

S. HRG. 111-825

**THE CURRENT SECURITY SITUATION ON THE
KOREAN PENINSULA**

HEARING
BEFORE THE
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

SEPTEMBER 16, 2010

Printed for the use of the Committee on Armed Services



Available via the World Wide Web: <http://www.fdsys.gov/>

U.S. GOVERNMENT PRINTING OFFICE

63-690 PDF

WASHINGTON : 2011

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON ARMED SERVICES

CARL LEVIN, Michigan, *Chairman*

JOSEPH I. LIEBERMAN, Connecticut
JACK REED, Rhode Island
DANIEL K. AKAKA, Hawaii
BILL NELSON, Florida
E. BENJAMIN NELSON, Nebraska
EVAN BAYH, Indiana
JIM WEBB, Virginia
CLAIRE McCASKILL, Missouri
MARK UDALL, Colorado
KAY R. HAGAN, North Carolina
MARK BEGICH, Alaska
ROLAND W. BURRIS, Illinois
JEFF BINGAMAN, New Mexico
EDWARD E. KAUFMAN, Delaware
CARTE P. GOODWIN, West Virginia

JOHN McCAIN, Arizona
JAMES M. INHOFE, Oklahoma
JEFF SESSIONS, Alabama
SAXBY CHAMBLISS, Georgia
LINDSEY GRAHAM, South Carolina
JOHN THUNE, South Dakota
ROGER F. WICKER, Mississippi
GEORGE S. LeMIEUX, Florida
SCOTT P. BROWN, Massachusetts
RICHARD BURR, North Carolina
DAVID VITTER, Louisiana
SUSAN M. COLLINS, Maine

RICHARD D. DEBOBES, *Staff Director*
JOSEPH W. BOWAB, *Republican Staff Director*

CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

THE CURRENT SECURITY SITUATION ON THE KOREAN PENINSULA

SEPTEMBER 16, 2010

	Page
Gregson, Hon. Wallace C., Assistant Secretary of Defense, Asian and Pacific Security Affairs	5
Campbell, Hon. Kurt M., Assistant Secretary of State, East Asia and Pacific Affairs	11
Sharp, GEN Walter L., USA, Commander, United Nations Command; Commander, Republic of Korea-U.S. Combined Forces Command; and Commander, U.S. Forces-Korea	16

THE CURRENT SECURITY SITUATION ON THE KOREAN PENINSULA

THURSDAY, SEPTEMBER 16, 2010

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

The committee met, pursuant to notice, at 9:35 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, E. Benjamin Nelson, Udall, McCain, Thune, LeMieux, and Brown.

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

Majority staff members present: Jason W. Maroney, counsel; Roy F. Phillips, professional staff member; and Russell L. Shaffer, counsel.

Minority staff members present: Joseph W. Bowab, Republican staff director; Christian D. Brose, professional staff member; Michael V. Kostiw, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistants present: Paul J. Hubbard, Brian F. Sebold, and Breon N. Wells.

Committee members' assistants present: Vance Serchuk, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Ann Premer, assistant to Senator Ben Nelson; Jennifer Barrett, assistant to Senator Udall; Lindsay Kavanaugh, assistant to Senator Begich; Lenwood Landrum and Sandra Luff, assistants to Senator Sessions; Clyde A. Taylor IV, assistant to Senator Chambliss; Andrew King, assistant to Senator Graham; Jason Van Beek, assistant to Senator Thune; and Brian Walsh, assistant to Senator LeMieux.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. Today's hearing is to receive testimony on the current security situation on the Korean Peninsula and discuss the implications of recent developments such as the March 26 attack on the Republic of Korea (ROK) naval ship *Cheonan*, the decision to delay the transfer of wartime operational control (OPCON) of the ROK armed forces from the United States to the ROK, and the prospects for regime change in North Korea, among other issues.

On behalf of the committee, let me first welcome our witnesses: Assistant Secretary of Defense for Asian and Pacific Security Affairs Wallace Gregson; Assistant Secretary of State for East Asian

and Pacific Affairs Kurt Campbell; and General Walter Sharp, USA, Commander of United Nations Command (UNC), Combined Forces Command (CFC), and U.S. Forces-Korea (USFK).

The committee appreciates your service, each and every one of you. Your insights on this important topic are of great significance to us.

While many of our Nation's military and diplomatic efforts remain centered on the continuing mission in Afghanistan, we must also keep focused on challenges in other regions of the world. One such region is northeast Asia and in particular the Korean Peninsula, which has been embroiled in various stages of conflict since the start of the Korean War.

This year, as we commemorate 60 years since the beginning of that war, it is appropriate that we recall the noble and extraordinary service and sacrifice of the service men and women of the United States and allied armed forces that fought in the Korean War, as well as those who have served on the Korean Peninsula since, sacrificing selflessly and giving of themselves tirelessly to help preserve the fragile peace that we hope will one day develop into a firm and reliable peace.

Although the fighting ended in 1953, today the North and South remain technically at war. Over the nearly 6 decades since the armistice agreement was signed, the Korean Peninsula has become a tale of two countries, standing as a true testament to the power of democracy and free society on the one hand and serving as a stark reminder of the debilitating and destructive nature of a repressive totalitarian regime on the other.

Indeed, the 60 years of relative stability on the peninsula has enabled the Republic of Korea (ROK), to the south of the Demilitarized Zone (DMZ), to thrive, developing into one of the world's most vibrant, accomplished, and prosperous democracies. But to the north, the Democratic People's Republic of Korea (DPRK), as North Korea is known, continues to wither under the weight and pressure of its own destructive policies, with its people suffering from hardships and neglect caused by a regime seemingly concerned only with its own survival and determined to use threats and aggression to achieve that end.

As a result, the security situation on the Korean Peninsula remains precarious, and recent events remind us that it is one of the most uncertain geographic areas in the world, due in large measure to the longstanding reign of a regime unwilling to conform to even the most basic standards expected of a sovereign nation and a responsible member of the global community.

Characterized mainly by unpredictability, the words and actions of the North Korean Government have for the past several decades vacillated between modest cooperation and unabashed aggression. International efforts to rid the peninsula of nuclear weapons through the Six-Party process have come to a virtual standstill, and since nuclear inspectors left North Korea more than a year ago, the actual status of North Korea's nuclear program has been largely unknown.

It is important that we do not lose focus of the key goal of denuclearizing the peninsula. The United Nations (U.N.), through various Security Council resolutions such as 1718 and 1874, has

provided tools to sanction and pressure North Korea to conform its policies and behavior to international principles. While the North Korea issue and the specter of proliferation of nuclear technology garner much of the international attention, and rightly so, also of concern are the intentions of the North Korean regime, which maintains a robust conventional military and continues to pursue and develop a ballistic missile capability that represents a substantial threat to stability and security on the peninsula and throughout the region.

Equally alarming, of course, is that North Korea maintains that costly military while millions of its people are starving and suffering from the lack of even the most basic human needs.

Highly disturbing is the willingness of North Korea to attack without warning or provocation, as was the case on March 26 when the South Korean naval ship *Cheonan* was split in two and sunk, killing 46 South Korean sailors, by what an international team of experts determined to be a torpedo fired by the North Koreans. The *Cheonan* incident underscores the uncertainty of the peninsula and highlights the need to maintain a high state of readiness and to protect against unprovoked aggression. In the aftermath of the attack, the United States and the ROK have begun an enhanced schedule of combined exercises, which includes more naval exercises in the waters around the peninsula.

Other recent developments of interest to the committee include: the decision by President Obama and South Korean President Lee, announced in June, to delay the transfer of wartime OPCON of the ROK forces from April 2012 to December 2015; developments in North Korea, including reports that the regime may be preparing plans for a succession in leadership; indications of possible proliferation of nuclear weapon technology by North Korea to other countries, such as Burma; and the current state of the North Korean ballistic missile program.

Of course, it's important to view developments on the Korean Peninsula not just in the context of their effect on the peninsula itself, but also in the context of their effect on Northeast Asia as a whole and on the security and stability of the broader Asia Pacific region. To that end, we will also be interested in hearing the witnesses' views on how recent developments on the peninsula impact the region at large and implicate the military and diplomatic dynamics in countries like Japan, China, and Russia.

The ROK remains one of the United States' most steadfast and reliable allies and the military alliance is vital to a lasting security on the peninsula and throughout the region. As the United States and the ROK move forward with plans to strengthen that alliance, it is important that both countries remain committed to making the investments needed to support the realignment of U.S. forces and to prepare for the transfer of wartime OPCON in 2015 now.

Security and stability in this region must remain a top U.S. priority as the international community works to achieve the complete and verifiable denuclearization of North Korea, to prevent the proliferation of weapons of mass destruction (WMD), to establish reliable pathways for the delivery of assistance and aid to the people of North Korea, and ultimately to secure and preserve a lasting peace in this important part of the world.

Again, we welcome our witnesses and we look forward to their insights on this very timely subject.
Senator McCain.

STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman.

Let me thank our distinguished witnesses for joining us this morning and for their service to our Nation.

I'm very pleased we're holding this important hearing today. The Asian Pacific is one of the most consequential regions in the world today. It's the main driver of the tectonic shift in the global distribution of power that is reshaping our world. It's increasingly at the heart of our Nation's security, our prosperity, and our global diplomacy. It is a region in which the United States finds both some of our greatest allies as well as some of the worst threats to international security.

All these factors come together most vividly in Northeast Asia, and in particular on the Korean Peninsula. 60 years after the start of the Korean War, the peninsula remains very tense. But while the situation in North Korea has rarely been worse, our alliance with South Korea has never been better.

Under the strong leadership of President Lee Myung-bak, the ROK is realizing its goal of becoming a responsible global leader and our alliance is flourishing as a result. Seoul will host the next meeting of the G-20 and our two militaries are in the midst of some of the most sophisticated and important joint exercises we have ever conducted in the seas around the Korean Peninsula. I'm very pleased that the Japanese Self-Defense Forces have joined as observers.

In addition, the ROK recently announced strong additional sanctions against the Iranian Government for its pursuit of a nuclear weapons capability. This decision was not easy or cost-free for Korea's Government and companies, and it's another reminder that Congress must pass the Korea-U.S. Free Trade Agreement (FTA).

The success of our Korean ally stands in stark contrast to the situation in the North, which has been deteriorating dramatically. In the past 18 months, the North Korean regime has tried twice that we know of to ship arms to Iran. It has conducted a second nuclear test. It carried out a catastrophic revaluation of its currency. It wiped out a lifetime's worth of savings in a matter of hours for most North Koreans.

According to the Pentagon's 2010 ballistic missile defense review, if North Korea continues on its current trajectory it could soon have the capability to deliver a nuclear weapon, not only to its neighbors, but to the United States.

Most recently, a complete and thorough investigation by the ROK with the participation of numerous independent parties determined conclusively that a North Korean torpedo was responsible for the sinking of the South Korean corvette *Cheonan* and the loss of 46 of her sailors. It now appears that Kim Jong Il is attempting to pass his tyrannical power to his young son, so the odds of further North Korean provocations could be growing.

The administration has taken some good steps to impose additional pressure against North Korea, including a new presidential

authority to sanction persons and entities that facilitate North Korea's trade in arms, drugs, counterfeit goods, currency, and other illicit activities, the real lifeblood of the Kim Jong Il regime. Yet it's not clear what objective the administration is seeking to achieve with this pressure, nor is it clear why the North Korean regime would choose to give up its nuclear weapons now when it has never been willing to do so before, despite repeated international attempts to negotiate, cajole, bribe, and pressure them into nuclear disarmament. Unfortunately, China's recent behavior makes it even harder to imagine how to formulate an effective strategy on North Korea.

China's response to North Korea's recent provocations calls into question its willingness to act as a responsible stakeholder in the international system. Rather than support the ROK after the sinking of the *Cheonan*, acknowledge North Korea's blame and use its leverage with North Korea to change its behavior, China has instead worked to water down the response of the U.N., shielded North Korea from accepting culpability for its aggressive acts, and even challenged the right of the United States and our allies to conduct joint exercises in international waters.

Meanwhile, the additional sanctions against Iran that Japan and the ROK recently adopted highlight how increasingly out of step China is with the requirements of global leadership on this vital security issue.

The challenges we face on and around the Korean Peninsula make it all the more important for the United States and our allies to organize ourselves well for our mutual defense. While it was right to delay the transfer of OPCON for the defense of the ROK, there's no doubt in my mind that South Korean forces are among the most capable and best equipped in the world, and that the CFC's Strategic Alliance 2015 Initiative will lend even greater credence to the U.S. commitment to South Korea and our mutual defense.

Today's hearing is an opportunity to discuss this and many other issues pertaining to our forces in Korea, as well as the growing challenges we face in Northeast Asia, and I want to thank our witnesses again for appearing here today.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Let us begin with you, Secretary Gregson.

STATEMENT OF HON. WALLACE C. GREGSON, ASSISTANT SECRETARY OF DEFENSE, ASIAN AND PACIFIC SECURITY AFFAIRS

Mr. GREGSON. Thank you, sir. Chairman Levin, Senator McCain, members of the committee; thank you for the opportunity to appear before you today to discuss the Department of Defense (DOD) views on the Korean Peninsula. I'm pleased to report that 2010 has been a landmark year for the U.S.-ROK alliance. The U.S.-ROK alliance is a key pillar of U.S. strategy for a region undergoing tremendous political, economic, and security-related change. This comprehensive relationship, spanning the defense, diplomatic, and economic spheres, continues to serve as a source of stability in the face of unpredictable and provocative North Korean behavior.

This past June marked the 60th anniversary of the outbreak of the Korean War. At its most basic level, the mission of our alliance today remains the same as it did 60 years ago, to deter aggression against the ROK, and to fight and win should deterrence fail. North Korea's 26 March torpedo attack on the ROK naval ship *Cheonan*, which killed 46 sailors, is a somber reminder of the active threat that North Korea poses to regional stability. In such a high threat environment, the U.S.-ROK alliance's mission to deter and defend takes on added significance and remains our primary focus.

While this deter-and-defend mission remains the top priority of the alliance, the U.S. investment in Korea's security has helped create an alliance whose value extends far beyond the security of the Korean Peninsula. America's stake in the peace and prosperity of the Korean Peninsula transcends social and economic inter-connectivity, to include shared identities as liberal democracies that promote a peaceful and prosperous Asia. In the ROK, the United States has a partner that contributes to upholding international norms and promoting international peace and stability.

In stark contrast, North Korea poses a multifaceted threat to peace and stability on the Korean Peninsula and in the Asia Pacific region. Pyongyang possesses a large conventional military and its active pursuit of a nuclear capability, ballistic missile testing and development, and weapons export activities cause serious concern. The threat North Korea poses exceeds any simple measurement of military power. Its proven track record of marrying capabilities with deadly intent has resulted in unnecessary crises, tension escalation, and, as the attack on the *Cheonan* demonstrated, the tragic loss of life.

North Korea has adapted to the U.S.-ROK alliance's conventional military superiority by developing tactics and weapons systems that equip them with offensive capabilities that avoid confronting the military strength of the alliance head up. In the context of North Korea's efforts to develop a nuclear program, its ballistic missile efforts become an even greater concern. Nuclear-armed ballistic missiles, if developed and fielded, would pose a threat to regional peace and stability that would be orders of a magnitude greater than the already heightened threat that its current unconventional capabilities pose.

North Korea may become emboldened to pursue even more provocative activities than we have witnessed in recent years if it makes significant strides in its development of nuclear weapons and ballistic missile technology.

At the same time that North Korea develops conventional, unconventional, and WMD capabilities for its own purposes, it continues to export military technologies. We're working closely with the international community to deter, track, and stop North Korean arms sales.

I'd like to touch just briefly on the strategic value of the U.S. military's presence on the Korean Peninsula. Since the armistice agreement was signed in 1953, the U.S. military posture on the Korean Peninsula and in the region more generally has been successful in preventing major war from erupting again. Deterrence has worked. Fundamentally, the presence of U.S. forces on the Korean

Peninsula continues to generate a security dividend that has allowed countries like the ROK and Japan to flourish economically and politically. Those countries' contributions to international peace and stability would be impossible if not for the security assurance our military presence provides.

To preserve our security commitment to the ROK, the United States must maintain a forward military posture. 28,500 troops stationed somewhere in the United States do not have the same deterrent effect as the same number stationed in the ROK. It is our forward presence that most effectively communicates our resolve to defend our allies and preserve our vital interests in Asia. Successful deterrence relies on credibility as much, if not more than, capability.

The security dividend resulting from our longstanding military presence in the region is generally well known, but ongoing efforts to transform the alliance deserve attention. I will defer to General Sharp on the details of this effort, but I will note that Strategic Alliance 2015 is an important umbrella concept that encompasses and harmonizes many different alliance transformation efforts.

The foundation of Strategic Alliance 2015 is the plan to transition wartime OPCON of forces to the ROK joint chiefs of staff. Some of the related initiatives that support OPCON transition, which is now scheduled to take place by December 2015, will result in a more strategically positioned military footprint, as well as military plans and exercises that are updated to better account for the most probable threats that we could face today and in the near future.

The United States is a resident Pacific power, as shown by our U.S. military presence and the interests we protect. Our presence on the Korean Peninsula and our strong relationship with the ROK promote peace and stability in the region and enduring interests of the United States and the world.

Thank you for allowing me to appear before you today and I look forward to your questions.

[The prepared statement of Mr. Gregson follows:]

PREPARED STATEMENT BY HON. WALLACE "CHIP" GREGSON

INTRODUCTION

Chairman Levin, Senator McCain and members of the committee,

Thank you for the opportunity to appear before you today to discuss the Department of Defense (DOD) views on the Korean Peninsula. I am pleased to report that 2010 has been a landmark year for the U.S.-Republic of Korea (ROK) Alliance. The U.S.-ROK Alliance is a key pillar of U.S. strategy for a region undergoing tremendous political, economic, and security-related change. This comprehensive relationship, spanning the defense, diplomatic, and economic spheres, continues to serve as a source of stability in the face of unpredictable and provocative North Korean behavior.

Since joining the Office of the Secretary of Defense last year as Assistant Secretary for Asian and Pacific Security Affairs, I have observed important changes in the nature of the threat posed by North Korea, as well as the structure and vision for the U.S.-ROK Alliance. During my testimony today, I hope to expand on these changes by discussing DOD's views on the following topics:

- the importance to the United States of peace and stability on the Korean Peninsula;
- North Korea's unconventional threat to Peninsular and regional security, to include its nuclear program;

- the value of forward-deployed/postured forces on the Korean Peninsula; and,
- the ongoing transformation of the U.S.-ROK Alliance.

U.S. INTERESTS IN KOREAN SECURITY

This past June marked the 60th anniversary of the start of the Korean War. At its most basic level, the mission of our Alliance today remains the same as it did 60 years ago: to deter aggression against the ROK, and to fight and win should deterrence fail. North Korea remains as much of a threat now as it did 60 years ago when it initiated hostilities with the ROK in an attempt to unify the Peninsula under the banner of communism. As North Korea's conventional military capability slowly deteriorates, the unconventional threat it poses only increases, posing new challenges to the U.S.-ROK Alliance. North Korea's March 26 torpedo attack on the ROK Naval Ship *Cheonan*, which killed 46 ROK sailors, is a somber reminder of the active threat that North Korea poses to regional stability. In such a high-threat environment, the U.S.-ROK Alliance's mission to deter and defend takes on added significance and remains our primary focus. While this mission remains the top priority of the Alliance, the U.S. investment in Korea's security has helped create an alliance whose value extends far beyond the security of the Korean Peninsula. America's stake in the peace and prosperity of the Korean Peninsula transcends social and economic interconnectivity to include shared identities as liberal democracies that promote the norms and institutions contributing to a peaceful and prosperous Asia. In the ROK, the United States has a partner that contributes to upholding international norms and promoting international peace and stability, to say nothing of its robust economic relationship with the United States.

For 60 years the United States has supported the ROK as it transformed from a poverty-stricken agrarian society to a global leader in the information age, touting the 14th largest economy in the world with a dedication to democratic governance. Today, U.S. prosperity is inextricably linked with that of the ROK. The ROK is the seventh largest trading partner of the United States; more than 120,000 U.S. citizens live and work in the ROK, with the vast majority residing in Seoul; and, more than two million ethnic Koreans reside in the United States, playing an active role in our local communities and national economy.

THE NORTH KOREA THREAT

North Korea poses a multi-faceted threat to peace and stability on the Korean Peninsula and in the Asia-Pacific region. Pyongyang's large conventional military, active pursuit of a nuclear capability, ballistic missile testing and development, and weapons export activities—all in violation of United Nations Security Council Resolutions—are enough to cause serious concern, but these factors in and of themselves are not what make North Korea so threatening. Other nations possess material capabilities that match or exceed what North Korea possesses, but North Korea poses a unique threat because of its proven willingness to match resources and capabilities with provocative, unpredictable behavior, and its continued export of illicit items to other states that seek to harm the United States and our allies and friends around the world. The danger posed by North Korean weapons and military strength are amplified greatly by the regime's willingness to dedicate its meager resources to maximizing its lethality. Time and again, North Korea has displayed a lack of regard for what the rest of the world considers acceptable behavior, flouting international law and ignoring the will of the international community.

North Korea still maintains a large conventional military force postured against the the ROK, the United States, and other international forces on the Korean Peninsula. Its large numbers belie its actual capabilities, however, as decades of economic isolation have hindered North Korea's ability to provide proper maintenance and upgrades to its military hardware, leading to a qualitatively inferior conventional military force compared to the ROK. North Korea's Air Force, for example, relies mostly on Russian technology from the 1960s and 1970s.

North Korea's decline in conventional military terms has led to an evolution in the nature of the North Korea threat, not a diminution of it. North Korea has adapted to the U.S.-ROK alliance's conventional military superiority by developing tactics and weapons systems that equip them with offensive capabilities that avoid confronting the greatest military strengths of the alliance, in an attempt to compete on what it likely perceives as a more favorable playing field. The AN-2 Colt, for instance, is a case study of the threat North Korea poses in the face of significant resource constraints. A propeller-driven biplane made mostly of cloth and wood, the AN-2 gives off virtually no signature on radar, making it difficult to identify in the event it is used in troop insertion or infiltration missions. When combined with

more than 100,000 Special Operations Forces, North Korea's AN-2 aircraft has truly lethal potential, illustrating how North Korea could disturb the peace even as it faces difficulty modernizing its conventional force.

North Korea has also invested considerable effort in developing, testing, and growing its ballistic missile arsenal. North Korea has continued its ballistic missile-related activities in contravention of U.N. Security Council Resolutions 1718 and 1874. As North Korea gets closer to perfecting its missile technology over time, its arsenal poses more of a threat to U.S. interests in the region and at home. Although North Korea's Taepodong-2 intercontinental ballistic missile has not yet reached the requisite level of technological refinement, the missile is theoretically capable of striking U.S. territory. North Korea test-fired an earlier generation version of this missile, the Taepodong-1, over Japan in 1998, demonstrating that at a minimum, it is capable of striking U.S. interests and allies in the Asia-Pacific.

In the context of North Korea's efforts to develop a nuclear program, its ballistic missiles become an even greater concern. Nuclear-armed ballistic missiles, if developed and fielded, would pose a threat to regional peace and stability that would be orders of magnitude greater than the already heightened threat that it poses.

It is important, moreover, to underscore that North Korea's provocations aren't related exclusively to weapons development; they also include the use of these capabilities, as tragically demonstrated in the case of the North Korean sinking of the ROK vessel *Cheonan*. We have stood steadfast with our ROK ally through the search and rescue operations and the multinational investigation that decisively concluded that a torpedo from a North Korean submarine, fired under cover of night, produced a shockwave and bubble jet effect that split open the hull of the *Cheonan* and sank it nearly immediately, all in a "pillar of white flash." We have undertaken bilateral exercises to improve alliance capabilities, demonstrate readiness, and send a strong signal of alliance resolve. These exercises are entirely defensive in nature, and represent one component of a broader whole-of-government approach to the range of North Korean provocative actions, including missile tests, announced nuclear tests and the sinking of the *Cheonan*. That also includes high-level diplomacy at the United Nations and in the region, and the issuance of Executive Order 13551, which imposes new sanctions on targeted entities and individuals involved in North Korean conventional weapons sales and procurement, luxury goods procurement, and illicit activities.

At the same time that North Korea develops the conventional and unconventional capabilities that I've just discussed for its own purposes, it also makes them available for export to other states that pose a direct threat to U.S. allies, friends, and interests in other regions—a significant source of income for the regime and a phenomenon that vividly illustrates that North Korean behavior is not a problem only on the Korean Peninsula or in Asia, but one that spans the globe and connects with other dangerous actors. Our efforts to deter, track, and stop North Korean arms sales include working closely with the international community. Cooperation on the enforcement of United Nations Security Council Resolutions 1718 and 1874, which prohibit North Korea from transferring all arms and related material as well as WMD, to include related equipment and technology, and their delivery systems, is paramount in this arena and has produced results. In the past year, a number of states in Asia, Africa, and the Middle East have successfully seized arms and related materiel coming from North Korea and bound for other customers. Despite these successes, enforcement of sanctions remains a formidable challenge. North Korea uses various methods to attempt to circumvent UNSCRs 1718 and 1874; as a result we continue to strengthen our implementation efforts and cooperation with allies and partners.

THE VALUE OF THE U.S. MILITARY PRESENCE IN KOREA

I would like to touch briefly on the strategic value of the U.S. military's presence on the Korean Peninsula. Since the Armistice Agreement was signed in 1953, the U.S. military posture on the Korean Peninsula, and in the region more generally, has been successful in preventing major war from erupting again. Deterrence has worked.

Fundamentally, the presence of U.S. forces on the Korean Peninsula continues to generate a security dividend that has allowed countries like the ROK and Japan to flourish economically and politically, in spite of the persistent threat from the north. The U.S. military footprint in Korea today thus serves the same basic objective that it has for more than half a century. Our presence in Korea guards against the unthinkable, serving as a physical demonstration of our commitment to the security of our Korean ally, as well as a symbolic reminder to the region that the peace and stability of the Asia-Pacific is a vital U.S. interest.

The threat from North Korea must be kept at bay; stability must be preserved. To achieve this, the United States must maintain a forward military posture. 28,500 troops stationed somewhere in the United States do not have the same deterrent effect as the same number stationed in the ROK. Successful deterrence relies on credibility as much as, if not more than, capability. It is our forward presence that most effectively communicates our resolve to defend our allies and preserve our vital interests in Asia. Our presence is far more than an important symbol. It stands as an irrefutable, tangible manifestation of our commitment to the defense of our allies and our commitment to peace and stability in the region.

But the value of the U.S. military's forward presence in Korea is not limited to preventing war. U.S. forces in Korea will increasingly contribute to regional capacity building, maritime interdiction efforts, counter-piracy missions, and humanitarian assistance and disaster relief operations. U.S. bases in Korea are strategically positioned to be able to immediately address these types of contingencies throughout the region in a manner much more efficient than deploying troops from the United States.

While our forward deployed force posture is crucial to preventing the outbreak of a major conflict on the Korean Peninsula, it is not a panacea. As I already mentioned, North Korea's development of a range of threatening capabilities, and its willingness to employ them, poses a different type of threat than we faced from North Korea 60 years ago. This asymmetric challenge illustrates the need for the U.S.-ROK alliance to adapt to a new security environment in the region. It is in this vein that I wish to highlight the alliance transformation initiatives going on as we speak.

ALLIANCE TRANSFORMATION

I will defer to General Sharp's testimony to provide the details of our many lines of effort in the transformation of the U.S.-ROK alliance, but I would like to take a moment to emphasize the net benefit that these various initiatives provide. The security dividend resulting from our longstanding military presence in the region is generally well known, but the ongoing efforts to transform the alliance for the future deserve some attention.

Strategic Alliance 2015 (SA2015) is an umbrella concept that encompasses and harmonizes many different alliance transformation efforts. The foundation of SA2015 is a plan to transition wartime operational control (OPCON) of forces to the ROK Joint Chiefs of Staff. Originally scheduled to transition in 2012, the United States agreed to postpone OPCON transition at ROK request, after assessing the strategic security environment and considering the many changes in the alliance to take place over the next 5 to 10 years. Some of the related initiatives that support OPCON transition, which is now scheduled to take place by December 2015, will result in military plans and exercises that are updated to better account for the most probable threats we could face today and in the near future; other initiatives will strategically redistribute U.S. forces on the Peninsula; still other efforts will produce restructured command relations so that after OPCON transition takes place in 2015, U.S. forces in Korea will be comprised of a warfighting command that supports ROK forces, who will then lead the warfight.

Increasingly, there is also a regional and global dimension to our bilateral alliance with the ROK. Over time we have both come to realize that we share in common many interests that go beyond the Korean Peninsula. In the Gulf of Aden, the ROK has taken the lead in Combined Task Force-151, a multinational counter-piracy mission. In Lebanon, as the United States has sought to support the Lebanese people by strengthening their government against the forces of extremism, the ROK has done the same, by contributing troops to the U.N. peacekeeping mission there. In Haiti, a country that once provided development aid to Korea following the ravages of war, the ROK has aid workers on the ground, helping that country rebuild, not only with financial assistance, but also with labor, materials, and technical expertise. The ROK is an active member of the Proliferation Security Initiative, will host a series of PSI-related activities this fall, is a party to several international agreements promoting nonproliferation of WMD, and will even host the Nuclear Security Summit in 2012—symbolically, a complete repudiation of the path North Korea has taken. In Afghanistan, the ROK provides an entire Provincial Reconstruction Team of more than 400 military and civilian personnel to support the stability and reconstruction operations under the aegis of the International Security Assistance Force. Our alliance with the ROK thus benefits the United States and the international community. The ROK has evolved to become one of the key underwriters of international peace and prosperity, helping to promote globally the values on which our alliance firmly rests.

CLOSING

The United States is a resident Pacific power, as evidenced by our U.S. military presence and the interests they protect. Our presence on the Korean Peninsula and our strong relationship with the ROK promote peace and stability in the region, which is an enduring interest of the United States and the world. Thank you for allowing me to appear before you today. I look forward to your questions.

Chairman LEVIN. Thank you very much, Secretary Gregson.
Secretary Campbell.

**STATEMENT OF HON. KURT M. CAMPBELL, ASSISTANT
SECRETARY OF STATE, EAST ASIA AND PACIFIC AFFAIRS**

Mr. CAMPBELL. Thank you, Mr. Chairman, and it's an honor to testify before all of you gentlemen, and it's also terrific to be with my colleagues and friends here on the panel before you today.

I'd like to submit my full testimony for the record and just summarize a few brief points for you as we get started here this morning.

Let me first fully support every word each of you said in your opening remarks this morning. I think it is well understood that the United States faces enormously consequential challenges in South Asia. Currently our young men and women are involved and engaged actively on challenges in Afghanistan, Iraq, and elsewhere. But it is also the case that increasingly the drama of the 21st century is playing out in the Asian Pacific region. The United States has to understand that for us to be successful as a Nation we have to be more actively engaged in every aspect of diplomacy, economic security, and other deliberations that are under way now in the Asian Pacific region.

I must say that I think President Obama, Secretary Clinton, and Secretary Gates appreciate that, and we have tried to act in accordance with this fundamental reality of the 21st century.

One of the key national priorities of the United States is the maintenance of peace and stability on the Korean Peninsula. I think as each of you, Mr. Chairman and Senator McCain, have underscored, we've faced some urgent challenges on the peninsula over the course of the last many months, and we have worked closely with our friends and allies to respond accordingly.

The basis of our strategy in Northeast Asia rests on two very strong and important allies. The United States' relationship with Japan remains the cornerstone of our engagement and our security partners in the Asian Pacific region. We have worked, with the strong support of General Gregson and others, on continuing to revitalize that effort, that security partnership, an effort that was undertaken with great effect over the course of the Bush administration. We've tried to build on that. We recognize the importance of Japan. It's hard to be successful in Asia without that very strong and central relationship.

We also have taken real steps in recent years to strengthen the critical partnership, as General Gregson has underscored, with South Korea. That partnership is increasingly not simply centralized on the Korean Peninsula. It's a global alliance. Korea is working with us in a variety of places, in Afghanistan, as Japan is as well. We're very pleased by the direction of both of these critical alliances in Asia.

It is also the case that we are recognizing important milestones. This is the 60th anniversary of the outbreak of the Korean War. Secretary Gates and Secretary Clinton were both recently in South Korea to commemorate that solemn occasion. Later this year, President Obama and in fact most of the administration will be in Japan to recognize the 50th anniversary of the conclusion of our security partnership and treaty with Japan. So important times in both relationships, in Japan and South Korea.

I think the sinking of the *Cheonan* provided a very clear and stark reminder of the dangers on the Korean Peninsula, and I think the last 6 or so months have been a case study in close coordination, not just between the United States and South Korea, but also with our other allies and friends in the region. We've worked hard on every single element of our overall strategy. General Sharp will talk about our military steps, our exercises, other steps to increase and enhance our deterrence capabilities, our diplomacy, both in the region and in the U.N., and more recently steps associated with sanctions policy and the like to send a very clear message that such provocative actions as undertaken by the North Koreans cannot be tolerated, and there must be a united front to confront such provocative steps.

I must say again I'd like to underscore very clearly the point that both the chairman and Senator McCain made about President Lee Myung-bak. He has been an extraordinary partner in South Korea, one of the most able and effective leaders that we've ever had the pleasure to work with in Asia. I think he has conducted himself in the wake of the *Cheonan* with a statesmanship and a calm that has been truly inspirational at every level, and we're very grateful to have the chance to work with him going forward.

I must say that in the current environment I think it's clear that the United States has to be prepared for every and all situations on the Korean Peninsula and we are attempting to do that through very quiet, intimate, internal deliberations on a variety of circumstances, through planning exercises, through external diplomacy. It's also the case with the recent visit of Ambassador Bosworth and Ambassador Sun Kim throughout the region.

We're also prepared for truly productive diplomacy with North Korea. We stand ready, working with our allies, to do so under the right circumstances.

I must also say that we also have to take important steps in Asia to underscore our leadership. I must associate myself strongly with Senator McCain on the Korea FTA. I think this is a strategic priority of the United States. I think the imperatives there are clear. I think President Obama has indicated the way forward in this regard.

I think the situation in Northeast Asia is extraordinarily complex. It requires the strong leadership of the United States, and with the strong support of Congress and the Senate and the colleagues sitting before you today, I think we're up to that challenge.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Campbell follows:]

PREPARED STATEMENT BY HON. KURT M. CAMPBELL

Chairman Levin, Senator McCain, distinguished members of the committee, it is a privilege to appear before you today to discuss the security situation on the Korean Peninsula and our alliances in Northeast Asia. I want to thank the committee for its continued leadership role on Asia-Pacific issues and commend it for understanding the importance of the Asia-Pacific for American national interests.

The Obama administration entered office with a deep appreciation of the strategic importance of the Asia-Pacific to U.S. national interests. America's future is intimately tied to that of the Asia-Pacific, and our economic and strategic interests in the region are among the most important in the world. The region is home to almost one-third of the Earth's population and accounts for almost one-third of global gross domestic product. Strong coordination between the United States and key Asian economies was instrumental for the global economic recovery. Currently, more than 60 percent of our exports go to the Asia-Pacific. American and Asian companies are among the most dynamic in the world, and our economies are growing increasingly interdependent. The region is also home to critical strategic chokepoints for global commerce, emerging power centers that will have profound implications for U.S. and international interests, and a foundation for American power projection in the greater Asia-Pacific.

In recognition of our deep and abiding interests in the region, we are working hard to ensure our alliances in the Asia-Pacific are among our strongest and most active. Our alliances have underwritten peace and security for over 50 years and provided a context for economic prosperity that in many ways has enabled the "Asian economic miracle." This year we are celebrating the 50th anniversary of the U.S.-Japan alliance and also commemorating the 60th anniversary of the start of the Korean War. Our alliances with Japan and the Republic of Korea have evolved from strategic bulwarks against Soviet expansionism to truly global partnerships.

The Obama administration is committed to developing and enhancing each and every one of our strategic alliances in the Asia-Pacific.

Our alliance with Japan is a cornerstone of our strategic engagement in Asia. The May 2006 agreement on defense transformation and realignment will enhance deterrence while creating a more sustainable military presence in the region. We are working with Japan to create a more durable and forward-looking vision for the alliance that not only enhances our mutual defense capabilities, but also develops Japan's role as a global leader on issues such as climate change and development assistance. As we mark the 50th anniversary of the alliance, we will continue to work closely with Japan to develop and maximize our joint capabilities as alliance partners.

Together with our Asia-Pacific allies, we are working to respond to both traditional and nontraditional security challenges ranging from proliferation to climate change, as well as developing more robust regional architecture that will help enhance regional capacities to both deal with problems and seize opportunities for greater integration and stability. The emergence of transnational challenges necessitates that the United States work with other partners to find solutions. We will continue to work with our traditional allies on these issues, while enhancing relationships with countries like China, India, Indonesia, and Vietnam. I would like to take the opportunity to emphasize the bilateral, regional and global dimensions of our engagement with the Republic of Korea.

PENINSULAR, REGIONAL, AND GLOBAL DIMENSIONS

U.S. leadership is indispensable to the maintenance of peace and security on the Korean Peninsula. Recognizing this fact, the administration has undertaken steady and broad engagement throughout the region, with a particular focus on broadening our alliances with Japan and South Korea. In November of last year, President Obama visited Japan and South Korea (in addition to China and Singapore) and has subsequently had many bilateral meetings with his Japanese counterpart and South Korean President Lee Myung-bak. Secretary Clinton has visited the region five times since taking office, with her initial journey as Secretary of State to the Asia-Pacific, and her first visit to Japan. Secretary Clinton has enjoyed a strong working relationship with Foreign Minister Okada and continues to underscore the central importance of the U.S.-Japan alliance to American engagement and strategic interests in the region. Most recently, Secretary Clinton attended a historic "2+2 meeting" with Secretary Gates and their counterparts in Seoul, underscoring and charting a forward looking vision for the U.S.-ROK alliance. President Obama will travel to Seoul this November for the G-20 Summit and will attend the APEC Summit in Yokohama, Japan.

We are working closely with the Republic of Korea to achieve a partnership that is truly global and comprehensive in nature. President Obama and President Lee Myung-bak have charted a forward-looking agenda for the alliance, outlined by the June 16, 2009 U.S.-ROK Joint Vision Statement. The U.S.-ROK alliance continues to evolve rapidly and has provided a solid foundation for security in the Asia-Pacific region for more than half a century. This security has helped make possible economic and political development in the ROK that was unimaginable at the end of the Korean War. Today Korea is a vibrant democracy with the 14th largest economy in the world and is our seventh largest trading partner. Our economic ties continue to serve as a strong foundation for the U.S.-ROK partnership. This is why President Obama underscored his support the U.S.-Korea free trade agreement by undertaking to resolve outstanding issues by the time he visits Seoul in November. Its successful implementation will benefit both economies, create jobs, and bolster the enduring strength of this strategic partnership in an important and rapidly growing region. It can also contribute to the strengthening of our overall bilateral alliance. In November of this year, Korea will host the next G-20 Summit in Seoul, a first for a non-G-8 nation and a first for an Asian country.

The United States and ROK are also working closely to modernize our defense alliance, which remains a key element of our overall bilateral relationship. We are working closely to adjust our force posture and presence to be better positioned to respond to current and future security challenges. We are moving towards a posture and presence that reflects a relationship of equals and that ensures a forward-stationed deployment of 28,500 American troops in South Korea. We recently moved the date of Wartime Operational Control transfer from 2012 to 2015 in order to strengthen the transition plan. This change will allow us to more closely synchronize the ROK lead of the combined defense with other ongoing alliance transformation efforts. In addition to military cooperation, our broader bilateral relationship outside the military realm also contributes to and enhances the security of the Korean Peninsula.

The closeness of our alliance with the Republic of Korea is also demonstrated by the existence of a series of institutional consultative mechanisms, including the Security Consultative Meeting, the Military Consultative Meeting, and the Security Policy Initiative. These mechanisms bring together high-level officials to discuss critical issues of mutual concern. Secretary Gates will meet with his counterpart on October 8 at the next Security Consultative Meeting in Washington, DC. We also have regular and increasingly broad trilateral dialogue with the Koreans and Japanese. The last formal Defense Trilateral Talks were held on September 13 in Washington.

As the ROK has grown and prospered, we have seen a convergence of interests between our two countries throughout the world. The ROK continues to be an increasingly active partner in global affairs, and our bilateral and multilateral cooperation transcends the Asia-Pacific region.

For example, the ROK is currently deploying a destroyer to the Combined Maritime Forces' counter-piracy operation Combined Task Force 151, and a Korean Admiral currently holds the rotating command of this task force. Separately, the Koreans will chair the fall plenary meeting of the Contact Group on Piracy off the Coast of Somalia in New York. Korea is deploying a Provincial Reconstruction Team to Parwan Province in Afghanistan, and the Korean Government quickly deployed peacekeepers to Haiti in the wake of the terrible earthquake there this past January. Korea is also involved in peacekeeping efforts in Lebanon, and they also deploy military observers and staff officers to a host of other U.N. peacekeeping missions. The ROK has also pledged \$200 million towards development in Pakistan. The ROK, along with Japan, recently took steps to implement additional sanctions against Iran, similar in scope to the excellent measures adopted by the EU, joining a growing global consensus and strengthening our efforts to send a unified message to Iran that it should uphold its nuclear nonproliferation obligations and negotiate seriously on its nuclear program.

Korea made the leap from aid recipient to aid donor in a very short time span, and we are looking for opportunities to work together on development issues going forward. The ROK is an exemplar of development and has much to teach the developing world. In less than 30 years after the end of the U.S. Peace Corps program in Korea, thousands of idealistic young Koreans have volunteered for similar missions in the developing world.

NORTH KOREA

South Korea's successful and positive role as a regional power is in stark contrast with North Korea. North Korea poses the most immediate risks to both South Korea

and the stability of East Asia. North Korea's unprovoked attack on the Republic of Korea naval ship *Cheonan* on March 26, 2010, claimed the lives of 46 South Korean sailors. This attack gave the international community yet another reminder of the unpredictable and enduring threat posed by North Korea.

The United States has responded to a number of provocative actions by the Democratic People's Republic of Korea (DPRK)—diplomatically, militarily, and economically. Let there be no doubt about U.S. conviction here. In the case of the *Cheonan* sinking, the United States worked closely with member states in the U.N. to craft a strong response. As a result, on July 9, the U.N. Security Council issued a Presidential Statement condemning the attack on the *Cheonan* and demonstrating the Council's unity in confronting threats to international peace and security.

The United States and the ROK have also coordinated closely on a series of combined military exercises to ensure readiness and to deter future aggression. These defensive exercises are designed to send a clear message to North Korea that the United States and ROK are committed to enhancing their combined defensive capabilities. The first exercise, *Invincible Spirit*, a combined maritime and air readiness exercise, occurred from July 25–28 in the Sea of Japan. On August 16–26, the Combined Forces Command completed the annual *Ulchi Freedom Guardian* exercise, which focused on ensuring our readiness to prepare for, prevent, and prevail against the full range of provocations on the Korean Peninsula both now and in the future. The United States and ROK will continue to routinely conduct joint military exercises to enhance interoperability and increase our ability to respond to threats to peace. These steps enhance security on the peninsula by sending a clear message of our capabilities and determination.

In addition, the United States has taken additional steps through the adoption of new sanctions targeting DPRK proliferation and illicit activities. By adopting these new measures, the United States is sending a signal to the DPRK that its provocative actions, including its announced test of a nuclear device, missile launches, and the sinking of the *Cheonan*, are not without costs. On August 30, President Obama signed an Executive order implementing new country-specific sanctions against the DPRK. The Executive order directs the Secretary of the Treasury, in consultation with the Secretary of State, to target for sanctions individuals and entities that support the Government of North Korea through arms sales and illicit economic activities, including money laundering, the counterfeiting of goods and currency, bulk cash smuggling, and narcotics trafficking. The new Executive order supplements existing U.S. sanctions targeting proliferators of weapons of mass destruction (WMD) and those who support them and strengthens our enforcement of U.N. Security Council Resolutions 1718 and 1874. The additional sanctions are not directed at the North Korean people, who have suffered too long, nor are these measures targeted at those who provide legitimate humanitarian relief to the people of North Korea. These sanctions target only the North Korean military and leaders.

As Secretary Clinton has said, "From the beginning of the Obama administration, we have made clear that there is a path open to the DPRK to achieve the security and international respect it seeks. . . . If North Korea chooses that path, sanctions will be lifted, energy and other economic assistance will be provided, its relations with the United States will be normalized, and the current armistice on the peninsula will be replaced by a permanent peace agreement. But as long as it makes a different choice—if it continues its defiance, provocations, and belligerence—it will continue to suffer the consequences."

WAY AHEAD

The Republic of Korea is a key partner and contributor to regional and global peace and stability. The Obama administration is unwavering in its resolve to uphold its treaty commitments to defend its allies. We highly value our broad relationships with the ROK and Japan and are deepening our security relationships with both countries as well as with our other partners in the region to ensure peace and stability on the peninsula. The U.S. position on the DPRK has remained constant: we will not accept North Korea as a nuclear weapons power. The United States has underscored numerous times that North Korea can only achieve the security and international respect it seeks by ceasing its provocative behavior, improving its relations with its neighbors, complying with international law, and taking irreversible steps toward fulfilling its denuclearization commitments under the September 2005 joint statement.

The attack on the *Cheonan* served as a stark reminder of the importance of our alliance in the face of continued North Korean provocations and raised tensions to a level not seen in many years. This unprovoked aggression reinforces the need to be prepared for a broad range of security challenges from the north and all manner

of unpredictable developments. American, Japanese, and ROK commitment to the peace and security of Northeast Asia will remain critical to deal with North Korea, but also to ensure a context for peace and stability in the greater Asia-Pacific.

As President Obama has stated, the United States is a "Pacific power." Our alliance relationship with the Republic of Korea serves as a critical anchor for our strategic engagement in the Asia-Pacific. Looking back over the past 60 years, it is amazing to see the evolution of the U.S.-ROK relationship. The relationship is no longer defined solely through the monocular lens of North Korea, but is increasingly global in scope. Our shared interests and democratic values will prove instrumental in ensuring a context of peace and prosperity for the Asia-Pacific for the coming years.

Thank you for extending this opportunity to me to testify today on this timely and important issue. I am happy to respond to any questions you may have.

Chairman LEVIN. Thank you, Secretary Campbell.
General Sharp, welcome.

**STATEMENT OF GEN WALTER L. SHARP, USA, COMMANDER,
UNITED NATIONS COMMAND; COMMANDER, REPUBLIC OF
KOREA-U.S. COMBINED FORCES COMMAND; AND COM-
MANDER, U.S. FORCES-KOREA**

General SHARP. Thank you, sir. Chairman Levin, Senator McCain, distinguished members of the committee; I thank you very much for this opportunity to update you today on the security situation on the Korean Peninsula.

Before I start, if I may, sir, I'd like to introduce my Command Sergeant Major, Bob Winzenried, who is here with me, who is so critical in taking care of those 28,500 soldiers, sailors, airmen, and marines that are part of the peninsula. It's an honor for both of us to be here today, sir.

Chairman LEVIN. A warm welcome to you both, and please pass along to those 28,500 men and women and their families our thanks and our gratitude to them for their service.

General SHARP. Thank you, Senator.

Actually during my last testimony in front of you on March 26, North Korea launched a premeditated and unprovoked attack on the ROK Navy ship the *Cheonan*. After aiding our Korean allies with recovery operations, a multinational investigation led by Korean, British, Australian, Swedish, Canadian, and United States experts concluded the following: A shock wave and bubble effect generated by an underwater explosion of a North Korean-launched torpedo at a depth of 6 to 8 meters and 3 meters left of the center of the ship caused the ROK ship the *Cheonan* to split apart and killed 46 sailors.

After the publication of these findings, the UNC Military Armistice Commission and the Neutral Nations Supervisory Commission established a special investigation team which, based on a multinational investigation, concluded that North Korea attacked the *Cheonan* and it was a major armistice violation.

Our ROK allies and the United States have launched a series of sea, air, and land exercises to better prepare us to deter and defeat North Korean provocations. The first of these exercises, *Invincible Spirit*, was successfully led in the seas off the east coast of Korea. Others are scheduled in the near future and, along with our regular exercises such as *Ulchi Freedom Guardian* and *Key Resolve*, these exercises have all greatly expanded to include training that

focuses both on deterring and defeating future provocations by North Korea.

The attack on the *Cheonan* along with the continued development and testing of nuclear and ballistic weapons in violation of multiple Security Council resolutions, demonstrates that North Korea continues to be a great threat to peace and prosperity in Northeast Asia. The continuing focus of North Korea on WMD, ballistic missile technology, special forces, long-range artillery threats to civilian populations, and asymmetrical means, along with the declared regime goal of North Korea to become a great and powerful nation by 2012, suggest that it will continue to threaten the region and the ROK in the future.

On the ROK-U.S. alliance front, the Korean President, Lee Myung-bak, requested and President Obama agreed to adjust the transition of OPCON from April 2012 to 2015. Although the ROK and the United States were on track militarily to complete the OPCON transition in 2012, this adjustment will allow the alliance to synchronize a number of ongoing alliance initiatives, of which transition of OPCON is just one of them.

The new, much more comprehensive plan, called Strategic Alliance 2015, goes well beyond OPCON. It synchronizes all the transformation initiatives currently under way, to include refining and improving our OP plans, more realistic training and exercises, the development of new organizational structures, the acquiring, organizing, and training, improved capabilities, and the movement of U.S. forces to two enduring hubs.

Strategic Alliance 2015 will enable the ROK and U.S. forces to successfully confront future security challenges and set the conditions for lasting peace in the Korean Peninsula and in the region.

Tour normalization complements our other transformation efforts by providing the command with soldiers, sailors, airmen, and marines who are highly trained in all of our contingency plans, who possess in-depth knowledge of the North Korean threat, and who have a strong professional and personal knowledge of and training with our Korean counterparts and hosts. It also clearly demonstrates the commitment of the United States to the region and to the ROK, a factor that I think is both critical now and even more so in the future. Tour normalization also reduces the stress on our military by eliminating an unneeded unaccompanied tour.

Your continued support in this initiative is critical and very much appreciated.

An important part of the command's Yongsan Relocation Program (YRP) and land partnership initiatives is housing. To meet our future housing needs at Camp Humphreys, the Department is developing a Humphreys Housing Opportunities Plan (HHOP). This plan is examining the combination of several housing options. First is the HHOP and second is Army Family Housing Military Construction (MILCON).

The Army Housing Opportunities Program draws upon the private sector development, financing, and operational support for the construction and operation of housing units without the need for military capital investment. MILCON, if approved, supports the housing needs for the additional families that HHOP cannot house. Combining new financial models with traditional means of funding

moves us significantly closer to our goal of providing servicemembers and their families with quality housing and facilities after they move to Camp Humphreys under the YRP and the Land Partnership Program.

Again, your support is greatly appreciated.

Northeast Asia and Korea remain the location of some of the greatest security opportunities and challenges. The North Korean threat continues to transform itself. The conventional threat continues, but we now face an enemy capable of using a number of asymmetrical means to threaten its neighbors in hope of gaining concessions, while also violating past agreements, international norms, and the U.N. Security Council (UNSC) resolutions.

The ROK and the United States are more strongly united than ever before to deter North Korean provocations and aggression and to defeat them, if necessary. Strategic Alliance 2015 will provide us with the means with which we will successfully maintain peace and promote freedom in Northeast Asia.

Together, the ROK and the United States have kept the peace in the region for 57 years. I am confident that we will continue to do so until a lasting peace has been established in the region.

Again, I thank you for your support and for the opportunity to appear before you today. I look forward to answering your questions.

[The prepared statement of General Sharp follows:]

PREPARED STATEMENT BY GEN WALTER L. SHARP, USA

INTRODUCTION

Mr. Chairman and distinguished members of the committee, thank you for the privilege of appearing before you today to discuss the security situation on the Korean Peninsula. I greatly appreciate this opportunity to update the committee on affairs in Korea since the last time I appeared before you last March. The year 2010 marks the 60th anniversary of the start of the Korean War, a 3-year conflict that resulted in millions of military and civilian casualties and has yet to be concluded by a formal peace agreement. U.S. Forces Korea and our component commands, in cooperation with government and veterans organizations in the Republic of Korea (ROK), have been conducting a host of events to honor Korean, U.S., and United Nations veterans who fought courageously side-by-side to repel North Korea's aggression of 6 decades ago. The year 2010 also marks the 57th anniversary of signing the U.S.-ROK Mutual Defense Treaty. Serving as a cornerstone for the broader U.S.-ROK Alliance, mutual commitments under the treaty have allowed both nations to deter aggression against the ROK and promote peace and stability on the Korean Peninsula and throughout the broader region of Northeast Asia. As observed by President Obama in his Korean War Veterans Armistice Day Proclamation of July 26, 2010, the U.S.-ROK Alliance is rooted in shared sacrifice, common values, mutual interest, and respect, where the partnership is vital to stability in Asia and the world. Despite the Alliance's promotion of stability, however, North Korea's sinking of the ROK naval ship *Cheonan* last March and other provocations by Pyongyang shows that a comprehensive peace has yet to settle over the Korean Peninsula.

STATE OF AFFAIRS IN KOREA

North Korea remains a threat to peace and stability on the Korean Peninsula and in Northeast Asia as a whole. Pyongyang continues to build its asymmetric and conventional military capabilities despite the dire economic conditions faced by its people and threatens the use of these capabilities as a means to manipulate the international community. Its long-range artillery and missile forces are an immediate and daily threat to the ROK's capital city of Seoul—which is located approximately 30 miles from the military demarcation line—as well as to over 23 million people that inhabit the Greater Seoul Metropolitan Area (Seoul, Incheon, and Gyeonggi Province). While responsible nations of the world are working toward reducing the

existence of weapons of mass destruction, North Korea continues to develop these weapons and the means to deliver them. Pyongyang also develops and maintains robust asymmetric warfare capabilities as exemplified by the large size and aggressive positioning of its Special Operations Forces. Based upon past behavior, North Korea has great potential to proliferate weapons of mass destruction and related technologies. Thus, in both conventional and increasingly asymmetric terms, North Korea and its provocative behavior remains a threat not only to the ROK and United States, but also to the broader region of Northeast Asia.

The threat posed by North Korea received heightened attention on March 26, 2010, when it conducted a premeditated and unprovoked attack on the ROK naval ship *Cheonan*. At the time of the attack, the *Cheonan* was patrolling off the west coast of Korea in the vicinity of Paengnyong Island. North Korea's unprovoked attack sank the ship and took the lives of 46 sailors and several rescue personnel during the rescue attempts. In the aftermath of the *Cheonan* tragedy, the ROK Government acted in a responsible manner and led a joint civilian-military investigation group to determine the cause of the *Cheonan*'s sinking that included the participation of experts from foreign governments. The investigation conducted by the group was performed in an objective, scientific, thorough, and deliberate manner, concluding that North Korea was responsible for the ship's sinking. This finding was assessed by a special investigative team from the United Nations Command Military Armistice Commission (UNCMAC). The special investigation team determined that North Korea's action, by failing to enforce a complete cessation of all hostilities in Korea, failing to respect the waters contiguous to the island of Paengnyong, making an armed intrusion and/or the firing of a torpedo into Paengnyong Island's contiguous waters, and making a deliberate and premeditated armed attack on the *Cheonan*, constituted major violations of the Armistice Agreement. This determination made by the UNCMAC special investigation team was endorsed by the Neutral Nations Supervisory Commission. It should be noted that our Korean partners and friends greatly appreciated the resolution passed by the U.S. Senate last May that expressed sympathy to the families of those killed when the *Cheonan* sank.

In response to this unprovoked act of aggression, President Obama directed his military commanders to coordinate closely with their ROK counterparts to ensure readiness and to deter future aggression. As a result of this direction Secretary of Defense Gates and his Korean counterpart Kim Tae-young announced last July that a series of combined military exercises would be conducted. These exercises are designed to send a clear message to North Korea that its aggressive behavior must stop and the United States and ROK are committed to enhancing their combined defensive capabilities. The first exercise held in this series, a combined maritime and air readiness exercise held from 25–28 July 2010, was called *Invincible Spirit* and occurred in the seas east of Korea. The naval portion of the exercise featured 20 Alliance ships that conducted extensive training in the areas of anti-submarine warfare, battle group air defense, and surface warfare training to include live-fire exercises. Complimenting the naval events was a robust air component composed of over 200 Alliance aircraft flying a variety of missions in the skies over and around the ROK. Approximately 8,000 Alliance Army, Air Force, Navy, and Marine personnel participated in the *Invincible Spirit* exercise.

Following *Invincible Spirit* was the *Ulchi Freedom Guardian* exercise that was held from 16–26 August 2010. This annual exercise, like all other training events conducted by the Combined Forces Command, was designed to improve the Alliance's ability to defend the ROK. The exercise was focused on ensuring our readiness to prepare for, prevent, and prevail against the full range of provocations on the Korean Peninsula both now and in the future. It helped teach, coach, and mentor Command personnel on staff and leadership decision-making processes.

Ulchi Freedom Guardian was supposed to be followed by a 5-day anti-submarine warfare exercise from 5–9 September in the waters off the west coast of the Korean Peninsula. Regrettably, the conduct of this exercise has been delayed due to adverse weather conditions created by a typhoon that swept through the region earlier this month. Once held, the focus of this exercise will be anti-submarine warfare tactics, techniques, and procedures. The exercise is scoped to send North Korea a clear message about its provocative behavior while at the same time enhance Alliance capabilities and demonstrate the flexibility and interoperability of U.S. and ROK forces. It will be defensive in nature, reinforce regional stability, and send a message of deterrence to Pyongyang. Planning is ongoing for combined exercises in addition to those discussed above that will continue to strengthen U.S.-ROK capabilities and reinforce a message to North Korea that its aggressive behavior must stop and that the Alliance remains committed to enhancing combined defense.

STRATEGIC ALLIANCE 2015

Since I appeared before you last March, President Obama and President Lee of the ROK agreed to adjust the transition of wartime operational control (OPCON) until December 2015. Although the United States and ROK were on track militarily for OPCON transition in 2012, this adjustment will provide the Alliance additional time to synchronize a variety of ongoing Alliance initiatives of which wartime OPCON transition is just one. The adjustment of OPCON transition also allows the ROK and U.S. to ensure Alliance initiatives collectively support the U.S.-ROK Joint Vision Statement of June 2009.

At the U.S.-ROK Foreign and Defense Minister's Meeting last July all four ministers agreed to develop a comprehensive Alliance transformation plan that goes beyond simply OPCON transition. This plan will be called Strategic Alliance 2015 and will be completed and signed by next month's Security Consultative Meeting. Strategic Alliance 2015 will align all of the transformation initiatives currently underway to include the ROK's ongoing defense reform program and U.S. transformation program, with a goal of building adaptive capabilities to deter and defeat any future provocations on the Korean Peninsula and to fight and win if deterrence fails. The Alliance is creating an overarching and synchronized combined transformation plan that has agreed to end states and milestones to ensure a smooth evolution of combined defense for the ROK. Initiatives falling under the Strategic Alliance 2015 construct include OPCON transition, refining and improving combined plans, the definition and development of new organizational structures, the procurement and certification of ROK capabilities to lead the warfight, and the consolidation of U.S. military units located in Korea onto two enduring hubs. End state conditions for Strategic Alliance 2015 include ROK assumption of the lead for the combined defense by late 2015, synchronization and completion of most Alliance transformation initiatives, and collective support for the U.S.-ROK Joint Vision Statement. Current plans to transition USFK to U.S. Korea Command (KORCOM) will be implemented on schedule. As a result of the delay in OPCON transition, however, KORCOM staff will be dual hatted as the U.S. contribution to Combined Forces Command until the latter organization is disestablished by OPCON transition in 2015. After OPCON transition, KORCOM will play a supporting role to the ROK Joint Chiefs of Staff.

The ROK is already in the process of procuring the equipment, conducting the training, and making the organizational changes needed to eventually lead the warfight. Until all these ROK actions are completed, however, the U.S. will provide agreed upon bridging and enduring capabilities. By adjusting the date of OPCON transition to late 2015 the ROK has more time to field many of the critical systems that are part of an ongoing defense reform initiative and to ultimately assume lead of the warfight. The Strategic Alliance 2015 plan will improve readiness by allowing time for the ROK to establish key warfighting headquarters and to acquire critical command and control systems and capabilities. As a result, the OPCON transition process will progress smoother and ultimately end in stronger Alliance forces.

TOUR NORMALIZATION

Another initiative under implementation by the Command is tour normalization. In the 2010 Quadrennial Defense Review, the Department of Defense committed itself to the long term goal of normalizing the stationing of U.S. forces in the ROK from unaccompanied to accompanied tours. Indeed, we are in the process of changing U.S. force presence in the ROK from being one of forward-deployed to one of being forward-stationed with the presence of family members. In December 2008 the length of tours for servicemembers assigned to Korea changed to 3/2-year accompanied and 1-year unaccompanied. Since the summer of 2008, the number of families in Korea has increased from 1,700 to around 4,200, with a Command sponsorship waiting list of over 500 servicemember families. The Command's goal is to tour normalize 85 percent of the force as the required resources and infrastructure become available sometime near the end of this decade. At that time, approximately 12,000 servicemember families will be in the ROK and most military personnel will be on 3-year accompanied/2-year unaccompanied tours similar to the forces stationed in Europe and Japan.

Tour normalization provides a host of benefits. Implementation will improve combat capability and force readiness by decreasing personnel turnover—85 percent of the force in Korea today is on a 1-year assignment. Tour normalization also demonstrates a greater commitment on the part of the United States to the ROK as well as the larger Asia-Pacific region. By extending tours to 2- and 3-years in length, less stress will be placed on servicemembers and their families. Finally, the timing for normalization is right, because it can leverage off other Command transformation

initiatives to include the Yongsan Relocation Plan (YRP) and Land Partnership Plan (LPP).

HUMPHREYS HOUSING PLAN

An important part of the Command's transformation program and YRP/LPP initiatives is housing. Future housing needs at U.S. Army Garrison (UASG) Humphreys will be satisfied through the Humphreys Housing Plan, which consists of two components: the Humphreys Housing Opportunity Program (HHOP) and Army Family Housing (AFH) Military Construction (MILCON) funds. The HHOP involves a partnership between the U.S. Army in Korea and private industry that will create modern housing accommodations for servicemembers and families assigned to the ROK.

The HHOP draws upon private sector development, financing, and operational support for the construction and operation of 1,400 housing units at USAG Humphreys under a permitted SOFA Use Agreement without the need for Army capital investment. Costing approximately \$800 million, HHOP units will be built on land granted by the ROK under the Status of Forces Agreement (SOFA) and is one part of a larger effort to construct 2,902 units of housing on the garrison. Units built under this program will be rented to servicemembers using their Overseas Housing Allowance (OHA) as the means of payment. No guarantees on occupancy or terms of rent will be made, however, to the private operator. Units constructed under HHOP will include a mix of three, four, and five bedroom apartments, each offering ample living space, modern interior finishes, comfortable floor plans, and embedded with family support infrastructure such as playgrounds, community centers, and athletic fields. By leveraging permitted land under the SOFA with market demand, HHOP is able to construct modern affordable housing that meets servicemember needs at no capital investment cost to the Army.

In addition to the 1,400 housing units built under the HHOP, the Humphreys Housing Plan requests the application of AFH MILCON funds toward the overarching plan of building 2,902 units in total on USAG Humphreys. If approved, AFH MILCON funding will be used to construct 1,127 housing units. Both the HHOP and AFH MILCON funding are vital components of the Command's objective of accommodating 60 percent of the servicemember housing requirement at USAG Humphreys onpost.

SUMMARY

Pyongyang's attack on the *Cheonan* last March shows that North Korea remains a serious threat to peace and stability on the Korean Peninsula and in Northeast Asia as a whole. In response to the threat posed and belligerent actions taken by North Korea, the U.S.-ROK Alliance has conducted—and will continue to conduct in the future—exercises designed to increase the combined capability, reinforce the message that Pyongyang must stop its aggressive behavior, and to demonstrate the Alliance remains committed to enhancing its combined defense. U.S. commitment to defense of the ROK remains unshakable. As announced in a joint statement by Defense Secretary Gates and his Korean counterpart Kim Tae-young in Seoul last July, we remain committed to ensuring sufficient combined force capabilities and the provision of extended deterrence through the U.S. nuclear umbrella, conventional strike, and missile defense capabilities while maintaining an enduring U.S. military force presence and the current level of American troops in the ROK. It is in everyone's interests—to include North Korea—for Pyongyang to stop its provocative behavior, cease threatening its neighbors, take actions to promote peace and stability on the Korean Peninsula, and implement irreversible steps to fulfill its denuclearization commitments.

The Strategic Alliance 2015 plan will better synchronize ongoing transformation efforts between the United States and ROK. Additionally, the plan reaffirms U.S. commitment to the ROK, ensures both nations are better prepared to deter and defeat aggression, and will ultimately result in a stronger Alliance. As movement is made towards the plan's end state, the Alliance will have the right operational plans, right organizational structures, the right capabilities and systems, right exercises, and right force structure and alignment to ensure that the Alliance grows stronger and is ready to fight tonight across the entire spectrum of conflict.

Thank you and I look forward to your questions.

Chairman LEVIN. Thank you so much, General Sharp.

We're going to have votes throughout the morning, so we will just need to try to work through those votes. Let's try a first round of 7 minutes.

General, South Korea showed great restraint in not retaliating for the attack on the *Cheonan*. Were you surprised by the relatively mild response to this unprovoked attack?

General SHARP. Sir, I think starting on March 26 South Korea acted very, very responsibly, in that they first, in the international community, had to go to determine what caused the incident. As you recall, back on March 26 there was clearly uncertainty as to what caused the sinking of the ship. Had it run aground? Was there a mine? It was unclear.

What Lee Myung-bak did is he said: "We have to be clear and determine exactly what the cause was." So he had an international group of experts come in and take a look at it, and work through the next several weeks. Then it became clear that this was a premeditated attack by North Korea.

I think that during that time period President Lee made it very clear that he was not going to stand for any future provocations. But his big focus at the time—and I think rightfully so—was determining the exact cause and then working this through the U.N. in order to be able to condemn North Korea.

Chairman LEVIN. When President Lee says he's not going to stand for future provocations, what does that mean, given the fact that there was no response of a significant nature from South Korea to this attack? This isn't just a provocation, this is an attack, a premeditated attack.

General SHARP. Sir, he has done some things and the military has done things. They have changed some of their tactics and techniques, both along the DMZ and especially out in the West Sea, of how they operate in order to be able to ensure that this does not happen again and that they are better prepared to respond to it in the future.

I think what he did was work very closely on the diplomatic side in order to be able to garner international support to blame North Korea and to call on them to stop doing these types of acts in the future.

Chairman LEVIN. China has been reluctant to publicly criticize North Korea for its actions generally, and most recently was unwilling to acknowledge North Korea's involvement in the attack and sinking of the ship. Let me address this to you, Secretary Campbell. Why is China reluctant to hold North Korea to account for its actions?

Mr. CAMPBELL. Thank you, Mr. Chairman. Let me just say very quickly in terms of the previous question, I think the fact is that South Korea responded across a range of areas: sanctions, very strong and clear language to the nation, military steps that General Sharp has underscored, and also an effort at the U.N.

I think there was a profound recognition of what are the stakes involved. Later this year, South Korea is holding what for them is probably the most historic international event in their history, the G-20, the first time it's been held in South Korea. So in truth, I think this was an act of great statesmanship and restraint, a very difficult act, and one which I hope the United States supported fully.

As you indicate, Mr. Chairman, the truth is that the *Cheonan* incident makes clear that China has a very complex calculus that

they look at on the Korean Peninsula. I think at a strategic level the United States and China share some things in common. We want to maintain peace and stability on the Korean Peninsula. We seek a Korean Peninsula without nuclear weapons. But it is also the case that they have a long historic relationship with North Korea. They also have over the course of the last 10 to 15 years built a very strong relationship with South Korea.

I think through some of the diplomacy they have undertaken at the U.N., which, as President Obama and others have indicated, we were disappointed in certain circumstances during the course of some of that diplomacy. Ultimately, we were relatively satisfied with the outcome in terms of the overall statement, but the process was quite difficult.

I think through some of those actions they have complicated their relationship with South Korea. I think they're going to have to take steps over the course of the next several years to rebuild that relationship.

In recent meetings, both the visit of the Vice Foreign Minister here to Washington, Cui Tiankai, and also the visit last week with Deputy National Security Adviser Tom Donilon and Larry Summers, I think there was an appreciation that the United States and China must step up its dialogue on the Korean Peninsula, and we are seeking to do so.

Thank you.

Chairman LEVIN. We've heard about stepping up dialogue with China for a long, long time, and it hasn't resulted in anything as far as I'm concerned. You say that this event and their failure to take a decent position in response to the attack on the ship you said complicates their relationship with South Korea. It sure doesn't help their relationship with us as far as I'm concerned. I think it's totally unacceptable that China is so unsupportive of strong action against North Korea when you have not just a provocation—that word is pretty mild—you have an attack, premeditated attack on a ship, that killed 46 sailors.

I think it's totally unacceptable and I think China ought to be told, in no uncertain terms, that it complicates its relationship, not just with South Korea, but with us as well.

Now, the delay in terms of the transfer of wartime control of South Korean troops from 2012 to 2015, it seems to me is also troubling. Maybe it's the result of the attack on the ship. If that's the main cause, that's one thing. But if it's the result of their not being prepared to take on that responsibility in April 2012 the way they were supposed to, that's something very different, because I think we have to expect that South Korea has to step up in terms of costs, in terms of responsibility.

The cost of maintaining our troops is a high cost. The cost of just shifting the location of our troops has now gone up significantly. The share of that cost was supposed to be 40 percent, I believe, of the \$10 billion cost would go to South Korea. It's now \$13 billion. We're not asking them, we never would and never have, to pay our troops, but when it comes to the cost of maintaining our troops in their country, it seems to me it's very different.

I'm troubled by the delay, I must tell you. Was this requested, General, by President Lee or was that our idea?

General SHARP. Sir, that was requested clearly by President Lee to President Obama in June, and there were lots of discussions about the delay. I believe what it boiled down to is President Lee did not feel that 2012, with what's going on in North Korea and in other places around the world, was the best time to make such a major change in this alliance and to disestablish CFC and to go into a supporting and supported relationship.

What we have done is to make sure that the additional time between 2012 and 2015 makes us stronger, and I do believe that when we come out of this, the synchronization of the initiatives that I talked about in my opening statement, we will be a stronger alliance because of it.

We have made very clear to the ROK that this is not business as usual. This is not just a delay of 3 years and just extend the milestones. In fact, I joined the Two Plus Two in July when our two secretaries were there. The base plan for Alliance 2015 was agreed to. When Secretary Gates and Minister Kim Tae-Young meet on October 8 here in Washington for the SCM, they will sign some very detailed annexes which cover the very details of what we mean when we say we're going to develop new, realistic plans based upon what we see going on in North Korea and the region to deal with the full range of possible contingencies; that all of our exercises now and in the future will exercise against those types of contingencies; that the ROK will buy, organize, and train the capabilities they need in order to be able to truly lead the warfight by 2015. We'll have a comprehensive certification program, not only on OPCON, but all of the different programs, and that we will synchronize that with our move south and our move down to Camp Humphreys.

So again, from an alliance perspective, I believe that President Obama, after talking with our alliance partner, at the request of our alliance partner, agreed to delay it in order to be able to help improve our capabilities over the next several years.

Chairman LEVIN. As you remember, in March this committee was informed that the transfer of wartime control of Korean troops, not ours but Korean troops, which has been planned for so many years, delayed a number of times, we were assured in March it was on track for April 2012. So this is another—it's a long delay, and I hope it's the last one. But I've heard this explanation before and I think it just basically takes some of the pressure off South Korea to do what they need to do to control their own troops operationally in time of war.

So I'm troubled by that length of the delay. I think symbolically the delay because of the attack may have been appropriate, for 1 year. But the 3-year delay to me is excessive and sends the wrong signal to the South Koreans in terms of what they have committed to do for a decade now, which is to be ready to take OPCON of their own troops.

Senator McCain.

Senator McCAIN. Thank you, Mr. Chairman.

Secretary Campbell, would you agree that one of the strongest measures we could take to affirm our relationship with South Korea would be to ratify the U.S.-South Korea FTA?

Mr. CAMPBELL. I would agree with that, sir.

Senator MCCAIN. Isn't it true that South Korea is now concluding FTAs with other countries?

Mr. CAMPBELL. That is correct, sir.

Senator MCCAIN. Which gives us a disadvantage in the long run by not having those same kinds of agreements?

Mr. CAMPBELL. I would simply stand by the first statement that you made, yes.

Senator MCCAIN. Thank you, Mr. Secretary.

Secretary Gregson, does North Korea have a reliable nuclear capability?

Mr. GREGSON. We know that North Korea aspires to a nuclear capability.

Senator MCCAIN. I'll repeat the question: Does North Korea have a reliable nuclear capability?

Mr. GREGSON. Not to our knowledge.

Senator MCCAIN. Does North Korea have the capability to deliver a nuclear weapon?

Mr. GREGSON. Not to our knowledge.

Senator MCCAIN. That's very interesting, because published reports indicate that they certainly have a—do they have a nuclear capability, then, Secretary Gregson?

Mr. GREGSON. They have demonstrated the ability to detonate nuclear devices.

Senator MCCAIN. Secretary Campbell, one of the reasons why we get a little cynical around here is exemplified by the comment you made about China. I wrote it down: "step up its dialogue," "step up its dialogue." Remarkable statement. The Chinese have not only not helped us with Korea over the years, they have been an obstacle to increased sanctions. They warned the United States that we shouldn't send an aircraft carrier into international waters. So we need to "step up the dialogue."

Secretary Gregson, do you currently see any evidence of technology transfer between North Korea and Iran?

Mr. GREGSON. Yes.

Senator MCCAIN. Could you in open hearing, or maybe it's classified, give us an idea of what kind of technology transfer is taking place between North Korea and Iran?

Mr. GREGSON. I'd rather do that in a different session.

Senator MCCAIN. Do you admit, though, that this is serious?

Mr. GREGSON. Yes. North Korea has demonstrated frequently their intent to violate a number of international norms, sanctions, and resolutions to transfer forbidden military technology to more than one other party.

Senator MCCAIN. Do you have any information that the North Korean submarine that sank the *Cheonan* was using Iranian technology?

Mr. GREGSON. I'd rather go into that in a separate session.

Senator MCCAIN. Is it possible that the same act of "provocation" could have been committed against a U.S. warship just as easily?

Mr. GREGSON. Certainly the ability to attack from ambush, to conduct a surprise attack, is a threat, yes, that could have been attempted. I would not characterize it as "just as easily."

Senator MCCAIN. The North Korean submarine had the capability to launch an attack on a U.S. ship just as they did a South Korean corvette.

General Sharp, in light of the usual turmoil that accompanies the succession imbroglios that we've watched in the past as far as North Korea is concerned, have you seen increased acts of provocation on the part of the North Koreans and/or military buildup on the other side of the DMZ?

General SHARP. Sir, not military buildup. The summer training cycle they have gone through over the last several months has been a normal or maybe even slightly below normal summer training cycle. Up to that point before that, the acts, especially out in the northwest islands with some artillery firings out in the West Sea, were clearly acts to demonstrate—I also don't like the word "provocation," but to clearly demonstrate to the people of South Korea that they have the capability to do things at their will. So we have seen those continue until very recently.

Senator MCCAIN. Secretary Gregson or Secretary Campbell, it seems that the youngest son will be the successor. Is that the tea leaves reading that we get out of this?

Mr. CAMPBELL. Your guess is as good as ours, Senator.

Senator MCCAIN. That's an interesting comment on our intelligence capability in North Korea.

General Sharp, what is, in your view, the readiness and capability of the North Korean military?

General SHARP. Sir, it's an extremely large force that is positioned very close to the DMZ, and we believe that if they wanted to do an all-out attack they could do that with very little notice. We have seen them over the last several years primarily putting their money into their ballistic missile force, their nuclear capability, and their special operating forces. They have not put as much money, we do not believe, in their conventional forces.

But when you really take a look at it, with that many millions of North Korean soldiers that have one mission, to attack south and to kill as many as you can, you don't need a whole bunch of technology to be able to do that, and money going into it. We still see the great majority of North Korean money going into their military-first policy.

Senator MCCAIN. That, in the scenario, would be a devastating artillery attack on Seoul?

General SHARP. Sir, they clearly have well over 200 long-range systems that could strike the heart of Seoul today without moving either their weapons or their ammunition, and with a city of 28 million that's within that range. We work very hard in our war plans to be prepared to quickly take that artillery out, both by counterfire artillery and by joint fires, by our naval and our air forces, both on the ROK and the U.S. side. We work that very hard throughout the year in many, many different exercises.

But I have to be realistic. We're not going to be able to stop all that artillery and there will be a lot of destruction if they choose to do that.

Senator MCCAIN. Secretary Gregson, if we feel it necessary will we continue to send aircraft carriers and other naval vessels into

the region, which China has “warned” us that we shouldn’t send carriers or naval power into these “international” waters?

Mr. GREGSON. Yes, we will. The ability to exploit freedom of the seas has been a principle of our republic since the beginning.

Senator McCAIN. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman. Thanks to you and Senator McCain for convening this hearing. It reminds us, I think, that not so long ago, certainly as the last century was ending and we were looking to this century, we were saying that our focus would be in the Asia Pacific region in terms of the opportunities and the security challenges. Needless to say, because of September 11, 2001, our focus has been on the Middle East and South Asia.

But that doesn’t mean that history has stopped moving in the direction it was moving in Northeast Asia and the Western Pacific. This area remains, as the opening statements of the chairman, the ranking member, and your statements and questions and answers now reveal in some detail, a very dynamic, dangerous, and important area for our national security.

We are a Pacific Nation and our presence there is not only critically important to our security and our economic well-being, but to the security and economic well-being of the region. It’s important to say that so many of the countries in the region depend on our presence there.

So I appreciate the opportunity that the leadership of this committee has given us to focus on this, and of course our relationship with South Korea just gets better and better. This is an increasingly strong and important alliance to us of real mutual benefit.

I couldn’t agree more about the strategic importance of the Korea FTA. I do want to say for the record that Senator Webb and I reached out to some of our Democratic colleagues in the Senate to show that there was bipartisan support and 10 of us, a month or so ago, sent a letter to President Obama urging him to expedite movement of the FTA this year through Congress.

I want to thank the witnesses for their testimony, also for their leadership, particularly in the time since the North Korean attack on the *Cheonan*. I appreciate President Obama’s strength and solidarity with President Lee and our allies in South Korea in the aftermath of the *Cheonan* and all that we’ve done.

I must say that this morning in the New York Times former President Carter had an op-ed piece which contrasted so dramatically and disappointingly for me with the policy that the administration has followed, in which he says: “North Korea wants to make a deal.” There’s one really stunning omission here. President Carter finds it possible to say that the North Koreans he spoke to expressed concern about several recent American actions, including unwarranted sanctions, ostentatious inclusion of North Korea among nations subject to nuclear attack, and provocative military maneuvers with South Korea. But he fails to mention the *Cheonan* incident and that certainly puts in doubt his conclusion that the leadership of North Korea that he spoke to is anxious to reengage again.

In this regard, I want to read from a great statement that I thought Secretary Gates made at the Shangri-La conference in Singapore last year: "I think that everyone in the room is familiar with the tactics that the North Koreans use. They create a crisis and the rest of us pay a price to return to the status quo ante. As the expression goes in the United States, I'm tired of buying the same horse twice."

Secretary Gregson, Secretary Campbell, in my opinion President Carter is asking us to buy the same horse that we bought many times before. It seems so inconsistent with the direction of the administration policy regarding North Korea that I wanted to invite either your reaction to the Carter statement, which I think is awful, or your statement of where the administration is on North Korea today.

Secretary Gregson or Secretary Campbell?

Mr. GREGSON. We were very pleased with Secretary Gates' comment at the Shangri-La dialogue. Part of it was prepared, part of it was pure Secretary Gates, so that was not a staff product. That was Secretary Gates.

We in DOD believe that it has been North Korea's history to create a crisis, to conduct an attack, and then we make concessions to bring them back to the table for dialogue, as Senator McCain characterized. We're determined not to do that this time. We have the sanctions in place that we think can make a difference. As General Sharp eloquently discussed, we're reinforcing our alliance capabilities in every way possible. We are pressing on the international community to maintain a consensus that will ameliorate or stop the illegal North Korean activities, and we want to see a meaningful change, meaningful reactions by North Korea, before we even begin to have negotiations.

If they will negotiate and begin to do it in good faith, with all that lies under that, then many things are possible. But as Secretary Gates eloquently capsulized, we don't want to buy the same horse again.

Senator LIEBERMAN. Thank you.

Secretary Campbell, do you want to add to that?

Mr. CAMPBELL. Yes, thank you, Senator. Frankly, I too was surprised by the omission of the *Cheonan* in President Carter's op-ed today. I must say we were grateful that he was successful in his mission to free the American citizen, Mr. Gomes, who had wandered into North Korea. We have gratitude for that and obviously for much of the work that he does.

I think the statements that he put out from the North Koreans are well known to us. We've heard many of these before in previous interactions with the North Koreans. I would just note that the sanctions that he reports that the North Koreans are concerned by are not simply the sanctions that have recently been put in place by our Treasury Department, but more specifically the U.N. sanctions, which China was a strong supporter of, 1874. Those have really bitten and caused some anxiety among the senior leadership in North Korea.

I think it would be fair to say that we're looking for several things. One is some degree of reengagement between North and South Korea. That is an inevitable process that must take place,

and we're looking in many respects to the lead from South Korea on how that process goes forward.

But, as General Gregson has underscored, we are looking not to repeat the process of the last 10 or 15 years. We are looking for a sincere and clear signal from the North Koreans that they want to embark on a real process of negotiations on its nuclear and other capabilities.

I must say that I think we're trying to exhibit what Secretary Clinton describes as strategic patience. I think to date we've been relatively successful in this regard.

Senator LIEBERMAN. Thank you.

My time's up.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator LeMieux.

Senator LEMIEUX. Thank you, Mr. Chairman.

First of all, thank you to all three of you for your service. I want to start by asking a question to Secretary Gregson. The firing upon the *Cheonan* by the North Koreans, do you consider that an act of war?

Mr. GREGSON. It can be characterized as such, yes.

Senator LEMIEUX. Certainly if one of our military ships was fired upon by the North Koreans, we would consider it an act of war, wouldn't we?

Mr. GREGSON. Yes.

Senator LEMIEUX. We have a treaty, a mutual defense treaty, with the South Koreans. In the firing upon the ship, and then the evaluation that determined that it was the North Koreans who in fact fired upon the ship, has there been any evaluation of our obligations under that treaty?

Mr. GREGSON. Continuous obligations. The decision on how to respond is an alliance decision, with due consideration for achieving our overall goal, which is protecting the ROK and protecting peace and stability in Asia.

As we know, the *Cheonan* is not the first provocation. North Korea is a country that attempted deliberately to assassinate the cabinet of the ROK, that executed a deliberate attack on the Blue House, their equivalent obviously of our White House. Since 2002, we've seen an uptick or an increase in attacks of a different kind, of a lesser impact than that on the *Cheonan*, of course—seizure of fishing ships, things like that.

This is a consistent type of behavior from North Korea, unfortunately.

Senator LEMIEUX. Now that the information is in, the analysis has been concluded that this was an attack from the North Koreans, do you expect some kind of military response from South Korea?

Mr. GREGSON. I expect that we will continue to stay in close consultation with the ROK on actions that we will take in the future. I agree with General Sharp's characterization that President Lee Myung-bak demonstrated tremendous statesmanship under considerable pressure in the reaction of the ROK to this attack.

Senator LEMIEUX. This attack and the other ones that you just mentioned, aren't they sufficient justification for us to—and per-

haps this is a question for Secretary Campbell—put North Korea back on the state sponsor of terror list?

Mr. CAMPBELL. Our judgment was that these provocative actions required a separate action, and so we have issued an Executive order, very broadly conceived, that identifies a whole range of activities in North Korea. So yes, in many respects this is a definitional issue and so I would actually, Senator, agree with you.

Senator LEMIEUX. This was an act of terrorism, wasn't it?

Mr. CAMPBELL. Act of war, actually.

Senator LEMIEUX. Are we moving forward on putting them back on the list?

Mr. CAMPBELL. We have a process that's underway that is specific associated with looking at various actions that North Korea has undertaken in the past and could undertake in the future that are involved with international terrorism. That is different than the specific act associated with the sinking of the *Cheonan*. So we have taken very specific actions with regard to the sinking of the *Cheonan* with the new Executive order that is extraordinarily broad, very deep, a variety of military steps—exercises, enhanced deterrence.

Actually, I think the decision on OPCON transfer was the right one. We have done a number of things in Northeast Asia to send a very clear signal of our direction forward.

Senator LEMIEUX. But does that mean that we're putting them back on the state sponsor of terror list or we're not?

Mr. CAMPBELL. I think I've answered, I've tried to answer your question.

Senator LEMIEUX. The answer is no or yes?

Mr. CAMPBELL. We have a process, an ongoing process, that is associated with evaluating data associated with what North Korea is doing in a global context associated with terrorism. The sinking of the *Cheonan*—

Senator LEMIEUX. Because that's separate and apart, then. But have you, separate and apart from that attack, evaluated whether or not to put North Korea back on the list?

Mr. CAMPBELL. We are constantly evaluating that, yes.

Senator LEMIEUX. Is there a decision point that you see coming forward? Is there a time when I should expect that you will make a decision?

Mr. CAMPBELL. I think that is an issue that we could address in private session, yes. Thank you.

Senator LEMIEUX. Okay.

Mr. Secretary, Senator McCain was asking you about the FTA and the importance of it, and you agreed the importance of having that FTA entered into. We also have one pending with Colombia and Panama. Do you know when the administration is going to send these agreements to Congress to have them approved?

Mr. CAMPBELL. I don't know, Senator. It's outside of my area of responsibility in terms of Latin America. I do know that President Obama has indicated his desire to move in the near term on the Korea FTA, and I would just associate myself with your comments about the importance. It's not only important at an economic level, but it has enormous strategic consequences as well.

Senator LEMIEUX. I was talking to our National Security Adviser and he was telling me that he believed it was a national security issue for Colombia certainly. Would you agree that it's a national security issue for South Korea that we enter into this agreement?

Mr. CAMPBELL. If I could just even go further, Senator, I think it's just not a national security issue for South Korea; I think it is for the United States. I would just underscore one thing. I've spent the last year and a half out in Asia considerably, and there are doubts about our staying power and our ability to play the dramatic leadership role in the future that we played in the past. It requires an all-hands-on-deck approach. It has to be multifaceted. It has to be intense diplomacy, not just bilateral but multilateral. It requires the kind of military effort that General Sharp indicates. Also it requires the kind of initiative that you underscore on the Korea FTA.

So, yes, it's not just for the South Koreans. It's for us as well. Senator LEMIEUX. Thank you very much.

I want to switch gears a little bit and talk about succession plans for North Korea, allegedly the third son being put in line, Kim Jong-un. If the succession doesn't happen or for some reason North Korea fails, do the Departments of State and Defense have a strategy for trying to ensure that this nuclear material does not get lost or turn up in the hands of someone else? Is there a security strategy for that?

Mr. CAMPBELL. I'd like to just apologize at the outset. I actually made a flip answer to Senator McCain's very important and timely question about the succession. The truth is, though, what I was trying to underscore, is that in fundamental ways North Korea is still a black box. We have some glimpses and some intelligence and the like. But the truth is oftentimes, in retrospect, some of that intelligence has proven to be wrong. It's a very, very hard target, probably the hardest target that we've faced in the global arena.

I will just tell you that we have to be prepared for all circumstances, and I mean all circumstances, and the level of interaction that is undertaken inside the U.S. Government is intensive, and that extends also to a dialogue and extremely close coordination with South Korea and Japan. So I would answer your question that way.

Senator LEMIEUX. If I could just conclude, Mr. Chairman, with a question to General Sharp.

General, you and I have spoken before about the status of the military housing for our young men and women who are serving us there. Are you getting the MILCON dollars you need to make sure that there are good conditions in the houses for our folks who are serving?

General SHARP. Sir, for where we are right now we are okay. We are working through within DOD, some options on how to be able to continue providing those houses as we move down to Camp Humphreys. I mentioned in my opening statement a couple of the options DOD is looking at right now.

I actually have some meetings this afternoon to discuss them with several members of the appropriate committees to get your thoughts, because it is critical that we take care of our service-members and their families. We've all talked here so far this morn-

ing about how important it is for us to maintain our commitment in Korea and to demonstrate that, not only to the Koreans, but to North Korea and to China. I think clearly having our families there, having the force level there, demonstrates we're going nowhere. So being able to properly take care of them with housing is absolutely critical, and we will have to work through very quickly how to be able to do that as we move down to Pyongtaek and to Camp Humphreys.

Senator LEMIEUX. We share that priority with you. So thank you for your commitment to that.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator LeMieux.

Senator Reed.

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

Thank you, gentlemen.

Secretary Gregson and Secretary Campbell, first, have we been able to establish the motivation, the rationale, the objective, of the attack on the South Korean vessel by the North Koreans? Or is that something that's still difficult to determine? Was it a bureaucratic miscue? Was it directed on high? Do we know anything about it?

Mr. GREGSON. Senator, there are two theories. One is that it's a reaction to the November 2009 naval firefight between forces of the ROK and North Korea. The other theory is that it's somehow tied into the mysterious succession politics inside North Korea. I'm not personally aware that anybody has a definitive answer beyond those two competing theories.

Mr. CAMPBELL. Senator Reed, could I just add a third to that if I could? I first of all associate very closely with the answer of General Gregson. But I think that, as General Gregson underscored, this is not the first time something like this has happened. They have happened periodically.

I think you find, if you look at a calendar of events, these kinds of provocations tend to occur before major events in South Korea that highlight the success of South Korea, the Seoul Olympics and the like. Again, as I stated at the outset, the upcoming G-20 is a very big deal, a very big deal for the South Koreans. It's the arrival of South Korea on the global stage, probably again the biggest diplomatic achievement in their history. One could imagine that this would play into part of the dynamic that we've seen in North Korea.

But I have to underscore that in many respects this is a black box. We really don't know very much about the motivations, ultimate goals and ambitions behind such a dangerous and provocative act.

Senator REED. Let me change gears. I understand—and correct me if I'm incorrect—that the Chinese were not aware beforehand of this attack, that they had no information either. It seems clear from every rational source that this was a torpedo attack by the North Koreans. What's the motivation for the Chinese to reject what is obvious, what is dangerous, and also something that apparently they weren't even tipped off to?

Any views on that? I know we're trying to make estimates about very difficult issues.

Mr. CAMPBELL. It is our best judgment that China had no foreknowledge of the action, as you indicated, Senator. I tried to indicate at the outset that we believe that the calculations for the Chinese on the peninsula are complicated, very complex. They have been supportive in the past of certain initiatives. UNCR 1874 in the aftermath of the nuclear weapons detonation is a very powerful signal to the international community, including China.

They've taken other steps. They've played, I think, an important role during certain critical junctures in the Six-Party Talks. I wouldn't want to put words in the mouths of Chinese friends. I think they believe that this is an incredibly critical period, perhaps a somewhat uncertain period in North Korea, and they have told us that they believe that certain steps could drive North Korea to the wall and that was not in their strategic interests.

Senator REED. We talk about the complicated dynamics for the Chinese. We also have complicated dynamics. This is a general question and it might just elicit a nod, but to what extent are our strategic objectives complicated or indeed compromised by our economic relationship with the Chinese? There are issues like this where we could take a much firmer course with the Chinese, but we have other issues at play. Do you want to—will I get more than a nod?

Mr. CAMPBELL. If I could say, I understand your question, Senator. But I actually think those considerations do not come to play in this regard. If you listen carefully to how General Gregson answered the question, our most important guiding principle on the Korean Peninsula is the objectives, the wishes and desires of the South Korean people. So what we have tried to do is steer our course with the South Koreans, and that has been our primary objective in this regard.

The truth is that we took a very strong line at the U.N. and we worked very hard with our allies and others to get the Presidents' statements through. This was tough diplomacy, very challenging diplomacy. But the most important consideration for us on the peninsula really is to ensure that we are closely aligned with the South Koreans in all our strategies.

Senator REED. General Gregson, do you have a comment?

Mr. GREGSON. Yes, I do, thank you. I concur completely with Secretary Campbell's statement. I'd also like to emphasize that there is a very strong alliance consensus for our way forward and has been since before the *Cheonan* incident. The consensus accelerated after the May 2009 North Korean alleged nuclear device detonation and the missile test, certainly accelerated with the *Cheonan*. That's the cooperation is U.S., ROK, and Japan; ROK of course most directly affected by the *Cheonan* attack, but Japan has also been victim of kidnapping actions by North Korea, has been victim of attempted incursions by North Korean infiltration vessels, various things. So they are very closely aligned here.

All three of our nations are firmly in agreement on the importance of peace, stability, deterrence in Northeast Asia and all three of us consult continuously on the ways forward, the actions to take, our sensing of the situation.

On that alliance consensus, we have been building the international consensus to constrain North Korea's attempted transfer

of illegal materials to other countries of interest and things like that.

This abiding consensus allows us to take a solid alliance approach to these various actions by North Korea and allows us also to have an alliance consensus to the reported—underline, “reported”—gestures lately by North Korea to want to talk about various matters.

Senator REED. Very good.

My time has expired. Let me commend General Sharp for his leadership and for that of his soldiers, sailors, airmen, and marines. Thank you very much, sir, and we look forward to seeing you soon. Good luck.

Thank you, gentlemen.

Chairman LEVIN. Thank you, Senator Reed.

We have a vote on. Senator Reed, are you going to want to have a second round? Do you need a second round?

Senator REED. The chairman has been most gracious. I have a reprieve, unfortunately, gentlemen.

Just two quick questions, one to General Sharp. In your plans going forward, you are pulling the bulk of your forces away from the DMZ as I understand it, but your training areas historically are close to the DMZ. Are you going to have some issues with training, particularly in a country that is rapidly developing and urbanizing and wealthy like Korea?

General SHARP. That’s part of the plan, sir. Actually, we are keeping all of our training ranges, Rodriguez Range and the other ranges that we have up near the DMZ right now. In fact, we’re continuing to modernize those ranges.

The move south has been accounted for. There will be a railhead as part of the plan put into Camp Humphreys and a rail line going up. So it will be a very similar movement to what we do in Germany to get to De Graef and to Hohenfeld. So we have accounted for that, sir.

Senator REED. Very well.

Just a final question to the Secretaries. Just a general evaluation of the sanctions, their effectiveness, the cooperation. Particularly—again, I don’t want to be a broken record—the cooperation by the Chinese. I do sense that the Japanese, the South Koreans, and the United States are clearly shoulder-to-shoulder, but that’s only part of the team that you need. So can you just give me a quick reaction, General Gregson, Secretary Campbell also?

Mr. GREGSON. I think we’re very encouraged with Chinese support on that front.

Senator REED. This is the question I got the nod. So thank you very much.

Thank you.

Chairman LEVIN. Thank you very much, Senator Reed.

I’m just going to ask a few questions, and if none of my colleagues are back when I’m done, because I have to go vote, too, then we’re going to recess for a few minutes until a colleague comes back.

General, you’ve indicated that continuing attempts to develop its nuclear and missile capabilities by the North is your number one concern. Is there an appropriate balance in your judgment between

our contributions to missile defense in the region and South Korean contributions? Or do you look for South Korea to increase its contribution to regional missile defense?

General SHARP. Sir, South Korea has recently bought Patriots. They will have several more of them and increased missile capability delivered over the next several years, to include some command and control additional things to be able to link them in with ours. They have now two Aegis ships. They just launched their second Aegis ship about a week ago and have another one in the railyard. They are increasing that capability.

We are trying to work very hard—in fact, Secretary Gregson has worked very hard—to try to work with the three countries of South Korea, the United States, and Japan to do some better coordination in order to be able to have regional type ballistic missile defense, and we're working through those initiatives.

Chairman LEVIN. General, you've indicated that our tour normalization program demonstrates a commitment to South Korea and to the region. How do you respond to those who suggest that we shouldn't be using our military families to demonstrate that commitment in a potentially dangerous location?

General SHARP. Sir, I believe that the long-term tours of our servicemembers in Korea greatly increases my combat capability if I don't have to train a new soldier every year. I believe that Korea is a safe place for our families to live and that we have very detailed and very exercised Noncombatant Evacuation and Repatriation Operations (NEO) plans. That would be a huge task if we had to NEO everyone out, but I'm confident that we could do that.

I think that the deterrent value of our military, the 28,500, and the demonstration that we are here for the long run, that not only we say in words but we say it in our actions of having family members and properly taking care of them over there, is a strong deterrent value. I was in Fulda in the mid-1980s with families that helped and that demonstrated that we were staying in West Germany and weren't going to stand for the threat of the Soviet Union at the time.

Our obligation, my obligation as the commander there, is to watch very closely for indications that it's time to get those family members out of harm's way, so that we can truly be prepared to defend the ROK. I take that very seriously. We work it very hard in exercises throughout the year. We have a very detailed plan for NEO that we have worked, not just on the U.S. side, because it will require a lot of Korean support. But the plan is very, very detailed and South Korea also understands that responsibility.

So I believe that tour normalization is extremely important, not only to our families, but more importantly to our capability and to our commitment to the region.

Chairman LEVIN. General, what's your assessment of the current level of readiness of the Combined Forces to respond to aggression from North Korea?

General SHARP. Sir, I think the Combined Forces is ready to respond to aggression from North Korea. We just finished up in August Ulchi Freedom Guardian Exercise, our annual summer exercise, which was based upon an attack from North Korea. As I stated in my opening statement, we have expanded our exercise pro-

gram to really take a look at how we think North Korea would do some limited attacks, what sorts of different incidents would they do prior to a conflict to try to prevent us from the reinforcements that are going in, to try to prevent us from taking our defensive positions, some things that they could do very early on.

The exercise went very well. I was very pleased with the fact that we're getting at some of the much more difficult issues, but the very realistic issues. I am confident that we're prepared for an aggression, whether it's limited or all-out from North Korea.

Chairman LEVIN. Would you say we're in a high state of readiness?

General SHARP. Sir, we are in a high state of readiness.

Chairman LEVIN. As I mentioned before, General, the cost of moving U.S. forces originally further south was \$10 billion. The South Korean share was \$4 billion. The cost is now estimated at about \$13 billion. Is that a fairly firm estimate now or is that going to continue to climb? Does the South Korean share go up? In other words, are they going to take on about 40 percent of that additional \$3 billion? Is that part of the deal?

General SHARP. Senator, when we agreed in the Yongson relocation program to move out of Seoul, the ROK said they were going to pay for all of those costs, minus the housing that we have off post. They are doing that.

We also said when we wanted to move the Second Infantry Division, which is called the Land Partnership Program, and consolidate them at the same location, the Koreans agreed to get the land, but they said we had to create the facilities. The costs of those facilities are being borne in combination by both the United States and the ROK.

This actually is a big question going on in the news over in Korea right now, about are we using some of the burden-sharing money in order to be able to build what we need down at Camp Humphreys.

Chairman LEVIN. I'm not sure what your answer is. I'm afraid I'm going to have to cut you short because I have to vote. I'm sorry to do that. But if the increased cost overall goes from \$10 billion to \$13 billion and the original Korean share as I understand it was \$4 billion, is that \$4 billion going to increase proportionately now that the total is \$13 billion or not?

General SHARP. Sir, the Koreans are paying a lot more than \$4 billion.

Chairman LEVIN. So that's your answer, the \$4 billion figure is wrong?

General SHARP. That's right.

Chairman LEVIN. Now, in terms of the increase in the estimated cost, will they pay a proportionate share of that increased cost?

General SHARP. Sir, I'd rather cover that in a closed session.

Chairman LEVIN. Okay. Or for the record.

General SHARP. For the record, yes, sir.

Chairman LEVIN. I hope that's not a classified issue.

General SHARP. No.

Chairman LEVIN. But if you can give us that for the record, that would be more than satisfactory.

General SHARP. Yes, sir.

[The information referred to follows:]

Requirements established for moving U.S. forces in Korea under the Yongsan Relocation Plan (YRP) and Land Partnership Plan (LPP) have evolved over the years as conditions change. In particular, certain delays due to factors such as securing the necessary land, acquiring the program management consortium, and negotiations over better defined cost estimates have created cost and schedule growth. The Republic of Korea is committed to paying its appropriate share of this cost growth in accordance with the relevant YRP/LPP agreements and associated arrangements.

Chairman LEVIN. Okay. We're going to be in recess now until a colleague comes back, which I expect to be any minute, hopefully not more than 10 minutes. But let's say we will recess for 15 minutes or when a colleague comes back on either side of the aisle, whichever is earlier.

[Recess from 11:03 a.m. to 11:10 a.m.]

Senator LIEBERMAN [presiding]. The hearing will come back to order. I thank all of you, my colleagues. I went and voted on the first. There's a second. I think by the time I finish my questioning somebody else will be back.

I thank you very much for your testimony. General Sharp, I had a different reaction than Chairman Levin did to the transfer, to the delay of the transfer of OPCON. My own feeling was, as I heard it, that it was not really related to the capabilities of the military of the ROK, but more to the surrounding political and diplomatic environment, the concern about various anniversaries coming up and North Korea, provocative action by them, elections coming in the United States, perhaps transition of power in China—just an unsteady time in the region, and going back to what Secretary Campbell said about the doubts in the region about our staying power, that motivated that delay mostly. That's why I greeted it positively.

Was I right? In other words, am I right that not any significant part of the delay is based on a concern about the capabilities of the military of the ROK?

General SHARP. Sir, over the last 2 years we have gone through numerous exercises to ensure that the military, both on the ROK side and the U.S. side, is properly organized and trained and had the right plans in order to be ready for 17 April 2012. Very detailed certification checklist that was done by external evaluators.

I had to report that to Secretary Gates and Minister Kim Tae-Young at the yearly SCM. My report was, and I still hold by it, is that militarily we were on track in order to be able to move into a supported-supporting relationship by 2012.

I was not there, but my understanding when President Lee and President Obama talked back in June was that they talked much broader than just on the military side; all the other incidents, some of which that you met, I'm sure, came up in that discussion; and that President Obama agreed for the sake of the alliance for the ability to be able to continue to strengthen the alliance over the next 3 years, he agreed to that delay.

What Secretary Gates charged us to do is then to make it a much more comprehensive plan than simply moving into a supported-supporting relationship, so that the synchronization will allow us to do some things over the 3-year period to get us stronger versus some things we would have done in parallel. That's what the cur-

rent plan is that we'll codify here on October 8 when the Secretary and the Minister get together again.

Senator LIEBERMAN. Okay, I appreciate that answer.

Secretary Campbell, let me ask you to pick up some on your comment about some of the doubts in the region about our commitment to stay strongly in the region. I think you raised it around the Free Trade Act as a way for us to express in one way our commitment to the region. I want to come at this from a slightly different path, which is China.

Regarding the aggressiveness of the Chinese both toward us and their neighbors. I was interested that recently, and I think for the first time publicly, Prime Minister Singh of India commented on that, questioning the greater aggressiveness of the Chinese. They're obviously spending a lot of money to build up their military. I noticed Andy Krepinevich had an op-ed piece this week in which he worried publicly about the danger that in a few years China will have the capability to make it much harder for us to project power and defend our allies in the Asia-Pacific, and that their military buildup seems to be specifically built around area denial and an anti-access strategy.

So I wanted to invite your general comment on the way in which China's military buildup and more aggressive posturing fits into your concern, which I agree with, that there's concern in the region about whether we're there to stay.

Mr. CAMPBELL. Thank you, Senator Lieberman. If I may, let me just harken back quickly to the question that you asked General Sharp. My own sense is that your assessment of the complex motivations behind the decision are completely accurate. So I would associate myself with what you are indicating going forward, a very complex time in the region.

There are many factors at play in the Asia-Pacific region. One of them is the extraordinarily rapid ascent of China as a global player and a global power, a country that withstood some of the challenges of the global economy in the last several years, very well positioned accordingly.

We are in a situation where we have a very complex relationship with China. There are a number of areas that we're seeking to work very closely with them on: climate change; issues associated with nonproliferation; they've worked with us on Iran; again in circumstances on the Korean Peninsula; and in certain circumstances associated with piracy and the like.

So there are areas that we have been able, oftentimes through exerted diplomatic effort, to work closely together. There are invariably areas where we compete. We seek to compete in peaceful ways. But at the same time, as the Pentagon military report recently stated and as Secretary Gates has underscored publicly at Shangri-La and elsewhere, there are some military developments that we seek greater clarity into, that have raised concerns about our own forward deployments overall.

There have been a number of interactions with China in recent months on issues that are of mutual concern, and some of those interactions can be quite tense. Our overall desire, however, is to maintain a steady-as-she-goes relationship with China, with the recognition that there will inevitably and invariably be areas where

we have differences, and sometimes those differences are quite intense.

I would simply say I would use a slightly different word than “aggressiveness.” I think they are more “assertive” on the global stage.

Senator LIEBERMAN. Right, and in the neighborhood.

Mr. CAMPBELL. In the neighborhood, yes. But I think it is also the case that I have never seen an environment in Asia in which the United States is more welcomed to play a more significant role, not just in Northeast Asia, where we’ve talked primarily today, but Southeast Asia, as well. I think one of the desires of the administration is to take a multifaceted approach, deeper integration in regional diplomacy, in multilateral institutions, working with India, drawing India in more to the Asia-Pacific region, working towards consequential diplomacy with China.

This is not a relationship, Senator, I think as you know, that the United States has much experience with. We’ve had a monochromatic kind of relationship in the past with the Soviet Union. That’s not what the relationship is like with China. It’s deep, it’s complicated. There are areas of cooperation. There are areas of discord. How we manage that is going to be the primary diplomatic challenge for the United States over the course of the next generation.

Senator LIEBERMAN. I appreciate the answer.

I don’t want to take the time today, but at some point we all ought to come back together and talk about how we should respond if, in fact, what the Chinese are basing their military buildup on is—and I know we’re already focused on this to some extent—an area denial and anti-access strategy.

But I want to move on to another subject. You said, Secretary Campbell, earlier, and I agree with you, that our historic relationship and alliance with Japan has been at the center of our policy and relations in this part of the world, and that remains so. Obviously, we’re very grateful for the extraordinary depth, growing depth, of our relationship with South Korea.

In that regard, I wanted to say that I’ve been impressed by the degree of trilateral cooperation between the United States, South Korea, and Japan in the wake of the *Cheonan* attack, including the dispatch of those Japanese advisers to the U.S.-ROK exercises in July. I wanted to ask any of the three of you or all of you, if you want, to speak to the efforts that we are making now to improve trilateral security cooperation among these three great democracies and whether there are opportunities that you see to institutionalize greater trilateral cooperation going forward.

Mr. CAMPBELL. First of all, thank you for the question, Senator. I have to say that in many respects the architect and implementer of this extraordinarily important trilateral interaction on defense and diplomacy is General Gregson.

I want to say one thing very quickly about our relationship with Japan. I think too often, particularly in media reports, there is a focus on one issue and only one issue, this very challenging issue associated with a base in Okinawa, Futenma, and what is often overlooked are the extraordinary commitments and contributions Japan has made.

So when you ask people who is the second, behind the United States, largest contributor to various reconstruction and other efforts in Afghanistan, very few people will realize that it's Japan. That is a decision that was taken by this new government in Japan.

Recent sanctions put in place against Iran; who is one of the leading countries that got out in front of this? We didn't have to twist their arms. Japan. Very much unlike a situation that we faced in the past.

Which country has put money behind various initiatives to deal with the global issues associated with climate change in the aftermath of Copenhagen? Japan.

Which country has contributed to the piracy efforts in the areas around Africa? Japan.

Who has stepped up considerably with the kind of support necessary for us to sustain our military and security relationship in Northeast Asia? Japan.

So, unfortunately in this environment, where we are working on a very challenging issue in Okinawa, Japan has not gotten the credit it deserves for really working, not only closely with the United States, but through General Gregson and others at the Pentagon, much closer coordination on the Korean Peninsula.

What we have seen with this new government in Japan is a rapprochement with countries that have had problems with Japan because of a variety of historical issues. You've seen a real coming together between Lee Myong-Bak and the Japanese leadership about the need to focus more on the future than on the past.

I think we can build on that further. I'll leave it to Chip to talk about that in greater detail.

Senator LIEBERMAN. Thank you. I appreciate that answer.

General Gregson.

Mr. GREGSON. I would just briefly add that Secretary Campbell gives me too much credit. Secretary Gates and the ministers of defense of our two closest allies investments have been instrumental in bringing this cooperation together. May 2009 at Singapore, in the immediate wake of the North Korean reported or claimed nuclear device detonation and the missile launches, saw the first trilateral defense ministerial meeting amongst the three allies, and the cooperation has just built from there.

I mentioned earlier—I think you were out—that the alliance consensus, United States, Japan, ROK, on how to respond to North Korea is the foundation of the international consensus that we've built and sustained, thanks to the State Department and others, to constrain North Korea.

Our bases in Japan are just as necessary to the defense of the peninsula as they are to security throughout all of Asia. We are undergoing two very complex alliance realignment efforts at the same time, General Sharp's effort in the ROK and then the other realignment effort across the Pacific. As Secretary Campbell mentioned, one airfield gets almost all the attention, but a number of other really breathtaking initiatives with Japan to better realign our forces, our bilateral capabilities, for the future, have gone on with relatively no drama.

I'm very much an optimist on our ability to not only sustain our presence in the western Pacific, but actually to increase it and improve it.

Senator LIEBERMAN. Thanks for the answer. It struck me as you began that you haven't learned a lot around Washington, because you're giving other people credit, which is not what happens. [Laughter.]

Mr. GREGSON. Well, you know what I mean.

Senator LIEBERMAN. Thank you. I think you deserve a lot of the credit, but so do the other two ministers.

General Sharp.

General SHARP. Sir, just some specifics. What we're trying to work and what we have done over the last several years specifically on the U.N. rear bases which are in Japan is, there have been many folks from the national assembly in Korea that have gone over and visited those to understand the importance of Japan to our warfight. We're working very closely with them, as I said earlier, on ballistic missile defense, on search and rescue missions, to be able to do that, and on PSI type of activities. So that the military-to-military cooperation, we're trying to continue to improve that, so if there was a major conflict we'd be prepared for that from a trilateral perspective.

Senator LIEBERMAN. I'm going to ask one more question. This is a bit more diplomatic than military, so I'll focus on you, Secretary Gregson. I've been troubled by what seems to be the Chinese ambivalence and reluctance on the Iran sanctions. They've put themselves in a position of being outside what is a really impressive and, I think, effective, growing global consensus. Japan and South Korea are playing very strong, initiating, proactive roles here.

I noticed in one of the papers today that the Chinese had cancelled Mr. Einhorn's visit to Beijing. I just wanted to ask you to reflect a bit on what we can do in the midst of all of this, because we all want to manage our relationship with China well, to bring them more into the global consensus on a really critical security issue and diplomatic issue like Iran.

Mr. GREGSON. As Secretary Campbell has stated a couple of times today, our relationship with China is complex, to say the least. We're continuing to work not only with China, but with all other concerned nations, to find an answer to our issues with Iran.

Senator LIEBERMAN. Secretary Campbell?

Mr. CAMPBELL. Let me try on that, Senator. I'd build on what General Gregson has said. I think there are a couple of ingredients that go into when you are successful in these circumstances with Chinese friends. Number one is persistence. This has to be undertaken over an extended period of time.

Number two is that any time you sit down with Chinese friends you have a hierarchy of issues. You want to make sure that hierarchy is consistent and that the issue in question is near or at the top, not just from one interlocutor but all of them. I think both of those have been the case, vis-a-vis China to date.

Number three is to make the powerful case about why moving in a certain direction is not just an American or larger interest, but in Chinese interests, and to try to articulate that reason why the sanctions effort with an attempt to change the very provocative be-

havior of the Iranian leadership with regard to nuclear weapons at this juncture is our best option.

I think lastly is to undertake a diplomatic campaign whereby China does not feel that it wants to be perceived as the odd man out.

So I think we're going to see over the course of the next couple of months an increasing recognition of a successful campaign, which I think you rightly and accurately portray, in which you have European, Russian, South Korean, Japanese, and other efforts at very broad and biting sanctions. I think it's going to be very clear to Chinese friends that they do not want to be an outlier in this regard.

Senator LIEBERMAN. Excellent.

I'm afraid I do have to go back to that second vote, so I'll put the hearing in recess, or at least at ease, until Chairman Levin returns. I want to thank the three of you. This for me has been a very informative, educational hearing, honest, direct. Your testimony has been very strong and impressive, so I'm grateful for the leadership that the three of you are giving in this critically important part of the world.

See you soon.

[Recess from 11:30 a.m. to 11:38 a.m.]

Chairman LEVIN. We're going to come back in session just for a couple of minutes. I think there will not be other Senators able to get back, so I just have one additional question. Unless other Senators arrive, this will be it.

It has to do with the Six-Party Talks. Secretary Campbell, let me ask you the question. As has been mentioned, the Six-Party Talks were stalled at the end of 2008, and then the North Koreans expelled the international nuclear inspectors. There is little reason since then to believe that North Korea will end its nuclear program. As a matter of fact, it appears somewhat contrary, that they remain intent to pursue a nuclear weapons program. That is evidenced by the test of June 2009, as well as the statements to that effect which they've made.

Now, the administration has consistently said that it wants to see North Korea demonstrate through concrete actions its commitment to the complete and verifiable abandonment of nuclear programs. So my question to you is this. What conditions need to be met in your judgment before the Six-Party Talks can be restarted? What are the prospects for restarting the talks with North Korea, whether in a Six-Party format or perhaps some other format?

Mr. CAMPBELL. Thank you very much, Mr. Chairman. You've fairly accurately stated our position in your question, but I'll try to restate aspects of it back to you. First of all, Ambassador Bosworth and Ambassador Sung Kim are just completing their trip, consultations through the region. I think our position has been clear, it's been consistent, that we are prepared, under the appropriate conditions, to reconvene the Six-Party framework to deal with the difficult challenges posed by the nuclear provocations on the part of the North Koreans.

In the current environment, given what has just transpired, we think an essential first step needs to be some reengagement between North and South Korea. I think that is going to be critical

going forward and, as we have long held, we also think that it's going to be significant that North Korea again, as we've said in the past, underscores its commitment to fulfill its commitments that it took in 2005.

We are looking very clearly for those signs. I think that in the coming days Ambassador Bosworth and Ambassador Sung Kim will be publicly underscoring what they learned on this particular trip to Japan, South Korea, and China.

Chairman LEVIN. If there were a change in the leadership, we don't have any idea as to where that would lead? I think your answer was accurate, that our intelligence doesn't give us any clear suggestion as to who would be the likely successor. You may have stated that in a way which was overly succinct, but it was also accurate.

Do we have any assessment as to whether or not it would be more likely that the Six-Party Talks would get back underway again if there were a change in the leadership? Is it more or less likely that, to the extent that you can make this assessment or that the intelligence community can make it, that the current leadership would be more likely to find a way back or take steps that are essential for the Six-Party Talks to resume than its potential successor?

Is there anything on that issue, as to Six-Party Talks resuming, and who would be the leader?

Mr. CAMPBELL. Mr. Chairman, it's an appropriate question and it's a very difficult, very hard hypothetical. In fact, we just don't know enough to know. I think one of the things that we are trying to do in this environment is to state very clearly what our position is, which we feel has been consistent over time.

I think there is a great benefit to that consistency, very clear statement of our purposes and our joint efforts on the part of both Japan and South Korea, and also I think on China. I believe that what is changing is perhaps a greater desire on the part of China to see progress in the Six-Party Talks. How that desire will be manifested, again the conditions will tell. But I think they understand very clearly the dangers and the risks that the current situation poses.

Chairman LEVIN. We thank you all again for your service, and for your testimony. Unless any of you have something you want to add, we will stand adjourned. Thank you.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

NORTH KOREAN LEADERSHIP TRANSITION

1. Senator AKAKA. Secretary Gregson and Secretary Campbell, according to some media accounts, North Korea's ruling party could meet in the near future to choose new leadership for that country. It is important for the stability of the region and beyond that there be a smooth transition of power in North Korea. What do you think the results will be and what implications do they have for American foreign policy towards North Korea?

Secretary GREGSON. Though the ruling regime might use the Korean Workers' Party (KWP) Conference to initiate a more public phase of leadership transition, this process will likely unfold over many months, if not years. The important issue for American foreign policy is not who rules North Korea, but how. We will continue to pay close attention to the policies that the Democratic People's Republic of Korea (DPRK) leadership pursues, and we will focus on whether or not North Korea is se-

rious about following through on its denuclearization commitments under the 2005 Joint Statement of the Six-Party Talks. Other important issues include refraining from provocations, taking steps to improve its relations with its neighbors, complying with international law and obligations, and improving human rights conditions and joining the international community for the betterment of its own people.

If we see concrete evidence that the new leadership is changing its behavior on these issues in a sincere manner, then we have an opportunity to engage productively. We will respond appropriately working in close coordination with our allies.

Secretary CAMPBELL. We are watching very closely as events in North Korea unfold. North Korea appears to have used the KWP Conference to launch a more public phase of leadership transition. This transition process will likely continue over many months, if not years. The important issue for U.S. foreign policy is not who rules North Korea, but the policies that the DPRK leadership will pursue. The path that will lead the DPRK to the peace and prosperity it says it wants is one that upholds its denuclearization commitments under the 2005 Joint Statement of the Six-Party Talks, refrains from provocations, takes steps to improve its relations with its neighbors, complies with international law and obligations, improves human rights conditions, and joins the international community for the betterment of its own people.

If we see concrete evidence that the North Korean leadership is changing its behavior on these issues in a sincere manner and demonstrates its serious intent to negotiate, then we have an opportunity to engage productively. In that event, we will respond appropriately working in close coordination with our allies.

We will continue to engage in our dual-track strategy on the DPRK nuclear issue. We will continue to be open to engagement while continuing to pursue the full and transparent implementation of sanctions. We will not lift or lessen sanctions just for the sake of resuming talks.

SOUTH KOREAN SANCTIONS ON IRAN

2. Senator AKAKA. Secretary Gregson and Secretary Campbell, South Korea recently announced independent sanctions on Iran for its contentious nuclear program. These sanctions, however, may have long-term implications for South Korea. Iran is South Korea's biggest trade partner in the Middle East. South Korea relies on Iran for 10 percent of its crude oil imports. Also, some 2,000 small- and mid-sized enterprises have tapped into the fast-growing Iranian market. Could you comment on the possible implications that these sanctions could have on South Korea and what they mean for the United States and its allies?

Secretary GREGSON. My colleagues at the Department of State are best positioned to comment on this from the overall policy perspective, but let me just express the Department of Defense's (DOD) appreciation for South Korea's principled stand on this issue, which is consistent with our collective effort to pressure North Korea to make the right decision to abandon its nuclear weapons programs. We do not expect Iran's threats of retaliation to negatively affect South Korea.

Secretary CAMPBELL. South Korea publicly announced that it would join the emerging consensus of states, including the European Union, Australia, Canada, Norway, and Japan, in levying national sanctions against Iran. In doing so, it has taken a principled stand to pressure Iran to abandon its illicit nuclear activities. We recognize and appreciate that, given Iran's significant trade with South Korea, this decision to robustly implement U.N. Security Council resolution 1929 is not without cost. We applaud in particular South Korea's decision to impose sanctions on a number of Iranian economic sectors that have been exploited for proliferation-related purposes by entities and individuals of concern. We will continue to work closely with the Republic of Korea (ROK) Government to ensure full implementation of these measures.

TRILATERAL SUMMIT MEETING

3. Senator AKAKA. Secretary Campbell, the leaders of Korea, Japan, and China held the Third Trilateral Summit Meeting in late May of this year and discussed regional and global issues along with economic development measures among the three countries. How can the United States take advantage of arrangements such as this to encourage greater cooperation to promote regional peace?

Secretary CAMPBELL. The U.S. Government is supportive of the Third Trilateral summit meeting. We view meetings such as these as critical forums for laying the groundwork to improve security throughout Northeast Asia. We encourage close cooperation among our regional partners, in both regional and bilateral forums, and

assess that increased communication between the three will benefit the United States when we engage each bilaterally.

U.S.-SOUTH KOREAN ALLIANCE

4. Senator AKAKA. General Sharp, the United States is committed to providing a robust defense and maintaining an enduring and capable military presence on the Korean Peninsula. Our long-term commitment is signified by our plans to make 3-year-accompanied tours the norm for most U.S. troops in Korea. However, we must restructure the way we are postured, the way we operate, and the way we think to meet the challenges of emerging and changing threats in the region. What are some nontraditional missions and security issues that the United States and South Korea must face? How can we best deal with those issues?

General SHARP. The United States and the ROK face a series of challenges at a time of significant change in the international system. As noted in the 2010 Quadrennial Defense Review, in addition to ongoing conflicts such as Afghanistan and maintaining peace and stability on the Korean Peninsula, a complex and uncertain security environment exists worldwide where the pace of change is accelerating. “Nontraditional” challenges in this evolving complex security environment include the growing influence of non-state actors, the spread of weapons of mass destruction (WMD) and other destructive enabling technologies, and an ongoing need for the conduct of peacekeeping and humanitarian assistance/disaster relief operations. These evolving challenges pose profound challenges to international order. Just as the United States has committed itself to working with the international community to address these challenges, so has the ROK under its goal of building a “Global Korea.”

As non-state actors become more active and powerful, U.S. and ROK interests in and assured access to the global commons takes on added importance. The global commons—in particular sea and air—are important for the free flow of goods upon which the economic prosperity of both nations depends. In this regard, the United States and ROK have supported anti-piracy operations off the Horn of Africa to ensure unhindered access to this key component of the global commons. Similarly, the spread of WMD and other destructive enabling technologies threatens U.S. and ROK security. It is important to note that the ROK has recently elevated its role in the Proliferation Security Initiative (PSI) and in mid-October 2010 hosted a PSI drill that practiced the maritime intercept of vessels suspected of carrying WMD. An American destroyer and P-3C Orion aircraft participated in the exercise. Additionally, both the ROK and United States have made substantial progress in developing military plans related to a range of situations that could occur on the Korean Peninsula. Finally, simmering regional conflicts and last January’s earthquake in Haiti indicate the continued need for international peacekeeping and humanitarian assistance/disaster relief operations. The ROK is currently participating in about 10 U.N.-sponsored peacekeeping operations and has been actively involved with assistance operations for Haiti.

In order to best deal with these and other nontraditional missions in the future, active cooperation between the ROK and United States will be required, particularly within the guidelines established in our Strategic Alliance 2015 plan. Both nations—separately and as an alliance—will also have to continue cooperation with international organizations such as the U.N. as well as multinational groupings such as the PSI.

WARTIME OPERATIONAL CONTROL TRANSITION

5. Senator AKAKA. General Sharp, the United States agreed to a request by South Korea to delay the transfer of wartime operational control (OPCON) of forces on the Korean Peninsula. Originally scheduled for 2012, the proposed transfer will not take place until 2015. Beyond what was contained in your opening statement before the committee, how will this delay affect our forces in Korea? What issues do you see and how are you addressing them?

General SHARP. Though the ROK military was fully prepared to complete wartime OPCON transition in 2012, the delay—at the request of the Korean Government—contains both positive and negative implications for our forces in Korea.

On the positive side, the delay presents us with an opportunity to better synchronize OPCON transition with other ongoing alliance and U.S. initiatives in Korea, including the Yongsan Relocation Plan and Land Partnership Plan (LPP) as well as the normalization of tours for U.S. servicemembers in Korea. The delay also affords us the opportunity to take a more deliberate look at OPCON transition and

to refine our efforts in the implementation as it becomes an element of the bilateral whole-of-government Strategic Alliance 2015 plan. The Strategic Alliance 2015 plan was agreed to and signed by the U.S. Secretary of Defense and ROK Minister of National Defense on 8 October 2010.

The most significant challenge presented by the delay in OPCON transition is the extended requirement for our forces in Korea to sustain a dual focus in which we must continue to be prepared to “fight tonight” under the current alliance construct even as we aggressively plan, train, and validate/certify ourselves to execute OPCON transition in December 2015.

I believe that the comprehensive bilateral Strategic Alliance 2015 plan effectively leverages the positive aspect of OPCON transition delay by integrating into a single plan all the ongoing alliance transformation initiatives. The plan, I believe, also strikes the proper balance between articulating a process for planning, training, and validating OPCON transition while at the same time sustaining “fight tonight” readiness under the Combined Forces Command (CFC) structure.

Maintaining the confidence of the American and Korean people that we are successfully navigating the challenge inherent in OPCON transition is critical to conveying to North Korea that this extended period of transition does not present them with any opportunity for adventurism or provocation for reward. It is vitally important that our public messaging regarding OPCON transition leaves no doubt on the part of North Korea or others in the region that the ROK–U.S. alliance remains steadfastly committed and capable of meeting our mutual defense treaty and armistice obligations to defend the ROK.

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

2010 DEFENSE BALLISTIC MISSILE REVIEW

6. Senator MCCASKILL. Secretary Gregson and General Sharp, I believe one of the most serious threats facing the United States is North Korea’s nuclear program. A Council on Foreign Relations report noted, “The North’s nuclear arsenal, its pursuit of more advanced missile technology, and the possibility that it could transfer nuclear weapons or materials to others (whether states or terrorist groups) pose significant dangers to the United States and its allies in the region and beyond.” The urgency of the threat is clear. Analysts believe that North Korea’s missile arsenal is becoming more accurate and can reach U.S. bases in Guam. In addition, North Korea continues to threaten its neighbors, including South Korea, and remains in a fragile position with regard to the possible succession of Kim Jong-Il.

DOD’s 2010 Ballistic Missile Defense Review (BMDR) suggested that our system of ground-based midcourse defense and interceptors is capable in the foreseeable future to counter the projected threat from North Korea. Given the present threat and North Korea’s known ability to reach U.S. bases in Guam with their land-based missile systems, are you comfortable with the BMDR’s assessment and our ability to interdict North Korean missiles?

Secretary GREGSON. Yes, I am comfortable with the assessment of the 2010 BMDR. The BMDR says that the U.S. Homeland is currently protected against the threat of a limited intercontinental ballistic missile (ICBM) attack. Based on the improvements we are making to the Ground-Based Midcourse Defense (GMD) system, we possess the capacity to counter the projected threat to the U.S. Homeland from North Korea for the foreseeable future.

In terms of the regional threat from North Korea, Secretary Gates notes in the BMDR’s preface that he has made defending against near-term regional threats a top priority of our missile defense plans, programs, and capabilities. The BMDR acknowledges that our regional missile defense capabilities are modest compared to the expanding regional missile threat. The administration has taken steps to address this problem by making additional investments in regional missile defense capabilities, such as Terminal High Altitude Area Defense (THAAD) systems and SM–3 Block IA interceptors beginning with the fiscal year 2010 budget.

In addition, the BMDR highlights the need to think strategically about the deployment of regional missile defenses. We are pursuing a phased adaptive approach (PAA) to missile defense in East Asia that is tailored to the threat and security requirements of the region. This regional approach focuses in part on bolstering partner capabilities, as well as acquiring our own capabilities that are mobile and relocatable so that we can surge defenses into the region in times of crisis.

General SHARP. North Korea possesses an overmatch capability versus the ROK and U.S. anti-tactical and ballistic missile capabilities. North Korea simply has more tactical ballistic missiles (TBM) and ballistic missiles than U.S. Forces Korea

(USFK) and CFC can defend against. Additionally, no layered defense exists in the ROK. There are eight U.S. Patriot batteries defending assets against TBM. The ROK Patriot batteries will conduct air breathing defense of assets and on order a limited TBM defense (upon OPCON Transition; Strategic Alliance 2015, the ROKs will conduct TBM defense primarily and on order conduct ABT defense) of those assets. In Guam, there is no dedicated anti-Ballistic Missile Defense or TBM system. U.S. Pacific Command has several plans which look at missile defense of Guam with a THAAD Battery. There is one such test battery located in Hawaii but there is currently no dedicated THAAD unit for the missile defense of Guam.

PHASED ADAPTIVE APPROACH

7. Senator MCCASKILL. Secretary Gregson and General Sharp, how do you anticipate the implementation of the PAA for missile defense in Europe will affect our nuclear contingency plans in the region, and how does North Korea fit into that calculus?

Secretary GREGSON. Missile defenses are an important element of the U.S. commitment to strengthening regional deterrence architectures against states acquiring or using nuclear weapons and other WMD. They also support U.S. and allied capacities for mutual defense in the face of coercion and aggression. In these ways, missile defenses strengthen U.S. goals of deterrence, extended deterrence, and assurance. While missile defenses play an important role in regional deterrence, other components will also be significant. Against nuclear-armed states, regional deterrence will necessarily include a nuclear component (whether forward deployed or not).

The PAA we apply in East Asia will look different from PAA in Europe, but the principles are the same. It will be phased in the sense that we will bring new technologies on line as they become available, and it will be adaptive to the particular security needs and the security architecture of the region. Missile defense cooperation in East Asia cannot utilize a formal defense infrastructure like NATO, but we are enhancing our ability to protect forward deployed U.S. forces, allies, and partners. We are promoting multilateral cooperation wherever possible.

The missile threat from North Korea is a primary focus of our PAA efforts in East Asia. The improvements we are making will strengthen our defense against such threats.

General SHARP. The major impact of the PAA for the region will be to improve the interoperability and target acquisition capability of regional missile defense systems. This will provide a measure of additional protection to our allies and U.S. forces in the region. Deterrence will be enhanced by limiting North Korea's confidence in the effectiveness of using their missiles to attack the ROK and U.S. forces stationed there. This will reinforce strategic deterrence as a critical component of extended deterrence for our allies and assuring them of U.S. commitment to it treaty allies and partners. Overall, risk will be reduced because missile defense will reinforce strategic deterrence and reduce our reliance on any one component of extended deterrence to deter North Korea.

8. Senator MCCASKILL. Secretary Gregson and General Sharp, do you feel a PAA will provide added protection to our allies and partners and enhance our ability to canvass Northeast Asia?

Secretary GREGSON. Yes. Regional missile defenses are a valuable component of our security strategy in the region. As I noted earlier, the phased aspect of the approach refers to bringing new technologies on line in response to the threat and as they become available, which means that we will have our most effective systems in the field. Our cooperative development program with Japan has been particularly valuable in this regard.

In addition, by emphasizing the adaptive nature of this approach, we have enough flexibility to promote cooperation with allies and partners as opportunities arise. We can press ahead with deep cooperation with one partner, while we reassure other partners that we can still work together to address their needs without enlisting them in a rigid, region-wide architecture. Our near-term focus is to develop a more detailed and widely shared picture of potential missile launch activity in the region (by increasing the number of sensors that can "talk" to each other), which will provide added protection for our allies and partners, as well as for our forward-deployed forces.

General SHARP. The PAA is a strategy to incrementally enhance and improve missile defense of U.S. forces as well as our allies. Adopting this approach will allow those partners who contribute to and support a multinational regional missile de-

fense strategy to better negate an improving missile threat. The United States has several bilateral agreements with partners in Northeast Asia and the Pacific Rim which individually improve the ballistic missile defense in the region. Only through multilateral/multinational agreements, however, can the synergistic effects of integrated missile defense reach its true potential.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

CONSTRUCTION OF FAMILY HOUSING

9. Senator MCCAIN. General Sharp, my staff has been recently briefed that, according to the current plan, it may cost military families anywhere from \$4,000 to \$6,000 per month to rent an apartment-style housing unit constructed by a private developer on Camp Humphreys. This cost is just for rent for a house on the base—it doesn't include utilities or any other costs. The alternative to this extremely high rent is equally as expensive—an estimated \$1.4 billion to build housing with military construction funds. What can be done to reign in these incredibly high costs?

General SHARP. The 2003 National Defense Authorization Act authorized a \$35,000 lease cap for family housing in Korea. The purchasing power of the \$35,000 leases was only \$38,799 for fiscal year 2008. At the time, the Build-To-Lease (BTL) program required purchasing power of about \$61,000 per unit per annum (\$5,000/month). The Office of Management and Budget scored 2,100 leases at \$629 million. Eventually, BTL did not have the support of Congress to increase the purchasing power to enable construction of houses. Additionally, in fiscal years 2008/2009, a requirement emerged for the Army to develop a military construction option when statutory limits did not support BTL. The military construction option was estimated at \$1.4 billion for 2,400 houses—of which only \$125 million (204 houses) was supported by the Office of the Secretary of Defense. Simultaneously, the Army developed the Humphreys Housing Opportunity Program (HHOP-I) to meet the housing needs in Korea. HHOP-I uses the Soldier's Overseas Housing Allowance (OHA) entitlement as capital for a developer to construct and operate family houses in support of Korea transformation.

The city of Seoul, ROK, has consistently been in the top 10 of the world's most expensive cities. Rapid population growth in the ROK continues to expand the commute area for those who work in Seoul and live as far away as Pyeongtaek.

The monthly rental rate of \$4,200/month for HHOP-I is based on a competitive process to develop, construct, operate, maintain, and revitalize for 45 years.

10. Senator MCCAIN. General Sharp, do you have an estimate of how many additional families will require housing in addition to the 3,400 housing as a result of normalizing tours?

General SHARP. Full tour normalization can only be achieved when all required infrastructure is in place to meet the needs of servicemembers and their families. Family housing is one of those requirements. There needs to be enough available housing units on and in the vicinity of enduring installations to support all command-sponsored families choosing to come to Korea. My goal is for 60 percent of command-sponsored military families to reside on-post. USFK's current baseline is 3,490 family housing units. Over the course of Korea transformation, 1,150 of those units will be demolished or returned to the ROK because they are either at locations that will block developmental plans at enduring installations or exist on a facility that will be returned to the ROK. Subtracting these 1,150 units from the current family housing baseline of 3,490 units leaves a net baseline of 2,340 units. Achieving my goal of housing 60 percent of military families on post requires a total of 7,215 family housing units. Thus, an additional 4,875 family housing units will need to be built. Subsequent to the September 2010 testimony, the Secretary directed a housing market assessment to review the available off-base housing around the Humphreys area. This assessment will cause USFK to update the housing requirement for review and decision by the Secretary of Defense in the spring of 2011.

11. Senator MCCAIN. General Sharp, do you have an estimate of the overall costs to taxpayers to provide the housing, schools, and other community facilities and infrastructure to support your goal of normalizing tours?

General SHARP. Achieving the Secretary of Defense-approved DOD goal for full tour normalization in Korea requires additional housing, schools, and other community facilities. USFK currently projects an overall cost of approximately \$2.5 billion to the United States that will be spread over fiscal years 2012–2020 for these additional tour normalization facilities. The investment in tour normalization provides

several benefits. Implementation will improve combat capability and force readiness by decreasing personnel turnover. Today, 85 percent of the force in Korea is on a 1-year assignment. When complete, almost all military personnel will be on 3-year accompanied or 2-year unaccompanied tours. Tour normalization demonstrates a greater commitment on the part of the United States to the ROK as well as the larger Asia-Pacific region. Two- and 3-year tours reduce stress on servicemembers and their families by decreasing separations and reducing the number of permanent change-in-station moves. Finally, the timing for normalization is right, because it leverages other Korea transformation initiatives such as the Yongsan Relocation Plan and LPP.

12. Senator MCCAIN. General Sharp, do you even have the available land on Camp Humphreys to build the housing required to support the additional families?

General SHARP. The current U.S. Army Garrison (USAG) Humphreys master plan calls for 2,902 units on that installation to support a command-sponsored population of 3,198 (3,740 total for Korea). We have also developed options to locate 1,477 additional family housing units on USAG Humphreys for a fiscal year 2020 command-sponsored population of 7,762 (8,667 total for Korea), thus providing on-post family housing for 56 percent of all command-sponsored personnel.

HOST NATION FUNDING

13. Senator MCCAIN. General Sharp, I have a question about the use of host nation funding provided to support our forces in Korea. Can you provide what amount and through what year the current Status of Forces Agreement requires for contributions by the ROK to support your construction requirements for all U.S. forces on the peninsula?

General SHARP. The ROK has been providing contributions to help offset the costs of stationing American military forces in Korea since 1991. Provisions dictating current cost-sharing contributions made by the ROK are established in the Special Measures Agreement (SMA). Currently, we are operating from a 5-year SMA, which is in effect through 2013. Under this SMA, ROK cost-sharing contributions are divided into three categories:

- (1) Labor: cash payments for the salaries and benefits of Korean national employees working for USFK;
- (2) ROK Funded Construction: cash and in-kind transfers used for USFK's military construction and military construction-like requirements; and
- (3) Logistics: in-kind provision of logistics equipment, supplies, and services to USFK.

During calendar year 2011 the ROK cost-sharing contribution will be valued at 812.5 billion won (\$688 million). Of this 812.5 billion won, 333.2 billion won (\$282 million) will be allocated toward ROK funded construction. Future increases in the annual ROK cost-sharing contribution are tied to changes in the ROK consumer price index. Thus, it is not possible at this time to specify what the ROK cost-sharing contribution will be valued at in 2012 and 2013; it depends on future changes in the ROK consumer price index. That being said, USFK plans on allocating about \$300 million of the ROK cost-sharing contribution in 2012 and 2013 to ROK funded construction.

Since the current SMA expires in 2013, it is not possible at this time to make definitive statements on what the ROK cost-sharing contribution will be after 2013. But it should be noted that the ROK has provided cost-sharing support since 1991. Thus, we expect such support will continue well after 2013, although the total value of that support has yet to be determined (and will be negotiated during the development of a post-2013 SMA). A portion of this future cost-sharing support will be allocated to projects that fall under the category of ROK funded construction.

14. Senator MCCAIN. General Sharp, what is your plan for spending that money, broken down by proposed investments on each military installation?

General SHARP. All expenditures for construction (ROK funded construction component of the SMA program) through 2013 (the last year of the current SMA) will be prioritized toward supporting U.S. responsibilities under the LPP at USAG Humphreys. Semi-annual reviews will be conducted, however, to consider non-LPP requirements on a case-by-case basis for funding with ROK funded construction support. The urgency of these requirements will be weighed against the possibility of delays in execution and completion of the LPP.

15. Senator MCCAIN. General Sharp, are we using all contributed funds to pay for the consolidation of Army forces at Camp Humphreys while in effect starving other critical facility and infrastructure requirements on the peninsula?

General SHARP. We are not starving other critical facility and infrastructure requirements on the peninsula. USFK holds semi-annual boards to consider other requirements on a case-by-case basis for funding. The urgency of the requirements is weighed against slippage in execution and completion of the LPP. In the past 2 years, 11 non-LPP requirements were approved for construction; 7 of the approvals were on Army installations, 2 on Air Force installations, and 1 each on Navy and Marine Corps installations.

FUTURE FORCE POSTURE

16. Senator MCCAIN. General Sharp, despite the delay in OPCON transfer authority, will the Army brigades, currently stationed in Korea, be available for worldwide deployment as part of the Army's Force Generation program? Why or why not? If so, when will the first U.S. Army brigade from Korea be set to deploy off the Korean peninsula?

General SHARP. [Deleted.]

HOUSING REQUIREMENTS IN KOREA FOR ADDITIONAL FAMILIES

17. Senator MCCAIN. General Sharp, what is the status of the decision within DOD to proceed with the plan to normalize tours for U.S. personnel in Korea?

General SHARP. The Secretary of Defense provided a memorandum, subject: USFK Tour Normalization, dated October 18, 2010, codifying his decision directing full Tour Normalization on September 23, 2010.

The Secretary of Defense directed USFK and the Services to proceed with full tour normalization for Korea, as affordable, but not according to any specific timeline. Full tour normalization in Korea will further our long-term commitment to support our forward stationed troops and their family members. This decision also directed the Army to execute the HHOP-I immediately for 1,400 units and to continue pursuing MILCON for additional family housing. The Army was also directed to perform a study of the off-post housing market in Pyongtaek and other areas (including off-base Osan) impacted by tour normalization, to be completed within the next 120 days. The Secretary further directed USFK, United States Pacific Command, the Services, Office of the Secretary of Defense (OSD)-Cost Assessment and Program Evaluation (CAPE), and other relevant OSD organizations to provide him—no later than March 31, 2011—with a feasible and affordable plan to continue this momentum towards full tour normalization on the Korean peninsula.

18. Senator MCCAIN. General Sharp, given the precarious succession situation on the peninsula and our collective inability to curb North Korea's bad behavior, is this the right time to normalize and add accompanied tours?

General SHARP. This is the right time to normalize tours in Korea. Tour normalization contributes to increased capability and readiness (decreased permanent-change-of-station turnover of 85 percent compared to 1-year assignments); reduced stress on 7,389 servicemembers and families per year; demonstration of greater U.S. commitment to the Asia-Pacific region; and enhanced agility and availability for regional exercises and humanitarian assistance/disaster recovery operations.

TRAINING IN THE REPUBLIC OF KOREA

19. Senator MCCAIN. General Sharp, regarding training of forces on the peninsula, I am concerned about the availability and quality of ranges available to U.S. forces to support land maneuver and air training. What is your assessment of the current status and quality of ranges available to U.S. forces?

General SHARP. Ranges available for air-to-ground weapons training were sufficient on the Korean peninsula up until August 2005. At that time, the ROK Government closed the only range available for U.S. exclusive use due to political pressure concerning encroachment issues as well as the opening of a new runway at Incheon International Airport. This range provided 60 percent of all USFK air-to-ground training—approximately 4,000 sorties per year. The training shortage caused by this closure was immediately apparent and the combat ready status of USFK aircrew has suffered ever since. ROK Air Force and U.S. Air Force squadrons share training time on the two air-to-ground ranges currently available on the Korean peninsula. However, even if U.S. Air Force assets received 100 percent of the negotiated time,

we would still not meet our training requirements. Furthermore, these ranges are of such small size that realistic tactical training is severely limited due to restrictions on ordnance types. These limitations are especially restrictive with regard to live precision-guided munitions such as laser and GPS guided bombs as well as air-to-surface missiles and electronic warfare training.

Attempts to mitigate the effects of this training shortfall have resulted in some minor improvements to the scheduling and utilization processes. Some areas of improvement include extending range operational hours, allowing USFK to utilize ranges on official ROK holidays, and temporary approval to expend limited types of live ordnance. However, these improvements are marginal in nature and will do little to fix the overall problem of not having sufficient range space and available time.

All discussions with the ROK concerning the opening of a new air-to-ground training range have been unsuccessful and we have had no movement. USFK is left with no other alternative but to mitigate this training shortfall by annually deploying flying units stationed in Korea to other training areas in Alaska and the Continental United States to accomplish the training required to maintain combat readiness.

Eighth United States Army (8A) possesses adequate training resources to maintain unit Full Spectrum Operations (FSO) readiness on the Korean peninsula. Ongoing modernization of live training facilities and our ability to export our live training technologies to ROK Army training lands provided under international agreements ensures our ability to sustain live training for the foreseeable future. Under these current international agreements, 8A has access to numerous ROK ranges and training facilities allowing 8A to meet and overcome the capabilities gap currently present on U.S. ranges and training facilities on the Korean peninsula. To ensure full capacity to train to FSO, 8A is aggressively leveraging virtual and constructive technologies to achieve high levels of training readiness at division level and below. In fiscal year 2014, 8A will be fielded with the newest live, virtual, constructive integrated training environment (ITE) that will provide significant improvements in the efficiency and effectiveness of FSO training delivery. The ITE coupled with current modernization projects at our enduring live training centers, and upgrades to our current simulator systems, will produce an 8A FSO training capacity on par with any other, Army wide.

20. Senator McCAIN. General Sharp, please provide an update of what initiatives you have undertaken or planned to improve access and the quality of ranges for U.S. forces.

General SHARP. I have directed the Combined Air Component Command to undertake a mitigation study to address the lack of air-to-ground training opportunities. This study will continue through December 2010. However, the results of this study will only allow small improvements in the efficiency of the range scheduling and utilization processes. It will not solve the underlying problem of simply not having sufficient air-to-ground ranges on the Korean peninsula. Until the ROK Government addresses the issue and undertakes the construction of a new air-to-ground range, USFK will continue to deploy forces outside the peninsula in order to accomplish required training.

The 8A has adequate access to ranges needed to sustain FSO readiness. 8A is seeking access to an additional ROK Army facility that is capable of providing an alternative source for limited armor, mechanized, and aviation gunnery to supplement our existing U.S. facilities when required. The quality of Army ranges has achieved a significantly higher level in 8A as compared to just a decade ago. For example, this year, we are modernizing our primary armor, mechanized, and aviation qualification ranges to full digital capabilities. This postures us to fully support the weapons modernization the 2nd Infantry Division will undergo beginning in January 2011 to become a digital force. Our Program Objective Memorandum 12-17 range modernization plan continues our efforts to establish sufficient live-fire capacity and quality capabilities across the Korean peninsula culminating with the Yongsan Relocation Plan.

[Whereupon, at 11:44 a.m., the committee adjourned.]

