what the rest of the world would regard as appropriate human rights measures and expectations, and I have the assurances of him, General Boonsrang, that they have that in hand, and our trainers who work with them agree.

We have a Joint Integrated Task Force West headquartered at the United States Pacific Command, headed by a Coast Guard one-star, and they work extensively the counter-drug challenges throughout the Asia Pacific AOR. The Thailand military is certainly aware of their position on the flow and the flow points for narcotics. They are actively engaged. They did not share with me any particular efforts they have under way, but I did note that General Boonsrang mentioned his concern and his active involvement in trying to stem the flow of those drugs. So too are Coast Guard-led forces at JIATF West.

Senator REED. Thank you very much, gentlemen.

My time has expired.

Chairman LEVIN. Thank you, Senator Reed.

The Clerk's notes say that Senator Wicker arrived 1 minute before Senator Martinez. However, review of the videotape shows some uncertainty in this regard. [Laughter.]

Chairman LEVIN. I've had extensive conversations with the ranking member and we decided to leave it up to you gentlemen. Did you arrive simultaneously?

Senator MARTINEZ. I will go with the chair.

Chairman LEVIN. Thank you.

Senator Wicker?

Senator WICKER. A random act of kindness by my colleague.

General Bell, we appreciate that high level of commitment and morale that you just testified about. I want to follow up on a conversation you and I had last year when I was in the House of Representatives and you testified before the Appropriations Subcommittee on Military Construction. At that time you mentioned a need for a TRICARE representative to assist all the servicemembers' families you have living in Korea on the economy.

Can you provide me with an update on that situation?

General Bell: We're making progress. I don't have the full TRICARE service contract in place yet. It's coming. This is a competitive process. You just can't order it one day. There has to be a request for a proposal through the contracting agencies and different companies have to bid for it, etcetera, etcetera. But we expect that in the very near term, Senator.

The good news is that in the interim the Army has committed several individuals who are wearing Department of the Army civilian hats as administrators for me. So now I've got people in critical locations across the peninsula who are fundamentally doing the job of a TRICARE contractor in an interim way. They are coordinating with the local hospital, the local Korean hospital. They are setting up hot lines and phone lines with them, so when a patient comes in and they need care at the local hospital we have that liaison

working for us. Then the reimbursement of the servicemember is handled in an expeditious way.

We had a situation there for a while where the servicemember was expected to pay up front. Can you imagine something like that, walking in and saying, I need an appendectomy, and having to reach into your pocket as a staff sergeant and pay for your appendectomy before you had it? It was completely unacceptable.

Senator WICKER. Has the Senate—

General Bell: We fixed all that.

Senator WICKER. Has Congress given you everything you need in this regard?

General Bell: Senator, they have. I'm very pleased. I'm working inside the Department of Defense now. I think we're on the right track, and I'll report back to you if it comes unglued. But I think we are on the right track.

Senator WICKER. Thank you.

Another thing we talked about at that hearing last year was your concern for ensuring that you have a MEDAC hospital instead of a combat hospital.

General Bell: Yes, sir.

Senator WICKER. Could you update us on that also?

General Bell: Yes, sir. It's done. We activated the medical activity about 5 months ago, which gives us all the authorities to requisition the right kind of doctors, the right kind of practitioners, the right kind of nurses for our clientele. Embedded in that remains the combat support hospital. So we have exactly the right organization now, and that was something I look at very positively. I'm very excited about that.

Senator WICKER. Well, congratulations on that.

Now, let me then follow up on something that I'm told you testified to earlier before I was able to attend and that's the need for up-armored wheeled vehicles. Now, the Congress has made quite an investment in the MRAP vehicle. Would that meet your needs?

General Bell: Senator, I am concerned about not having up-armored vehicles there in the Republic of Korea. I agree with the prioritization that the Army has now. For example, in the old days a National Guard unit would never be prioritized over an active unit. But National Guard units are going to Iraq. They need them before I do. So we have a requirement in for various types of vehicles, including the MRAP, to meet our needs, and I believe we'll start seeing that fielding here in about the next year.

But we are at the tail end of that fielding chain and I think rightfully so. I'm not complaining at all, because I'm not facing imminent combat. So the answer is yes, AMRAP is part of our future. So are other up-armored kits, whether it's on our 2-1/2 and 5-ton vehicles or even our Humvees, and we don't have any of that right now of merit. We've got about 2 percent up-armored, which is not really satisfactory.

So good program laid out and not resourced yet.

Senator WICKER. Well, thank you very much.

Now, Admiral, let me quote from page 6 of your testimony: "Southeast Asia remains the central front against terrorism in the Pacific." It strikes me that many people, many Americans, don't understand that the war on terrorism affects the region that you

have charge of. Could you give us the status on the fight against terrorism specifically in the Philippines and its impact on regional stability?

Admiral Keating: Yes, sir, I'll try. We were there 2 weeks ago and met with Ambassador Kenney and the leader of the Joint Special Operations Forces, Philippines, an Army colonel. He is in charge of about 500 Special Forces personnel, Army, who are deployed throughout central and southern Philippines in support of—very important to emphasize—in support of the armed forces of the Philippines in their, the AFP, war against violent extremists and terrorists in the southern Philippines.

Progress is being made. It is measurable. It is discernible, it is palpable. As we traveled throughout the southern Philippines, the support expressed by, demonstrated by young men and women, kids, who greet the AFP forces as they are moving through the very dense jungle in the Philippines, is a visual demonstration of the support enjoyed by the armed forces of the Philippines.

That said, they are also, they the armed forces of the Philippines, are killing and capturing a significant number of Abu Sayyaf Group and Jemaah al-Islamiah leaders and lieutenants, if you will. Work to be done, to be sure, acknowledged by the Philippines and by our armed forces who are there now. But the progress is measurable, demonstrable, and I'm very proud of the work being done by those 500 soldiers who have been there for a while now and are there for the foreseeable future.

Senator WICKER. What would be the consequences of not getting the job done in the Philippines to the average American citizen?

Admiral Keating: To the average American citizen who might be in the Philippines, we have seen American citizens kidnapped there and some killed.

Senator WICKER. To my constituents back in Mississippi?

Admiral Keating: To your constituents in Mississippi, it would be a gradual erosion of peace and stability all throughout the Asia Pacific region. It would have an economic impact, it would have a social impact, it would have an impact on one of our longest standing allies in all of the world, and that would be the Republic of the Philippines.

Senator WICKER. Thank you very much.

Thank you both for your service.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Lieberman?

Senator LIEBERMAN. Thanks, Mr. Chairman.

Admiral, General, thank you for your testimony. Good morning.

In some sense I want to follow up on Senator Wicker's line of questioning. Admiral, you have reported to us this morning that the area of your responsibility, the Pacific, is secure and stable, but obviously you have concerns of different kinds. One is the terrorism just mentioned, the other is our relations with China, managing those in a way that is peaceful and constructive, and of course the particular threats represented by North Korea.

Of the various concerns that you have in your area of responsibility, which would you say is your top concern?

Admiral Keating: The struggle against violent extremism, Senator.

Senator LIEBERMAN. In that sense, this is the regional expression of Islamist extremism and terrorism?

Admiral Keating: Good point. Not just in the Philippines, but all throughout the Asia Pacific region, from the west coast of Africa to the West Coast of the United States.

Senator LIEBERMAN. I think it's a very significant—

Admiral Keating: East coast of Africa, pardon me. East coast of Africa.

Senator LIEBERMAN. Understood.

It's a very significant answer because obviously we're focused on North Korea and China in different ways, but you would say from the region that your number one concern is to stop the spread of Islamist extremism and terrorism. It does make the point that Senator Wicker made, which is that this war against Islamist extremism and terrorism is global. It's a world war.

At this point, would you say that the enemy in your region is gaining, receding, or being held about where it's been?

Admiral Keating: Receding, Senator.

Senator LIEBERMAN. Why is that?

Admiral Keating: Progress made in the Philippines, progress made in Indonesia, progress made in Malaysia, progress being made in India. The kinetic attacks being conducted by violent extremists are down. There have been, thank God, very, very few significant attacks that have been conducted in our area of responsibility since the 11 September 2001, as you're aware.

They are on a much smaller scale. The activities are much more local. That makes them no less onerous for those who suffer the sting of the terrorists, to be sure. But it is not a widespread, coordinated, collaborated effort the likes of which we have seen in the wake of 9-11.

So more localized; progress is being made on not just a military front, but in the sharing of intelligence, on the curtailment of movement of violent extremists, and the support that they need to conduct their onerous activities. All of these are being reduced in our region.

Senator LIEBERMAN. That's good news.

Would you say that the Joint Special Operations Task Force, Philippines is a model for the way in which we might combat extremism and terrorist in other countries in the world?

Admiral Keating: I would, sir.

Senator LIEBERMAN. So if you would, and if you've done this before I was able to arrive you can make it short, but talk a little bit about what that task force does and how you see it being, that model being applied to other areas of the world?

Admiral Keating: Yes, sir, I'll try. Our Special Operations Forces, writ large, are world-class counterterrorism experts. It is a different kind of expertise than many nations possess. So our ability to train the trainers and work through the host nation armed services in preparing the host nation folks for the different aspects of intelligence gathering, of monitoring, of prosecuting attacks on a very small scale that are some urban, some suburban, and some jungle, it's a very diverse warfare set.

Our Special Forces troops are the best in the world. So by training them to train their own personnel we can, one, reduce the de-

mand signal for our forces; two, make them better to much better them, the armed forces of our host nations, at what they do; and three, develop information-sharing and collaboration techniques that are at least uncommon, if not unprecedented, between those countries themselves, and encourage those other countries to share between themselves, and it gets to be a network that is a very powerful and effective network.

Senator LIEBERMAN. I think that's a very important statement, an important model. It makes the point, one, that we have allies in this war against Islamist terrorism. They tend to be, fortunately, the local indigenous security forces, but they need help. And it also makes the point that we don't have to, we can't really, be on the front lines in that world war everywhere it's taking place. I appreciate that.

Now, the other good news that you reported on is that we have very strong relationships throughout the region, and we have some very significant good allies—Australia of course, South Korea. I want to ask you to focus a little bit on two others that maybe we don't focus on enough because they are such good allies. One is our long-time strong relationship with Japan and the second is very significant improving relations with India.

Give us your report on both the military to military and political relationships with those two great allies of ours, Japan and India?

Admiral Keating: Yes, sir, thank you. Wandalee and I had the pleasure of living in Japan for a couple of years. As you say, we have no more steadfast or important ally in the world in my view than we do in Japan. I have been there seven times since assuming command of the Pacific Command. In each case, though I will see sometimes a different minister of defense than I saw in the previous visit, the leadership remains constant. Admiral Saito, who is their chief of defense staff, is a good friend. They remain committed to improving, not just sustaining but improving, the military to military relationships that we enjoy.

As an example, you know that we are swapping out the USS KITTY HAWK and the USS GEORGE WASHINGTON. The KITTY HAWK will retire this summer, the longest serving ship in the United States Navy inventory, to be replaced by the GEORGE WASHINGTON, a nuclear-powered aircraft carrier. While I lived in Japan and served on the KITTY HAWK, this would have been an unattainable goal, to put a nuclear aircraft carrier in Japan.

Senator LIEBERMAN. It's important. It's a mark.

Admiral Keating: It's happening. The swap-out will take place this summer, and almost no commotion about it.

So a very longstanding ally. They are committed to the same goals that are ours, Senator, and I am very confident that if we called upon them for support they would answer the bell. And you know they have resumed their oiler operations in the Indian Ocean in support of Operation Enduring Freedom.

Senator LIEBERMAN. Yes.

Admiral Keating: India. I have been there once. I mentioned a little bit ago I went through there in the mid- 80s carrying Admiral Crowe's bags. The relationship we enjoy with them is a much more open, a much more productive, and a much more energetic relationship on a mil to mil basis. Our visit there in August was very reas-

sureing to me. We were conducting exercises with them. They are interested in personnel exchanges.

They are at a critical strategic crossroads for all of us and they want to work with us in providing maritime and air security over the Indian Ocean and the Bay of Bengal. They're critical partners.

Senator LIEBERMAN. Those are encouraging reports. I thank you for them.

Could you talk a little bit—I know that a while back there was a joint exercise carried out among some of our most significant allies in the Pacific. Tell us what happened and how it went?

Admiral Keating: Exercise Malabar I think, Senator, is that to which you refer.

Senator LIEBERMAN. Correct.

Admiral Keating: I've been doing this for many years and I would not have conceived of anything this ambitious, this sophisticated, or this successful. Aircraft carriers, two carrier battle groups of the United States, one from India, an Indian aircraft carrier, and ships from Japan, Singapore, and Australia all participated, tens of thousands of servicemen and servicewomen, in a Bay of Bengal-located high-end technological and military tactics, techniques, and procedures exercise.

Went very well. Conducted in August. There were search and rescue challenges posed by operations and everybody pitched in. Of note, it doesn't get headlines, but each of the vessels and command centers involved in the exercise were able to communicate real-time on a secure channel. So that is a dramatic change and a significant step forward in our ability to communicate with our allies and partners. It was a very successful exercise.

Senator LIEBERMAN. My time is up. Thank you. Those are very significant reports. Obviously, we're a global power with global interests and global responsibilities. But the encouraging news here in the Pacific is that we have increasingly significant assistance from a range of very important allies who have a shared interest, obviously, in the security and stability of the Pacific. I thank you for the job you're doing.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Martinez?

Senator MARTINEZ. Thank you, Mr. Chairman.

Gentlemen, good morning and thank you both for being here and for your service to the Nation.

Admiral, I think I'll begin with you and just talk about Chinese military expenditures. This may have been covered before I came and if it was I apologize. But I realize that they're on an upward trend that is rather significant, and I was wondering if you could describe for us how significant it is, whether it is escalating or in any way tapering off. And then also I would like for you to comment on the merger of civilian and military efforts, which would mask true military spending because of whatever participation the civilian sector may have into that as well.

Admiral Keating: Senator, thank you. It is—the shortest way to say this, the defense budget is going up, it's going way up. I don't know how much it's going up, but it's going up. I don't know how much it is. Estimates in a recently released report have it around

50 billion U.S. They the Chinese will not discuss this with me when I'm there. We don't even bring it up any more.

In my first visit, when we did bring it up they said: Well, you don't understand; it's all going to personnel and quality of life accounts, which is true enough. The Chinese are learning the lesson that we could have and do instruct them upon: It costs a lot of money to recruit, train and equip a modest, much less high end, military like we enjoy. They are finding out that to provide a senior noncommissioned officer corps, to provide health care, to provide cost of living allowances for folks who get orders from the western part of the country to, let's say, the Shanghai Naval District, it is a very expensive proposition to recruit and train and equip a navy, an army, an air force and marine corps.

That said, there is no question that they are putting significant amounts of money into research, technology, development. And the higher end weapons capabilities they're developing are of concern to us: area denial weapons, anti-satellite technology, submarines. They have 65 submarines. They're building more. That's nearly two and a half times the number of submarines we have in the Pacific.

So long answer to a short question. Their developments are of concern to us. It is an increased budget that they enjoy and not all of that is going, I don't believe all of their increased budget is going into personnel costs.

Senator MARTINEZ. Well, speaking of the submarines, which 65 is a substantial number, is it not?

Admiral Keating: It is.

Senator MARTINEZ. What does that tell us, those two elements, tell us about their intentions or their goals?

Admiral Keating: When I ask them that question, they choose not to answer the question, Senator, which is in a way an answer in my view. They do not share with us their intentions beyond the overarching: We seek to defend those things that are ours, we seek a harmonious integration into civilization, and we're pursuing a peaceful rise. We get the same response to almost every question we direct to them as to intentions.

It would seem to us at the United States Pacific Command that the development of a blue water navy capability, a significant subset of which is their submarine force, which is quiet, getting quieter, capable of going to sea and going further to sea, the development of the blue water navy capability and these area denial weapons go beyond that which would be normally expected of a country who only wanted to protect their littoral region.

Senator MARTINEZ. General, I was interested also in talking a little bit with you about the quality of life issues. I was interested in your testimony about the deterioration of facilities, the fact that apparently your budgets for housing and things of this nature have deteriorated over time and a lot of the housing is quite aged.

I was just wondering if you could dwell on that a little bit and explain to us your concerns there and what might be necessary in order for us to improve the situation.

General Bell: Thank you for letting me address it. To be honest with you, two-thirds of our facilities are either temporary or they are between 25 and 50 years old even if they're not temporary. So only a third of the facilities that we enjoy in Korea are the kinds

that we would be proud of, say, if that force was in the United States.

I can only attribute this to a 1 year at a time mentality over the years and, instead of improving our facilities, we've worked hard on our combat readiness, but we've not really put the resources into the facilities that we should have.

We have a strategic window now. We're moving the Second Infantry Division from its location north of Seoul to south of Seoul, to a garrison that we call Humphries. The area at Humphries that we're expanding into, much of the construction costs down there are being borne by our Republic of Korea allies. These are brand new facilities being built to our specifications, but with their money.

But at the same time, we have to maintain the stuff that we do have in other locations, and the amount of money that I've been given to do the maintenance and sustainment on those standing facilities is inadequate. The best I've done in any given year is about 25 percent of what I believe is necessary to give full readiness to those kind of facilities.

So while we have this strategic window to see an improvement, I do believe that if we're going to change the paradigm in Korea, particularly if we're going to adopt—and I hope that we will—a more normal approach to stationing in an area that's of vital interest to the United States, we're going to have to make the investment. It's not a big investment. We don't have a large force there. I don't see this as being a major fiscal challenge for the United States. I think it's a matter of priorities.

I am making this a major area of interest for myself and the Department of Defense, and I am hopeful that we will continue to see it rising. It has gotten better, Senator, in the last couple years. But we are still a long way from the kind of sustainment operation for facilities that we see both in the United States and in Europe for our forces. And I think that's in need of change.

Senator MARTINEZ. I commend you for your efforts in that regard because I think those are really important, both the effort to regularize by allowing family tours as well as the improvement in the facilities. I think those are very, very important to our future in the area.

Admiral, I was really pleased to hear, in response to Senator Lieberman's questions about the Islamic extremists in the region. I think one of the great surprises to me and perhaps to many others was the growth of Islamic extremism in your region, which became apparent immediately after 9-11, when it was obvious that we had problems in those parts of the world.

Can you tell us a then and now sort of comparison as to what the situation that you found or we found immediately after 9-11, when we became aware of the fact that we were in a global war on terror, and where we are today?

Admiral Keating: Yes, sir. You and all the members will recall that many of those extremists who were in the attack against us on the 11th of September were trained or moved through Southeast Asia, South Asia, during their training track, if that's the right term to use. So it was our area of the world that was relatively—movement was uncontested. Support, financial support and

logistical support, was unfettered. And it was a much more free and open—those are the wrong words to use. It was a much more open area for the movement and lodging of terrorists.

Today that is a much different situation. It started with intelligence, information-sharing and intelligence-gathering and intelligence-sharing in my opinion. Not just military, but all manner of agencies, Federal, State, local, and private personnel, became aware of the challenge, knew what to do with the information that they gathered, someone living next to them or misbehaving—and remember, these are some of the largest Muslim populations in the world. Indonesia, 210 million; Malaysia, almost 100 million; India, tens of millions, India the largest democratic country in the world with a significant Muslim population.

All that said, it is a much tougher area of the world for radical extremists to navigate around. The flow of money to support them is being very, very closely monitored and curtailed in a very quick fashion, and all of this below the radar. So those who would pursue violent extremist tactics are finding it much tougher to live and to operate in the southern part of our area of responsibility.

And it's not just a military effort. It is civilian, law enforcement, state and local governments, and the private population, all combining to make it a very inhospitable atmosphere for them.

Senator MARTINEZ. I commend you for the success and thank you both for your service.

Admiral Keating: Thank you, sir.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Nelson?

Senator BILL NELSON. Good morning, gentlemen, and thank you for your service to our country.

As a matter of fact, the largest Muslim population country in the world is Indonesia. This surprises people. The second largest Muslim population country is India, more than Pakistan.

Gentlemen, I have the privilege of chairing the Strategic Subcommittee for the leadership of our Armed Services Committee and I want to ask you about the THAD, the Aegis ballistic missile systems, designed to go after short and medium-range ballistic missiles. Now, the testimony we received in our committee is that we've only got about half of what we need or what we project to need. This came out of a study called the Joint Capability Mix Study.

I'm curious. In your theater were you consulted on your needs to come out with this result of this study?

General Bell: Senator, I am consulted and I lay my requirements out with great clarity for the Department of Defense. What I can tell you is that, while the largest majority of what I do on the Korean peninsula is protected with Patriots and so that's the weapon of choice, I still have a significant requirement, particularly for Aegis cruisers. What they can do for me is off the southern coast of Korea protect my port facilities, and instead of having to use Patriots for those, having this picket line of Aegis cruisers protecting those ports is of vital interest to me. And I'm encouraging the South Koreans to purchase this system and of course we have our own significant capability.

My biggest issue is getting the most modern Patriot system in Korea, which I do not have sufficient numbers of now, the PAC-3 missile. Why the PAC-3? It engages at a higher altitude and prevents the kind of fallout of chemical munitions or whatever on the local population. So I have a shortage of PAC-3s. I have plenty of missiles of older varieties. They are effective, but they are not as effective as the PAC-3, and I am fairly vocal about my requirement for additional PAC-3s.

So from my foxhole I'm kind of a PAC-3 man. I will let theater air defense—I'll pass over to my good friend Tim Keating because I think he has a lot more to say about that than I do. But I would sure like more PAC-3s.

Admiral Keating: Senator, we were consulted and it is B.B.'s perspective understandable he would have a somewhat more land-centric focus. We are more interested in the system of systems and the connectivity between those systems whether it's afloat, land-based in the United States, or mobile but still land-based in South Korea and many of our allies and partners in their countries.

It's the integration of the system of systems in which we're principally interested, successes realized by our Navy in the maritime portions, successes realized by our allies at hand, and, not insignificantly, the USS LAKE ERIE's launch of this one-time shot, to be sure, but it was a maritime capability that we witnessed as we brought down our defunct intelligence satellite.

All of these recommend to us the increased emphasis that we're recommending for the development of an integrated system of systems that includes THAD, Patriot, and land-based mid-course interceptors.

Senator BILL NELSON. So the conclusion of this Capability Mix Study, which is that we have a need to buy about twice of both THAD and Aegis systems, you have stated here that you were consulted. Should we rely on this capability study?

Admiral Keating: Let me take that for the record, Senator, if I could. I'm not—I would say—

Senator BILL NELSON. Well, both of you have testified that you need more. In your case, General Bell, you need more Patriots, but you could sure use more Aegis. And you're saying that you could use both THAD and Aegis more.

General Bell: I need the right model of the Patriot.

Senator BILL NELSON. Right.

Now, Mr. Chairman, this thing's coming up as an issue because the administration has requested less than what we put in last year's authorization bill as report language on where we should be going with these two systems. So as we get ready for this authorization bill for this year, this is going to be something. I wanted to hear directly from the theater commanders.

These are two effective systems and when you add Patriot to it you've got multiple layers of protection that any theater commander would certainly like to have on incoming warheads coming in, trying to knock them down.

Chairman LEVIN. Anything additional that they want to supply for the record we ought to tell them would be welcome.

Admiral Keating: I will, sir. Thank you. [The information referred to follows:] [COMMITTEE INSERT]

Chairman LEVIN. All set?

We'll try a short second round, perhaps maybe 3, 4 minutes. General Bell, in your written testimony you say that "We remain concerned about North Korea's proliferation of military equipment and ballistic missiles, along with missile-related technologies." Now, Security Council Resolution 1718 bans imports and exports from North Korea and to North Korea of military items, including missiles or missile systems. Are they complying with 1718?

General Bell: Senator, they're complying, but I'm not sure it's because of 1718, to be honest with you. The last significant sale that I've seen, and this is in the public record, of missiles by North Korea to anybody was in '05. That doesn't mean for a second that they wouldn't like to, but the atmosphere today is not conducive to North Korea proliferating. There's a huge amount of pressure from the Six Party Talk process. Certainly these Security Council resolutions put enormous pressure on them, and right now their proliferation, which they have such a history of, is at a near-zero balance.

I believe they would certainly want to proliferate. It's a source of income for them and I think it's something of great concern for us. But nonetheless, today this Security Council resolution on balance is being complied with.

Chairman LEVIN. What about other conventional military equipment?

General Bell: Sir, they get very little equipment in from other countries, almost none. In terms of proliferation outbound, we're not seeing that either right now. I would just say that North Korea is behaving to a level that is consistent with progress in the Six Party Talks and I think that's encouraging.

Chairman LEVIN. Have you seen any other rhetoric or do you have any other information coming from North Korea that would indicate a potential shift of North Korean resources from the military to other government sectors? Is there any sign of that?

General Bell: No, sir. I read about that, but I have not seen any shift at all.

Chairman LEVIN. Do you anticipate that the new administration in South Korea will be making any changes in policy towards the north?

General Bell: Yes, sir, I do.

Chairman LEVIN. Would you describe them?

General Bell: I will. This president has a policy that he will require reciprocity with North Korea. By that, he articulates that if something is given to North Korea by the South, economic aid or, if you will, agreements with the Six Party Talks process, that North Korea must return the favor.

We've not necessarily seen that with the previous government. There was a lot of steps going to the north, economic aid, etcetera, but not much reciprocity. Lee Myong-bak has been very clear in his short time as president that whenever the Republic of Korea offers assistance to the north reciprocity will be required.

I really haven't seen that play out yet because he's such a new president. But he's very firm about it. He is in public record on it, and we will see how the next months go.

Chairman LEVIN. Does that include food aid?

General Bell: Sir, it does.

Chairman LEVIN. Does it include visits from South Koreans to the North, which give them some currency? Is he going to cut off the South Korean visits, for instance, to the Kumgang Mountain, I think it's pronounced. Is that included?

General Bell: I don't believe that that is going to be cut off. The arrangement, both the tourist trade in the eastern corridor, as it's called, and the Khe Sanh Industrial Complex in the west, there's no indication that that process is going to stop. So I would say that that flow of income to the north is not part of this policy at this point.

Chairman LEVIN. May I just ask one final question for this round. That's the North Korean position relative to nuclear matters. According to your written statement, it says that "The leadership of North Korea spent decades development a nuclear deterrent and this will not be relinquished without a explicit security guarantee from the United States that includes in practice a declaration of permanent peace on the Korean peninsula."

Can you just state that or expand on that a bit?

General Bell: Yes, sir. That's what the North Koreans want, Senator, very clearly.

Chairman LEVIN. Do you believe that they mean it.

General Bell: I believe that they will not give up their nuclear weapons unless they are convinced that they are going to be allowed to live with their current governmental system into the future and that it will not be subjected to any kind of offensive maneuvers.

Of course, we wouldn't do that anyway, but that is their stated policy, and I believe they will hold to that as we go through these negotiations.

Chairman LEVIN. Senator Warner?

Senator WARNER. I was going to ask you two gentlemen to describe for the committee the current maritime protection that we have in place against North Korea exporting what we have reason to believe are weapons of mass destruction and the respective responsibilities in that area. General?

General Bell: Sir, there are two things, of course. The U.S. has been the leader in both. First is the PFI, the Proliferation Security Initiative, which the U.S. pursues and retains the right to board ships that are— and mostly it's ships—that are leaving North Korean waters, heading into international seas, if we choose to.

Senator WARNER. Now, where do we do that interdiction? In international water or territorial water?

General Bell: First, Senator, I'm not aware of any actual execution of the PSI authorities in the recent term. But the United States Reserves the right to do that and it would be in international waters, yes, sir.

So if there were a ship that was suspected to contain some kind of missile capability and it was on the high seas, through this PSI mechanism the United States has the right to board, or with our allies if they would assist us. So Admiral Keating is very aware of this procedure.

Senator WARNER. Do you have the command and control of those ships within your area of responsibility?

Admiral Keating: I do, sir.

Senator WARNER. Under what authority does the United States exercise this right to board ships in international water which embark from North Korea?

Admiral Keating: It is that Proliferation Security Initiative, Senator. We have—

Senator WARNER. Clear authority there.

Admiral Keating: Yes, sir.

Senator WARNER. International authority.

Admiral Keating: Correct.

Senator WARNER. And we do maintain a ship on station for that purpose?

Admiral Keating: We don't maintain for that express purpose. There's a ship on station, Senator. But we have —

Senator WARNER. Do you have assets you can call on in short order to get up there?

Admiral Keating: Can and have.

Senator WARNER. General, it's important that we cover, given that the military in your command are relocating, the issue of family housing. This is one that I have followed with great interest. I observe in the hearing room today your able staff assistant, Charlie Abell.

Admiral Keating: Yes, sir.

Senator WARNER. Who has been working on this for many years. What's the status of that now?

Admiral Keating: Sir, we are dead in the water at this moment on the family housing that we agreed to provide in a 2004 agreement with the Republic of Korea. Fundamentally, they agreed to build almost all the facilities that we would need in the vicinity of Camp Humphries. We call it now Garrison Humphries. We agreed to provide the majority of the family and senior leader quarters for those who are there on 1-year tours.

Our approach to that was build to lease, the build to lease mechanism. We also have the potential for a military construction approach. Neither of those have been considered favorably here in Congress.

I will tell you the Army this year is pursuing yet a third option, and that is a full privatization approach without any lease guarantees with South Korean or, frankly, to companies.

Senator WARNER. Right. But do you find that the dead in the water situation is largely owing to Congressional inaction or Executive Branch decisionmaking?

General Bell: Sir, over the period of 2004 to 2008 in my view it has been a shortcoming in three areas. First, we did not properly articulate the requirement at U.S. Forces Korea. I can show you the history of that, and that's—that is—

Senator WARNER. Articulate it to the Congress?

General Bell: Back in 2004 and 2005, I see no history of effectively articulating it in a way that you could deal with it.

In 2006 we began to properly articulate the requirement that we had signed up for. We had a lot of resistance in the administration, a lot, both in the building, in the Pentagon, and also in OMB. When we finally worked our way through that in 2006 and did sub-

mit a proposal that was in the National Defense Authorization Bill, it was taken out last year.

Senator WARNER. Here in the Congress?

General Bell: Yes, sir, it was.

Senator WARNER. So again, it looks like the burden is on the Congress if this thing is to be straightened out.

General Bell: Well, we're going to try a different approach, not just with Congress, but to see if we can get a privatization effort going. That may work for us.

Senator WARNER. My last question, Mr. Chairman, relates to Australia. It's interesting that Australia is a nation that has participated with U.S. forces in every single international combat situation we've had since World War I. Am I correct on that, Admiral?

Admiral Keating: I believe you are, sir, yes.

Senator WARNER. Give us your own view now as to the—you've got a new Labour government in Australia, that has decided with respect to its continued participation in the coalition of operations in Iraq. Similarly, did the Australians indicate there would be any changes in the level and character of the Australian contribution to the NATO ISAF mission in Afghanistan? Bring us up to date on those?

Admiral Keating: We were in Australia 2 weeks ago, 3 weeks ago, Senator, for what's called the Australian ministerials. Their minister of defense, their chief of defense staff, our Secretary of Defense, our Secretary of State—it was in this case Secretary Negroponte—Admiral Mike Mullen and I representing the United States.

During the course of 2 days of discussions on a wide variety of topics, the Australians expressed their continued support for Operation Enduring Freedom, their drawdown of forces deployed, though not complete withdrawal of forces, in support of Operation Iraqi Freedom in Iraq. The theme that was unmistakable from our allies was a continued emphasis from them on fighting and winning the global war on terror, working carefully with us at Pacific Command on those countries that are closer to them that are less solid, that are very fragile, Timor, Papua New Guinea, Fiji, and the Solomon Islands foremost among them. They are working carefully with us, in collaboration with us, on their relations with Indonesia.

So I came away from that day and a half session reassured that the new government and the new policies were largely consistent with those of their predecessors and were in support of in particular U.S. Pacific Command's strategy and goals.

Senator WARNER. Thank you very much.

Mr. Chairman, my time is up, but I'd like to submit for the record a question on India. I'm not sure our record today has your full dissertation on the Indian-U.S. military to military cooperation. [The information referred to follows:] [COMMITTEE INSERT]

Admiral Keating: I'd be happy to take it. Thank you very much.

Chairman LEVIN. Thank you, Senator Warner.

Senator Lieberman?

Senator LIEBERMAN. Thanks, Mr. Chairman.

I take the opportunity on the second round, General, to do what I should have done on the first, which is to thank you for your service, not just in the time you've been in Korea, but over a distin-

guished career in the national interest, and I wish you the best in the next chapter.

Admiral Keating, as I hear you talk it strikes me again—and I think we appreciate it enough here, but that those of you who are regional commanders have a critically important diplomatic role as well as a military role, and that in many ways in an area as far-flung and diverse as the Pacific the Commander of the Pacific Command is really the face of America, with all the credibility of the American military behind them. So I thank you for all that you've done and all that those who serve with you have done.

I wanted to come back on this round just to ask you if you would comment on the current status of what has looked like a real breakthrough agreement with India on nuclear. That is, the U.S.-India civil nuclear agreement.

Admiral Keating: It had been—I'll try, Senator.

Senator LIEBERMAN. Yes. I set you up as a diplomatic authority before asking you the question.

Admiral Keating: While there in August—

Senator LIEBERMAN. I want to establish your credibility. But I actually meant what I said. It wasn't just for the purpose of asking this question.

Admiral Keating: I'll give it my best shot, sir. While there in August, those folks with whom I met expressed concern that they weren't able to get this over the goal line, the nuclear agreement.

Senator LIEBERMAN. Meaning within their political system?

Admiral Keating: Yes, sir. And some in sidebar conversations weren't just concerned, they were frustrated, that they think that this is very much to India's benefit as well as ours. They see a program of significant strategic benefit to them being all balled up in pure local politics. I don't think much has changed. I was in the State Department yesterday, Senator, and a relatively brief discussion indicated to me that it is, this program is still wrapped up in local politics. The folks with whom I discussed this at State are cautiously optimistic that there may be light at the end of the tunnel, if that's the right metaphor, but it is yet not a done deal. It is something that would indicate to us at Pacific Command passage of this bill would be a significant step forward in even better relations we enjoy with India. So we'd be anxious to see it improved.

Senator LIEBERMAN. Yes, I agree. I think it's a significant development in our bilateral relationship.

If I'm correct, in the last few weeks Secretary Nicholas Burns made a statement to a newspaper in India that he thought that China would accept, if you will, if not endorse, the U.S.-India nuclear agreement. I wonder if you could comment, if you have any knowledge, on what, not just China, but what the reaction in the region has been thus far to the proposed nuclear agreement with India?

Admiral Keating: Almost no discussion with me in any country, including China, Senator. I'm sure they're watching it, but there's been no demonstration.

Senator LIEBERMAN. So that's important. In other words, nobody in your various travels around the region has raised the question with you?

Admiral Keating: Zero.

Senator LIEBERMAN. Needless to say, they're not objecting. Thank you very much. Thanks to both of you.

Thank you, Mr. Chairman.

Thank you, Senator Lieberman.

What is the status of the Six Party Talks, General?

General Bell: The Six Party Talks are still ongoing and there is still optimism. Physically, what's happened is that we expected a declaration by the North Koreans by 31 December of their full nuclear program laydown, including anything about their highly enriched uranium program. That was not forthcoming on time with our negotiators.

So what we are doing now is continuing—I say “we”; of course, it's being led by our State Department. What we're doing now is attempting to get the North Koreans to fully comply with their agreement, and that was during phase two to provide us with a complete list of their nuclear programs, including HEU programs. I'm still optimistic. I watch the North Koreans closely. They are still disabling the Yongbyon reactor. There are somewhere in the vicinity of 8,000 uranium rods in that reactor and they are extracting about 30 a day from the reactor and moving them to a cooling tank, and they've not stopped doing that.

Chairman LEVIN. What percentage of the rods have been moved?

General Bell: About 25 percent, Senator, around 2,000 of the 8,000.

Chairman LEVIN. At the rate they're doing it, would that be completed by when?

General Bell: About August, which is a lot later than we had hoped for. But they're still doing it. It's actually happening.

Chairman LEVIN. What happens if at the end of the day they just simply say they don't have, never did have an HEU program?

General Bell: Well, I'm not certain that they will say that, but they may. We have a lot of evidence, both in public record—I mean, you can go back to '05 when the president of Pakistan in a news conference articulated that A.Q. Khan had passed on to the North Koreans 12 centrifuges. There is some other classified evidence perhaps that our community is concerned about, that I have not been privy to.

But we want a clear declaration. I think, based on what they say, if they'll just provide it to us, we can make a judgment about whether to accept that or whether to draw a hard line.

Chairman LEVIN. General, you made reference to the South Koreans contributing resources to our presence in South Korea.

General Bell: Yes, sir.

Chairman LEVIN. Give us some idea of the cost to South Korea each year of that contribution to our presence, if you have a number?

General Bell: They pay about a third of our operations and maintenance costs. We call them bureaucratically “non-personnel stationing costs.” In other words, really all the sustainment money. Our sustainment requirements are in excess of \$2 billion a year. They paid this year \$787 million in cash to us to assist in sustainment, payment of local national labor and a percentage towards military construction.

Frankly, the majority, a significant majority, of the military construction I do in the Republic of Korea is through this burden-sharing account that we have. So it's not where I want it. I believe that they could contribute more and I've been relatively vocal about that. But they are contributing significantly and I think it's very positive.

Chairman LEVIN. By the way, I want to share Senator Warner's thoughts in terms of their taking command. It has been delayed. 63 percent of the people you say in South Korea want us to stay even after that command is shifted? I believe that was the statistic.

General Bell: I think it's 68.

Chairman LEVIN. 68 percent.

General Bell: Well, sir, that's even if the North Korea problem is solved.

Chairman LEVIN. Even if that problem is solved.

General Bell: 75 percent want us to stay even if that command shift happens.

Chairman LEVIN. Thank you for that clarification.

But what that means is that they're happy with us to basically not only stay, but to continue in our present situation. They are not pressing us for a shift in command, apparently; we're pressing them; is that true?

General Bell: Senator, I don't think that's true.

Chairman LEVIN. Well then, why hasn't it been shifted?

General Bell: Well, we do have a plan that we both signed up to. It's very detailed. It's called a Strategic Transition Plan. I do believe we got to that plan later in our evolution with the Republic of Korea than we should have. But when we signed that plan last year it was a firm commitment by both nations for them to take operational control of their military in wartime in 2012.

So I believe we could have done this earlier effectively. I've said that many times, sir, even on the record here. But we do have a good plan now. Both nations are signed up for it, and the South Koreans are very much working hard. They're spending money. They're producing enormous energy. They're exercising with us now.

I will just conclude by telling you that in August of this year we will conduct an exercise where we attempt to separate the commands into a leading North—I mean, South Korean command—we're calling it Joint Forces Command—with the United States in a supporting role, and we'll try that out for the first time. Then we'll take the lessons learned and we'll try it again later. So this is making substantial progress.

Chairman LEVIN. Had there been a firm commitment to do this by '09?

General Bell: There was never a commitment to do it by '09, no, sir, there was not.

Chairman LEVIN. Just a discussion to do that?

General Bell: I was proposing that, yes, sir.

Chairman LEVIN. We want to again thank you both. Particularly we'll single you out, General Bell, because of your shift.

General Bell: Thank you.

Chairman LEVIN. Do you know what you're going to be doing after the change of command?

General Bell: Yes, sir.

Chairman LEVIN. I don't want to pry into your personal plans.

General Bell: I'd like to put it on the record. I have an appointment with a trout in the Smokey Mountains, and he or she and I have an arrangement to work out.

Chairman LEVIN. Can you tell us the approximate length of that trout? My hunch is it's probably that big [indicating].

General Bell: It doesn't matter, and I will return that trout alive to those waters. I don't kill trout.

Chairman LEVIN. Well, you've been a terrific asset to our country and to our Nation.

Admiral, we feel the same about you, but you've still got a little longer tour of duty ahead of you.

Admiral Keating: My hair is not quite white enough yet, sir.

Chairman LEVIN. We are grateful to both of you for your service. Thank you.

[Whereupon, at 11:41 a.m., the hearing was adjourned.]