

**DEPARTMENT OF DEFENSE AUTHORIZATION
OF APPROPRIATIONS FOR FISCAL YEAR
2015 AND THE FUTURE YEARS DEFENSE
PROGRAM**

THURSDAY, MARCH 13, 2014

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

**U.S. NORTHERN COMMAND AND U.S. SOUTHERN
COMMAND**

The committee met, pursuant to notice, at 9:39 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Udall, Manchin, Donnelly, Kaine, King, Inhofe, McCain, Sessions, Chambliss, Ayotte.

Committee staff members present: Peter Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Richard W. Fieldhouse, professional staff member; Michael J. Kuiken, professional staff member; Mariah K. McNamara, special assistant to the staff director; and William K. Sutey, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Daniel C. Adams, minority associate counsel; Adam J. Barker, professional staff member; Steven M. Barney, minority counsel; and Robert M. Soofer, professional staff member.

Staff assistants present: Daniel J. Harder and Alexandria M. Hathaway.

Committee members' assistants present: Carolyn A. Chuhta, assistant to Senator Reed; Cathy Haverstock, assistant to Senator Nelson; Christopher M. Cannon, assistant to Senator Hagan; David J. LaPorte, assistant to Senator Manchin; Brian J. Rogers, assistant to Senator McCain; and Bradley L. Bowman, assistant to Senator Ayotte.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets this morning to consider the posture of our two combatant commands in the western hemisphere, and we're pleased to welcome General Chuck Jacoby, the Commander, U.S. Northern Command, and General John Kelly, Commander of U.S. Southern Command.

And thank you both for the long service that you've provided to our country, your leadership, and please pass along our gratitude to the men and women, military and civilian, with whom you work, as well as their families, for the great support that they provide.

And one of the three strategic pillars of the national defense strategy highlighted in the recent Quadrennial Defense Review is to, "protect the homeland, to deter and defeat attacks on the United States, and to support civil authorities in mitigating the effects of potential attacks and natural disasters." That sums up the mission of NORTHCOM. We look forward to hearing how General Jacoby is implementing this strategic priority and what impact the budget caps imposed by the Budget Control Act are having on this mission.

General Jacoby is responsible for the operation of homeland ballistic missile defense, the ground based midcourse defense system, which has had several flight-test failures caused by problems that need to be corrected and demonstrated before we deploy more interceptors. And we'd be interested in his views on the need for testing and improving our GMD system, particularly its sensor and discrimination capabilities, and on improving its future kill vehicles with a new design.

In its mission to provide defense support to civil authorities, NORTHCOM works closely with other Federal agencies and with the Governors and the National Guard. We hope to hear how the budget request, his budget request, will affect the command's ability to respond to natural and manmade disasters, and to promote regional security through our security partnerships with Canada and Mexico, including efforts with Mexico to reduce the twin scourges of violence and illicit trafficking of drugs, money, weapons, and people.

Both of our witnesses face the threat of transnational criminal organizations, sometimes called TCOs, organizations that breed instability, corruption, and violence throughout the region, undermining democratic institutions in civil society with their illicit trafficking operations. And, General Kelly, your prepared opening statement goes so far as to call these TCOs "corporations." We look forward to your views on the effectiveness of our law enforcement, military, and intelligence efforts to take on those entities.

General Kelly, as a result of funding restrictions required by the budget caps, the military services have reduced their support of your requirements substantially, and I hope that you'll provide our committee with an understanding of the choices that you've had to make in mitigating the impact of funding cuts. As an example, last year you reported the success of Operation Martillo, which fused intelligence and operations efforts to take on illicit drug trafficking. And the results of that operation were impressive. However, under current and proposed funding levels, I understand the Navy will have little choice but to reduce the deployments that would support the continuation of that operation.

SOUTHCOM faces a multitude of other security challenges, including training and equipping militaries of friendly nations; training and equipping peacekeepers for deployment to multilateral peacekeeping operations across the globe; enabling, advising, and supporting Colombian military and law enforcement operations;

monitoring the activities of Russia, China, Iran, and nonstate actors in the hemisphere; growing political instability in Venezuela; and responding to requests from the State Department for additional security forces and evacuation support. And we'd be interested, General, in any targeted funding or authorities that may be needed to carry out those missions.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

And I think we all know that, now more than ever, the threats we face are no longer confined to geographic boundaries that divide our combatant commands. What happens in Latin America, in the Middle East, in Asia and Africa, directly impact the security of the U.S. Homeland.

General Jacoby, this reality is reflected in your prepared remarks, where you state that, "The U.S. Homeland is increasingly vulnerable to an array of threats around the world." This is particularly true with regards to Iran and North Korea. North Korea continues to engage with provocative actions, including military exercises, nuclear tests, and the development of off-road—of a road mobile missile system. Additionally, the recent agreement with Iran has done nothing to halt the regime's pursuit of nuclear weapons and their nuclear weapon capability and the means to deliver it to our shores. That's why I remain committed to pushing efforts to increase the reliability of our GMD system, including the development of a new kill vehicle for our ground-based interceptors, as well as an additional radar system for the east coast, which we actually had started, at one time.

In our hemisphere, violence is escalating throughout Central and South America and Mexico as a result of ruthless criminal organizations. These groups command multibillion-dollar networks that smuggle drugs, weapons, humans, and just about anything else that'll make money. Today, their reach extends far beyond Latin America. They now operate in Africa, Europe, and Asia, and they have presence in more than 1,200 cities in the United States.

So, I look to both of our witnesses today to update the committee on the growing threat from these groups and what's being done to combat their spread.

And, General Kelly, SOUTHCOM has long suffered from resources shortfalls. Sequestration is going to have—make it a lot worse. You say in your statement that budget cuts over the next 10 years will—and I'm quoting—"disproportionally large impact" on your operations to exercise in engagement activities and that our relationships, leadership, and influence in the region are, quote, "paying the price." And I hope you'll talk more in detail about that, and that neither of you will try to sugar-coat the problems that we're facing today.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

General Jacoby.

STATEMENT OF GEN CHARLES H. JACOBY, JR., USA, COMMANDER, U.S. NORTHERN COMMAND, AND COMMANDER, NORTH AMERICAN AEROSPACE DEFENSE COMMAND

General JACOBY. Chairman Levin, Senator Inhofe, distinguished members of the committee, thank you for the opportunity to appear before you today.

It's a pleasure to be here once again with my friend and fellow Combatant Commander John Kelly of U.S. Southern Command, and I have with me today my senior enlisted leader, Command Star Major Bob Winzenreid.

Behalf of the soldiers, sailors, airmen, and marines, coastguardsmen, and trusted civilian teammates of U.S. Northern Command and North American Aerospace Defense Command, I appreciate this committee's continuing support of our unique and important missions.

I'd like to begin by acknowledging the importance of the 2-year reprieve offered by the bipartisan Budget Act of 2013. It enabled short-term readiness fixes and selected program buybacks of significant importance to the homeland. However, the challenge of the Budget Control Act and sequestration remains, hampering our ability to plan and decide strategically, frustrating our efforts to find innovative solutions to complex national security challenges, and reminding us that the recent bipartisan Budget Act only postpones, but does not eliminate, the risk to our future readiness and ability to meet the missions specified in the Defense Strategic Guidance of 2012. We need your help in Congress for a permanent fix to the Budget Control Act of 2011.

Of particular concern was the Department's hard choice to implement the furlough of our dedicated civilian teammates as a cost-cutting measure. This decision compromised morale, unsettled families, and caused us to break a bond of trust, one that is absolutely critical to the accomplishment of our mission. Equally unsettling, NORAD's ability to execute its primary mission of aerospace defense of the homeland has been subject to increased risk, given the degradation of U.S. combat air force readiness. With the vigilance and the support of Air Combat Command and the U.S. Air Force, we've been able to sustain our effective day-to-day posture, but that comes at the cost of overall U.S. Air Force readiness, which continues to hover at 50 percent.

As the world grows increasingly volatile and complex, threats to our national security are becoming more diffuse and less attributable. While we stand constant vigil against asymmetric network threat activities, Russian actions in the Ukraine demonstrate that symmetric threats remain. Ultimately, crises originating elsewhere in the world can rapidly manifest themselves here at home, making the homeland more vulnerable than it has been in the past.

I agree with DNI Director Clapper, al-Qaeda and transnational criminal networks continue to adapt, and they do so much more quickly than we do. To deter and defeat these globally networked threats, it's imperative that we prioritize our support to our partners in the law enforcement community and the international community. Their forward efforts help keep these transnational organizations from transforming into large-scale threats to the homeland.

Another critical enabler to successfully defending the homeland is strategic intelligence and warning. The recent compromise of intelligence information, including the capabilities of the NSA, profoundly impact how we defend the homeland against both symmetric and asymmetric adversaries.

With regard to missile defense, tangible evidence of North Korean and Iranian ambitions confirms that a limited ballistic missile threat to the homeland has matured from a theoretical to a practical consideration. Moreover, we are concerned about the potential for these lethal technologies to proliferate to other actors.

To address these possibilities, we are also working with the Missile Defense Agency to invest in a tailored solution to address the challenges that advancing missile technologies impose on our ballistic missile defense system architecture.

In addition to the issues mentioned thus far, NORTHCOM and NORAD continue to work to address a variety of other challenges to our missions across the approaches to North America. With seasonal ice decreasing, the Arctic is evolving into a true strategic approach to the homeland. Therefore, we continue to work with our premier Arctic partner, Canada, and other stakeholders, to develop our communications, domain awareness, infrastructure, and presence in order to enable safety, security, and defense in the far north.

Defending the homeland in depth requires partnerships with all of our neighbors: Canada, Mexico, and the Bahamas. Our futures are inextricably bound together, and this needs to be a good thing in the security context. The stronger and safer they are, the stronger our partnerships, the safer we all are, collectively. And this creates our common competitive security advantage for North America.

For civil support, U.S. NORTHCOM stands ready to respond to national security events as a core DOD mission and to provide support to lead Federal agencies for manmade or natural disasters. And our challenge remains to not be late to need. The men and women of U.S. NORTHCOM and NORAD proudly remain vigilant and ready as we stand watch over North America and adapt to the uncertainty of the global security environment and fiscal realities.

I'm honored to serve as their commander, and thank this committee for your support of our important missions. And I look forward to your questions.

Thank you.

[The prepared statement of General Jacoby follows:]

Chairman LEVIN. Thank you very much, General Jacoby.

General Kelly.

**STATEMENT OF GEN. JOHN F. KELLY, USMC, COMMANDER,
U.S. SOUTHERN COMMAND**

General KELLY. Chairman Levin, Senator Inhofe, and distinguished members of the committee, thank you for the opportunity to speak here today about U.S. Southern Command's soldiers, sailors, airmen, coastguardsmen, and my tremendous civilian workforce, including our contractors.

I want to associate myself to Chuck's comments about the impact of furlough and budget cuts on these tremendous patriots. They

just don't happen to wear uniforms. Their morale is high. I don't know why it is, because they're on the—seemingly, on the edge of criticism and pay cuts or furloughing on a regular basis, but it remains high, and they do a really, really effective job.

I'm pleased to be here, of course, today with Chuck Jacoby, and I look forward to discussing how our commands integrate our unique capabilities to ensure the seamless forward defense of the homeland.

Mr. Chairman, I consider myself fortunate to work with this—in this part of the world. Latin America and the Caribbean are some of our very staunchest partners, ready and willing to partner across a broad range of issues. Most nations in this part of the world want our partnership, they want our friendship, they want our support, they want to work with us, they want our engagement to address shared challenges and transnational threats. For more than 50 years, U.S. Southern Command has done exactly that. We have engaged with our partners, we've helped build strong, capable military and security forces that respect human rights and contribute to regional security. We've worked with the interagency and international community to secure the southern approaches of the United States.

And we've accomplished a lot, even in these days when I have very, very few forces assigned and very, very limited resources to work with. But, the severe budget cuts are now reversing the progress and forcing us to accept significant risks. Last year, we had to cancel more than 200 very effective engagement activities in numerous multilateral exercises. Because of asset shortfalls, we're unable to get after 74 percent of suspected maritime drug trafficking. I simply sit and watch it go by. And, because of service cuts, I don't expect to get any immediate relief, in terms of assets to work with in this region of the world. Ultimately, the cumulative impact of our reduced engagement won't be measured in the number of canceled activities and reduced deployments, it will be measured in terms of U.S. influence, leadership, relationships in a part of the world where our engagement has made a real and lasting difference over the decades.

In closing, Mr. Chairman, I want to mention the rest of the SOUTHCOM family. I would say that not all patriots are in uniform. First, I'd like to talk about the law enforcement partners I have: the FBI, DEA, ICE, Border Protection, all of the Homeland Security crowd. They live very, very dangerous lifestyles down in my region of the world, and I suspect in Chuck's as well, and they do magnificent work for the Nation.

Next, I want to talk about the Departments that we work with: Treasury, Commerce, Justice. Again, they follow the money of these transnational organized criminal organizations, and do a superb job.

And finally, the Department of State. I have ten nations in my part of the world that do not have Ambassadors assigned right now, that very, very definitely hobbles my ability to interact with some of these nations. In particular, Colombia, Trinidad, Tobago, and Peru. These are some of our very closest partners. And until, frankly, I have someone in the position to work with, our efforts

in those nations—and again, they’re tremendous partners—our efforts are hobbled.

And for that—with that, sir, again, I look forward to answering any of your questions.

[The prepared statement of General Kelly follows:]

Chairman LEVIN. Thank you both very much.

We’ll have a 7-minute first round. And I think we may have votes during the morning. Is that still true, do we know? Not scheduled yet, so could happen.

General Jacoby, let me start with you. Your prepared statement says that, quote, “I remain confident in our current ability to defend the United States ballistic missile threats from North Korea or Iran.” Does our current ground based midcourse defense system cover all of the United States, including the East Coast, against missile threats from North Korea and/or Iran?

General JACOBY. Senator, yes, it does.

Chairman LEVIN. And in your prepared statement, you also mentioned the need to improve our homeland missile defense system architecture in order to maintain our strategic advantage, and I have a number of related questions relative to that architecture and how we can improve it.

Looking at priorities, which is the more important investment priority for our homeland missile defense system at this time, to improve the sensor and discrimination capability and overall system reliability or to build an additional interceptor site on the east coast?

General JACOBY. Senator, I believe our first available dollar goes to better sensors that would give us more discrimination. I also believe that our intelligence collection against potential adversaries that can field ICBMs and weapons that could reach the homeland is critical, as well.

Chairman LEVIN. And do you agree, as proposed in the budget request as mandated last year by Congress, that we should deploy a new long-range discriminating radar to improve defense of the homeland against North Korean missile threats?

General JACOBY. Senator, yes, I do.

Chairman LEVIN. And do you also agree, as proposed in the budget request and as recommended by Congress last year, that we need to redesign our GMD kill vehicle for the future to make it more reliable, robust, producible, and effective?

General JACOBY. Yes, Senator, I do. It’s an important priority, to redesign the kill vehicle.

Chairman LEVIN. And is it still correct that there is no current requirement to deploy an additional missile defense interceptor site in the United States?

General JACOBY. Senator, based on where the threats are to the east coast, I do not believe we need to make that decision at this time.

Chairman LEVIN. General, as you know, the budget request proposes a restructuring of Army aviation that would transfer Black Hawk helicopters to the National Guard for its numerous homeland missions, such as disaster response and transfer instead—in lieu of the Black Hawk’s transfer, Apache armed attack helicopters,

to the active component for overseas combat missions. Do you support that proposal, and why?

General JACOBY. Senator, this is a tough issue for the Chief of Staff of the Army. He's made a courageous decision to restructure, driven by the fiscal realities of the budget. And I—speaking as the NORTHCOM Commander, that aviation restructuring works to NORTHCOM's advantage. I do not have an attack helicopter requirement in the homeland, but anytime our Governors and our adjutants general can get hold of more lift, such as Black Hawks or light utility, such as the Lakota, that's a good thing, and I believe that that is the result of the aviation restructuring program.

Chairman LEVIN. And is it something that makes sense to you?

General JACOBY. From the NORTHCOM requirements standpoint, it makes sense.

Chairman LEVIN. Do you know whether the—whether General Grass, the Chief of the National Guard Bureau, supports this proposal? Do you know?

General JACOBY. I'm not sure exactly what General Grass's position is on this, but I know he's been in discussions with the Chief of Staff on it.

Chairman LEVIN. All right.

General, we've had some flight test failures with both models of kill vehicles, and last year, when Secretary Hagel announced the decision to deploy 14 additional groundbased interceptors in Alaska by 2017, he said that, before we deploy the additional interceptors, we need to have confidence from successful intercept flight testing that the kill vehicle problems have been corrected. Do you agree with that?

General JACOBY. Senator, I agree and support flight testing.

Chairman LEVIN. Before we actually deploy.

General JACOBY. That's correct.

Chairman LEVIN. That we should have some successful intercept flight testing first, to make sure that those problems have been corrected?

General JACOBY. That's the Department's commitment, and I support that commitment to test successfully before additional deployment.

Chairman LEVIN. The—General Kelly, let me ask you about ISR requirements in your AOR. Does your AOR have an airborne ISR requirement?

General KELLY. Yes, Senator, it does. We do. I'm tasked, under Title 10, to detect and monitor the drug flow that comes up from Latin America and flows into the United States. There's a lot of complicated parts to that, but one of the key parts is ISR. I don't have enough. We take what we can get. Some of the ISR that's very, very effective working for me are, frankly, aircraft that are on training flights, JSTARS, even bombers that come down and work for us. They're on training flights, but what they provide me, in terms of a picture of what's moving across the Caribbean, is tremendously helpful, and really a game changer, particularly when JSTARS, frankly, shows up. But, we also have Navy P-3s flying—not enough, but we have Navy P-3s flying out of primarily El Salvador. I've got a couple of contract airplanes—ISR airplanes that are under contract—my contract. We also have Border Protection

airplanes from Homeland Security flying P-3s, again out of El Salvador. I don't have enough. I could use more. But, what I have, I use very, very effectively. Yes, Senator.

Chairman LEVIN. What percentage of your ISR requirement's being met today? Which—

General KELLY. ISR requirements, I'd estimate about half. But, that's only one part of the equation, in terms of the drug interdiction, Senator.

Chairman LEVIN. All right. And so, we—under the fiscal year 2015 budget, the Air Force is going to cap the fleet of unmanned aerial systems in—which are, namely, the Predator and the Reaper drones. They're going to reduce that growth in that fleet from 65 to 55 combat air patrols. Is that something which will make it more difficult for you to meet your full ISR requirement?

General KELLY. Right now, Senator, I don't get any of those systems, right—generally speaking, right now. I was actually hoping—yesterday, about the caps—I was actually hoping—that, as the War in Afghanistan and Middle East started to wind down, and those assets maybe be made available, I was hoping to get some of those. So, very disappointed yesterday, when I heard that we're going in that direction, because I really could use a lot more ISR.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Natalie, would you turn that chart around?

General Kelly, you're familiar with this chart. I just want to make sure everybody—they have a copy in front of them. It's a—it's very significant, I think. It tells the story. It's a—the yellow denotes the DHS flight hours in support of SOUTHCOM; the orange, the DOD flight hours; the light blue, the DHS ship hours; and the dark blue, the DOD ship hours; and the red denotes the cocaine seizures. Now, the thing that's interesting about this chart—and I would ask, first of all, do you—is this accurate—an accurate—

General KELLY. It is accurate, yes, Senator.

Senator INHOFE. Okay. Is—if you look at seizures, and—there's a direct relationship with the assets that are out there. And this is what really bothers me, because I think you—you have made a statement, I think it was in our office to some of our staff, that there is a—75 percent of the cocaine trafficking heading toward the United States, that you can see it, but you can't interdict it. Is that accurate?

General KELLY. Yes, sir. And to define the word “see,” I have a lot of assets that are fused together—intel assets from all across the U.S. Government, every agency of the U.S. Government, not only just the military. I've got radars that give me a very, very—

Senator INHOFE. Yes. Oh, yes, but you know, they're there.

General KELLY. They're there, yes, sir.

Senator INHOFE. And—

General KELLY. I watch them go by.

Senator INHOFE.—you would—if you had the assets to do it, you could interdict them.

General KELLY. I could interdict them.

Senator INHOFE. Yes. So, we have a lot of this stuff coming into the United States that would not otherwise be coming in.

General KELLY. That's correct.

Senator INHOFE. Can you quantify that?

General KELLY. Well, as you can see, in the last few—

Senator INHOFE. If you kind of take all of them that you have interdicted, and then—what percentage would that be of what you would suspect would be coming into the—

General KELLY. On the high seas, after it leaves Colombia, I suspect we get about 20 percent that's moving towards the United States.

Senator INHOFE. But, we—and we—that's all that we get and not—

General KELLY. That's all that we get.

Senator INHOFE. So, 80 percent is coming into the—

General KELLY. Is coming—

Senator INHOFE.—United States.

General KELLY. Right.

Senator INHOFE. I know that bothers you. It bothers me. It should bother everyone up here as—what would it take to—what kind of assets would you need to, say, cut that 80 percent down to—reverse those figures—down to 20 percent, maybe?

General KELLY. Anything that floats that can land a helicopter on. I don't need warships, necessarily. In fact, if you look in fiscal year 2013, the only reason we got 132 tons is because we have three very, very good outside-the-theater allies—the Dutch, the French, the Canadians, and the United Kingdom. We got a fair amount of takeoff of a Dutch oiler that just happened to have a helicopter on it that we put a law enforcement person—

Senator INHOFE. But, as far as—

General KELLY.—on the helicopter.

Senator INHOFE.—ships that you own that are ours—

General KELLY. Right now, I have—

Senator INHOFE.—one—

General KELLY.—one Navy ship in—one Navy ship working for me and two—four Coast Guard cutters that are down—DHS—down in the AO, but only two of them are working the drug issue; the other two are off in the West Indies, dealing with other—

Senator INHOFE. Is it likely you wouldn't even have the one, in the event that we have to go through sequestration—

General KELLY. I would definitely not have one if I didn't—

Senator INHOFE. That's a—

General KELLY.—if we went through sequestration.

Senator INHOFE.—frightening thought.

The—you made a brief comment about the ISR and—but, you know, we sit at this panel and—with all the other commands, too—and this is a problem that not—is just not your problem, it's everyone's problem. In AFRICOM, for example, we had adequate ISR assets in the Central African Republic for the LRA, and then, when the problem exploded up in South Sudan, then they just had to take those assets and move them up there. They're not replacing them. Is that what you are finding when you—when something new happens and you have a new need, do you have to take it from someplace else?

General KELLY. Again, Senator, I get almost nothing, in terms of what I really need, so—

Senator INHOFE. Okay.

General KELLY.—I just take what I—what—sometimes we get a phone call about a bomber mission next week, and, “Can you use these guys to come down and”——

Senator INHOFE. Sure.

General KELLY.—“and do some ISR over the Caribbean?”—and we’ll take it.

Senator INHOFE. Yes.

General Jacoby, you mentioned on the Arctic icecap and some of the things that are going on there. I’d—I’m sure you agree that the actual volume of ice in the Arctic is increasing, but the problem is, it’s in the center. And the problems that you’re having are around the perimeter. Is that somewhat accurate?

General JACOBY. Senator, the total ice exposure in the Arctic is going down. It has been going down.

Senator INHOFE. The exposure, but the volume is not going—well, we can talk about that later, but I do want to show you the evidence of that. I would still say, though, the—it’s a problem, because it’s in the perimeter, where the problem is that you’re addressing.

General JACOBY. I would summarize by just saying the Arctic is increasingly accessible to human activity.

Senator INHOFE. The—you talked about the—we went through this long thing about the ground based interceptor in Poland, with the radar and the Czech Republic. And I can remember, probably every member up here on this committee who was serving at that time worked with—and Poland and the Czech Republic, and they took a huge risk, at that time, when they made the agreement. In fact, Vaclav Klaus made that statement. His statement was, “Are you sure, if we do this, that you’re not going to pull the rug out from under us?”—which we did. Now we have a problem on the east coast. You say that you’re not ready yet to make a recommendation. But, this is an—they are studying it right now, aren’t they?

General JACOBY. Senator, that’s correct. Thanks to NDAA that directed us to do an assessment, Missile Defense Agency has assessed various potential locations for a third site. They’ve down-selected to four that meet the—best meet the requirements for a third site. And now they’re doing environmental impact statements on——

Senator INHOFE. Okay. And——

General JACOBY.—all four.

Senator INHOFE.—is it true that right now we’re relying more on Alaska, right now, in terms of the east coast?

General JACOBY. We’re almost completely relying——

Senator INHOFE. Yes.

General JACOBY.—on Alaska.

Senator INHOFE. And I always—you always hear the term “You shoot and then you look and then you shoot again.” I’ve always been very comfortable with the—what we have on the West Coast, but I’m not that comfortable of—and I know that a lot of people are saying—and I’m not sure exactly the words that you used, but—that there doesn’t seem to be a sense of urgency, as I see it, so maybe I’m overlooking something. But, isn’t it true that on the—

the concept of “shoot and look and then have a second shot,” which gives me a lot of comfort on the west coast, is not something that they can do from Alaska for the east coast?

General JACOBY. We currently do not have a shoot-assess-shoot capability.

Senator INHOFE. Thank you.

General JACOBY. That’s correct.

Senator INHOFE. Thank you. That’s very disturbing.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

And I want to thank both of you for your service to the country.

General Kelly, what is the dollar value of the 75 percent that continues to go through, if you happen to know offhand?

General KELLY. I don’t know offhand. I could get that estimate for you.

[The information referred to follows:]

[COMMITTEE INSERT]

General KELLY. But, just understand that cocaine, as it flows into the United States, is the big moneymaker for the cartels. Cocaine is the big moneymaker. Their profits that come out of the United States every year, not just from cocaine, but mostly from cocaine, is 85 billion—that’s with a “b”—\$85 billion in profit. So, if I—you know, obviously, every kilo I take out of the—I can take out of the flow is less profit for them, and it’s a—

Senator DONNELLY. And—

General KELLY.—huge profit margin.

Senator DONNELLY. And what is the cost to staff up—and again, I’m not holding you to the numbers; don’t get me wrong. But, if you had a ballpark—say, “Here’s the plan to stop this”—what do you think the additional cost would be?

General KELLY. I would tell you it’s—I think more in terms of ships. Right now, I hit—

Senator DONNELLY. Okay.

General KELLY.—132 tons last year, for 1.5 percent of the total U.S. Government counter-narcotics budget—1.5 percent. I got 132 tons. That makes—everything else that gets taken off the market, to include all of the law enforcement activity in the United States of America, pales in comparison.

Senator DONNELLY. How many more ships do you need? I mean—

General KELLY. I—

Senator DONNELLY.—what would—

General KELLY. My requirement is for 16 vessels of some kind that can fly a helicopter off the back. I can do it with a barge or I can do it with an aircraft carrier. Sixteen vessels that I can land a helicopter on. Because end game is done by helicopters. It’s a law enforcement end game that I support, but it’s done by a helicopter, and it has to fly off some vessel, something that floats.

Senator DONNELLY. How do you think it would change what’s going on in our country, in relation to the drug war?

General KELLY. Well, not all, again, from cocaine, sir, but, you know, there’s—40,000 people a year in the United States die from

drugs, costs our country \$200 billion. A huge amount of our law enforcement effort in our country is devoted to drugs. Frankly, the more you can take off the market, you drive the cost up, the availability down, and, who knows, just using basic arithmetic, maybe more young people are not exposed to drug use.

Senator DONNELLY. Is there any way that you could provide to this committee—you told us you need X number of ships—“Look, if I had this stuff, I could get this done”?

General KELLY. I can provide you that, yes, sir.

Senator DONNELLY. If you could do that, that would be—

General KELLY. I'll—

Senator DONNELLY.—terrific.

General KELLY.—take that for the record, yes, sir.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator DONNELLY. Thank you.

Another thing that concerns me—and I know—I'm sure it concerns you, too—is—one of the ways we've always had such great relations with other countries and with their military is training together, having them working with us. And from what I understand—and correct me if I'm wrong that the Chinese are working with some of the other countries now, as well. Is that a concerning situation to you?

General KELLY. Chinese are very active. They're mostly economics. They trade and sell items where we can't, sometimes. But, they're very, very active. The Latin Americans don't see that, and neither do I, really, see that, looking at it holistically, as a problem, because it's, to them, economics.

That said, with economics comes influence. If a given nation is trading primarily with the Chinese—and again, the Chinese are very different than us, in that they don't consider things like human rights, which we do, and should. They don't consider things like environmental impact on projects. We do, and should. They don't. They're easier, if you will, to work with. And with that comes influence. And that's what concerns me about the Chinese.

The Russians are also increasingly active in the area. Working with countries that want to partner with the United States on the—particularly on the drug fight, but can't, for a lot of different reasons, these restrictions, so that Russians not nearly as much, and certainly not economically, as the Chinese. But, the Russians are flying long-range bomber missions there. They haven't done that in years. They did this, this year. We haven't had a Russian ship in the Caribbean since 2008; we had three come—a task force of three come, about 6 months ago, and now there's two still there. Two additional have come. So, they're on the march. Again, you know, that's Russia. But, they're working the scenes where we can't work, and they're doing a pretty good job of, again, the influence.

Senator DONNELLY. What do you see taking place in the foreseeable future in Venezuela?

General KELLY. I think we're watching it—we're watching it kind of come apart. I mean, economically—and, of course, I think they have the number-two oil Reserves in the world, yet they can't get going on their oil. They're attempting to reorganize themselves eco-

nomically. It's not working. Politically, I see a real degradation in what used to pass as Venezuelan democracy. There's less and less of that now. My hope is, as we watch it—and I'm in contact, of course, with the State Department as well as the Embassy—my hope is that the Venezuelan people somehow settle this themselves without it getting out of—really out of control with an awful lot more violence. But, that's kind of up to them, I think.

Senator DONNELLY. Have you reached out to their military at all? And you don't have to answer this directly if you're concerned about—

General KELLY. We have no contact with their military.

Senator DONNELLY. Okay.

General KELLY. I'm not allowed to contact their military. They're not interested in contact with us.

Senator DONNELLY. Okay.

General Jacoby, as you look at our border areas—and we have heard some folks talk about Mexican police, Mexican—people in uniform coming across our border. Have you seen any of that? Or is that something that is of concern as we look forward?

General JACOBY. Senator, it would always be a concern if there was incursion by another armed force or another security force. And I do know that that happens occasionally. I will tell you that we developed a very close relationship between one of my forces, JTF North, along with Customs and Border Patrol, and have routine border meetings. And when we have an incident like that, we have mechanisms to work it through, to see if we make—need to make adjustments to how we're doing business. I don't feel threatened by it or—

Senator DONNELLY. I'm out of time. I just—one last thing I wanted to ask is, Would you say, if you're looking at it, things are getting better in our relations with the Mexican officials in that area, or worse?

General JACOBY. They're getting better, Senator.

Senator DONNELLY. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Donnelly.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses, and I thank them for their great service to our Nation.

General Jacoby, I think I pay as close attention to what's happening on the border as most anyone, because of obvious geographic location of my State. But, I must say, I was—I guess the word is “surprised” to learn that, in the south Texas part of our border, that 82 percent of the illegal border crossers that were apprehended were what we call OTM, “other than Mexican,” non-Mexican citizens. Isn't that a dramatic shift over the last period of time?

General JACOBY. Senator, I do think it's rather dramatic, and I think that there's important aspects to that, that we need to bore into. But, I know the exact statistics you're talking about, and they are a tremendously interesting change in illicit trafficking that's going on, on the border.

Senator MCCAIN. Isn't it logical, then, to at least speculate that, if you get this large number of people who are not Mexican, who come from countries all over the world—now, admittedly, the bulk of them are Central American, I understand that—but, you still have very large numbers who are from countries all over the world. It—wouldn't it be safe to at least be concerned about the possibility or likelihood of terrorists or people who want to do—come across our border not to get a job or a better life, but to do something bad?

General JACOBY. Senator, I think that's a very important problem. I completely agree. These are illicit distribution networks, and they will traffic whatever is the best market for them to traffic in. And right now, large numbers of non-Mexicans are crossing the border. I think, across the whole border, it's 45 percent are non-Mexican, with large numbers of people from special-interest countries. And so, I think this is a national security issue, and we're partnering closely with DHS on it. But, also, more importantly, to partner with Mexico and the other countries in the region, because that's a highway. It's a highway with a lot of branches and a lot of on-ramps and off-ramps, and most of it's coming directly to our border. And we have to work that whole highway into John's area of responsibility, as well as mine.

Senator MCCAIN. And, General Kelly, moving into your area, one of the real vulnerabilities here is the southern border of Mexico, and people who are relatively—with relative ease, come across that border from very economically poor countries in Central America, but also, if they're not—if there's no real prohibition for their crossing the southern border, then these other-than-Mexicans find it much easier to enter this country. Is that a correct assessment?

General KELLY. Absolutely, Senator, it's entirely true.

Senator MCCAIN. And so, it's of great concern to you, the economic and literally criminal takeover, or near takeover, of these countries in Central America.

General KELLY. Yes, sir. One of the things we—the spike, actually, that—and you referred to it in the number that are coming across the border—many of those are Hondurans, Guatemalans, El Salvadorans that are fleeing the violence, the drug-generated violence in those countries. Now, Chuck and I, working—him on his side of the border, with the Mexicans on my side of the border in the last year, we've encouraged the Guatemalans—and I think the Senator knows I'm very restricted in dealing with some of these countries because of some past issues.

Senator MCCAIN. Especially Nicaragua.

General KELLY. Well, actually, we have almost no contact with Nicaragua. Certainly, Guatemala, very restricted in dealing with them, and with Honduras. But, we're working hard on that northern Guatemalan border. We've helped them establish some inter-agency task forces. Looking pretty good. I just traveled down there, and they're working with the Mexicans on their side. So, we're doing what we can to seal that border. But, you're right.

Senator MCCAIN. And from—could I, just for a second, General Jacoby and General Kelly—because of our experiences in Iraq and Afghanistan, we have the technology—

General KELLY. Oh, yes.

Senator McCain:—to surveil our entire border, don't—wouldn't you agree with that statement?

General JACOBY. I agree, Senator.

General KELLY. Absolutely.

Senator McCain. It's a matter of devoting the resources to it. It's not a matter, as it may be—may have been some years ago, that we really were incapable. Would you agree with that, General?

General JACOBY. I agree, Senator. I think the same can be said on the—Mexico's southern border.

Senator McCain. We could help them with the technology that could help dramatically improve their security.

General JACOBY. Senator, I know it's one of President Pena Nieto's top security issues, and we would be very happy to help them with it. And I've spent time on that border, and understand the challenges of it.

Senator McCain. General Kelly, it's disturbing to hear you say, with refreshing candor, that you are watching drugs being transported into this country. That's a correct statement that you made?

General KELLY. Yes, Senator, it is.

Senator McCain. So, I think that Senator Donnelly mentioned it, we'd very much like to hear—maybe in writing, have your opinion as to what is needed so that, when you see those drugs being transported, that you have the capability to intercept. Would you—could you give us, the committee, that in writing? Because we will be taking up an authorization bill, and maybe we can do something to give you the ability, at least when you see drugs being illegally transported, that you would have the capability to do something about it.

General KELLY. Yes, Senator, we'll do that. Easy.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator McCain. General Jacoby, you and I had a interesting conversation yesterday about the effects of drugs and the legalization and all that. And I guess my question is, has the legalization of marijuana in some U.S. States affected the drug trade? And what effect do you think legalization has on these transnational cartels?

General JACOBY. Senator, of course what a State decides to do is a political issue and the concerns of the citizens of that State. I can tell you—and I won't speak for John, but I think he would say the same thing—that our partners that we've been leaning on really hard for cooperation in counternarcotics efforts are concerned about that, and they talk to us about it, and they're often upset about it. And so, that does—that is an important wrinkle to the relationships.

I would also say that we need to be mindful that much of what crosses our border is marijuana, and that these cartels make a lot of money off a lot of different things, and we have to be careful to make sure that anything that we legalize doesn't enrich and empower a very strong network of very tough adversaries in the transnational criminal organization business.

Senator McCain. General Kelly, do you have a—

General KELLY. In my part of the world, sir, they—now, these are my partners talking—they look at us in disbelief. As Chuck

says, we've been leaning on these countries a long time. And the impact—particularly in the Central American countries—the impact that drugs have had—our drug consumption, our drug demand—on these countries pose an existentialist threat, frankly, to their existence. And they're in disbelief when they hear us talking about things like legalization, particularly when we still encourage them to stay shoulder to shoulder with us in the drug fight in their part of the world. "Hypocrite" sometimes works its way into the conversation, the word "hypocrite."

Senator MCCAIN. Very interesting.

I thank both the witnesses, both for their service and their candor.

And I thank you.

Chairman LEVIN. Thank you, Senator McCain.

Senator REED.

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

And thank you, gentlemen, for your service and the service of all in your commands.

General Jacoby, we talked briefly, previously, and in the context of Admiral Rogers' recent appearance before the committee, about the new dimension of cyber. I mean, we're already—you alluded to it. Cyber is part of what's going on in the Ukraine, cyber is now a fully developed dimension of any type of conflict. And the sense that I have is that we have—not doing the kind of planning, the detailed planning, that we need. I know you had a 2014 Cyber TAG Conference. You've got your TAGs involved. But, your position, with all your relationships—Homeland Security, the National Guards, the—et cetera—to either be a host or to sort of stimulate this—but, could—you might just discuss the notion of comprehensive training exercise. I made the allusion, in a previous hearing, to the Louisiana maneuvers of 1940. But, now we're talking about financial utilities, public utilities, commercial enterprises, all these that have to be factored in. So, your comments would be appreciated.

General JACOBY. Senator, one of the things NORTHCOM is very good at and we enjoy doing is hosting conferences and hosting training events. And what we achieve there are partnerships. And I can't think of any dimension of defending the homeland or securing the homeland that will require strong and new partnerships than cyber. And so, you know, I'm not—I know I look like I'm old enough to have done the Louisiana maneuvers, but I know exactly what you mean. It's a comprehensive war game that really fundamentally changed the way the Army thinks of—thought about its doctrine and its capabilities.

And that would well serve us, to do that. There are some important exercises that do take place. And, frankly, we work with the Guard on one vigilant—Cyber Guard, and that's a really effective exercise. But, this is a whole-of-government problem, and eventually we have to give you feedback to tell you where, in the end, we may need legislative help and policy help and regulation help to really sort our way through how to be effective across all the dimensions of the cyber challenge.

And so, Senator, that's a great idea, and we'll discuss that further.

Senator REED. And obviously, it's a resource issue, and it might even be a—you know, getting the direction from Department of Defense to do that, so let us know if we can help, because I think it's a positive step. And, as we spoke previously, it not only identified doctrinal errors and operational needs, it also illuminated leaders who were quite capable of, you know, dealing with an issue. And that was translated pretty quickly by General Marshall.

General Kelly, any thoughts on this notion of—

General KELLY. In my part of the world, I would tell the Senator that most countries, particularly the more developed countries with solid and really increasingly successful economies, are very, very concerned about this issue. One of the issues—or, one of the results of the revelations that came out about our activities is, they all understand now how really dangerous the world is, in terms of cyber, and how really unprepared they were. Some of them thought they were kind of in the ballpark of preparation. They understand now that, you know, they're in kindergarten in comparison to what other players in the world can do to them. It's a great concern in Southern Command, yes, sir.

Senator REED. Let me ask a question to both of you. I'll begin with General Kelly this time—is that your operations are dependent upon agencies—many agencies outside of DOD, and the pressure that you feel, in terms of budget ceilings and the episodic nature of our authorizations and appropriations, my sense is that it's felt even more keenly in some of these civilian agencies which sometimes don't have the same emotional appeal to the Congress, in terms of funding, that DOD uniformed personnel does. Is it—have you seen that? Have you heard that from your colleagues? Are there critical missions that they're not performing that, frankly, are so critical to your role that, even if you have resources, you—you know, you'd like to see them used by the other folks?

General KELLY. Yes, Senator. I would—SOUTHCOM is probably the most interagency-intensive of all of the COCOMs, because of just the nature of the work and the nature of the world that I work in. So, all of these agencies, particularly the law enforcement agencies and the Department of State, are experiencing the budget cuts. And, once again, it's all about presence, it's all about having DEA and FBI and Treasury in embassies all over the world to make connections and to work the issues in support of, you know, U.S. foreign policy. Department of State, I've already mentioned the fact that I'm light on number of very, very, very critically important Ambassadors—not that they work for me. But, all of that is, I think, a direct result of the budget cuts. And, you're right, we hear more about what it does to the military and less about what it does to our partners, but it's, in many cases, for me, more of a problem when I see my interagency partners cut.

Senator REED. General Jacoby, your comments?

General JACOBY. Yes, Senator. We work in the homeland, and so, in most things, except for the very important defend tasks that we do, we work in support of agencies. And I will tell you that there are some agencies where it's not just that their budgets have been cut—and most of them have—but the expectations of what they can perform for the country.

The best example I can think of is, within the Department of Agriculture, the interagency organization responsible for fire-fighting—huge responsibilities, much greater expectation for them to be successful, not just at managing fires, but fighting fires. And so, if I had a dollar to give, I'd give it to the brave men and women that are fighting our fires out there, and some of the help that they might need. We're in support of them, but they have the lead.

Other organizations, like CBP, Customs and Border Protection, their air and maritime organization, they help me do my NORAD mission. They've lost flight hours, they've lost flight capability, and there are gaps and seams in the aerial surveillance of the border because of that. And so, that's another organization.

And every commander out there would love to have some more Coast Guard ships. Great partners with law enforcement capability. It's a natural fit as we work together across safety and security issues.

Senator Reed [presiding]: Thank you very much, gentlemen.

The Chairman has asked me to recognize the next speaker, and, because we don't have any Republican colleagues, Senator Udall, you are recognized.

Senator UDALL. Thank you, Mr. Chairman.

Good morning, gentlemen. Thank you for being here.

General Jacoby, I want to focus on the—you and your command, if I might, and I want to say a special word of thanks to your tremendous team at NORTHCOM, and you, yourself.

We've had quite a year in 2013 in Colorado. We were hit with the devastating fires and floods. I've long said, "Come hell or high water, Coloradans are ready," and we saw both, and experienced both, and it was terrible. The damage that you saw firsthand, I've seen firsthand, included thousands of Coloradans being forced from their homes. And we lost lives, as well. That was beyond tragic.

But, if it wasn't for your efforts to train dual-status commanders and establish procedures for coordination between State and Federal civilian agencies, working with the Active Duty and the Guard troops that we're so grateful to have in Colorado, the toll would have been far worse. I know you know that, and everybody in Colorado knows that.

I want to give you a couple of examples. I believe we had Army aircraft from Fort Carson in the air within an hour, the first signs of smoke in the Black Forest, followed shortly by Colorado Guard helicopters. And then there were C-130s dropping retardant within a day. Then, last fall, the Colorado Guard evacuated thousands of Coloradans from waters that were rising faster than you can possibly imagine. I actually couldn't get home to my own home that Thursday night. And then, that Guard effort was able to communicate effectively with all the other agencies that came running to help.

I just want to underline again, there are just so many examples, they're countless, of how your commitment to prior planning and coordination between agencies made a critical difference when a unified response was needed the most. You did the hard work in advance, you refined the process, based on lessons learned from other response operations. Colorado owes you a great debt, General Jacoby.

And the soldiers and sailors, airmen and marines, coastguardsmen and civilians, both American and Canadian, who serve with you, have my deep and lasting thanks for continuing to stand watch over all of us. I really want to get that on the record.

Thank you.

General JACOBY. Thank you, Senator.

Senator UDALL. Can you now, in that context, describe—and you alluded to this just earlier—NORTHCOM's efforts to prepare for this year's fire season? Are there any gaps in response capacity? And what needs to be done, on the State and local level, to prepare for what likely will be another bad year for wildfires?

General JACOBY. Senator, you know, we felt really good about being up in the air in an hour, but if you lost your home in that hour, that's not fast enough. And so, we've got to continue to refine the process.

I did mention, to Senator Reed's question, that I believe NIFC, the National Interagency Fire Center, deserves huge credit for the great work that they're doing. They could use more money so that they can fearlessly ask for help. But, what we have done is, we have strengthened our relationship. They understand better the capabilities that can be brought to bear across the whole of government, and we've developed important relationships with incident commanders. We're going to provide liaison teams to incident commanders to be more effective, to be quicker in responding. And the old-fashioned, you know, 5,000 infantrymen with shovels and boots, we're going to add to that with bulldozers, UAVs with infrared sensors and other capabilities, to make that, whenever needed, at the disposal of our partners, who really do the lead work in firefighting.

So, we continue to make advancement. It's all about not being late to need, and it's all about being able to identify a requirement and answer the call of our partners as quickly as possible.

Senator UDALL. Let me ask a specific question—

General JACOBY. Sure.

Senator UDALL.—in that context. Do you have concerns about the Air Force's decision to retire C-130H aircraft, when it comes to the domestic firefighting mission?

General JACOBY. Senator, the Air Force has got a million tough decisions to make with the budget realities. I know—I just found out yesterday about the cut to the 302nd wing there at Peterson Air Force Base. I will tell you, though, that it's not just the C-130s. The real issue for us in firefighting are the mechanisms that slide into the back of the C-130. And so—

Senator UDALL. Right.

General JACOBY.—those we won't lose. And so, we will have the same number of firefighting apparatus that fit on the C-130s.

To me, the biggest concern would be crews. Now, those are terrific crews, they're fearless men and women that—it's as tough flying as any flying. And so—

Senator UDALL. It's a form of combat, isn't it, when you're flying—

General JACOBY. It is. And I've flown with them, and—

Senator UDALL. Yes.

General JACOBY.—and it is—it's tough flying. It's close to the ground, it's an intense environment. But, I want to make sure that those squadrons aren't disadvantaged by loss of folks that form those crews. So, I'll be talking to the Air Force about this when—as soon as I get a chance.

Senator UDALL. Great. I look forward to being your partner in that. And I know all Coloradans, again, are with you in this important mission.

Let me turn to the Arctic. We met, yesterday. Thank you for taking the time to visit my office. In the time we have left, talk a little bit about what are your greatest challenges and what are our opportunities in the Arctic, going forward. And you've got about a minute and a half to tell us all there is to know.

General JACOBY. Senator, you're already helping me with the most important thing. We're generating some enthusiasm for the opportunities and our responsibilities in the Arctic. And so, I've had a lot more questions on it this year as I've moved around the Hill, and I'm grateful for that.

This year, we had the President's strategy and implementation guidance roll out. We had the Secretaries' strategy rolled out. And so, we're finding—we're pushing on more open doors than we've pushed on before in thinking about the Arctic. And the lack of hard timelines is tough for us, but we think we have an understanding what the capability gaps are, and I've directed my Joint Task Force commander up in Alaska to begin campaign planning with his partners to ensure that we start identifying capabilities and requirements that we'll need to translate into programs in the next 7 to 10 years so that, when the Arctic really does become a viable approach to the homeland, we have capabilities that we'll need to be effective in the Arctic.

Senator UDALL. Again, I look forward to working with you on that front.

And I want to, just for the record, note that I think the ratification of the Law of the Sea Treaty would be crucial to playing a more active role in the Arctic. And I know there are some in the Senate who don't see it that way, but experts across the spectrum believe we need to ratify that treaty, and ratify it quickly. And I just want to put my own point of view on the record.

But, again, thank you, gentlemen, for being here, and I look forward, again, to seeing you under the best of circumstances here, General Jacoby. No fires, at least in my home State. So, thank you.

Chairman LEVIN [presiding]. Thank you, Senator Udall.

Senator Cruz.

Senator CRUZ. Thank you, Mr. Chairman.

General Jacoby, General Kelly, thank you very much for being here. Thank you for your decades of service to our Nation and your vigilant defense at a time when the threats to America and the threats across the world seem to be growing.

I have a series of questions. I want to start, General Jacoby, with a question that you and I had an opportunity to visit about yesterday in my office, and I appreciated your coming by to visit, which is, as you know, I have a longstanding concern about the threat of an EMP attack on the United States. And as we see nuclear pro-

liferation, we see nations like Iran that seem hell-bent on acquiring nuclear weapons capacity.

The question I wanted to ask you is, What is your assessment of the impact an EMP attack could have on the United States, and how prepared are we to deal with that?

General JACOBY. Senator, electromagnetic pulse is a real concern with detonation of any weapon of mass destruction, like a nuclear warhead. And so, I think that it is a known fact that it can have a large impact and a wide impact on electronic devices of all types. Probably the most worrisome would be communications, energy infrastructure control mechanisms. And so, for a long time, we've understood that threat, but we don't have good, hard science yet, or modeling, on what might be the large-scale effects of that. And I've worked with the Defense Threat Reduction Agency, and we're going to try to bore into that question so we have more hard evidence of that. There really aren't good ways to model that or to see the effects of it, but we know that it exists. And, of course, an air device would be more devastating to us than a ground based device.

What we have to do now is make sure that the infrastructure upon which we rely the most for our defense infrastructure is EMP-hardened. We've known that for a while. It's extraordinarily expensive to do that. My command center in Cheyenne Mountain remains a viable and important part of our national command-and-control system, simply because—if for no other reason, because it's completely EMP-hardened.

So, these are important questions to think about across all of our critical infrastructure. We've come up with a project, a—really, a science-and-technology demonstration, called SPIDERS, which tries to describe how, with our critical infrastructure, we can create micro-grids and self-healing energy systems. A lot more work has to be done on that, and it has to be partnered with private industry, as well.

Senator CRUZ. Would you agree that, right now, the risk is unacceptably high, in terms of the impact of an EMP attack? If a nuclear weapon were detonated in the atmosphere above the eastern seaboard, the capacity—setting aside the impact on our military assets, the capacity simply on the civilian side, if it took down the electrical grid, could impose catastrophic economic harm and, potentially, the loss of unspeakable numbers of civilians lives if the electrical grid went down for a long period of time and food delivery was significantly impaired? Would you agree that that risk is highly worrisome?

General JACOBY. Senator, I think it's worth us worrying about, and I don't think we know enough to describe the correct degree of risk. But, it is sufficient risk that we should be considering it. And I would say that the most important thing we do is make sure that we're continuing to collect the intelligence that would warn us of a—of EMP risk, and, if an EMP risk was to increase. And, frankly, we need to do better modeling so that we can exercise against a denied environment because of the effects that we know EMP can create.

Senator CRUZ. Well, I guess another potential area to deal with that threat is to improve our capacity with regard to missile defense. And I'm sure you saw the recent news out of Israel. Just yes-

terday, 40 rockets were fired from Gaza into southern Israel. In the National Defense Authorization Act for the last year, the Senate Armed Services Committee required the Department of Defense to study missile defense threats from the south, such as from the Gulf of Mexico. Can you discuss this threat and what NORTHCOM has or needs in order to deal with this potential threat?

General JACOBY. Senator, thanks. We've worked on that, and we have a test that we are conducting right now, called JDIAMONDS, where what we're doing is, we're discovering how to integrate current systems, such as Aegis, Patriot, F-15s, F-16s, CF-18s, to quickly bring together packages within the United States and to be able to engage across a spectrum of cruise missiles or short-range ballistic missiles. And the last tests we ran last year, we focused on the Gulf of Mexico.

And so, I can give you more details, because some of that is classified, how we ran that test, but I can tell you that we have found that we have both some significant challenges in doing that, but we also have some opportunities to use existing systems more effectively to do that.

In particular, though, I think that the cruise missile threat, we are working on—the cruise missile threat portion of that, we are working on very hard.

Senator CRUZ. Well, thank you, and I look forward to those continued conversations.

Let me shift to the issue of immigration and border security. And I remain greatly concerned about the terrorist threat, from our southern border, that illegal immigration presents. In 2001, the Border Patrol apprehended over 300,000 people unlawfully crossing the southern border. Nearly 50,000 of those individuals were from countries other than Mexico. Of those, 255 were aliens from countries designated special-interest countries. How would you assess the threat to national security and our potential vulnerability to terrorism, given the current state of border security?

General JACOBY. Senator, specifically, I agree completely that the vulnerabilities that the illicit trafficking networks or transnational criminal organizations exploit with a variety of goods, such as drugs, weapons, et cetera, is a national security problem. And I believe that we should consider that terrorists can ride on that distribution network as easily as drugs, weapons, or people.

And so, I assess this as an important national security issue, and we play an important role in supporting our partner agencies, like Customs and Border Patrol, and ICE, and DEA, in really effective ways to help make sure we know who's trying to get across the border. But, more importantly, what are these organizations that reach deep into Mexico, Central America—actually, some of them are global—how do we put pressure on those networks, disrupt them, dismantle them, and prevent them from using our strength, which is our border, and turning it into a vulnerability?

Senator CRUZ. Thank you, General.

My time is expired, but, with the Chairman's indulgence, if I could ask one more question of General Kelly, which is—

General Kelly, we're seeing troubling reports about the Venezuelan government, with the possible assistance from Iran and Cuba, using cyber tools against their own people. And what tools

does SOUTHCOM have to make sure to limit the influence and assistance that the Iranians and Cubans can have helping governments or other actors from attacking South Americans?

General KELLY. Senator, the—SOUTHCOM doesn't have, at this point—its building—doesn't have a great cyber infrastructure, as of yet. With that said, obviously the U.S. Government has tremendous cyber capability, and I know—above the classification, certainly, of this discussion—I know that the larger American government institutions are looking hard at that. But, you're right, it is—every evidence that they are using cyber, in one way or another, to try to control what's going on in their country.

Senator NELSON [presiding]. Senator King.

Senator KING. Thank you, Mr. Chairman.

General Jacoby, I want to follow up a bit on Senator Udall's questions about the Arctic. I believe, given the drastic receding of the size of the icepack—about 50 percent over the last 40 years, as I understand—it creates an entirely new circumstance in the Arctic. What kind of lead investments and decisions should we be making now to take account of both the opportunities and the challenges that that creates for us?

General JACOBY. Thanks, Senator. And one of the challenges is the Arctic ice numbers are variable, and the most important factor is: over time, it has greatly receded, and there is no indication that that will stop. And so, at some point, I think we have to plan against what's going to happen. And the Arctic is going to be more accessible to human activity, whether it's merchant shipping or naval activity, more flights over the Poles, et cetera. And there is great interest, globally, in how to exploit the Arctic. And so, as an Arctic nation, with our premier partner Canada, we have sat down and spent quite a bit of time talking about, Well, what's the time horizon we should be looking at?

And so, the way we've conceptualized this—and I think it's supported by the President's strategy and the Secretary's recently released strategy—we think in terms of 5, 10, and 15 years. And so, right now it's really important—and because of the fiscal environment, it's really important that we think, for the next 5 years, about defining the requirements that we believe that we will have in the future in the Arctic. And most of those requirements are within capability gaps that we can clearly see, one of them being communication above 60. It's difficult. It's hard. Passing data is a tough requirement above 60 degrees north. And so, we know that's important.

Domain awareness. It used to be that just the NORAD radars were sufficient. That's all we really needed, to see. But, now we need maritime surveillance, we need undersea surveillance, we need to know what's happening in space above the Arctic. So, we have a domain awareness issue: surveillance, detection, and tracking. For me, as the NORAD Commander, it's across what we would say the joint engagement sequence is.

And then we have to think hard about what infrastructure and then presence—and it would be seasonal, but increasing as the ice-free season would increase. So, I think we can approach this in a very logical fashion.

Ten year—

Senator KING. Well, you mentioned—

General JACOBY. I'm sorry. Go on.

Senator KING. You mentioned infrastructure. My understanding is, we have 1 heavy-duty icebreaker, Canada has 5, the Soviets have 17, including 5 or 6 that are nuclear-powered. It sounds like icebreakers might be a piece of infrastructure that we need to be thinking about.

General JACOBY. I think—I agree with Admiral Papp—I think icebreakers are going to become increasingly important. The challenge is, they take a long time to build, and they're very expensive. So, trying to pace this in a way that you are providing icebreaking capability as the maritime environment—

Senator KING. But, do you see the—I mean, it seems funny to use this term—the Northwest Passage as becoming a commercial passage between the Pacific and the Atlantic?

General JACOBY. Senator, I think it's clear that we will have passages and that we will have increased maritime activity. We already have. Now, it's not statistically significant, given the overall merchant traffic in the world today, but it is greatly increased over the past few years, and we should expect it to do so as it becomes more and more economically viable to do so. So, I think this is really going to be incentivized by the economics of it.

Senator KING. Now, Senator Udall completed his questioning with a statement of his support of the ratification of the Law of the Sea Treaty, but he didn't give you a chance to give your views on that. I—and I'd like you to opine, if you could, on what you see the value of the Law of the Sea Treaty in dealing with these multiple challenges and questions in the Arctic.

General JACOBY. Senator, I've testified, along with the Vice Chairman and other combatant commanders, that we think it would be valuable for us, as combatant commanders, to have the country be part of that treaty. I understand it's a complex issue and that there are many other factors. But, from our—my standpoint, as a combatant commander, when I attend the Arctic CHOD conferences and those kinds of things, it would be valuable to have that moral authority to be a member of that treaty.

Senator KING. Now, the unspoken country that we've been—haven't been discussing here is Russia. They are the other major Arctic country. Is there any indication, thus far, of friction in this area, with Russia? Are there issues and confrontations of any kind, or is that something that we're simply anticipating because of the resources that are up there?

General JACOBY. The Russian navy is much more active in the Arctic. They have reopened Arctic bases that they've had in the past, and they have transited their own north route along the coast of Russia with major warships, as they haven't done in the past.

As the NORAD Commander, we've been active in the Arctic for decades, and we've continued to ensure that Russian strategic aircraft are met and escorted if they come close to our airspace. So—but, we haven't had any elements of friction. I think it's just something that we should anticipate that, in a competitive economic environment that could grow in the Arctic, that we will have to do the things that we always have to do to ensure freedom of naviga-

tion and security of our citizens and our businesses that will be operating in the Arctic.

Senator KING. Thank you very much.

General Kelly, to go from the Arctic to equator, do you see evidence of increased activity in Latin America, China, Russia, Iran, countries that have at least been, if not adversaries, not exactly friends in that area? And how does that affect your posture in that region?

General KELLY. Well, this came up before, Senator, but the Chinese are very active, mostly trade. Iranians are increasingly active. The—our take on that, and the State Department's take as well, is that they're really looking for ways to circumvent the restrictions that are against them. On a more military—you know, I'm paid to worry—on the military side—

Senator KING. I'm glad you are.

General KELLY. Yes. On the military side, we—I believe they're establishing, if you will, lily pads for future use, if they needed to—if they needed to use them. They're opening embassies in cultural centers and things like that, which gives them a footprint on it. Not too worrisome right now, but we're watching closely. And then, finally, the Russians, not nearly as active economically, but they do work very hard to sell their equipment and to—almost any country that does not want to partner with the United States—you know, Cuba, Nicaragua, Venezuela, places like that—they're very active in.

But, they—what they bring to the table is a fair amount of rhetoric, some weapons sales. But, they have deployed—this year as an example, they deployed a long-range bomber to our part of the world. Haven't done that in many, many, many years. And they've deployed, now, two separate sets of naval—navy ships, and they haven't done that since 2008, and they've done it twice this year. So—

Senator KING. And not only do you not have a lot of military assets, I understand you're actually losing some—some frigates and Coast Guard's high-endurance. So, your capacity is diminishing. Is that correct?

General KELLY. It is, yes, sir. And I misspoke a little while ago. The key to most of us in this business is ISR, being able to see, whether it's—however you do it. I misspoke a little while ago and said I'm only getting about 50 percent of what I need. I'm actually getting about 5 percent of what I need. But, the point is, I can't see if I don't have the assets.

They are active, they are doing different things. China's mostly economic; Iran, nefarious, but I don't know quite yet what they're up to; and then, of course, the Russians are just trying to sell equipment and get influence. No bases yet, but they are—there is some chatter, in the open press from the Russians, that they want to establish at least four to five support facilities, probably on already existing Nicaraguan airfields or Venezuelan airfields, for just future deployments of their assets.

Senator KING. Five percent's not a very encouraging number, General.

General KELLY. We do a lot with 5 percent, but we could do a lot more with—

Senator KING. Thank you very much.

Thank you both, gentlemen.

Senator NELSON. Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I would say 5 percent is jaw-dropping, frankly, in terms of the threats that you've just talked about, of ISR capability. And I think this is something that we'd better address as a committee.

Let me just follow up with regard to what's happening in Venezuela. You just said that you could see the Russians perhaps developing—did you say flight capability or a base of some form in Venezuela?

General KELLY. Senator, they're talking about opening—and this has been in the open press—talking about opening some support facilities, probably not an opening of base, but rather putting, say, maintenance facilities or something like that on—

Senator AYOTTE. But, they could launch from them—

General KELLY. Oh, absolutely.

Senator AYOTTE. Yes. Well, that's very troubling.

What role is Russia playing right now in what's happening in Venezuela with the oppression that we've seen from the Venezuelan government by President Maduro. Curious what role, if any, the Russians are playing there. And also, I would like to know what role the Cubans are playing in Venezuela right now with the oppression we see there of the Venezuelan people.

General KELLY. Of the two countries, Senator, the Cubans, far and away, have much more influence and presence in Venezuela. Some people argue that—well, far more presence. And we all know the nature of the Cuban state, and we—I think we see the Venezuelan state kind of going in that direction. But, the Cubans are certainly very supportive in what they do, militarily. They have a lot of military advisors, a lot of medical people, and things of that—

The Russians, not so much. They have a presence there, but not nearly anything approaching what the Cubans have.

Senator AYOTTE. So, just to be clear, the Cubans are actually on the ground, aren't they, helping the—President Maduro, in terms of what's happening in the oppression of the Venezuelan people right now?

General KELLY. They have a presence, in terms of military advisors and intelligence advisors and things like this. Yes, Senator.

Senator AYOTTE. Very troubling.

Let me ask you about—I know you've gotten a number of questions, both of you, about drug-trafficking issues, and I believe Senator Donnelly asked you about cocaine. In my State, we have a heroin epidemic right now. And I see this as incredibly troubling. We've seen a dramatic increase in the number of drug deaths in New Hampshire, and I don't believe New Hampshire is unique with regard to what's happening right now with heroin.

Can you, both of you, give me a sense of what's being done, in terms of countering transnational organized crime with regard to heroin and access to heroin? And also, I was just in the Department of Homeland Security. Secretary Johnson was before that committee, and I asked him about this. How are we coordinating, if you think about the efforts between DHS, NORTHCOM,

SOUTHCOM, and also State and local partners? How are we all working together on this issue that I really think is an epidemic?

General KELLY. First of all, heroin has moved out of the inner-city, the working-class neighborhoods of America, and certainly is now in the suburbs. Unfortunately—and I'll speak frankly, as a guy that grew up in a very, very drug-infested part of Boston as a kid and saw most of my friends die, mostly of heroin overdoses—all of a sudden, it's got attention, because Hollywood actors are dying of it, or, as I say, it's moved into the suburbs of America. It's an epidemic. I think the—I think, in the last 5 years, the amount of heroin increased—or, consumption of heroin has increased by—

Senator AYOTTE. New Hampshire had—

General KELLY.—leaps and bounds.

Senator AYOTTE.—a 70-percent increase—

General KELLY. Yes.

Senator AYOTTE.—in drug deaths on this.

General KELLY. Most heroin—vast majority of heroin that's consumed in the United States is actually produced in Latin America. The poppies are now grown in places like Guatemala and Colombia, places that we try to work with, but, again, have tremendous restrictions on how much—but, the poppies are grown here, the heroin is produced primarily in Mexico and then moved across the border. The distribution network that it rides on is the same network that works cocaine, the same network that works methamphetamines.

I just met, last week, with Secretary Johnson, myself, on this issue. I also met, last week, with the head of the FBI on this issue. So, we do coordinate a lot. But, as one of Secretary Johnson's staffers said to me, you know, the place to fight this stuff is not on the 1 yardline, and that's the Mexican-American border. The place to fight it is on the other end of the field. And that's really down in Latin America.

And I'll turn to Chuck, because he's—he works the Mexican piece more than I do.

Senator AYOTTE. Thank you.

General JACOBY. It's very troubling the way the adaptability of the transnational criminal organizations can move from one product to the next. And so, obviously, heroin's become more profitable, it's easier to transport, and they now have production and processing facilities closer by to the market. So, this is a good market value for them, to be pushing heroin.

I'm heartened by the activities of the Mexican security forces, particularly the marines and SEDENA. They've gone after cartel leaders. They've gotten the cartel leader of the Zetas, the Gulf, and Sinaloa in recent takedowns. But, taking down leaders is really necessary, but not sufficient in putting pressure on these networks that are so powerful and so adaptable that they can change market strategies, distribution networks, and products that are flowing across them.

At the border specifically, which should be the last line of defense, we have Joint Task Force North that works directly for NORTHCOM, and, through Joint Task Force North, we provide a variety of military support to law enforcement agencies along the border. And it's very well received, it's high payoff for our soldiers,

sailors, airmen, and marines that provide that support. And I believe that it's a—a dollar that we put against helping our partners be better on the border against this threat to our country is a huge savings in how we defend and respond to problems within the country.

So, it is a good work for us to do. It's well coordinated. But, it's wholly dependent on the amount of counternarcotics funding that we receive to do that each year.

Senator AYOTTE. And I was going to ask you, So, what more do we need to do?

General JACOBY. I received \$9.5 million this year in funding to support Federal authorities on the southwest border.

Senator AYOTTE. And, just to be clear before we leave this topic, these networks that we're talking about, are these not also networks that are supporting terrorist funding, they're supporting human trafficking? So, you cannot separate the two to say, you know, somehow there's one network that's just trafficking drugs and then there's another network doing all these other horrific activities, which are obviously just as bad for the country?

General JACOBY. It's my opinion that that is exactly how we should view these networks.

Senator AYOTTE. So, they are a direct threat to our country, not just obviously the threat we face to our people and to our children with regard to what happens with heroin addiction, but also just in terms of, you know, terrorism threats, human trafficking, all the other issues related, correct?

General JACOBY. I believe the President's statement in July of 2011, when he identified these organizations as threats to national security, that's exactly what he meant. Many of these organizations have reached a state of power and global influence that they exceed the capacity of most of our partners' law enforcement to deal with it.

Senator AYOTTE. Thank you both for your leadership. Appreciate it.

Chairman LEVIN [presiding]. Thank you, Senator Ayotte.

Senator KAINE.

Senator KAINE. Thank you, Mr. Chairman.

And thanks, to our witnesses today.

My quick calculation suggests that the two of you bring about 78 years of military service to the table. Not to make you feel old, and I'm sure you could give me the year, month, day, hour, minute, second, but it is a—it is an amazing track record that you both bring.

I'm troubled by aspects of the testimony that I would describe sort of as follows: miserly allocation of resources in these two commands, especially in SOCOM; increasing activity by Iran, Russia, and China to gain influence in the theater; 10 partners who—with whom we do not have Ambassadors now, either because the White House has not sent forward nominations or the Senate hasn't confirmed them. You could certainly understand these partners, who are some of our most loyal partners, who most want to work with us, who have a close cultural connection with us, whose citizens often move to the United States—you could understand many of these partners wondering if we've replaced the Monroe Doctrine of a past day with an indifference doctrine today.

This country has had a history—our country has had a history of kind of defining our military and foreign policy of an east-west access. We need to be paying attention to our north-south access. We're saying we're pivoting to Asia, but, by all intents, China's pivoting to the Americas, and we're losing influence in a region where we shouldn't be.

In Foreign Relations, we recently met with the President of Peru, and he was talking about the Chinese economic influence, and he said, "We'd much rather do business with you, because we feel the cultural connections are so strong and we have some suspicions of what Chinese intentions are. But, if they're engaged and you're not, we're going to do business with the folks who are showing interest." And I think this testimony today underscores some of these concerns.

Just a few questions, to hop around. General Kelly, in Venezuela, what is your assessment of the loyalty of the Venezuelan military to the current political leadership? I know you're under a lot of restrictions, in terms of your interaction, but I'd just be interested in your professional opinion about that.

General KELLY. I think they're loyal to themselves, and they'll just—standing by and watching what's taking place. I—they have not been used very much in any of the crowd-control activities. I think that tells you something about what, maybe, the government thinks about where the military might go. They're trying to control things with the police and in other ways. But, right now, I think the police—I mean, the military is certainly, you know, loyal to the current government, but I think there's probably stresses and strains in there, and certainly opinions within the organization as to what the way ahead is. But, for right now, I think a loyalty to the government.

Senator KAINE. General Jacoby, how about the current status of the U.S.-Mexico mil-to-mil relationship?

General JACOBY. Senator, thanks. I'm very proud of our mil-to-mil relationship. There were a lot of people that wondered, when there was a change of administration, how would that relationship, which is relatively new, survive. It has done more than survive. In the last 3 years, our interaction and engagements have increased by 500 percent with the Mexican military, across a wide variety of things. In fiscal year 2013, we had 151 engagements. We shared training opportunities with over 3,700 Mexican marines and soldiers. And so, this is a strong, deepening relationship that I think is going to serve both the citizens of the United States and Mexico well in the future.

Senator KAINE. Thank you.

General Kelly, you and I talked yesterday about a particular passion of mine, the country of Honduras, where I lived in 1980 and in 1981. You know, I've been discouraged, in visits to Honduras, that—it was dangerous when I lived there; it was a military dictatorship. Now it's a small-d democracy, but it's a lot more dangerous, and people that I know who were afraid then are more afraid now because of the tremendous effect of the narcotrafficking on that country, the hollowing out of the institutions of the court system and the police.

Give us your initial assessments of the new President of Honduras, and the efforts he's undertaking to try to get the security situation under control.

General KELLY. As far as the country goes, you're exactly—and it is the—by the U.N. figures, it is the most dangerous country on the planet. The U.N. figures murders per 100,000. The United States has 3 murders per 100,000. Western Europe is 1 murder per 100,000. Interesting enough, Venezuela is 79 murders per 100,000, and Honduras is up around 86 murders per 100,000.

The effect of the drug trafficking today, but, more importantly, on the institutions—the impact on the institutions—the effect of the drug trafficking as it flows through Honduras, which is not a consumer nation, making its way to the United States demand—consumption demand—has essentially destroyed most of the institutions of the government. The police are all but ineffective. The judicial system, all but ineffective. The only—interestingly enough, the only real institution that is respected and trusted in the country is the military, and that's who we want to work with. And, frankly, they're doing well in many, many areas. But, again, we're restricted because of some past practices.

The new President, he asked to see me—when he became the President-elect, he asked to see me in Miami. We had a very, very small meeting over dinner at a private residence, and he laid out, in his mind, what he was thinking about for the future of his country. This is, I think, a powerful indicator of where he wants to go. What he—what did he talk about? He talked about extraditing criminals out of his country to the United States. He talked about human rights. He talked about cleaning up his police somehow. He talked about cleaning up the—reestablishing the institutions of government that just simply don't work—his legal justice system, his tax system, all of these kind of things.

I then visited him, 3 weeks after that, in Honduras, after he had taken over as President, met with his entire national security team, with the Ambassador, then met with him and his smaller national security team. He asked me to help him develop plans in—and how he can more effectively deploy his military to get after the drug—the drugs that flow through his country on the way to our country because of the demand in our country. He wants to help us fight our problem, and he—and he's very, very serious, I think, in that attempt. There's—

Senator KAINE. I mean, it is painful to contemplate that American demand has turned this country, which is one of America's staunchest allies, into the most dangerous nation on the planet. It mean, it is just—it's pathetic to think that that's true.

General KELLY. And it also goes, Senator, for Guatemala, for El Salvador, 77,000 deaths in Mexico in the last 7 years. I mean, this is a cancer that we've got to get after, because if we don't care about the consumption in our own country, which we do, but if we are willing to tolerate a certain level of it in our own country, what it's doing in these other countries that simply can't deal with the cartels, the violence and the profits that come out of our country, and buy off entire countries.

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

Chairman LEVIN. Thank you so much, Senator Kaine. Senator Sessions.

Senator SESSIONS. Thank you.

Thank you both for your service to the country. And I agree with many of the Senators, General Kelly, that we need to have more focus on our friends and allies and some of our adversaries in the south. We just need to do a better job there. We cannot be too firmly distracted to the Middle East and other areas that we ignore our own neighborhood.

General Jacoby, thank you for your excellent service. During your appearance before the House committee on February 26th—that was before the Russians moved into Crimea—you asked—were asked about cruise missiles, and you said, quote, “We have been directed by the Secretary”—Secretary Hagel, I believe you’re talking about—“to ensure that we are also looking at how to provide effective defense against cruise missiles in a way that outpaces any threats to and include Russians.”

First, let me ask you, can the—are the Russians capable of nuclear-arming a cruise missile? And how do you see the threats? And what should we do about it?

General JACOBY. Thanks, Senator. No, that was Secretary Pannetta that directed us to do that. And I think it was a result of one of our homeland defense scenarios that we were briefing him on. And it’s a long—we’ve been tracking, for a number of years, Russia’s continued investment in improved cruise missile technology.

They’ve had cruise missiles for decades. They’ve armed their bombers in the past with cruise missiles. They’re just about ready to begin production on a new variety of cruise missiles that are more effective. They’re longer-range, better capabilities. And I’d be glad to answer some of the specifics on those capabilities in a closed hearing.

But, we watch—or in a secure setting—but, we watch the Russians really closely. That’s in our NORAD hat. We have for decades. And they also are capable of introducing cruise missiles into a theater from submarines. They’ve just begun production of a new class of quiet nuclear submarines specifically designed to deliver cruise missiles.

So, it’s always been our strategy for defending the homeland to account for the capabilities of state threats; not so much their intention, but their capabilities. And so, that is always part of our game plan, and we watch—even though we have had, in the past, opportunities to cooperate with the Russians on various activities along our periphery, we have always had our eyes wide open and made sure that we were able to deter future threats from Russia.

Senator SESSIONS. I believe the New York Times recently wrote that some of their actions with cruise missiles could be in violation of the Intermediate-Range Nuclear Forces Treaty that the United States had with the Soviet Union. Can you give us any insight into that?

General JACOBY. Senator, I think that would be the—a correct question for State and for the Department of Defense to address, from the treaty standpoint.

I will tell you that we consider cruise missiles, and have long considered cruise missiles, an aerospace threat that falls within our

NORAD agreement with Canada to defend against. And so, we consider that to be a threat that we include in all of our defense plans for North America.

Senator SESSIONS. Well, I—yesterday, I saw an article by Mr. Clifford May, who's the head of the Foundation for the Defense of Democracies, and he indicated, which I think is fundamentally correct, that we need to make it clear that any era of weakness is over and that we intend to defend the United States. And nuclear-armed cruise missiles can, in effect, violate treaties, could, in effect, create additional threat to the United States, and we'll have to respond to it, and I think you would be willing to do that.

I just—and it—the first recommendation Mr. May made in—to demonstrate—said to demonstrate to the world that we are—understand what's happening is that we need to strengthen our missile defense system. And I think that's a valuable comment.

I noticed that Senator Rubio has offered a resolution expressing the sense of the Congress that the President should hold the Russian Federation responsible or accountable for any violations of this treaty. And that may be a resolution we should consider and pass.

I think it's important for us to make clear that we get this new situation, that the reset is not there, that our failure to move in Poland with a missile defense system may have sent a wrong message to Russia. And I'm worried about that.

There are limits on what we can do. I'm not suggesting otherwise. The events in Crimea are just a disaster. Nothing good is going to—we'll never be able to get back to square one, no matter what happens. So, I'm really troubled about that.

And, Mr. Chairman, in the proposal to assist the Ukraine with a billion-dollar loan and on—the second part, which was to establish a new relationship concerning the International Monetary Fund, particularly that aspect of it, there's a proposal in the legislation that cleared the committee, Foreign Relations, that would take about \$150- or \$170 million from the military. Some of that was Air Force missile money, some of it is Army aircraft money.

And the last thing we need to be doing at this point in time is taking money from the Defense Department. We've already reduced their budget to the degree that I'm—I know we're all concerned may have gone too far. Hopefully—I'm going to be looking at that closely, but I—but, the main point is that, yes, we want to be helpful to the Ukraine. I would like to make this loan happen, but it really does need to be paid for in a proper way. And we certainly don't need to be cutting the Defense Department, their aircraft and their missile capabilities.

Thank you. My time is up.

Senator Nelson [presiding]: Senator, in a lot of the testimony that has been here, we have had an alarming statistic about all of the drugs and the human trafficking and the potential terrorist trafficking through these drug lords and drug cartels that are coming out of Venezuela and Ecuador, and, in large part, coming into Honduras and then broken down and sent north and ultimately end up in our country.

And, as long as you're talking about assets that are needed, one of the assets that is very clear to come out of the testimony of this hearing is that General Kelly only has 5 percent of the ISR assets

in order to track all of these movements. Five percent of what he needs. And this is undermining our country, not only with the drugs, but the potential terrorists, as well as the human trafficking that is coming in. Before you came in, there was testimony here also that this is not just the traditional cocaine that used to come out of Colombia; it's now heroin.

And so, General Kelly, I think Senator Sessions' putting the bee on another part of the globe, Crimea, and the need for assets, we've got the need right here in the western hemisphere. Any concluding comment that you want to make on your ISR assets?

They've got—in Key West, they've got a Joint Task Force that tracks all of this. It's headed by a Coast Guard admiral, but it's got every agency of the U.S. Government down there. But, the problem is, you can't track it if you don't have the assets.

General Kelly?

Senator SESSIONS. Well, Senator from Florida, I just would say, you've studied this over a number of years, as I have. We've watched it carefully, and I think your insights are most valuable. And I'm—thank you for raising those.

Senator NELSON. General Kelly, what comment would you like to add?

General KELLY. Yes, sir. Senator, if I could just really highlight, before I comment on the ISR, we have tremendous partners that we work with, and I can't say enough about the heroic efforts of, particularly, Colombia. What they've done with their country with their fight in the last 12–15 years, with no American blood and with very, very little American money, they've done it themselves, and they've funded it themselves. Peru is another strong partner. Chile and others. Panama, unbelievable partner. Honduras, Guatemala. We're—El Salvador—we're restricted in working with them, but they are strong, strong, strong partners. In addition to the Canadians, the U.K.—all of them add to this. If we didn't have them working with us in this, we would not have an effective interdiction detection and monitoring campaign. They—it simply—it would not be worth doing it if we didn't have these partners working with us, because we just don't have sufficient—nearly sufficient U.S. assets in ISR. And then, of course, end-game Coast Guard cutters and/or—something that floats—Coast Guard cutters or U.S. Navy ships of some kind. It just wouldn't be worth doing it with so—

But, I am—of the six geographical combatant commands, I'm the least priority, and I understand that there are other priorities in the Pacific and the Persian Gulf and places like that. So, we do the very best we can with what we get.

Senator NELSON. And, of course, you remember the days, 10 and 20 years ago, when Colombia was a narcostate. And, of course, there is a tremendous success story. And that success story happened, in large part, because of the cooperation of the Colombian government and the U.S. Government, with the U.S. Government offering an awful lot of assets and assistance.

Now, so it shifts, and it shifts into Venezuela, it shifts into Ecuador. But, that doesn't stop the movement of drugs north. And so, it is what it is.

Now, let's talk just a little bit about Venezuela. We passed, last evening in the Senate, a resolution that says that the U.S. Govern-

ment ought to go after the assets and the visas of the people that are responsible for the deaths in Venezuela in the demonstrations. Now, you had testified earlier that that was primarily National Guard in Venezuela, some private entrepreneurs that are getting involved, whether you call them paramilitary, whatever they are. How far up the chain of command in the military do you think this goes to? And do you think, if we suddenly start yanking visas and freezing their assets in the United States—most of those assets, I might say, is in my State of Florida—do you—what kind of effect would that have, if we flesh out this resolution by the Senate passing some legislation?

General KELLY. Senator, it's kind of outside my area of expertise, but I would tell you that, as I watch the Venezuelan military watch what's going on, you know, eventually they'll make a decision, one way or the other, as to what's happening internally to their country. We have no relationship, unfortunately, with the Venezuelan military, because I'm restricted. But the fact is that the Chavez government, and now Maduro, has no interest in it and has prohibited it, which is unfortunate. But, they're watching and waiting. I would say, the more you can tighten up on their freedom of movement or their bank accounts in other parts of the country, the more effect it will have on their thinking, relative to the future.

But, it's a situation that is obviously just coming apart in front of us. And, unless there's some type of a miracle, that either the opposition or the Maduro government pulls out, they're going down a catastrophic hole, in terms of economics, in terms of, you know, democracy and things like that.

And again, I—you were here, sir, but—you know, it's one of the most violent countries in the world—79 deaths per 100,000. That puts it way, way at the top of violence in the world, and is, you know, only surpassed, really, by Honduras, which is violent for another reason, or Guatemala, which is violent for another reason. So—but, I think anything of that nature that would put pressure on them will cause them to start thinking in terms of a better future.

Senator NELSON. Well, I hope we're coming after them, because they've had it both ways. They kill their own people, they allow the free conduct of narcotraffic, and, at the same time, they love to have their condominiums and bank accounts in Miami. So, I can tell you, this Senator is going to urge coming after them.

Senator Inhofe, you wanted to ask another question, and then I'll close this out.

Senator INHOFE. Oh, okay, that's fine, Mr. Chairman. I appreciate it.

Let me, first of all, say that the Law of the Sea Treaty has been mentioned by several people. I've been involved in the other side of that since—well, I'm measuring it in decades now, not years. So, well, maybe we haven't—I don't think that's a good place. I don't want to leave the impression that somehow this—there's unanimity up here on that issue.

The—General Kelly, you say in your statement that declining resources are resulting in less engagement with our partners, that our relationships, our leadership, and our influence in the western hemisphere are paying a price. Now, if the United States is not en-

gaged, that creates a vacuum, right? And who's filling that vacuum?

General KELLY. It does, Senator. The Chinese, the Russians—
Senator INHOFE. And Iran?

General KELLY.—in different ways. And, to a degree, Iran.

Senator INHOFE. Yes. Well, that's very concerning to me, and I think it's one that we need to—we're concerned about how the partners in the region perceive us, but it's more important than just that, because it does open the door for others who don't have our best interests at heart.

Now, the—General Jacoby, I have been—I think I mentioned this to you when you were in my office—I've been a little bit—it just seems like the MDA, in their effort to develop a contingency deployment plan for a third site, they aren't doing anything. I mean, it—they're not complying with deadlines, in my opinion. Are you in a position to try to cooperate in a way that might encourage them to move on with this thing? As I understand it, the status report is due to Congress within 6 months.

General JACOBY. Senator, yes, I am. And, based on the conversations that I've had here up on the Hill, I'm in contact with Admiral Syring. He understands he has a—

Senator INHOFE. Good.

General JACOBY.—responsibility—

Senator INHOFE. Good.

General JACOBY.—to provide that contingency plan.

Senator INHOFE. Yes. Well, we're going to kind of look at this and be calling you back, and him back, and try to get this thing done.

You and I talked a little bit, General Kelly, about what's happening down in Mexico. Now, we've talked about the border problem. I've been down there. I've told you, in my office, that for 30 years I was a builder and developer down in that part of south Texas, so I'm very familiar with the area down there, and also familiar with what is happening on the border now with all the terrorist activity, the drug cartels, and all of that. It's—anytime, people can't—if they're going as close to—let's say coming to the island as—some of the cities—they actually have to—they can't drive, they have to take an airplane into Brownsville, TX.

Now, I see that as kind of a relation. I mean, you're talking about the military-to-military cooperation we're getting. Would the military-to-military cooperation give us any kind of an opportunity to try to correct the terrorism on the border?

General KELLY. Senator, I was involved in that conversation a little while ago with you, but really Chuck, I think, is in a better position to answer the question, if you don't—if I can pass—

Senator INHOFE. Sure.

General KELLY.—it to him.

Senator INHOFE. Well, that's—well, I—you know, sometimes—it's right on the border there. You're both

General KELLY. Right.

Senator INHOFE.—involved in—

General KELLY. Yes, sir.

Senator INHOFE.—in that activity.

Go ahead, Chuck.

General JACOBY. Yes, Senator, it's a really vexing problem, because it demonstrates how, across the border, the transnational criminal organizations can kind of create zones where they've got freedom of action. And there is one there, as you've described.

You know, just as John has talked about the heroic efforts of our partners in his area of responsibility, so, too, we have heroic efforts by the Customs and Border Patrol and by the other law enforcement agencies that are operating on the border.

Senator McCain referred to Brownsville in terms of how he was surprised that 80 percent of the illicit activity coming across—or, the illicit people that are crossing the border there aren't Mexicans, they're—

Senator INHOFE. Yes.

General JACOBY.—from other places. And so, this is very troubling, and I think it's a national security problem for us; if not now, in the future. So—

Senator INHOFE. Yes. I'm not really referring to, though, the problem with those crossing the border as much as I am the terrorist acts that are taking place along the border. It's kind of interesting—I won't mention the name of it, because they might hear me and change that, but there's only one community on the border where they don't have that taking place right now, that I know of. Now, get down further in Mexico, it's not a problem, but you're talking about an issue there that is extreme hardship. It hurts Mexico more than it hurts us.

General JACOBY. Right.

Senator INHOFE. And so, I just—in terms of that type of activity that's on the border—not coming across the border, but is—it's almost a part of this—

General JACOBY. Right.

Senator INHOFE.—right next door.

General JACOBY. We've worked hard to establish relationships with Mexican military forces on the opposite side of the border, and we continue to develop relationships. We've built communications systems so that we can talk back and forth. But, there is persistent crime, and a lot of it is the lack of effective law enforcement. It's why the Pena Nieto administration is—

Senator INHOFE. It seems like you have—it's the law enforcement that is the problem, not the military.

General JACOBY. Right.

Senator INHOFE. Maybe the military should engage in that end of it, too. I don't know. But, I just want you to consider me a friend who's concerned about that also, and anything new that comes up, if you'd put me in on it, and I'll try to help. Okay?

General JACOBY. Yes, Senator, we will.

Senator INHOFE. All right.

Thank you, Mr. Chairman.

Senator NELSON. General Kelly, going back to Venezuela, how far up—since, under the resolution that passed last night, the President would make—the President of the United States would make the decision on who the visas would be yanked and the assets frozen, should there not be some high-level people in Venezuela that would start to be concerned that they can't make their trips to Miami and stash their cash outside of Venezuela?

General KELLY. You kind of hit a point up there, Senator. As you know, the—there's an awful lot of real estate being taken off the market in Miami right now that's being bought up fast and furious by Venezuelan wealthy people. Not suggesting that all of them are involved in this, not suggesting all of them are in the government, but there's a real flight, I think, in terms of at least that, you know, money from Venezuela.

Another thing to look at, and it's a data point for you. Virtually all of the flights—the cocaine flights, 100 percent of the cocaine flights, about 20 percent of the cocaine flow, you know, it's produced in Colombia. Colombia does tremendous things. But, then it's moved into Venezuela, and it's flown out of Venezuela on airfields, and they make their way north. Someone knows about that. Someone in the military knows about that, certainly someone in the government knows about that. And, of course, there are some high-level government officials that have been by our Department of the Treasury going after the money, have named some of them as kingpins in the whole thing. So, there's some real rot—you know, from a drug point of view, there's some real rot at the top.

But, any pressure, I think, that our country could put on their country to start to treat their people decently and to start to step back from the road that they're on would be very helpful to some very wonderful people in Venezuela.

Senator NELSON. Before I close this out, General Jacoby, we had some commentary from Senator Cruz a while ago with regard to the explosion of a nuclear weapon off the East Coast, up in the air. And, of course, what that would do in the electromagnetic pulse. It would wreak havoc on our government facilities that are not hardened, as well as all the private facilities. That is obvious, and that's always a threat. But, would it not—under present conditions, it would pretty much have to take a nation-state that could explode a nuclear weapon in the air to cause such havoc. And what that is, is—that's the opening of a major war. Give us your rendition of that.

General JACOBY. Well, I think the most likely source of an EMP—an aerial EMP would be a nation-state. And so, one of the benefits of having a limited missile defense, especially the variety that we've chosen, midcourse, where we would seek to destroy any threat to the homeland in midcourse, I think that that would be the most likely scenario that we would see an EMP event. And so, making sure that we have the intelligence collection that tells us they have a weapon, they have an ICBM capability, and then the system that we have in place, optimizing it so that—over time, so that we can feel confident that we can shoot that down, is really the best way to go about worrying of that particular threat.

I do think that we should never take our eye off the ball, that terrorist networks and other networked threats to the homeland would love to get a hold of a weapon of mass destruction. And so, I don't think we should ever discount that as a possibility. But, it's the—it would be less likely today to have that as a cause of EMP than a aerial burst delivered by a state actor.

Senator NELSON. And if such a nuclear device with a terrorist were exploded—and, in this case, you're suggesting on the ground someplace—to what degree would that cause the electromagnetic

pulse that could damage a lot of these private systems that our economy is so dependent upon?

General JACOBY. Senator, I am sure there would be EMP associated with any nuclear burst. I'm not in a position, nor do I think we have good, hard scientific facts on what would be the extent of the EMP. I think our critical issue, up front, would be the blast effects, the shock effects, and the heat effects that are associated with a nuclear blast, and we'd have our hands full with radiation and other factors, as well.

Senator NELSON. Sadly, we have to talk about these possibilities, but that's part of the threat that we're facing today.

Well, gentlemen, thank you for your service to our country, thank you for a most illuminating hearing.

And the meeting is adjourned.

[Whereupon, at 11:43 a.m., the committee adjourned.]