

**HEARING TO RECEIVE TESTIMONY ON U.S.  
PACIFIC COMMAND AND U.S. TRANSPORTATION  
COMMAND IN REVIEW OF THE DEFENSE  
AUTHORIZATION REQUEST FOR FISCAL  
YEAR 2013 AND THE FUTURE YEARS  
DEFENSE PROGRAM**

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**TUESDAY, FEBRUARY 28, 2012**

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

The committee met, pursuant to notice, at 9:34 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Webb, Hagan, Blumenthal, Inhofe, Chambliss, Wicker, Brown, Ayotte, and Cornyn.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Jason W. Maroney, counsel; Roy F. Phillips, professional staff member; and Russell L. Shaffer, counsel.

Minority staff members present: Ann E. Sauer, minority staff director; Adam J. Barker, professional staff member; Pablo E. Carrillo, minority investigative counsel; Paul C. Hutton IV, professional staff member; Daniel A. Lerner, professional staff member; Lucian L. Niemeyer, professional staff member; and Diana G. Tabler, professional staff member.

Staff assistants present: Kathleen A. Kulenkampff, Brian F. Sebold, and Bradley S. Watson.

Committee members' assistants present: Brian Burton, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Nick Ikeda, assistant to Senator Akaka; Gordon Peterson, assistant to Senator Webb; Patrick Hayes, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Ethan Saxon, assistant to Senator Blumenthal; Anthony Lazarski, assistant to Senator Inhofe; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; William Wright, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; and Dave Hanke, assistant to Senator Cornyn.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. Today we receive testimony on the posture of U.S. forces in the Asia Pacific and the status of the U.S. military strategic global distribution and deployment capabilities.

On behalf of the committee, I'd like to welcome Admiral Bob Willard, Commander, U.S. Pacific Command, and General William Fraser, Commander of the U.S. Transportation Command. The committee appreciates your years of faithful service and the many sacrifices that you and your families make for our Nation. Likewise, we greatly appreciate the service of the men and women, military and civilian, who serve with you in your commands. Please convey to them our admiration and our appreciation for their selfless dedication.

Admiral Willard, this will be in all likelihood your last hearing before this committee after a full and productive tour as commander of our forces in the Pacific. On behalf of the Senate Armed Services Committee, I'd like to thank you for your service and your leadership in this important assignment.

Before and beyond that, your decades of selfless and devoted service to our Nation included assignments as commander of the United States Pacific Fleet, Vice Chief of Naval Operations, commander of the U.S. Seventh Fleet, and commanding officer of the air carrier USS *Abraham Lincoln*.

I note that your wife Donna is here this morning, as she's been with us in past hearings. I'd also like to especially thank her for her many contributions and sacrifices. We all know very well the importance of our military families to the success of our armed forces and we wish you both and the entire Willard family the very best in the future.

This is General Fraser's first hearing as Commander of Transportation Command. As we heard from the Secretary of Defense and the Chairman of the Joint Chiefs of Staff earlier this month, the President's recently unveiled defense strategic guidance includes a reemphasis on the Asia Pacific, a region that is impacted by what has been called the tyranny of distance, which puts a premium on the capabilities provided by the Transportation Command, capabilities that have been stressed and honed over more than ten years of military operations in Iraq and Afghanistan. So we also look forward to General Fraser's testimony on the status of Transportation Command and its important global mission.

Relative to the Asia Pacific, the United States has been and will continue to be present and active in the region because of our commitments to our allies and our partners and also because of the clear U.S. national interests there. The leadership change in North Korea occasioned by the recent death of long-time dictator Kim Jong Il opens new questions about possible future threats from an oppressive regime that has shown little in cooperating with the international community and little concern for the wellbeing of its people.

We are mindful that the security situation on the Korean Peninsula remains tense and as of yet there are no indications that the situation will improve under the new regime. North Korea continues to pursue its nuclear and ballistic missile programs and,

with its history of deadly unprovoked military attacks on South Korea, there is little reason for optimism for a prompt resolution of the tensions on the peninsula. In fact, over the weekend North Korea issued its usual threats in response to the military training exercises conducted by the United States and South Korea every year at this time.

China's rising and global influence and rapid military growth, coupled with the overbreadth of its claims in the South China Sea and the East China Sea and its increasing propensity for challenging conflicting claims of its regional neighbors, unsettles the region and raises concerns about the prospects for miscalculation. There are also growing concerns about China's exploration of cyber space for military and for nonmilitary purposes, such as the use of the Internet by Chinese entities to conduct corporate espionage. In the current National Defense Authorization Act, we acted against counterfeit electronic parts in defense systems, most of which came from China. Nonetheless, it is important that we continue efforts to engage with the People's Liberation Army and to attempt to find common ground and to address common concerns.

There are many other challenges facing PACOM, such as preventing the proliferation of weapons of mass destruction, countering violent extremism, providing humanitarian assistance and disaster relief, and protecting critical sea lanes of communication.

Against the backdrop of these developments, the Defense Department has been working to realign U.S. military forces in countries like South Korea and Japan and also to posture our forces further to the south in countries like Australia, Singapore, and possibly the Philippines. As we rebalance and realign our presence in the Asia Pacific, it is important that we get it right in terms of strategy, but also in terms of sustainability.

With respect to realignment of U.S. Marines on Okinawa, for example, Senator McCain, Senator Webb, and I have advocated changes to the current plan in ways that support the strategic goals of the U.S. military posture in the region, while also accounting for the fiscal, political, and diplomatic realities associated with long-term sustainability. The recent announcement that the United States and Japan are reconsidering elements of the plan is welcome news. But the new thinking is not yet adequate.

For instance, there is apparently no intention yet to reconsider the plan to build the unaffordable Futenma Replacement Facility at Camp Schwab on Okinawa. Nor does it appear that the Air Force bases in the region are being considered as part of the solution. It is important that any changes be jointly agreed upon and jointly announced, with the goal of achieving a more viable and sustainable U.S. presence in Japan and on Guam.

So, Admiral, we will look forward to your testimony on our strategy in your area of responsibility and how the fiscal year 2013 budget request adequately addresses the threats that you face and how it reflects the reemphasis on the Asia Pacific.

General Fraser, we know that things have been busy for you as well ever since you assumed your job at TRANSCOM. TRANSCOM continues to play a vital role in transporting our military men and women and the supplies and equipment that they need to Afghanistan and other overseas contingency operations. In carrying out

this mission, TRANSCOM faces numerous challenges, including uncertain lines of supply due to the disruption or closure of routes through Pakistan. TRANSCOM has successfully shifted much of the delivery of non-lethal supplies and equipment headed for Afghanistan to the Northern Distribution Network through Eastern Europe, the Caucasus, and Central Asia.

During the past year TRANSCOM forces were involved in supporting forces engaged in operations in Libya and humanitarian relief efforts such as those supporting victims of the Japanese earthquake and tsunami. We applaud all of these efforts.

With the drawdown of U.S. surge force and further reductions of U.S. forces in Afghanistan through 2014, TRANSCOM now faces the daunting task of managing the redeployment home of these forces and their equipment. We know that TRANSCOM has performed commendably in managing the removal of millions of pieces of equipment from Iraq by the December 31, 2011, deadline, consistent with the U.S. obligations under the U.S.-Iraq strategic agreement and we would be interested, General, in learning how the lessons learned from the withdrawal from Iraq inform TRANSCOM's planning and operations as U.S. forces are drawn down in Afghanistan.

A number of other issues confront TRANSCOM. One is modernizing the force. One acquisition program supporting TRANSCOM has received a lot of visibility and that's the Strategic Tanker Modernization Program. There have been indications that the contractor may overrun the original development contract price, which we will discuss with the Air Force at the Air Force posture hearing later this month.

TRANSCOM has received congressional additions to the budget to buy C-17 aircraft in excess of what the DOD and TRANSCOM said were needed to support wartime requirements. Last year, the Air Force was granted authority to retire additional C-5A aircraft as it was taking delivery of those added C-17s. This year the Air Force is seeking authorization to retire all remaining C-5A aircraft because they believe that they do not need the extra aircraft under the new DOD strategic planning assumptions and that they cannot afford to operate them.

We need to be sure that the Air Force's planned retirements do not leave us short of the strategic lift capability that we need, and General Fraser can speak to that issue.

TRANSCOM is also facing other, less well known modernization challenges. The Ready Reserve Force, the RRF, a group of cargo ships held in readiness by the Maritime Administration, is aging and will need to be modernized with newer ships at some point in the not too distant future. Sealift may not be quite as glamorous as airlift operations, but sealift support is critical to our Nation's capabilities. We have relied on sealift to deliver more than 90 percent of the cargo to Iraq and Afghanistan, and that is similar to previous contingencies.

So, Admiral, General, it's a pleasure to have you with us this morning. We look forward to your testimony on these and other challenging topics; and I now call on Senator Inhofe.

**STATEMENT OF SENATOR JAMES M. INHOFE**

Senator INHOFE. Thank you, Mr. Chairman, and thank you, Admiral Willard and General Fraser, for your selfless service for so many years and your always willingness to cooperate and have personal conversations. Thank you so much.

Admiral Willard, I agree with everything you wrote in your final assessment of the strategic environment in the Asia Pacific region and its significance to the U.S. security. However, I am concerned about what appears to me to be a shift in focus to Asia and to the Pacific. The United States is a global power. We have global threats out there and we need to be on all fronts. History has taught this Nation that it can't ignore its global responsibilities and threats.

I am deeply concerned about the proposed \$487 billion cut in defense in the next ten years. When you stop and think about it, the possibility of sequestration could double that amount. It's very disturbing to me. I think these cuts jeopardize reset of equipment and delays modification and maintenance of key equipment, cuts overall research and development, and delays modernization, and increases the burden on a shrinking military force.

Our military must possess the ability to deter aggression and, if required, aggressively defeat any threat against our citizens at home and around the world. Both TRANSCOM and PACOM are essential elements to our national defense strategy and must be manned, equipped, and maintained to ensure our national interests throughout the world.

In PACOM's AOR, I am increasingly concerned about North Korea and the rising power in China, both economically and militarily. North Korea has historically proved difficult for the intelligence community to gather information. I will have some specific questions about that, some of the things that have happened in the past, and I want to get your assurance as to where we're going to be going in the future. We're obligated by law to support Taiwan. We all want to do that anyway. We've got to continue to sell advanced military equipment to ensure their safety and security.

General Fraser, your statement portrays a very active supporting commander role. TRANSCOM and its components—the Air Mobility Command and the Military Sealift Command—have accelerated the redeployment of over 60,000 troops from Iraq and Afghanistan. It continues to provide logistical support to Afghanistan forces and continues to deploy and redeploy troops and cargo worldwide, supported military operations in Libya and delivered relief support in response to natural disasters at home and around the world. No other country could provide such in-depth support anywhere.

While President Obama's 2013 budget submission represents a snapshot of the services' overall requirements, it also raises several questions about our military airlift and sealift programs. Is the Air Force taking appropriate action to mitigate the potential gap in airlift and the operational implications of that gap? What is the risk in TRANSCOM's ability along with its maritime component, Military Sealift Command, to provide logistics around the globe in response to the combatant commanders' requirements? How does the proposed force structure cut fit with the findings of the mobility, capabilities, and requirements study of 2016, written in 2009?

Given the current climate for fiscal austerity, we've got to do our part in executing our jobs more efficiently. It's very disturbing to a lot of us that when we have the President's—now that all the results are in on his budget, that he's actually given us this \$5.3 trillion deficit and the only area that I can see where we've had reductions in capability and in funding are in the area of military. So it's something that's very disturbing to me. I know in these hearings it's kind of hard to get down to these things, but I do enjoy the personal conversations and the concern that's been expressed by a lot of our military that I run into here as well as abroad with what's happening to our military right now.

So I'm looking forward to this hearing, Mr. Chairman. Thank you.

[The prepared statement of Senator Inhofe follows:]

[COMMITTEE INSERT]

Chairman LEVIN. Thank you very much, Senator Inhofe. Admiral.

**STATEMENT OF ADM ROBERT F. WILLARD, USN, COMMANDER,  
U.S. PACIFIC COMMAND**

Admiral WILLARD. Thank you, Chairman Levin. Mr. Chairman, in order to accommodate the committee's questions sooner, I'll keep my remarks brief and ask that my full statement be included for the record.

Chairman LEVIN. It will be. All statements will be included.

Admiral WILLARD. Chairman Levin, Senator Inhofe: Thank you for this opportunity to appear before you to discuss U.S. Pacific Command and the Asia Pacific region. I'd like to begin by thanking you for recognizing my wife Donna, who's present here today and has been by my side for nearly 38 years. She's an outstanding ambassador for our Nation and a tireless advocate for the men and women of our military and their families. Together we've thoroughly enjoyed this experience with our counterpart foreign friends and with all of you who advocate for our men and women in uniform.

I'd like to acknowledge this committee's enduring support for our joint forces and by your actions their contribution to our Nation's security. Your visits to the region have been and will continue to be an important reminder of U.S. interests there.

President Obama and Secretary of Defense Panetta recently reaffirmed the strategic importance of the Asia Pacific region and our Nation's future focus on its security challenges in the document entitled "Sustaining U.S. Global Leadership, Priorities for the 21st Century Defense." It appropriately addressed the opportunities and challenges that PACOM faces in a region covering half the world and containing the majority of great powers, economies, populations, and militaries.

Importantly, our five treaty allies, Australia, Japan, South Korea, Republic of the Philippines, and Thailand, together with many regional partners, represent the greatest opportunities for the United States and Pacific Command to contribute to a broad security association in the region. Of particular note, we seek to advance our important relationship with India in South Asia.

We're making progress in adjusting PACOM's force posture towards Southeast Asia following overtures from Australia, Singapore, and the Philippines to help enable an increased rotational U.S. military presence in this important sub-region.

As was evidenced by United States support to Japan during their epic triple disaster last March, close military cooperation, frequent exercises, and interoperable systems merged to enable rapid and effective combined military responses under the most trying conditions.

In contrast, North Korea, the world's only remaining Nation divided by armistice, continues to threaten peace and security in northeast Asia, now under the leadership of a 29-year-old son of Kim Jong Il. We're observing closely for signs of instability or evidence that the leadership transition is faltering. As General Thurman will attest when he testifies, we believe Kim Jong Eun to be tightly surrounded by KGI associates and for the time being the succession appears to be on course. That said, we also believe KJU will continue to pursue his father's course of strategy that embraces nuclearization, missile development, WMD proliferation, provocations, and totalitarian control over North Korean society.

Management of the China relationship continues to be a challenge at many levels. Our military to military relationship is not where it should be, although a strategic-level exchange of views with DOD persisted during 2011. The PLA continues to advance its military capabilities at an impressive rate. It's growing bolder with regard to their expanded regional and global presence, and China continues to challenge the United States and our partners in the region in the maritime, cyber, and space domains. Nonetheless, we remain committed to evolving this security relationship, with the objective of coexisting peacefully and both contributing constructively to regional security.

Throughout the Asia Pacific, numerous transnational threats such as violent extremist organizations, proliferation, trafficking, piracy, and perpetual natural and manmade disasters challenge our Nation and our allies and partners in the region. Across this wide spectrum of current and potential future threats, PACOM must provide persistent overwatch, ensuring our Nation retains continued strategic access and freedom of movement in the global commons there.

Amidst these challenges, every day our soldiers, sailors, airmen, marines, and civilians devote their efforts to contributing to Asia Pacific security. Their success has long been enabled by this committee's enduring support, including the resources and quality of life you provide them to accomplish their important missions.

During the 2-1/2 years that I've been in command, you've allowed me and my commanders to share our perspectives with you, sought to understand the dynamics of this complex region, and traveled and met with our military families and foreign partners. Yours has been a powerful message in demonstration of United States commitment to the 36 nations within the PACOM AOR. On behalf of the more than 330,000 men and women of the United States Pacific Command, thank you for your support and for this opportunity to testify one final time.

I look forward to your questions.

[The prepared statement of Admiral Willard follows:]

Chairman LEVIN. Thank you so much, Admiral. Thanks for your statement and for again all you and your family have done for this Nation.

General Fraser.

**STATEMENT OF GEN. WILLIAM M. FRASER III, USAF,  
COMMANDER, U.S. TRANSPORTATION COMMAND**

General FRASER. Chairman Levin, Senator Inhofe, and distinguished members of this committee: It is indeed my distinct privilege to be here with you today representing the United States Transportation Command. We are a total force team of approximately 150,000 men and women, military and civilian, dedicated to deploying, sustaining, and then returning home our Nation's most precious resource, our men and women in uniform. United States Transportation Command is a lean, dynamic organization which plays a critical role in supporting our joint force around the world.

Today I am privileged to be here with my good friend Admiral Bob Willard, the Commander, U.S. Pacific Command, whom I've had the honor of partnering with closely over many years. As has already been mentioned, I know Admiral Willard will be retiring in the near future and I would publicly like to personally thank him for his many years of dedicated service to our Nation and his wife's continued sacrifices and dedication also. Sir, it has been indeed an honor and a privilege to serve with you.

During 2011, U.S. Transportation Command added a new command, the Joint Enabling Capabilities Command led by Rear Admiral Scott Stearney, to our component command leadership team, which is comprised of Air Mobility Command, led by General Ray Johns, Military Sealift Command, led by Rear Admiral Mark Buzby, and the Surface Deployment and Distribution Command, led by Major General Kevin Leonard.

Over the last month I have witnessed firsthand the spirit and ingenuity of our subordinate commands during my travels throughout the United States, Afghanistan, Central Asia, the Pacific, and Antarctica, just to name a few. This past year has been particularly challenging as our team of Active Duty Guard, Reserve, civil servants, merchant mariners, and commercial partners maintain an unusually high operations tempo, supporting combat operations, sustainment efforts, humanitarian relief, and crisis action responses both at home and abroad.

These efforts from the evacuation in Japan following the devastating earthquake and tsunami, to supporting the warfighter in Afghanistan, to our withdrawal from Iraq at the end of 2011, were made possible by the amazing U.S. Transportation Command professionals, who are committed to ensuring our joint force maintains global logistics dominance.

As we now enter a very challenging fiscal environment focusing on capabilities needed for the 21st century, as defined in the President's defense strategy, our challenge is to continue to find fiscally responsible efficiencies to deliver the required capability. The U.S. Transportation Command strongly supports this transition and will remain focused on supporting our forces around the world. This will not be an easy task. The new strategic guidance requires a

military that is smaller and leaner, while at the same time being more agile, flexible, and ready.

Having an integrated distribution system will be an important part to our Nation, and U.S. Transportation Command will meet these challenges of this new environment. We will continue to build our relationships with the interagency, our other nongovernmental organizations, commercial, and international partners. Together we will ensure our Nation's ability to project national military power and be able to confront other national challenges any time and anywhere.

Since taking command last fall, I've been amazed to see the unique capabilities that are inherent in the command. I could not be prouder of the U.S. Transportation Command team and our partners. No one in the world can match our Nation's deployment and distribution capability. The foundation of this enterprise is the enthusiasm, the dedication, and efficiency of the U.S. Transportation Command team.

Chairman Levin, Senator Inhofe, and all the members of this committee: I want to thank you for your continued superb support of the U.S. Transportation Command and of all of our men and women in uniform. I am grateful for the opportunity to appear before this committee today and I ask that my written statement be submitted for the record. I now look forward to your questions.

Thank you.

[The prepared statement of General Fraser follows:]

Chairman LEVIN. Thank you so much, General.

Let's try a first round of 7 minutes. We've got pretty good attendance, so we probably won't have time for a second round.

Admiral, let me start with you. The United States and Japan are reconsidering certain terms of the 2006 road map agreement to move U.S. marines off of Okinawa. Specifically, we apparently now have agreed to de-link the movement of 8,000 marines off Okinawa from the development of a Futenma Replacement Facility. However, the plan to build the replacement facility at Camp Schwab apparently still remains unchanged.

As you know, Senators McCain and Webb and I believe that the plan to build that replacement facility at Camp Schwab is unrealistic and is unworkable and is unaffordable. Earlier this week the Japanese prime minister met with the governor of Okinawa and the governor apparently has reiterated his opposition to that replacement facility plan and has repeated his call for the airfield to be located outside of Okinawa.

So it seems clear that we need an alternative to the plan to build a replacement facility at Camp Schwab. Otherwise the current Futenma Air Station is going to stay open and operational for the foreseeable future.

Now, in the defense authorization bill we have a number of requirements relative to this issue that will need to be met before any funds, including funds that are provided by the Government of Japan, may be obligated or expended to implement realignment. There is a Marine Corps Commandant's submission of a report of his preferred force laydown. There's a requirement that we see a master plan for the construction of the facilities and infrastructure necessary to implement the Commandant's preferred force

laydown. We need a certification by the Secretary of Defense that tangible progress has been made on the replacement facility, and a number of other requirements.

Are you participating or have you participated in those, in meeting those requirements that are laid out in our defense authorization bill?

Admiral WILLARD. We are participating, yes.

Chairman LEVIN. In each of them?

Admiral WILLARD. Yes.

Chairman LEVIN. Do you know how far along they are? When do we expect that that will be filed with us?

Admiral WILLARD. I don't have a date for you, Senator. I can tell you that the deliberations have been continuous. In fact, before those conditions were laid down to the Pentagon we were offering a variety of options to the Secretary as events in the Okinawa area were stalled over the past couple of years. So Pacific Command has been involved in sharing about 25 options into the Pentagon over time and the preferred laydown that you refer to is one of those. So we are very much engaged and will continue to assist in determining the final answers to your questions. Obviously, the Japanese get a vote in this in terms of progress.

Chairman LEVIN. Right. Whatever we do, we intend to do jointly with the Japanese, and that's an important part of our intent.

Relative to China, you've testified a bit on the growth of the Chinese military. What do you expect the effect of the administration's refocus on Asia to be on China's military growth and posture in the region?

Admiral WILLARD. We've not seen China's military growth affected by the announcement, nor do we expect it to be. It has continued relatively unabated. The Chinese are obviously very interested in the statement that the United States intends to focus on the Asia Pacific region. I think they see themselves in that statement, perception or not, and will continue to observe very closely for the actions that the United States takes to back up those words.

Chairman LEVIN. Admiral, you've made reference to the strategic guidance that was released by the administration recently. Do you support that new strategy?

Admiral WILLARD. I do.

Chairman LEVIN. Are you satisfied that the fiscal year 2013 budget supports that new strategy?

Admiral WILLARD. I do. As we look at the budget submission, the strategy establishes global priorities. The budget establishes force structure in terms of acquisitions across the services. How that acquisition strategy is applied to the strategic priorities globally will in effect answer the strategy or not. So this is about the application of what we buy, I think, more than anything.

Chairman LEVIN. Admiral, you have I believe indicated that you support the United States becoming a party to the Convention on the Law of the Sea. I would like to press you, because this is your last hearing before us, a bit more on that. Can you tell us whether in your judgment joining this treaty, this convention, will support our military operations in the Asia Pacific and whether not being a party to that convention disadvantages the United States?

Admiral WILLARD. Thank you, chairman. I think it's a great question and timely. I do think that not being a signator disadvantages the United States in a particular way. I would offer that since 1994 the U.S. Armed Forces have been adhering to the legal framework that is consistent with the United Nations Convention for Law of the Sea, and we continue to, and we continue to share UNCLOS issues and debate UNCLOS legal definitions with our counterparts throughout the Asia Pacific.

Chairman LEVIN. And "UNCLOS" is Law of the Sea?

Admiral WILLARD. Law of the Sea.

What the United States doesn't have as a non-signator is a seat at the table when the convention is debated or as the convention evolves by the various countries that have ratified it. I think it's important that the United States have a seat at that table. At the end of the day we believe that the elements that caused the convention to be set aside in the 1980s, generally in the area of the commercial-related articles within it, have all been corrected and should at this point be candidate for ratification. And we, again because the UN Convention for Law of the Sea is so important as a framework for determining the actions that all nations take in the maritime domain around the world, we believe strongly that the United States must have a voice in this and a seat at the table when we debate UNCLOS in the future.

Chairman LEVIN. And does China have a seat at the table?

Admiral WILLARD. They do.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

First let me just respond to the last line of questioning. I want to make sure our witnesses know that I'm probably not the only one at this side at the table here who disagrees with the administration's position on the Law of the Sea Treaty. In fact, I'd like to make a formal request, and I will do so in writing, Mr. Chairman, that we actually have a hearing on this treaty. I think that would be very appropriate to have.

I know that about 10 years ago we had 2 hearings, one by this committee and the other by the Environment and Public Works Committee that I was chairing at that time. But I won't get into that now.

I would like to have you send me something for the record, Admiral, as to what specific things have changed since the 1980s, actually in two shifts, since the 1980s and the 1990s, that changed our—should change our position on Law of the Sea Treaty, if you would do that for the record.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator INHOFE. Admiral Willard, I have always been concerned about the quality of our intelligence on North Korea. There's always been a lot of surprises there. I won't repeat the detail: my observation back in August 24, 1998, when we asked the question how long it would be until North Korea would pose an ICBM threat and they were talking about around 3 to 5 years, and it was 7 days later, on August 31, 1998, that they actually did fire one. It was a Taepodong 1.

I'm concerned about their progress now and the three-stage rocket that they actually were able to launch in 2009. So I guess I'd just ask you, are you satisfied with the quality of the intelligence we're getting on North Korea?

Admiral WILLARD. Senator, we know a great deal about the various structures in North Korea, including the efforts they're making to nuclearize and develop ballistic missile delivery capabilities. That said, there is never perfect information with regard to North Korea in virtually any area.

I'm also satisfied with the emphasis that's being placed on North Korea, given the importance of what you've suggested, and the efforts specifically by the entire intelligence federation to provide me the kind of information that we require to track North Korea developments day to day.

Senator INHOFE. Okay, I think that's significant.

In terms of the 29-year-old replacement for Kim Jong Il, my impression is that it's just more of the same and perhaps not really going to be a major change in terms of decisionmaking. What is your opinion of Kim Jong Eun?

Admiral WILLARD. We think that in general he's a Kim and he's surrounded by—

Senator INHOFE. He's a Kim, yes.

Admiral WILLARD. He's surrounded by an uncle and Kim Jong Il's sister and others that I think are guiding his actions. So in that sense we would expect, as you suggest, more of the same. The strategy has been successful through two generations. It wouldn't surprise us to see an effort to make the strategy work for a third.

That said, he's a young man and relatively untested and those around him may have some differences of opinion regarding the direction that North Korea heads. So we are interested in seeing whether or not the influence of a treaty ally like China or the direction that they take in various security areas, including proliferation and nuclearization.

Senator INHOFE. All right, I appreciate it. I'm going to ask you something about what you said on China, but first I want to ask General Fraser.

As you know, I've had a particular interest in Africa and AFRICOM for quite some period of time. I'd like to ask you, what type of support is TRANSCOM able to give AFRICOM in their AOR today?

General FRASER. Thank you, Senator. As we look to AFRICOM, we've managed to meet all their requests and their requirements. That has come in the form of support to the Libyan operations and we were able to provide both lift and tanker support. They had follow-on requests for Libya, which we provided some support for. We sailed in some ships to provide equipment into Libya. That's one form. We still provide support also to the Combined Joint Task Force for the Horn of Africa, meeting those requirements.

But also our new command, the Joint Enabling Capabilities Command, has had several requests for our planners. So Admiral Starney and his folks have moved forward to help out General Hamm in some of his planning that he's been doing. So we have not failed to meet any of the requests with AFRICOM.

Senator INHOFE. Is it your opinion that AFRICOM is getting adequate resources to carry out the mission?

General FRASER. Yes, sir, it is.

Senator INHOFE. If you find that it's not, if you'd let us know it would be very helpful.

Getting back to something that maybe I misunderstood you, in terms of China's buildup, we know what it's been in the last, an average of what, 18.75 percent a year now. I remember back during the Clinton administration when they were even more aggressive than that. Did I understand you to say that you don't witness the growth in their capabilities or you do? Would you clarify your statement as to your observation as to what China's threat is and capabilities?

Admiral WILLARD. I think I tried to characterize it as growth unabated, so they continue to advance their capabilities and capacities in virtually all areas.

Senator INHOFE. In all areas. That's something significant because it's conventional forces, and then they seem to be having it all. I look at that as a great threat. I would recommend that—I remember back early on when I was first elected. Actually, that was over on the House side. There was a book by Anthony Kubeck called "Modernizing China." I don't know whether you've ever read it or not, but I think anyone who is dealing with China and Taiwan, it would be worthwhile reading that.

Let me ask you, just for your—do you still feel the same way about my favorite programs, 1206, 1207, 1208, IMET and these programs?

Admiral WILLARD. We do, very strongly, Senator. Thank you. 1206 in particular because of the work that we're doing with the Philippines and others in counter-terror has been very helpful, and we continue to rely very heavily on those funds.

I would just comment that IMET we think is a most powerful tool in terms of exposing our foreign counterparts not only to U.S. education, military education and standards and values, but also in bringing the Nations, the allies and partners together in the region as alumni. So these are very, very important programs as it relates to strengthening our allies.

Senator INHOFE. That IMET program has been so successful in our change in focus so that we recognize we're not doing them the favor, really they're doing us the favor. Once an allegiance, a close relationship, is established, it stays forever.

Admiral WILLARD. I agree.

Senator INHOFE. Yes, sir.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks, Admiral Willard and General Fraser, for your service.

Admiral, thanks for all your years of service, and to your wife also. You've really given great service to our country and great leadership in the years in which I've come to know you through my membership on this committee. I must say that I've been impressed over the years that you've not only proven yourself to be an exceptional military leader, but I think you've always had an

ability, while carrying out the details of your military responsibilities, to see the larger picture in which you and the U.S. have been operating, and I've always found my conversations with you to be very instructive.

So I appreciate that very much and wish you the best in your next chapter.

Admiral WILLARD. Thank you.

Senator LIEBERMAN. So let me maybe begin, having said that, with a larger picture statement and question, which is that in the travels over the last year that I've been able to do in the Pacific, in the area of responsibility of the Pacific Command, and meeting people here as they come from the region, it strikes me that this rebalancing of our foreign and military policy toward the Asia Pacific is not just an initiative on our part in pursuit of our economic and security interests, but it is really a reaction to a kind of demand from within the region that we be more involved.

It's striking, I think, and perhaps not appreciated enough by people around the country, at a time when I think there's a lot of concern about America being in decline, America the unpopular, that not only among the more traditional allies has our relationship grown stronger, but that there are whole new groups of countries there that are seeking stronger relations with us, such as Vietnam and Myanmar, for instance.

So I wanted to ask you at the beginning if you agree that that's the case and, if so, why? Is it just about fear of China and the hope that we will balance, balance China really, as part of our rebalancing? Or is there more to it than that?

Admiral WILLARD. Thank you. I do agree with your statement, and I think I've testified in the past, the amount of encouragement that has come from the region, from virtually all the actors in the region, with regard to their desire for U.S. staying power and influence in the region and increased engagement.

There was a perception over the course of the last decade of warfare that our presence in the Asia Pacific region was diminished, and in fact our ground force presence was decremented by about 10 percent as we in Pacific Command rotated forces in and out of the theater of wars over the past 10 years. But our ship presence, our aircraft presence, was maintained relatively steady, albeit working the ships and airplanes hard to do it. So we've maintained a presence, but there was a sense in the region that the U.S. commitment to the region had been somewhat diminished for a variety of reasons.

I think that refrain has not stopped. I don't think it's just about China. I do think that the fact that China has advanced its military capacities to the extent that it has certainly is one element of that. But I think there has been a desire, a strong desire in the Asia Pacific region, continuously for U.S. engagement economically and otherwise. And I think they regard a U.S. presence there as unquestionably contributing to the security and stability of the Asia Pacific region.

It's not lost on anyone that for nearly the past six decades we've enjoyed relative security and growing prosperity.

Senator LIEBERMAN. Right.

Admiral WILLARD. So I think there's a desire for U.S. engagement regardless, and certainly there is, I think, a great deal of optimism in the region as a consequence of the recent announcements that have been made.

Senator LIEBERMAN. And that in fact the role that America has played in providing stability and security in the Asia Pacific region over the last six decades, as you've said, has been one of the pre-conditions of the enormous growth and prosperity in the region over that time.

Admiral WILLARD. Absolutely.

Senator LIEBERMAN. Is it fair to also say that part of what draws a lot of people and countries in the Asia Pacific toward us may well be our form of government, that during this period of time not only has there been an economic prosperity growing in the Asia Pacific, but democracy has expanded as well?

Admiral WILLARD. It has. I think when you look at countries like India and the engagement that's ongoing between the United States and India; Indonesia, which has a relatively nascent democracy, that has been very successful, and its desire for increased engagement with the United States, and others, that you are right. There are a lot of U.S. values that are highly regarded in the region and I think our form of governance is one of them.

Senator LIEBERMAN. So in the midst of all that, I worry that as we get this move toward us and urging us to be more involved for mutual economic security, even political governance interests, that we're sending a message out by the cuts in defense that are part of the Budget Control Act, leaving aside sequestration, that maybe we're not going to be able really to deliver on our promise of increased involvement or, at worst, that people in the region and countries will think it's rhetoric.

So I wonder whether—how you feel about whether the cuts required under the Budget Control Act of last year, not potentially sequestration, could impose risks on our strategy in the Pacific Command area of responsibility, and whether you've heard any of those concerns from political and military leaders in the region.

Admiral WILLARD. I think the region broadly recognizes two things: one, that post-two wars a decade long that as the United States has in the past, a reduction in its defense budget following those wars has generally always occurred and is occurring once again. I think when you combine that fact on the fiscal circumstances and challenges that our country faces in debt and deficit, it does raise questions in the region regarding what the true extent of cuts to the defense budget could be.

I think the second dimension to this issue is how in a reduced budget environment the Asia Pacific will be attended to with regard to force structure and readiness in the future. So I think on the one hand it's not particularly surprising to anyone in the region that our defense budget is being reduced, sequestration aside, but I think that it has raised questions and we get—we're asked to clarify how in the reduced budget environment that's being widely publicized—

Senator LIEBERMAN. Right.

Admiral WILLARD.—that we will meet our requirements in the Asia-Pacific region. And again, I would offer that the answer to

that is, regardless of the adjustments in force structure that take place, how we emplace that force structure, bias that force structure into regions of the world that matter most, is I think in the end what will answer the mail.

Senator LIEBERMAN. Well, to me that's a significant answer, and it's one that I hope we will keep in mind as we go forward with our work on the defense authorization bill and our colleagues in the Appropriations Committee do the same on the Department of Defense budget. I hope we can find ways to add on to what the administration has requested pursuant to the Budget Control Act.

I thank you very much again for your service, your leadership, and your testimony today.

Admiral WILLARD. Thank you, Senator Lieberman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Admiral, to you, let me just echo what others have said with respect to thanking you for your service to our country. You have certainly served in multiple roles of leadership during the time that you have served America and you're to be congratulated for that. Thanks also to your wife for her commitment. I'm just pleased to hear you've made the wise decision of retiring to the Atlanta area, and I look forward to continuing to take advantage of you and your expertise since you'll be close by.

Let me talk to you for a minute about China. You discussed in your statement the continuing growth of China and their increasing military power, obviously. Specifically, you comment that China's military modernization, and in particular its active development of capabilities in cyber and space domains, and the question all these emerging military capabilities raise among China's neighbors about its current and long-term intentions, is one of the main security challenges confronting the United States across the region.

China is developing anti-access and area denial capabilities that may shift the balance of power in the region. The types of platforms and capabilities that China is developing have been interpreted by some to limit freedom of movement by potential adversaries and also to require potential adversaries to conduct military operations at increasing distances.

Can you comment on what you believe needs to be done in the Pacific theater to preserve the United States' and our allies' freedom of movement and access across the region?

Admiral WILLARD. Thank you, Senator. I think first of all it needs to be understood that in terms of U.S. military presence, we remain present throughout the region and in all areas where that freedom of action is required. So whether we're talking the South China Sea, East China Sea regions, Philippine Sea or elsewhere in the Asia Pacific, the United States remains present.

In terms of operations in what could be a potentially denied environment, I think it's very important that the United States make the necessary investments to ensure its military access to those regions. I would just offer that in the South China Sea alone the sea lines of communication carry \$5.3 trillion of regional commerce, of which \$1.2 trillion is U.S. commerce, and the U.S. military must be present there to ensure the security of those sea lines of commu-

nication and that important economic commerce for the United States and for our regional allies and partners.

So we will be present, and it's important that we make the necessary investments to assure that presence even in a denied area scenario.

Senator CHAMBLISS. In that same vein, part of the assets that you have in the inventory there now are a limited number of F-22s, limited by the fact that we only have a limited number that have been produced. We've maintained air superiority and air dominance in that region since the Korean War and it's a vital part of our defensive mechanisms and posture there. Now, with those limited number of F-22s and it looks like potentially a slowdown of the production of F-35s, are you concerned long-term? I realize short-term maybe not, but long-term do you foresee this as a problem when it comes to maintaining that ability of air dominance and air superiority?

Admiral WILLARD. Sir, I'm satisfied with, as you suggest, short-term the number of F-22s that are on hand and available to us. I think we're all somewhat concerned long-term to see that the F-35 in its development provides the kind of capabilities to our Air Force, Navy, and Marine Corps that it was designed to. So very interested to see that program remain healthy and deliver to the capabilities that we require out there.

Senator CHAMBLISS. Would you consider that weapons system imperative for the long-term availability of the capability of air dominance and air superiority?

Admiral WILLARD. I would. I think fifth generation capability is mandated. We've got others in the world that are developing those capabilities and, as you suggest, if we require to be dominant in the air in the event of a contingency, then certainly the fifth generation fighter capability is part of that equation.

Senator CHAMBLISS. General Fraser, the President's 2013 budget plans to cut strategic airlift and retire over 200 aircraft in fiscal year 2013 and nearly 300 aircraft over the fiscal yearDP. The President's budget will reduce mobility capacity by retiring all C-5As, retiring or cancelling procurement of all planned C-27Js, and retiring 65 C-130s. After these retirements there will be a fleet of 275 strategic airlifters and 318 C-130s. In addition, the Air Force will retire 20 KC-135s and maintain a fleet of 453 air refueling aircraft.

With such a reduction of strategic mobility and airlift and the cancellation of a whole airplane program, how do you plan to maintain supply, personnel transport, and logistics chains that require significant airlift capabilities? And what additional airlift requirements do you foresee in the future for the various theaters in which TRANSCOM operates, and how confident are you that you're going to have the airlift capabilities that you need?

General FRASER. Senator, thank you very much. First off, I would start by saying that we have a new strategy. The force structure that is put forth supports that strategy and it is also backed by some analysis that we have actually completed in looking at that strategy, and also in working with the combatant commanders.

With respect to specific platforms that you talked about there, I would comment first on the tankers. You mentioned 20-tanker reduction. Certainly support that. A couple things that we have seen that are actually enabling more capability and capacity with respect to tankers is that depots have gotten better. So as we look to the future and they have streamlined their processes, we're seeing fewer aircraft in the depot, which certainly allows us to take out some of the more costly aircraft there and therefore the reduction with respect to those tankers.

Historically, as I recall, they've always planned on about 19 percent of the force being in depot and we're seeing something more along the lines of 10 percent in the future. So that's added capability, coupled with the contract, the KC-46, which is key to the future, and bringing that system on one, will give us both air refueling and some lift capability as we transition that aircraft into the active duty and are able to support the various theaters around the world. So the KC-46 is a part of that movement to the future and modernizing that fleet.

There's also a modernization effort on the KC-135s that we need to continue on, too, which enables them to be able to continue to perform in the future. They're going to have to bridge to the future tanker assets as they come aboard.

As I look at the 130s, the numbers that they're talking about are supportable. When I look at the 318, that also includes approximately 50 C-130s to continue to provide direct support to the Army, support to the Army, which is something that the Air Force has moved in over time and has shown that we can do that in the theater. I think, based on my discussions with the commanders in the field, they are very pleased with the support that their getting with the assets that are there.

The C-27, I had the opportunity recently to be in the theater. I talked to the folks there. It's performing well and very proud of the service and what those men and women are doing. But I'd also comment that it's a costly platform. It's a niche platform. So as we look at the strategy and we look to move into the future in a multi-capable aircraft, something like the 130, a modernized 130J as we look to the future is something that's going to give us more capability at reduced cost, which is something that is certainly worth considering.

So when I look at that from a holistic standpoint, it's certainly supportable. The H's are going to be modernized. That's a program that is ongoing and the Air Force needs to do that as they enter into some items that are on that aircraft that are going to time out and give them access. So as they optimize that fleet of the future, so it will be a very capable force, a modernized force of 318 C-130 aircraft.

To the STRATLIFT, looking at that, I am supportive of the strategy that's put forth, and as we evaluated those numbers and looking at the positive things that are happening with the C-5M, for instance, it's got a higher mission capability rate, which gives us greater capacity and capability. It's currently the only aircraft that we can actually fly the polar routes on. You can't do that with the C-5As, for instance, and load much on it. So there's great capacity in these M's as we move to the future.

So modernizing the C-5s and going to 52 C-5Ms in the future gives us greater capacity and capability, with increased mission capable rates, from currently about what we're seeing on the A's now, around 55 percent, to about 75 percent. So there's greater capacity there, and so that's very positive with respect to the STRATLIFT.

Also along the same lines, the C-17s continue to perform magnificently in the theater. Every time we have turned to the C-17, it has always been there. So as we move to the future with the C-17s that we have, there will be plenty of them, and so that's how we're able to come up with the STRATLIFT to be able to support the theaters in the future.

It will support the strategy as I mentioned, and the two-war construct remains in effect. We just have to manage those forces, is what we'll have to do, and that's what you were talking about there. We in TRANSCOM will ensure that we do that to support the combatant commander requirements.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman.

First let me begin by thanking and commending Admiral Willard and Mrs. Willard for their extraordinary service to the Navy and to the Nation. Thank you, sir, for what you've done. Ma'am, thank you too, and your personal kindness also.

Let me just quickly follow on the point that Senator Chambliss made, General Fraser, about strategic airlift. I think it should be noted that Senator Ayotte played a very critical role last year in addressing this issue of C-5As, and we lowered the threshold to 301. Now your proposal, as you indicated, is 275 strategic airlifters.

Just to follow on the points you made, which I thought were excellent, it is not just a question of supporting current operations, but also the obligation to reconstitute quickly if necessary. Are you prepared to reconstitute and increase efforts if called upon, given the proposed 275?

General FRASER. Sir, we are postured well to support any of the requirements that we have. As you are aware, we have had pop-up requirements, and with the flexibility that we have within our system as the distribution process owner and synchronizer we're able to reach in and get assets when we need them. I could give examples of where we're able to do that, reaching in and the ability to pull in-service or in-transit aircraft to do a different mission.

A case in point would be support for aeromedical airlift that we were asked to do out of Libya. After Libya operations, we were asked to find the necessary assets and, using those in-service assets, divert and utilized a C-17 to actually pick up some critically injured individuals and bring them back to the United States with a critical care team. The other thing that we were able to do was work with European Command, utilize some of their assets that they actually had for C-130s, to bring other injured back.

We have a very flexible, a very resilient system and process to be able to respond to these pop-ups.

Senator REED. Is it fair to say that, rather than just the number of platforms, it's the capability of individual platforms and the sys-

tem to use that that gives you advantages and gives you the comfort that you can reduce the number of platforms?

General FRASER. It is, sir. It's also the support, the tremendous support that we actually get through the CRAF program. The Civil Reserve Air Fleet and our commercial partners play a big role. An example of that is how they were able to turn to and support us when we were asked to bring the troops out of Iraq before the holidays. That's a very busy time of the year, as you know, and with the accelerated time line that we were given, we were able to get 99 percent of the troops back to the United States before the holiday period. That last one percent came home before the end of the year as they were turning in some final equipment.

So that's the flexibility that we have within the system for both organic, but also our commercial aircraft.

Senator REED. Thank you.

Let me change topics. General Fraser, the Northern Distribution Network is increasingly key to our operations in Afghanistan. Primarily at this point it's a one-way system, but you and your colleagues are trying to make it a two-way system, not only delivering material into the country, but also planning to withdraw material out. Can you comment on the status and the potential importance and growth of the Northern Distribution Network through Kyrgyzstan and other countries?

General FRASER. Sir, thank you very much. We have had tremendous support, as you know, through the Northern Distribution Network. Currently, with the border closed in Pakistan, we're able to continue to support ongoing operations in Afghanistan and we can continue to do that because of the Northern Distribution Network, which is allowing us to bring goods in.

But I would also comment along the same lines, it's not just the Northern Distribution Network that's allowing us to do that. It's the other aspects that we have with multi-modal. Multi-modal is allowing us to move our assets to the theater via surface and then fly them in there at the end. So we have a resilient system that gives us more than one way to support the theater, which is not allowing us to have a single point of failure.

Along the lines of the retrograde, it's a daunting task, I will admit that. But I'll also say that one of the first trips that I made was to Central Asia back in December, a very positive trip, and got very good outcome from that trip. We now have two-way approval to move equipment back out of Afghanistan. In fact, we have already set ourselves up for a proof of principle and have received approval from the countries to do this through what we call the KKT Route, which is through Tajikistan, Kyrgyzstan, and Kazakhstan. Also, Russia has approved this and Uzbekistan recently approved this. Not only have they approved the non-lethal, but we also have approval to do wheeled armored vehicles. This is something that we didn't have before.

We continue to develop these relationships, and so that was a very profitable visit going over there. So now we'll run this proof of principle to check the processes, to check the procedures, but also check the velocity of what that could be in the future.

I will also comment, though, that with the amount of equipment, and working with the folks on the ground there, we need the Paki-

stan GLOC open because of the large numbers that we're talking about that we need to bring out in a timely manner. We're tasked this year to bring another 23,000 troops out by the 1st of October. We're already identifying excess equipment now with the commanders on the ground. We have approval to set up a material recovery element team that's in theater, which is going to help facilitate this.

The other thing I would comment on is we're also setting up some multi-modal operations, where we are now being more flexible with all aircraft that are flying in the theater. As every aircraft goes in, if it has pallet positions, it has capacity on it, then we are making sure that we put something on that aircraft and bring it back out, in order to maximize that lift and try to get ahead of it as best we can.

We have a number of things that are going on, two-way flow, all those other things that I mentioned.

Senator REED. Thank you.

Admiral Willard, if I may, you have many challenges in the Pacific and you can categorize them in general terms in many different ways. But one is basically access. One impression I have is that for surface ships access is more problematic because of the ability to detect ships and engage with precision weapons, and that as a result submarines in the Pacific have a greater capacity, capability, to access places. Is that a fair generalization?

Admiral WILLARD. It is.

Senator REED. So that makes in your view the submarine a key aspect of your strategy and your ability to gain access in contested areas?

Admiral WILLARD. It does.

Senator REED. Thank you very much.

Chairman LEVIN. Thank you, Senator Reed.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

So, General Fraser, is it true that we're having difficulty going through Pakistan to provide transport, whether it be by men and women and goods? Is it more difficult now?

General FRASER. Sir, the ground line of communication through Pakistan is shut down at this time.

Senator BROWN. Right. We give them billions of dollars of aid. And that's why, Mr. Chairman, I'm floored that we're giving a country billions of dollars of aid and they can't accommodate us to allow for the safe transport of goods through their country. So that's something I hope, Mr. Chairman, we try to address. That's not for you, but it's more for us, sir.

I just want to take it a little step further. What level of risk do we assume by reducing the C-5 fleet, particularly in the area of oversized air cargo capability?

General FRASER. Sir, backed by analysis and against the new strategy that has been put forward, we think that any increased risk is manageable as we look to the future. Oversize, outsized cargo, when we look at the scenarios that we run, we can meet the mission.

Senator BROWN. Do you believe that having a robust strategic airlift capability on the east coast is part of that overall strategy?

General FRASER. Sir, the inherent flexibility that we have with air is of course we can shift and we can swing it to where we need it. It is not uncommon for us to take forces from one theater to another dependent upon the operations that are needed, whether it's supporting a Haiti operation where we got support of aircraft out of the Pacific, or whether it's in support of a Libyan operation, where we engaged the total force, we got a number of volunteers to support the tanker bridge.

These types of things, the flexibility that air has—we can position it where we need it.

Senator BROWN. But in particular with regard to the east coast of the United States, do you think that it's important to have a strategic airlift capability in this part of the country?

General FRASER. Sir, again it's not about where it is; it's the inherent flexibility that I have that I'm able to get to it to position it where I need it, and where it comes from is not something that I focus on.

Senator BROWN. Well, it's something that I focus on as a Senator, and especially when we have a base like Westover, that has incredible airlift capability, has a long and historic relationship providing those services, not only with great honor, but with great capability. So I was wondering if you could comment on how TRANSCOM's mission is affected if that capability is degraded?

General FRASER. Sir, we'll still get the support as we work with Air Mobility Command no matter where the assets are. They've always stepped up and provided what we need.

Senator BROWN. Admiral Willard, the Littoral Combat Ship. I'd like to see—how important is that ship with respect to meeting the regional threats?

Admiral WILLARD. I think it will be very important. I think the ship has attributes that certainly we favor out there, including its speed, capacity, and shallow draft. So if the mission modules are properly adapted, I think it will have a wide range of capabilities that can be used in contingency or peacetime.

Senator BROWN. So do you think your mission will be affected by going below the acquisition program of 55 ships? And if so, how?

Admiral WILLARD. Capacity is a capability in and unto itself. I think it's important that we maintain the capacities of force structure where we need them. I think the total acquisition program is less important to Pacific Command than the number of Littoral Combat Ships that ultimately wind up in that area of responsibility. So however we bias those ships, I think it's important that the LCS is there to meet the needs that Pacific Command has.

Senator BROWN. General Fraser, back to you. How does the reversibility plan factor into the overall strategy? In other words, do you feel comfortable that with 275 strategic airlifters we'd be prepared to transport troops and equipment to the region in response to unforeseen contingencies? And if so, what sort of risks are involved in that decision?

General FRASER. Sir, I am confident in the number of 275. We also have to understand that we are backed by a tremendous commercial partnership that we have through the CRAF program and the ability to move both passengers and cargo. They have been in-

strumental in continuing to provide support to the theater, whether it's direct or actually through multi-modal operations.

Senator BROWN. Admiral, do you agree with that? Do you think that we need only 275 airlift mobility assets to meet the mission requirements?

Admiral WILLARD. I agree with General Fraser's assessment of how we will make that number work, yes.

Senator BROWN. I'm deeply concerned about the Air Guard and Air Force Reserves, General Fraser. I know it's a big part of your operations, and as the Air Force begins to downsize some of the things I've heard from a lot of the Air Guard, especially concerns about the gutting of that asset—I'm wondering if you could maybe talk about that and how it affects, it factors into TRANSCOM's overall strategy, because I have always felt that that's where the best bang for the buck is, and I'd just like to get your thoughts on that.

General FRASER. Sir, our total force, the Guard, Reserve, and the active duty, have always come together to meet the mission. We very much value the contributions that are guardsmen and reservists continue to provide us. They have always been there when the call went out. I would use the operation in Libya again as an example, in that when we needed to set up the tanker bridge we turned to Air Mobility Command, who then reached out to our guardsmen. They looked for volunteers. They were ready, they raised their hand, and they went forward. So they've always been there and volunteered to support the mission.

Senator BROWN. Regarding—are you getting a handle on the container detention fees that resulted in millions of dollars in penalties, and can you comment on what has been done to mitigate these fees?

General FRASER. Sir, we're taking a number of different actions with respect to the container detention fees. We continue to monitor it very closely. A couple of things that we have done recently, I have personally engaged the commander not only at Central Command, but also I talked to General Allen about this when I was in the theater, as well as other commanders that are in the field in Afghanistan.

We have learned some lessons from the past in Iraq with respect to our containers and how we manage them. A couple of things that we're doing is to try and make sure that when we're in Afghanistan, is that we try to use as many government-owned containers that we can and then return those that belong to our commercial carriers back into the system as rapidly as we can.

There's an accountability process that we're also going through to make sure that we have a container management system that more accurately tracks where these containers are.

A couple of other things that we're doing is we're actually going to address it in our next universal services contract as we move from what we call USC 6 to USC 7. So there are some actions that we're taking within that contracting vehicle to, one, give us more flexibility, in other words going from 15 to 20 down days before it becomes accountable. Also, the fact that we'll go from 90 days to 60 days before we actually buy the container, and the container cost is actually coming down, too. So these are things that we're

working with commanders, with education of how important it is that these individuals get this back into the system as far as those containers that are there. It's a holistic approach.

Senator BROWN. Thank you.

Senator LIEBERMAN [presiding]. Thanks, Senator Brown.

Senator Inhofe, I think you wanted to—

Senator INHOFE. Just a unanimous consent request, if I could, Mr. Chairman.

Senator LIEBERMAN. Go right ahead.

Senator INHOFE. In that portion of the record where I expressed my opposition to the Law of the Sea Treaty, I ask unanimous consent that an article written by John Bolton that appeared in the Wall Street Journal on September 29, 2011, be made a part of the record.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator LIEBERMAN. Without objection. Thank you.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

I just wanted to express my deep appreciation and thanks for your service, Admiral Willard and General Fraser, and particularly, Donna Fraser, thank you—I'm sorry—Donna Willard, thank you for all of your commitment, hard work, and service to our country, too.

Admiral Willard, China continues to assert its claim to the South and East China Seas at the expense of its neighbors. Would you expand on the excessive maritime claims the Chinese are making in these waters, to include increases in aggressive behavior?

Admiral WILLARD. Thank you, ma'am. I will, although I would offer that China is not the only claimant in those waters whose claims are regarded as excessive. So there are, as you'll recall, there are six claimants in the South China Sea: Taiwan and China, Philippines, Vietnam, Malaysia, and Brunei. All lay claim to features and-or islands in the South China Sea region. Some have submitted to the United Nations Convention for the Law of the Sea their continental shelf claims and so on, and in many cases they're disputed.

What makes China unique is that they've laid claim to virtually all of it. The assertion that the South China Sea writ large is China's historical water and that all the features and islands and consequent resources that are located there should be regarded as Chinese I think is the contentious issue within the region and among those contiguous nations that also claim many of those features.

We've seen fewer confrontations in 2012 than we did in previous years. 2010 was quite landmark in terms of the confrontations that were ongoing. That's not to say they're not occurring now.

So China continues to challenge any vessels that are conducting resource surveys, oil and gas surveys for example, that are within their claimed space. They continue to shadow often military ships and activities that are occurring within that claimed space, and they're making continuously legal assertions and demarches to reinforce their claims.

So they remain aggressive. I would offer, ASEAN is carrying out discussions with China and has been effective as a multinational

forum in keeping maritime security and issues with regard to excessive claims in the South China Sea on the table, and they are in discussion with China.

Senator HAGAN. Why do you think the conflict has been less in 2011 versus 2010?

Admiral WILLARD. I think that the reaction by the ASEAN members, the reaction by the United States in Secretary Clinton and Secretary Gates' very strong statements at the ASEAN regional forum and Shangri-La dialogues, combined with many ASEAN members protesting strongly, and the fact that it was made somewhat public I think took China aback and has caused them to reconsider that particular approach to their South China Sea claims, such that they are endeavoring to continue to pursue it, but in a more thoughtful manner.

Senator HAGAN. Let me follow up on China's impact in Southeast Asia. Their impact will only grow as its economy and drive for energy, raw materials, and markets expands. It's precisely this behavior that challenges various countries in Southeast Asia to debate their policies and look for regional and extra-regional allies. In effect, countries in the region are playing several strategic games at once, with each move requiring consideration of relationships that they have with China, the United States, and other regional actors.

How can the United States maneuver in this environment to develop deeper ties and ensure a positive and organically integrated presence in the region to contribute to long-term stability?

Admiral WILLARD. Thank you. I don't disagree with your summary statement in terms of the situation in Southeast Asia, although I would add that China's economic growth has benefited the entire region and has certainly benefited the United States and our economic ties to China. So I think it would be unfair to imply that China's influence in Southeast Asia should only be regarded from the standpoint of the challenge that it poses.

I think Southeast Asian nations, most of whom now regard China as their number one trading partner, are benefiting greatly from that association, as is the United States. So from a standpoint of regional prosperity, I think China's rise has benefited us all, and we would continue to promote that rise and the advance of the Asia region for what it connotes.

That said, the Nations as it relates to security and even as it relates, I think, to their economic reliance on any single partner, do desire to strike a balance between China, the United States, the European Union, and others, rising economies like India and established economies like Japan and South Korea.

So there is a balance that has to be struck and the United States I think is accomplished in maneuvering in that space, where we're attempting to either sustain or obtain a greater share of market in areas where the United States can affect trade in either direction. Trans-Pacific Partnership is a fairly recent initiative to try and advance some of this, and we have as a consequence of APEC and the East Asia Summit I think advances that have occurred there.

Senator HAGAN. Thank you.

General Fraser, in your written statement you speak to a wide variety of missions, everything from humanitarian response to ob-

viously supporting our warfighter. Would you highlight some of these missions and speak to how you are able to accomplish them, given a very constrained environment?

General FRASER. Thank you, Senator. The mission that we have is indeed a global mission, and it is one that I am continually amazed at the flexibility that we have within the system to respond in many different areas. One area that we were most proud of was with the accelerated withdrawal out of Iraq and the ability to be able to partner together with our commercial partners, with our organic assets, to then accomplish the mission before the holidays was tremendous.

We've also been able to continue to partner to support other organizations. I would highlight the National Science Foundation recently. I made mention in my opening remarks about Antarctica. SOMETHING that a lot of people don't realize is the support that TRANSCOM gives to the National Science Foundation.

Recently there were issues with the ice pier at the McMurdo Station and it was going to put at risk the Science Foundation and their experiments for next year, as well as the winter-over force that stay both at the South Pole and at McMurdo. Our people were asked to be innovative and so together we worked with the Army for a modular causeway system that had not been used like this before, in such a harsh environment, which we then used our Surface Deployment Distribution Command, who worked to move it from the east coast to the west coast. We worked with Military Sealift Command to then get on contract with a contractor to load this onto a ship that also had the containers to take the supplies and the Science Foundation equipment to McMurdo.

We then sailed down, coordinated to get an icebreaker in there, and were able to then deploy the causeway system, offload the containers, and so we got mission success. That's another agency that we wind up supporting. So that's kind of one end of the spectrum.

We talked earlier about other support to operations, but I'd highlight the support that we give our commercial partners through the piracy operations. This actually goes back to AFRICOM and support we give there. Working with our commercial partners, we work to ensure where we have military cargo headed towards the theater and transiting that area, that we put security teams aboard.

Since we have been doing that, we have not had one of our ships pirated, and we are very supportive of that initiative in the international community to protect the ships. Normally those that are what they call high-board, above 25 feet, and moving at high speeds, above 20 knots, are not as much at risk, but recently we had one hijacked from another country just within the past week or so. So it's a dangerous environment. So these are other types of things that we do, not only just supporting our troops that are engaged in the theater, but a couple of quick examples of other operations that we're very proud of, of what we do, all the while still supporting the warfighter, still doing the things that we're asked to do in the theater. And they're not wanting for anything with respect to the current closure of the Pak GLOC, either. I'm very proud of them.

Thank you.

Senator HAGAN. So supporting the private containers, and that's only when DOD supplies are on board?

General FRASER. That's correct.

Senator HAGAN. As far as security forces on board?

General FRASER. That's correct.

Senator HAGAN. Thank you. And I really appreciate your help with the NSF. I think research and development goes a long way in everything we do, and your support in that area is outstanding.

Thank you.

Chairman LEVIN. Thank you, Senator Hagan.

Senator WICKER.

Senator WICKER. Thank you, Mr. Chairman, and thank you, gentlemen. We appreciate the service that both of you have provided and are providing.

Let me begin with Admiral Willard. You were correct in your oral testimony to go quickly to the issue of Korea and North Korea, to mention the transition there and the uncertainty that it brings. Our allies in the Republic of Korea, South Korea, have a fleet of F-16s, which is known as the KF-16 in Korean service. They're eager to replace their mechanically scanned array radar with active electronically scanned array, AESA, radar, and you can't blame them for wanting to do that.

Admiral, in case something broke out that involved a conflict, do you agree that air dominance will be a key differentiator for allied forces during the first 24 hours of any potential conflict, including the Korean Peninsula? And if you do, do you then agree that cooperating with the Koreans and supporting their desire for expeditious Korean procurement of existing defense technology is a good idea so that they can meet their operational requirements?

Admiral WILLARD. I do agree, particularly on the Korean Peninsula, on the importance of air dominance early in any particular conflict that would occur. I also agree that we should strive to maximize the level of cooperation between ourselves and our Republic of Korea allies with regard to the acquisitions they require to continue to advance their capabilities.

Senator WICKER. So you agree that the U.S. Government should fully support Republic of Korea's air force requirements and their acquisition time line in acquiring United States export-compliant AESA?

Admiral WILLARD. I support the level of cooperation that is required to advance the Republic of Korea's military capabilities, including their aviation capabilities. With regard to that, to whether AESA radar and the exchange of that particular technology is appropriate on Korea's time line, I think that should continue to be subject to discussions between the two countries. There are certainly compliance requirements on the part of the Republic of Korea, as well as the releasability requirements on the part of the United States.

This is not the first country we've had this discussion with. But in general, sir, to your assertion, I truly believe that we should strive to maximize the potential of our ROK ally, including their military capabilities. In fact, more important now perhaps than in the past, as we strive to reach December 2015 and operational control transition to the South Koreans.

Senator WICKER. Thank you very much. Well, let me ask you then, staying with North Korea: U.S. and North Korean envoys met last week for talks on dismantling North Korea's nuclear programs. Included in that will be discussions of food aid, economic help, diplomatic concessions from the United States of America.

What is your current assessment of the humanitarian food situation in North Korea, and do you believe North Korea is being sincere and truthful and forthcoming in entering these negotiations with the United States?

Admiral WILLARD. I think the food situation in North Korea is always an issue of global interest. World Food was in there conducting an assessment early last year, as I recall, but trying to ascertain just what the extent of crop success was in North Korea. There is always a level of food shortage that exists there, and always humanitarian need, as we've witnessed it there.

In terms of these negotiations that have been ongoing, I have been supportive of them with regard to the United States' proposals for conditional food aid into North Korea and the preconditions that have come with it, which now include discussions of cessation of nuclearization and ballistic missile testing and the allowance of IAEA perhaps back into Yongbyon. So there are conditions that are going along with the negotiations with regard to the extent of food aid. As you know, they've received food aid from many other countries this year, and I remain supportive of the progress that we're making in the talks with North Korea to the extent that they occur.

Senator WICKER. You don't blame some of us on this side of the panel for having a healthy degree of skepticism with regard to North Korea's intentions?

Admiral WILLARD. I have a healthy degree of skepticism with regard to North Korea's intentions, and I think we need to observe both their actions and requests with a great deal of scrutiny. Certainly we've been through the cycle many times in the past, as I know, Senator, you're aware, where these requests for concessions often lead into a breakdown and a resulting next provocation.

So we are skeptical as well. But with regard to the extent of these current negotiations, I think particularly when there's a new regime or a new leader in place in North Korea, it will be important to ascertain any degree of success that we might obtain through these diplomatic channels.

Senator WICKER. I suppose it's worth a try, but I'm not holding out much hope and remain very troubled, as I'm sure you are.

Quickly, let me ask about the 30-year shipbuilding plan and the minimum sustaining rates contained therein. Many observe this could pose challenges to fulfilling the force requirements and possibly give rise to a sealift capability gap and an aviation lift gap in 2015. With the pivot to this vast Asia Pacific region and your area of responsibility and the Navy's inability to meet its own requirement for 313 ships, how will this minimum sustaining rate affect your ability to protect American security interests?

Did you support this in discussions with your superiors, and are you satisfied that you can fulfil the mission with this 30-year shipbuilding plan?

Admiral WILLARD. Thank you, Senator. I would fall back on the statement that I made earlier. The total acquisition program that the Navy has put down to try and sustain itself and the capacities of our fleet and eventually grow those capacities over time is important and certainly as a naval officer something that I've observed with great interest over many years.

But as the U.S. Pacific Command commander, it's more important with regard to how we bias those ships globally and whether or not the area of responsibility that, as you suggest, is a vast maritime one in the Asia Pacific, is being adequately serviced. To date, I am well serviced with regard to Navy. I think Navy capacities are very important. Our industrial base capacity is very important that they be sustained.

These minimum sustained production rates that you're talking about are intended to maintain our minimum acceptable industrial base. All of these things are important for our Nation, certainly.

In terms of U.S. Pacific Command, I think it's important that the right number of ships and the right type of ships be present there.

Senator WICKER. Thank you.

Chairman LEVIN. Thank you, Senator Wicker.

Senator AKAKA.

Senator AKAKA. Thank you very much, Mr. Chairman.

I want to say aloha to the two military leaders before us today. It's good to see you.

Gentlemen, first I want to say thank you so much for your dedicated service to our country and also to the communities that you've served. We have really gained from your responsibilities and your actions.

Admiral Willard, I would like to add my appreciation to you and congratulations on your upcoming retirement, which is soon. I want to tell you that I agree 100 percent with your Law of the Sea position for our country. It's about time that we become serious about that. Also I want to commend you for the balance which you've brought during your time as PACOM commander, and I would tell you you've made a huge difference in the Pacific, so thank you for that, and to tell you that your departure will be a significant loss to the Navy and to our country.

I want you to know and Donna to know that it has been a pleasure to work with you in Hawaii and for our country. You've served Hawaii and you've been there in multiple assignments. I think you know, I don't have to tell you, that you have a deep relationship and connection with the community in Hawaii. We want to—I want to congratulate you and wish you well in your future with Donna and the family.

Admiral WILLARD. Thank you, Senator Akaka.

Senator AKAKA. Admiral Willard, as you know, it is impossible to overstate the importance of our military engagement in Asia Pacific region. As I said, I commend you for your nurturing of balance there in the entire area. If you look at continuing developments in the Pacific, our conventional adversaries are improving their capabilities, too, as we work together on this balance.

My question to you, Admiral, is, given this rebalance to the Pacific and the responsibilities we have in the theater, how would you

assess our force structure plans in relation to military and diplomatic goals for the region as we look to the future?

Admiral WILLARD. Thank you, Senator Akaka. Before I answer your question, I would offer that the State of Hawaii and the City of Honolulu have been great supporters of the military families and members that are stationed there, and thank you for your continued support for us in the region.

I think as we look at force structure there is the issue of the type of forces that are present in the Asia Pacific region and there is the issue of posture and where they're present in order that we can maintain the continuous presence in the region that's so important to its security and long-term stability.

The initiatives, such as the Nations of Australia, the Nation-state or city-state of Singapore, and now in discussions with the Philippines, that are occurring are going to assist us in the posture-related issue, which is getting the force structure where it can do the most good in terms of providing a mechanism to maintain the presence that we need in the region.

As we view the acquisition programs and force structure of the future in this budgetary environment, we, like every other combatant, remain focused and guarded as we watch these defense reductions occur, to ensure that we don't cut into the kind of forces and the quantity of forces that our strategic priorities call for.

We spent time very recently walking through a global laydown of force and looking at the forces that this current program will deliver and our ability to meet the strategic needs of our Nation, including in the Asia Pacific, and I think collectively as combatant commanders and service chiefs we felt we could do that. I think it's an important study to maintain ongoing and there are two additional events that are presently scheduled. But I have been well served in the Asia Pacific region and I'm confident that the force structure that is envisioned can continue to serve PACOM well.

Senator AKAKA. Thank you very much.

General Fraser, the recently announced rebalancing calls for a shift in focus to the Asia Pacific region, a vast geographic area encompassing 9,000 square miles, 36 nations, and 16 time zones, all of which I'm sure Admiral Willard knows really well. My question to you, General Fraser, is, while the details of this strategic balancing, rebalancing, have yet to be finalized, do you have any preliminary thoughts on how a refocus to the Asia Pacific region could impact TRANSCOM?

General FRASER. Senator, thank you very much. As we look at this shift, we've already seen a lot of engagement in the PACOM theater of operations as we have continued to support ongoing exercises, as we've continued to support other types of engagements within the theater. I think as we come back out or have come back out of Iraq already, but as we further reduce the force out of Afghanistan, we'll free up some other assets maybe for other opportunities for engagement, and then we'll have to opportunity to do that.

It is one that's going to take balance and it's going to take a lot of good planning on our part to make sure that we properly support each of our ground combatant commanders in their various theaters of operations. They all have theater engagement plans. We're

taking a look at them to ensure that we provide the necessary support.

One of the things that we are able to do in our command is not just with our organic assets; it's our commercial partners, both sea and air, that will allow us that flexibility in utilizing their networks and their connections to also continue to provide support. So as those forces are available for various engagements, it does not have to be just organic. So in peacetime versus wartime, we're able to utilize those assets, which is good for the economy, which keeps that industrial base alive, too, both across the sea and the air side of the business.

So we're confident that we'll be able to provide that support.

Senator AKAKA. Thank you very much.

Admiral Willard, with the new strategy rebalancing our forces with a focus in the Pacific, the need for strategically located maintenance facilities, like the Pearl Harbor Shipyard, appears critical to the readiness of our fleet. Can you discuss the role you see Pearl Harbor Shipyard playing with this rebalancing, as well as the importance of continuing the modernization efforts at the shipyard in order to support the fleet in the future?

Admiral WILLARD. I can. Thank you, Senator. You know as well as I do not only the strategic importance of Pearl Harbor Naval Shipyard, but also the other aircraft depots and shipyards throughout the Asia Pacific region that we rely on, from the West Coast of the United States to our ability to conduct voyage repairs in foreign ports such as Singapore.

But I have stated for the past 5 years and I will continue to state the vital strategic importance of the Pearl Harbor Shipyard and what it provides. It's unique in the sense that it not only conducts the overhauls of our surface ships and our submarines, but it also conducts day to day maintenance and voyage repairs for the ships that are positioned forward.

It's located, as we all know, in the middle of the Pacific Ocean, which is the largest ocean in the world, and provides ready access into the Asia Pacific. The three submarines that we have homeported in Guam utilize the Pearl Harbor Naval Shipyard for their maintenance and overhaul activities and rotate back, and don't have to go all the way back to the West Coast of the United States to obtain that maintenance.

So it is a vital and pivotal strategic asset for us. The need to keep it continually modernized is as important as any shipyard that we have in our Nation. It's I think a very important partner. When we talk about the industrial base, not just production but maintenance, it's a vital part of that industrial base.

Senator AKAKA. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman. I appreciate it.

General Fraser, I wanted to ask you. As you know, the Air Force is finalizing its KC-46A basing—

[Audio feedback.]

Senator AYOTTE. I feel like we're at a rock concert here.

— basing criteria for the Air Force. One of the concerns that I have, and I'm hopeful that the Air Force will do this, is that the criteria that comes out for the basing of the KC-46A will be objective, transparent, in terms of what criteria you're using in deciding who will receive the KC-46A first. I wanted to ask you about that process, where it was at, in particular what the balance will be between the active duty and the Guard bases, and finally whether you understand it will be taking into account what I think is very, very important, which is some of our Guard units already have an existing partnership with the active duty, including my own, that I've been quite impressed with, and I think that will be important in terms of utilization. So can you help us with that?

General FRASER. Senator, thank you very much. As you've stated, this is a—it's an Air Force process, which we are not a part of in Transportation Command. But, having been in my Air Force when we were doing this, I think you accurately stated that it is an objective process, it's open, it's transparent, it's repeatable. The fact that they are very open about that and establishing the criteria as to what is going to be needed in those discussions that go on in a very open manner with a number of different locations I think is something that you can look forward to as they go through that process.

You asked where the process is. I don't know where the process is right now. I know they are actively engaged in working with Air Mobility Command, who will be the lead command for the KC-46.

Senator AYOTTE. Well, thank you. I had to raise the issue because when we were home I spent—I went up with our 157th Air Refueling Wing and had a chance to see them do their work up there, and have been incredibly impressed, because we actually at Pease have the highest utilization rate in the entire Air National Guard last year for the KC-135, and we already have an active duty partnership established.

So it's one of those situations where I think if we do this in an objective and transparent way to speak to the accomplishments of our own unit in New Hampshire, they've got quite the objective accomplishments and close proximity to the refueling track. So I hope that you'll convey, obviously, to the Chief of Staff and to your commander how important it is that this be an open and objective process.

General FRASER. Yes, ma'am.

Senator AYOTTE. Thanks so much. Appreciate that.

I wanted to ask about, Admiral Willard, an issue that I was concerned about last year in the defense authorization portion. It's something that I learned about that was of deep concern to me, and that's the maritime prepositioning forces. As I understand it, if you—and this may be a better question for General Fraser, whichever of you it is the better question for. But last year the Navy announced plans to place 6 of its 16 ships from the 3-squadron maritime prepositioning forces for the Marine Corps into reduced operating status beginning in fiscal year 2013.

When I learned about this, I was concerned about what this would do in terms of our readiness. I asked the Marine Corps about it and the commander of the Marine Corps felt that it needed additional analysis. So in last year's defense—in the defense authoriza-

tion most recently passed, there is actually a requirement that the Navy be—the Marine Corps submit, as well as the Navy, an analysis about the readiness implications of reducing our Marine prepositioning forces. As I understand it, there may be further reductions there in the proposed 2013 budget.

So I just wanted to ask both of you if you were aware of that portion of the defense authorization in 2012 and where that readiness assessment was and if you can share anything with respect to where we are with the prepositioned forces?

Admiral WILLARD. Thank you, Senator. From Pacific Command's perspective, yes, aware of the proposal to put one of the three squadrons in a reduced readiness status. Of importance, the two most active squadrons, one located in Guam and one located in Diego Garcia, are not candidate for that. So those that are there to respond to the major contingencies in the Asia Pacific region remain intact and are, frankly, utilized frequently and exercised on a periodic basis in order to ensure their readiness.

So from the standpoint of readiness in terms of Asia Pacific contingencies and the contingencies in the Middle East that these prepositioned ships service, we remain in pretty good shape.

I can't answer to the tasker that the Services come together on their assessment of how this could impact longer term readiness as that third squadron is placed in a limited readiness status.

Senator AYOTTE. I certainly appreciated your answer and I'm hoping that we'll have a follow-up, which I will obviously pursue with the Navy, because the NDAA from 2012 requires the Commandant of the Marine Corps provide a report assessing the impact of the move on military readiness, and the Secretary of Defense has to certify that the risks to readiness from such move are acceptable. So I think you'll be consulted, I would think, in that analysis.

Just my concern is, particularly with what we see happening around the world right now, having those prepositioned forces becomes very important because we can't predict—unfortunately, we've been noticeably bad at predicting where the next conflict is going to come, and those prepositioned forces become very, very critical in terms of our readiness posture.

Admiral WILLARD. I think we agree with you that the prepositioned forces are vital to us.

Senator AYOTTE. Great. Thank you so much for that.

I just wanted to follow up. I believe at your confirmation, Admiral Willard, I'd asked you about the fiscal year 2013 budget, and the Chief of Naval Operations had said last spring that in order for us to meet all of our needs around the world that we needed a ship force of 313, and this budget really maintains us at 285. One of the concerns that I had, it also delays, for example, production of one *Virginia*-class submarine, as well as some Littoral Combat Ships and some others in terms of where we are in production.

One of the concerns I had was what the strategic analysis or strategic thinking was for not meeting the 313 and maintaining us at 285 and really delaying production of some of our important assets; and just would follow up on that and ask you whether you had an answer to that, particularly with our shift now to the Asia Pacific?

Admiral WILLARD. As you well know, the Navy surface force has maintained itself, pretty much sustained itself, at that 280 to 285 number now for numerous years. In fact, for about the last decade we've been struggling to get above that and reach the 313 floor, or however it is currently being termed by our Navy, in terms of what we aspire to to have, to meet all the global requirements that the Navy maritime strategy has determined we need.

It's important that over time we recognize where we are decremented in comparison to the overall strategic design for the Nation as a Navy, as a military. The strategic priorities that have been established are intended, I think, to guide us in terms of where the maritime commitment should be and will pay off the greatest for the United States, and the Asia Pacific region has been called out as one of those areas, where it's not only vast and inherently maritime, but as a consequence of its economic importance to the United States and our allies and partners and many of the challenges associated there, it places a particular demand on maritime assets.

So provided that within that body of 285 ships we're able to bias those forces properly into the right areas of the world where the payoff is great, then I'm satisfied. I think the Chief of Naval Operations would tell you that in his longer-term view of shipbuilding that, while the 2013 budget and the program that it represents doesn't show the 285 on the increase toward the Navy's goals, that if you look at more than one program, if you look at this long-term, that he does eventually begin to make some progress as a Navy in terms of shipbuilding.

So I think it's important to recognize that we've been in this situation for a while. There is the cost of doing our business, of acquiring ships, that continually needs attention and gets great help from this committee. We need to reduce ship costs and other acquisition costs as we can. But I think what's most important is that we put the ships where they'll do the most good, and we think that the Asia Pacific region is one of those areas of the world where that will happen. The Middle East is obviously going to continue to require our attention, too.

Senator AYOTTE. Thank you, Admiral.

Thank you very much, General.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Admiral and General, thank you both for being here today.

I want to follow up, General Fraser, with Senator Ayotte's question about the basing criteria for the KC-46. We share an interest in that since we both represent New Hampshire. We don't often get the opportunity to double-team you all in quite the same way we are this morning, so I have to take advantage of that.

In New Hampshire we believe that under any objective criteria our strategic location in the Northeast, our proximity to operational and training air refueling tracks, our current tanker task force mission, our active duty association, that we would be a unique choice and would result in a very cost-effective utilization of the placement of the KC-46s. So we hope that it is a very transparent and

open process. I won't ask you to comment on that since you've said you can't.

But I will ask you to comment—Senator Ayotte talked about New Hampshire National Guard's 157th Air Refueling Wing, which has been providing continuous operations since September 11th, both for homeland defense and in support of overseas conflicts. Like other Air National Guard units, they've done so at a fraction of the cost of active bases around the country. In fact, the Air National Guard represents only 6 percent of the Air Force budget, and yet it provides nearly 35 percent of its capabilities.

We've seen in the last couple of days concern expressed by 49 Governors about the cuts to the Air Guard as part of the proposed budget from the Air Force. Again, I know you can't comment on that, but I wonder if you could comment on the role that our Air National Guard has played in providing critical transport for our operations around the world?

General FRASER. Thank you, Senator. I do appreciate that. I can't tell you how much I do appreciate all that our guardsmen are doing. They've always been there when the call came, not only when they were mobilized, but when they were asked to volunteer and willing to support any mission that may arise.

As you know and you commented on, we have been heavily tasked in a number of different areas. That's where I think the great strength comes, is the balance that we have within the total force and the ability to use the Active Duty, the Guard, and the Reserve in this manner to meet the mission. Therefore, our commanders have not had to want for something else and not be supported.

It's that total team effort that takes all the time to get this done. But you've got to have the right balance. The Guard has been heavily tasked. They are also doing a lot more with respect to their BOG-dwell, as we call it, the boots on the ground and the dwell time they get back at home, and it's not at the desired rate.

So hopefully, if we have the right balance and as we make some of these necessary adjustments, we'll then be able to get to the desired rates for both the active duty as well as the Guard and the Reserve. This is something that we're all striving to do as we look forward to the future. But we very much value and appreciate all the contributions they've made.

Senator SHAHEEN. Thank you very much. I appreciate that. I think your point about the total force is an important one. I do share the concerns of the governors in looking at the total budget reductions that would have the Air Guard absorbing 59 percent of those aircraft budget reductions and about six times the per capita personnel reductions. So again, I know you can't comment on that, but I do think it's—I'm interested to hear the rationale at the appropriate time.

Admiral Willard, India has become a much more prominent partner of the United States and potential ally on military to military issues in the last several years. Last year the United States cleared the way for the resumption of high technology defense and aerospace exports to India. However, it does seem that there is still room for growth in our relationship. I wonder if you could talk about what PACOM's priorities are for the U.S.-India security rela-

tionship and how those are affected by both China and Pakistan, recognizing that Pakistan isn't part of your purview, but critical, obviously, to what happens with India?

Admiral WILLARD. Thank you very much, and thank you for raising India. It's a very important partner in the region and one that, as you suggest, there remains room for growth and advancement in our partnership. It has advanced in the past 2½ years that I've been at Pacific Command, and in the previous 2½ years as Pacific Fleet Commander we were very much engaged with India and attempting to advance the relationship then.

If you range back to our history with India, we are in a fairly nascent stage of engagement nation to nation, given that this is the largest democracy in the world, like-minded in many ways, and in a troubled region of the world in South Asia, but a very important partnership.

From a security standpoint, we are engaging across all our services with India at an increasing rate every year. There are challenges in the relationship. We overcome still the trust deficit as it relates to having departed South Asia years ago and having terminated relationships with both India and Pakistan following nuclear tests in the late 1990s. But I think that the current dialogue that is from the President on down and certainly at a military level very robust is overcoming all of this. There is certainly a China factor in India. They have a long-term border dispute that continues to be a challenge for both countries, and they fought a war over it in 1962.

China is a very strong partner of Pakistan and Pakistan-India have the relationship that we're all aware of, both nuclear-armed and a long-term history of animosity between the two of them.

To India's credit, they're maintaining ministerial-level dialogue with Pakistan and have for the past nearly 2 years, even post-Mumbai and all of the tension that that created.

So I think your emphasis on India and its importance is exactly the right one. From a security standpoint and a security assistance standpoint, they remain very important and a partner of focus for U.S. Pacific Command.

Senator SHAHEEN. Thank you very much. My time has expired.

Chairman LEVIN. Thank you, Senator Shaheen.

Senator Cornyn.

Senator CORNYN. Thank you, Mr. Chairman.

Admiral, General, thank you for being here. Thank you for your service.

I want to tell Senator Shaheen I appreciate her questions about the U.S.-India relationship, as one of the founders, co-founders, of the U.S.-India Caucus in the Senate, which has a strong and robust membership and a lot of interaction. I appreciate your acknowledgment and statement about the importance of that relationship from a security standpoint, an economic standpoint, and across the board.

My questions—and you'll have to forgive me, General. I'm going to ask Admiral Willard some questions about China and particularly Taiwan.

Admiral, you say in your prepared testimony that: "Taiwan remains the most acute sovereignty issue for China and the main

driver for military modernization programs. The military balance across the Taiwan Strait continues to shift in China's favor."

Would you agree that were China to launch some sort of military offensive against Taiwan that such a scenario would have the potential to draw the United States into a dangerous large-scale conflict in the region?

Admiral WILLARD. Thank you, Senator. Certainly the Taiwan Relations Act and three communiqués combined, the Taiwan Relations Act in particular, establishes the position the United States would take on such coercion were it to be launched against Taiwan, and it then becomes a decision by our President and by Congress to decide what the U.S. reaction to that would be.

But does it have the potential? We regard the defense of Taiwan as a U.S. PACOM responsibility. So yes, it would have the potential to draw the U.S. into conflict.

Senator CORNYN. According to the Department of Defense, China's official defense budget has grown by an average of 12.1 percent since 2001. So it seems as we are talking about scaling back our defense budget, China has continued to grow by leaps and bounds.

Would you agree that the likelihood of Chinese aggression against Taiwan becomes more likely as Taiwan's ability to defend itself deteriorates?

Admiral WILLARD. I'm not sure that I would contend that. I think it's important and we've established the importance through policy for a long time that Taiwan should have a self-defense capability, and our responsibility in working with the Pentagon and in working with you is to ensure that the defense articles and services that we assist Taiwan with provide for that self-defense.

As we've seen the administrations change on Taiwan and the reelection of President Ma and his administration just this year, we would offer that the tensions across the Strait have in fact relaxed during his administration and that advancements in relations between the People's Republic of China and Taiwan have occurred. So I think it would be presumptive to assume that simply that imbalance in combat power would necessarily encourage conflict. That said, there's no question that the balance of combat power resides with the People's Republic of China.

Senator CORNYN. I recently wrote a letter to President Obama—actually it was last November, 2011—and got a response on February 15, 2012, from James N. Miller, Acting Under Secretary of Defense for Policy. Mr. Chairman, I'd like to ask unanimous consent to have that made part of the record.

[The information referred to follows:]

[COMMITTEE INSERT]

Chairman LEVIN. It will be made part of the record.

Senator CORNYN. Let me just quote a couple of sentences from this. Mr. Miller says: "A key conclusion in the report to Congress on Taiwan's air defense force is that Taiwan's approach to defense cannot match the mainland one for one. Taiwan's defense spending cannot match the mainland's, nor can it develop the same type of military the mainland is developing. The report concludes that Taiwan needs to focus its planning and procurement on nontradi-

tional, innovative, asymmetric approaches, and we are working with Taiwan to do so.”

That was not a very encouraging letter I got from Secretary Miller. But let me just get down to some of the specifics with regard to operational combat aircraft. According to the Department of Defense, the People’s Republic of China has 2300 operational aircraft and the Government of Taiwan has only 490 operational aircraft. As you know, the administration recently notified Congress of its intent to upgrade some of the existing F-16A and B version, 145 of those, and I support the retrofit for these older F-16s.

But it does nothing to replace the growing obsolescence of Taiwan’s fighter jets. By 2020 it’s estimated that virtually all of Taiwan’s fighter jets will have to be retired except for the 145 F-16 A and Bs that we sold Taiwan during the George W.—Herbert Walker Bush Administration, and which are now the subject of this upgrade.

Can you give me a little more confidence that we are meeting our obligations under the Taiwan Relations Act and the three communiqués you mentioned? Because it seems to me that China is growing its military capability while Taiwan is losing its military capability, and the United States, which is legally obligated to provide defensive material to Taiwan, is not meeting its full obligations to equip them with what they need to defend themselves against the potential of a Chinese attack.

Admiral WILLARD. Thank you, Senator. I’ve been on the record in the past acknowledging that eventually Taiwan’s aviation capability will have to be recapitalized, and I too was encouraged when the F-16A-B upgrade was approved, and I think that is the right thing to do. I think it does in fact enhance the reduction of their air forces. It was an upgrade much needed and it will improve their capabilities.

I’m not sure that a comparison of combat capability or capacity with the People’s Republic of China and Taiwan is a fair one to make. Nor do I believe that there is any reasonable desire for or ability to achieve parity between the two. China is as big as the United States, maintains a fighter fleet, as you suggest, of over 2,000 aircraft, but has a lot of territory to cover. And Taiwan’s an island 200 miles long, maintains a fighter force of about 450 aircraft.

So an apples-to-apples comparison I don’t think is necessarily the argument in this particular instance. The argument is whether or not Taiwan is sufficiently defensible in the context of the Taiwan Relations Act and what was intended from a policy standpoint. We contribute to some of that at Pacific Command in our engagement with the Taiwanese military and trying to understand their needs. But we look more broadly than just their aviation needs and try to look across their armed force and in all domains how well they are equipped and manned to defend themselves.

I think that balance is important for us to recognize and also sufficiency in that regard across all of those various areas. So I see the recapitalization needs having been in the near-term met. As you suggest, I’m not sure that in the longest term it’s going to meet all their needs in the aviation area. But in their other services, they have needs as well, and I think the defense budget of Taiwan

needs to be reflective of a balanced approach to achieving a sufficient amount of defense.

Senator CORNYN. If I can conclude, Mr. Chairman, just with this one comment.

Thank you for your answer, but I'm concerned as I see China continuing to grow its military, Taiwan's military capability continue to recede in comparison, that then that will cause perhaps a greater potential that the United States would be required to come to the aid of our ally under the Taiwan Relations Act and the three communiques you mentioned.

It strikes me that the more capable that Taiwan is to defend itself, the less the likelihood is that the United States might be called upon to share in that defense in the event of an attack.

Thank you both, gentlemen.

Admiral WILLARD. Thank you, Senator.

Chairman LEVIN. Thank you, Senator Cornyn.

I just have a few questions for the second round. First, I was also glad, Admiral, to hear your answers relative to our relations with India, our security and military relations. It's a very significant partner in the region. The growing and robust relationship I believe is good news and the right way to go, and your answer is very reassuring to me, as it was to other members of the committee.

Admiral, relative to North Korea, has the change in leadership of North Korea impacted the agreement which was reached in October of 2011 with North Korea to allow U.S. personnel back in North Korea to resume the recovery of remains of U.S. service members missing from the Korean War?

Admiral WILLARD. Senator, there was a pause in discussions, but no pause in terms of initiative on our part to proceed with what was agreed to in terms of Personnel Accounting Command returning to North Korea to seek additional remains. We currently have a ship in Nampo that has been offloading a first wave of equipment to support that.

My concern is for the security of the personnel from JPAC that would execute these missions, and so I continue to view into North Korea carefully to assure the Pentagon and myself that these individuals will be treated in accord with the agreement that we struck in 2011.

Chairman LEVIN. Is there a timetable for that effort to take the next step?

Admiral WILLARD. There is. This particular offload is occurring. We have another one scheduled. There is a series of steps that we have planned, and I'd be happy to provide those to you if that would be helpful.

[The information referred to follows:]

[COMMITTEE INSERT]

Chairman LEVIN. That would be good, if you would do that for the record.

Relative to the record, General, if you could for the record give us some detail about the critical needs of TRANSCOM for cyber security. You made a comment in the press about TRANSCOM being the most cyber attacked command in the Department, and if you could for the record give us a list of your critical needs and whether those needs are being met, and whatever you can tell us in an un-

classified way about attacks on your systems and progress that you might be making in defending those systems.

It's a large question. It's an important one that we're grappling with in a major way here in Congress. So if you could give us kind of a whole review for the record, it would be helpful.

[The information referred to follows:]

[COMMITTEE INSERT]

General FRASER. Sir, thank you very much. I have stated that we are aggressively attacked. In fact, as we were looking at the numbers just this last year as it was wrapping up, from 2010 to 2011 we have seen an increase of about 30 percent of the number of attempts to get within our systems.

As this committee also knows, though, the majority of our business that we do is done on the unclassified net. We are working very aggressively on a number of different fronts, though, and it's not only within the command, but also with our commercial partners. Because of 90 percent of that business being done on the unclassified net, which is where our commercial partners are, we need to partner with them to strengthen our defenses. We're working that through contracting actions and looking forward to continuing to partner with industry.

Within the command, we aggressively have a program whereby we train all of our individuals. Before they get in and on, they've got to go through initial training. Then there's annual training. In fact, I just got finished completing it. It takes over an hour and you're not going to get out of it, because once you're into it you're going to go through the whole thing. And it's very thorough.

So we have to work that aspect of it. So there's a training piece to this as we harden our people and making them aware of what's going on.

There's also another piece to this with respect to our systems. So with a common service vision for the future, we have a number of systems out there that we're trying to bring into our net so that we can collapse the net and not have as broad a base so that the bad guys will be able to attack us. It'll be easier to defend if we're able to collapse the net, have less hardware out there, and actually be able to control that.

The other thing is that we're very aggressively certifying our net defenders. Over 99 percent of our net defenders that we have within the command now have professional certification. So this is helping us.

So I go back to the 30 percent increase. We do not know of any known successful attack into our systems this last year. So working with the people, working with the systems, the hardware piece to it, but also with others. There's some business practices out there that we're also bringing in. So we continue to partner with DSSA. We partner with Cyber Command and also with Strategic Command, as well as NSA, as we try to strengthen the net as best we can.

As the distribution process owner, looking forward to what we call a secure enclave, too. So as we partner with these other organizations, they're very encouraged by what they're seeing and the initiatives that we're taking. So we're working it from a holistic standpoint and we are properly funded within the command right now.

Chairman LEVIN. If you could keep this committee informed, we would appreciate it.

General FRASER. Yes, sir, I will.

Chairman LEVIN. This is really a major subject for all the members of Congress.

Admiral, you were asked, I believe, by Senator Inhofe to give us for the record, that you can give us in writing, how some of the objections which were raised to the Law of the Sea some time ago have been met, and that is important for all of us. If you can do that, if possible before you leave, it would be something, another item on your agenda to complete, and I hope that's not too burdensome. But it would be very helpful.

[The information referred to follows:]

[COMMITTEE INSERT]

Admiral WILLARD. I'll get right on it.

Chairman LEVIN. Also, you made a comment, Admiral, that I just want to see if you might wish to clarify. In response to a question of Senator Inhofe, and this had to do with North Korea, you indicated that their strategy has been successful for two generations. I assume that what you meant by that was that their strategy is to stay in power, essentially, and that's basically what they care about, and that strategy has succeeded, but not in terms of any success for their country?

Admiral WILLARD. That's exactly what I intended. This is a coercive strategy that has about five dimensions to it, all of which are bad news for the region and a challenge for our Nation.

Chairman LEVIN. And bad news for their own people.

Admiral WILLARD. And very bad news for their own people.

Chairman LEVIN. We thank you both, and it's been a very, very useful hearing. Best of luck to you and your family, Admiral, again as you take on new responsibilities, new challenges, new wonders.

Admiral WILLARD. Thank you, Senator Levin.

Chairman LEVIN. General, thanks so much.

General FRASER. Thank you, sir.

Chairman LEVIN. We'll stand adjourned.

[Whereupon, at 12:05 p.m., the committee adjourned.]