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**STATEMENT OF**  
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**BEFORE THE 107<sup>TH</sup> CONGRESS**  
**SENATE ARMED SERVICES COMMITTEE**



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Commander in Chief United Nations Command/Combined Forces  
Command; and Commander, United States Forces Korea

March 5, 2002

Chairman Levin, Senator Warner and distinguished committee members, I am honored to appear before you as Commander in Chief, United Nations Command, Republic of Korea - United States Combined Forces Command (CFC); and Commander, United States Forces Korea (USFK). We want to first express our deep gratitude to the United States Senate for the consistent support you have provided our forces over the years. During the last year several members of the Senate spent time visiting the men and women of United States Forces Korea (USFK). From this committee, Senator Bunning, Senator Nelson, and Senator Sessions honored us with a visit last year. They experienced the culture of this critical region, saw the area's urbanization and economic growth and were able to discuss current issues with the Korean people. They talked with American troops about their sense of mission and readiness to fight, monitored their morale, and mentally noted the incredible sacrifices they make every day. They had the opportunity to see for themselves the "good, bad and ugly" living and working conditions in Korea and to visit with many of our service members and families. The more than 37,000 Soldiers, Sailors, Airmen, Marines, and Department of Defense civilians of USFK benefit from your commitment, which enables us to accomplish our vital mission, the defense of Korea.

We welcome this opportunity to present a brief update on the current security situation. We are grateful to report today that the ***ROK-U.S. security alliance remains strong***. Our alliance continues to be one of the greatest enjoyed by the U.S., and remains essential to the peace and security of Northeast Asia. This great alliance is effectively deterring North Korean aggression today, and if called upon, will successfully defeat a North Korean attack. The tragedy and subsequent challenges of terrorist attacks on the World Trade Center and the Pentagon have actually strengthened our cohesion, as the Korean government works with us to combat terrorism on a global level. We stand ready to support the War on Terrorism, and to continue close coordination on many issues. Our efforts will continue to ensure security and contribute toward regional stability. Northeast Asia demonstrates enormous economic potential, but it is a region with a long history of conflict and strife.

Today we will key on the following topics: **1) Northeast Asia, A Critical Region for America, 2) Korean Peninsula Overview, 3) North Korean Overview and Strategy, 4) ROK-U.S. Alliance, 5) Vision for the Future, and 6) Command Priorities.** Throughout this statement, we will identify key requirements and areas that merit continued attention and the full application of available resources. On behalf of all the service members of USFK, I want to thank you for all Congress has done to improve and enhance the successful mission accomplishment of this command. Your efforts have advanced the national interests of our great nation and promoted peace throughout the region.

### **I. NORTHEAST ASIA - A CRITICAL REGION FOR AMERICA**

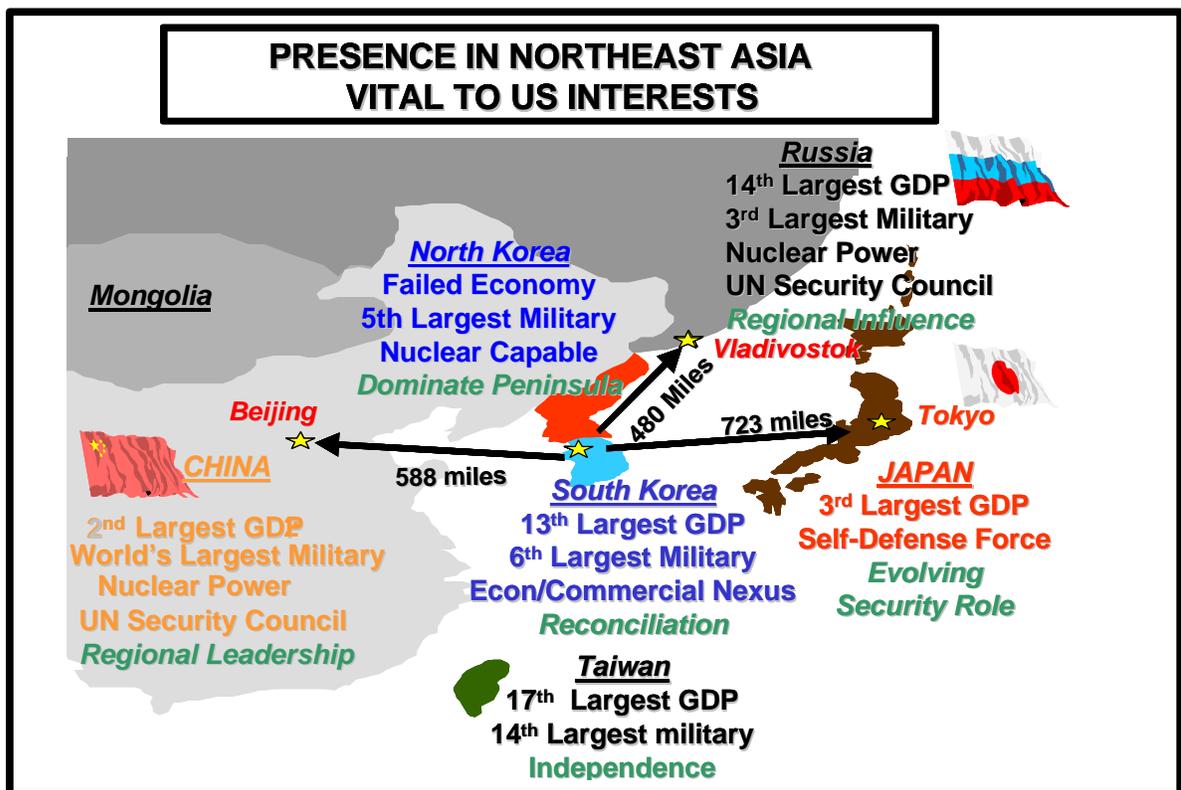
Northeast Asia is 2<sup>nd</sup> only to the Americas in economic impact to the U.S. It is a geographic crossroads, a place of historic conflict and an area of great hope for the future. The physical presence of U.S. ground, air, and naval forces in Korea and Japan contribute significantly to U.S. interests and to those of our Northeast Asian allies, friends and partners. These contributions will endure well into the future. U.S. presence provides the military security in Northeast Asia that encourages economic growth and political stability. The U.S. has made great strides in our ability to rapidly project power, but there is no substitute for some degree of forward presence when faced with limited warning times, an unpredictable foe, and the tyranny of distances. Physical U.S. presence brings peace of mind to the democratic nations of the region, and provides tangible deterrence. Our presence also provides the access and influence necessary for defending the Republic of Korea today and responding to regional threats in the future.

This security is directly responsible for much of the economic vitality and political stability in the region. Physical presence has fostered the rapid expansion of the mutually reinforcing elements of democratization and market economies. The U.S. commitment in Northeast Asia provides the confidence necessary for foreign investment to flow into the region. The results are staggering. In the course of a single generation, the countries of Japan, China, Korea, Taiwan, and Singapore have risen respectively to numbers 3, 4, 7, 8, and 10 in total trade with the U.S. China (\$4,800 billion), Japan (\$2,950 billion), Korea (\$626 billion), Russia (\$620 billion) and Taiwan (\$357 billion) rank as the 2<sup>nd</sup>, 3<sup>rd</sup>, 13<sup>th</sup>, 14<sup>th</sup> and 17<sup>th</sup> largest economies in the world when measured by Gross Domestic Product (GDP) purchasing power. This U.S. presence is a force for stability and prosperity that diminishes the need for costly arms races

and successfully deters aggression in an area with a history of regional wars, revolutions and memories of violent colonization.

For over two millennia, the Korean peninsula has sat astride a geographic fault line where civilizations and cultures clash. The interests and influence of the four great powers -- U.S., China, Russia and Japan, converge on the Korean Peninsula. Ancient cultural animosities remain a dynamic political force. China is striving for an increased regional leadership role through economic development and military modernization. Russia seeks to increase its regional influence and power. Japan is accelerating the evolution of its security role internationally, as well as in the region. Throughout history, great powers have clashed on the Korea peninsula. As a result, the Korean peninsula has witnessed over 30 major wars in its history. Today, the current demarcation line between North and South Korea remains the most heavily armed in the world.

Northeast Asia is currently the world's most dynamic region as the figure below illustrates. Five of the world's six largest militaries (China, U.S., Russia, North Korea, and South Korea) and four nuclear-capable powers converge on the Korean peninsula. Northeast Asia's military forces are primarily ground-focused and lack precision weapons. Conflict would result in tremendous devastation, property



destruction and loss of life. In this geo-political landscape, the presence of U.S. forces supports peace and stability to the region. Northeast Asia is truly a critical region for the U.S. and the world.

## **II. KOREAN PENINSULA OVERVIEW**

Optimism over the pace of North-South reconciliation efforts following the June 2000 summit meeting between ROK President Kim Dae-jung and Chairman Kim Chong-il, the dictator of North Korea, has been tempered by a year of progress and then followed by year of slowdown in peninsular dialogue. Chairman Kim Chong-il has yet to follow through on his promised visit to South Korea. North Korea unilaterally cut off most Inter-Korean contacts in March 2001 and has elected to not sign an agreement to de-mine a portion of the Demilitarized Zone (DMZ) that would pave the way for a North-South transportation corridor. Ministerial talks resumed in September, but planned family re-unions were abruptly cancelled in October by North Korea. The sixth Ministerial Talks ended with limited measurable results in November 2001. No further talks are planned at this time. Unfortunately, we have come to realize that North Korea is either unwilling or unable to significantly improve relations with the ROK or U.S. The security situation remains dynamic and the military threat has not been fundamentally reduced on the peninsula or in the region. The North Korean military continues to remain a formidable threat to the security of Northeast Asia. North Korea remains on the U.S. State Department's list of "Nations that Sponsor Terrorism." On January 29<sup>th</sup>, our president stated our "goal is to prevent regimes that sponsor terror from threatening America or our friends and allies with weapons of mass destruction. Some of these regimes have been pretty quiet since September the 11th. But, we know their true nature. North Korea is a regime arming with missiles and weapons of mass destruction, while starving its citizens." Despite attempts by the South Korean government, North Korea has shunned all attempts to discuss substantive military confidence building measures to reduce tensions. As reported in numerous press accounts, Pyongyang views these confidence-building measures as "premature" and continues to castigate the U.S. administration's policies as being too aggressive.

North Korea initially responded to the events of 9-11 with "deep regret" and some condemnation of the acts. In addition, Pyongyang publicly rejected terrorism and the support of terrorist organizations, and signed two anti-terrorism treaties and announced plans to sign five more. However, Pyongyang criticized the American military actions in Afghanistan and elsewhere. Although North Korea did welcome the new Afghanistan government, North Korea has responded negatively toward President Bush's recent

state of the Union address in recent writings and public broadcasts. Although we welcome and hope for more direct North-South dialogue and reconciliation, we watch with caution as the military threat from North Korea continues to remain high, both in conventional capability and weapons of mass destruction. North Korea continues to divert a large percentage of its national resources toward military expansion and modernization, and maintains approximately 70% of its forces within 90 miles of the DMZ.

In 2002, we expect North Korea to continue diplomatic outreach strategies designed to garner much needed economic aid and assistance. However, in 2003, three critical events will influence the political-military affairs on the Peninsula. First, changes in regional politics will take place with elections in the ROK. Secondly, pressure will intensify on the DPRK to start cooperating with the International Atomic Energy Agency (IAEA), so as to avoid unacceptable delays in the delivery of essential nuclear components necessary to build two light water nuclear reactors in North Korea. And third, while North Korea has said it will continue a moratorium on missile launches until 2003, it has not made a commitment to extend beyond that time. These three events form a potential nexus for increased tension on the Peninsula. These key events are centered around the United Nation's International Atomic Energy Agency (IAEA) inspections of reprocessing facilities in the north, which must occur prior to delivery of key components for the light water reactors. We will watch these events carefully. Failure to allow a timely completion of IAEA inspections into the history of the North Korean nuclear program could jeopardize existing agreements.

### **III. NORTH KOREAN OVERVIEW AND STRATEGY**

North Korea continues to pose a dangerous threat to the stability and security on the Korean Peninsula, the region, and, increasingly, the world. They remain a dangerous adversary with regional operational reach and global proliferation impact. The Kim Chong-il Regime continues to maintain a large, capable, and forward deployed military - making the area between Seoul and Pyongyang the most militarized place on earth. Korea remains a place where U.S. Forces could almost instantaneously become engaged in a high intensity war involving significant ground, air, and naval forces. Such a war would cause loss of life numbering in the hundreds of thousands and cause billions of dollars in property destruction. The military capabilities and policies of North Korea have remained fundamentally unchanged since my testimony last year.

**Political Environment:** Kim Chong-il is firmly in control and, with the support of the military and his leadership circle, he establishes all policies for North Korea. We were optimistic throughout last year that the June 2000 summit between Kim Dae-jung and Kim Chong-il would lead to improved North-South relations. In the months that followed the June Summit, the North and South held several Ministerial and sub-Ministerial discussions as well as three small-scale family reunions. In early 2001, the North for its own reasons broke off discussions with the South. President Kim's administration, with U.S. support, has continued to pursue dialogue with the North, and has taken a number of steps to encourage the North to return to the table. As President Bush has noted, we are disappointed that the North has yet to react favorably.

On June 6, 2001, President Bush stated our willingness to undertake serious discussions with North Korea on a broad agenda, including improved implementation of the Agreed Framework, verifiable constraints on North Korea's missile programs and a ban on its missile exports, and a less threatening conventional military posture. This position has been restated repeatedly by Secretaries Powell, Rumsfeld and others.

Over the years, North Korea has established diplomatic relations with 150 countries. This past year, North Korea focused its efforts on establishing diplomatic relations outside the Northeast Asia region, particularly in Europe where it established relations with 13 of the 15 members of the European Union. Kim Chong-il visited China and Russia in part to counter-balance the South's growing relationship and influence with the North's historical benefactors, but also to garner much needed economic assistance and political support. This increased diplomacy allows them to enlarge their donor base for aid while expanding their growing illicit trade activities.

The North Korean diplomatic outreach, in many ways, undermines the international legitimacy of the regime. Ambassador after ambassador who have visited North Korea tell me about the dismal and almost surreal conditions that exist there. Authoritarian controls strictly censure all facets of information into the country. The more North Korea engages other countries, the more the world learns about North Korea and they see for themselves the reality of life for the people that live under the Kim family regime.

**Economic Environment:** North Korea remains incapable of feeding its population or providing for its basic energy needs. Their infrastructure continues to deteriorate and they are unable to reverse their current economic situation through improved industrial production. Consequently, they depend on

others, predominately the U.S., the ROK, Japan, and China to meet their food and fuel needs. The North maintains a policy that ensures the military gets first priority on national resources. The policy allows the Korean People's Army (KPA) to operate a parallel military economy in which weapons, missiles, and drugs are produced for sale. Profits from those sales accrue directly to the military. Additionally, Kim Chong-il continues to provide luxury items such as cars, housing, and food to supportive senior leaders to ensure their loyalty. We see no potential change in this policy that is clearly designed to support the military and ruling elite at the expense of the North Korean people.

Accurately assessing the size and condition of the North Korean economy is difficult at best. North Korea continues to treat most economic data as a state secret and much of its economy is supported by foreign aid and illicit activities. Consequently, economic assessments of the North Korean economy remain nothing more than educated guesses. Based on current and projected conditions in North Korea, we expect no significant economic change in 2002. North Korea will continue to require and receive outside aid for survival.

**Role of Military:** The Korean People's Army (KPA) is by far the dominant presence in the country. It is the one instrument of power that enables North Korea to extract aid from its neighbors in the region. The KPA ensures regime survival by controlling the internal situation and deterring external threats. The military also plays a major role in the economy. The armed forces are North Korea's largest employer, purchaser and consumer. It provides the regime with a substantial portion of its hard currency through weapons sales and illicit activities.

**Conventional Forces:** The KPA is the fifth largest active duty military force in the world, numbering over 1.17 million personnel. The ground force is the world's third largest, numbering almost one million soldiers. An estimated six million reserves support the active duty force. The North Korean air force has over 1,700 aircraft. The navy has more than 800 ships, including the largest submarine fleet in the world. The North fields a total artillery force of over 12,000 systems, including 500 long-range systems, deployed over the past decade, with the ability to strike Seoul from their current location. About 70 per cent of the North Korean Army is deployed south of Pyongyang and those forces are capable of conducting an attack with very limited tactical warning. However, an attack scenario appears unlikely at this time because North Korea clearly knows that its regime would ultimately be destroyed as a result of any attack.

**Asymmetrical Forces:** The North's leadership has developed substantial capabilities in ballistic missiles, special operations forces, and weapons of mass destruction. The North's asymmetric forces are dangerous, receive a large portion of the military budget, and are well trained. Methodical improvements continue in each area.

Because the North's ballistic missile program provides such powerful diplomatic and political leverage, the North's ballistic missile program remains a top priority. Over the past two years, North Korea has upheld its self-imposed moratorium on flight-testing long-range missiles, but has not halted research and development. They continue to refine their missile capabilities by continued testing of rocket engines and other components. Kim Chong-il stated to President Putin that the current missile flight-testing moratorium will remain in place at least until 2003. However, they continue to export missiles and missile technology throughout the world. Their ballistic missile inventory includes over 500 SCUDs of various types that can threaten the entire peninsula. They continue to produce and deploy medium-range No Dong missiles capable of striking Japan and our U.S. bases there. Pyongyang is also developing multi-stage missiles capable of striking the continental United States. They have tested the 2,000-kilometer range Taepo Dong 1 missile and continue significant work on the 5,000 plus kilometer Taepo Dong 2 missile.

North Korea's special operations forces (SOF) are the largest in the world. They consist of over 100,000 personnel and constitute a significant force multiplier. We consider them a tough, dedicated, and profoundly loyal force. They undergo year-round training to develop and maintain their skills. During wartime, these forces would attack from the ground, air and sea against both our forward and rear areas. The North will concentrate SOF against our critical war fighting nodes and seek to prevent rapid force and sortie generation by U.S. and ROK forces.

North Korea also possesses weapons of mass destruction. A large number of North Korean chemical weapons threaten both our military forces and the civilian population centers of South Korea and Japan. We assess that North Korea has very large chemical stockpiles and is self-sufficient in the production of chemical components for first generation chemical agents. Additionally, North Korea has the capability to develop, produce and weaponize biological warfare agents. They can deploy missiles with chemical warheads and potentially have the ability to weaponize biological agents for missile delivery.

We continue to be concerned with North Korea's potential nuclear threat. Though in January 2002, North Korea allowed the IAEA to visit an isotope facility, North Korea still refuses to comply with nuclear non-proliferation protocols. If North Korea will not allow inspections of their nuclear facilities, the international community cannot verify that they have in fact stopped their nuclear weapons development program. Current assessments indicate that North Korea may have produced enough plutonium for at least one, and possibly two, nuclear weapons.

**Proliferation:** North Korea contributes to the instability in the Middle East and South Asia through its aggressive sales of arms, missiles, and technological expertise. Missile sales and the transfer of missile technology to Iran, Syria, Libya, Iraq and Pakistan especially trouble us. The possibility that North Korea could transfer nuclear technology to extremist regimes is real and is one of our greatest concerns.

**Illicit Activities:** North Korea engages in a variety of other state-sponsored illicit activities to include counterfeiting of U.S. currency, money laundering, the production and sale of illegal drugs, trading in endangered species, and smuggling. In many cases, these illicit deals are sponsored by the military, with the cash profits returning to military hands.

**Force Improvements:** North Korea cannot afford to significantly modernize its aging conventional force. They continue to produce limited numbers of replacement systems and depend on China and Russia to provide equipment and spare parts. North Korea continues to modernize systems that can marginalize specific U.S. military strengths. ***North Korea is adaptive.*** They study our actions, most recently in the Balkans and Afghanistan, in order to develop tactics and techniques aimed at offsetting our technological advantage. They concentrate their efforts against U.S. surveillance, precision munitions and force generation capability. They continue to improve their command, control, communications and intelligence (C4I) systems, harden and bury their facilities, improve lines of communication, disperse forces, and improve camouflage, concealment, and deception (CC&D) measures. The result of these efforts has been to increase the survivability of North Korean combat power, and to complicate our ability to generate the forces and sorties required to defeat a North Korean attack.

North Korean force improvements are indicative of their continued policy to maintain a large, capable and effective military. Unfortunately, many people view the North Korean military from a cold war

or conventional perspective and mistakenly assess them to be incapable of challenging the ROK - U.S. alliance. Such people become blind to the continuing threat posed by North Korea. The North Korean military is evolving in ways that make them a threat into the 21<sup>st</sup> Century. They constantly study how we fight and develop capabilities that leverage their strengths against our weaknesses. They are adaptive and are methodically improving their military capabilities. They can conduct operations that span the spectrum from smuggling, kidnapping and assassination, to conventional combat. They are clearly the type of current and future threat that is described in the Quadrennial Defense Review.

As a result of their specific actions, North Korea continues to pose a dangerous and complex threat to the peninsula and the WMD and missile programs constitute a growing threat to the region and the world. The Kim Regime seems unwilling or unable to change its stated intent, goals, and policies. Consequently, they will continue to use the threat of military action to gain concessions, mostly in the form of economic aid from neighboring countries in the region and the United States. It is our opinion that North Korea's infrastructure will continue to degrade and that the regime will require outside aid to meet basic food and fuel requirements. Despite the extreme hardships on its people, the Kim regime will continue to support the elite and the military at the expense of the general population. Kim Chong-il will remain in power and the North Korean government will likely not experience an economic driven collapse in 2002. Although an attack on the ROK would cause many casualties and great destruction, CFC would rapidly defeat North Korean forces.

#### **IV. ROK-U.S. ALLIANCE**

The alliance between the Republic of Korea and United States of America remains the best in the world. It is an alliance built on honor, respect, a common set of values and a commitment to the defense of the freedom of South Korea. Our power, might and daily readiness are unmatched. Unquestionably, our South Korean partners are professional war fighters. They can mobilize over 4.5 million service members and can bring 54 divisions to the fight. Our combined war fighting assets after full mobilization include over 1,500 strike aircraft that can launch over 2,000 daily sorties, over 1,000 rotary aircraft, more than 5,000 tracked vehicles, 3,000 tanks and over 250 combat ships to include four or more carrier battle groups. If necessary, this unequalled combined combat power and might will decisively defeat a North Korean attack and destroy its military and the Kim regime. It is this real and overmatching power that strengthens our deterrence mission and ultimately provides regional security.

Our continuing cooperation and understanding is a success story in many ways. This success has been institutionalized in our Mutual Defense Treaty of 1953, the Status of Forces Agreement of 1966, the annually conducted Security Consultative Meetings that have been held since 1968 and Military Committee Meetings that have been held since 1978. The Republic of Korea has actively supported American non-proliferation efforts and joined the Missile Technology Control Regime (MTCR) in 2001. The ROK expects to resume chemical weapons destruction by the spring of 2002 and hopes to achieve a four to five percent destruction this year and 45 percent destruction within two to three years. Three alliance areas deserve particular note: **Impact of 9-11, Wartime Fighting Readiness**, and an update on the **Special Measures Agreement and Defense Burdensharing**.

**Impact of 9-11:** The public condemnation of the terrorist acts against the U.S. was led by President Kim Dae-jung, who pledged support in the spirit of the Mutual Defense Treaty. He was quick to pledge support even greater than the ROK provided during Desert Storm. The outpouring of sympathy from the Korean people and military was phenomenal, as was their commitment to the security and safety of U.S. troops. The ROK immediately moved to match words with deeds, sharing intelligence, increasing force protection measures and planning support packages for multi-theater use for Operation ENDURING FREEDOM (OEF).

We believe the events of 11 September will prove to be a seminal event in the history of the ROK-U.S. alliance. As we speak to you today, ROK forces are leading a UN mission, providing force protection for U.S. interests on the peninsula, and supporting OEF on a global scale. The ROK sent liaison officers to both PACOM and CENTCOM and quickly learned how the War on Terrorism would be prosecuted. They have worked hard to learn lessons about how to support freedom's effort on both a regional and global scale. ROK forces are standing shoulder to shoulder with U.S. forces from Tampa to Kyrgyzstan and from CENTCOM to PACOM. They have accomplished this while increasing their UN support and taking command of the UN mission in Cyprus. This is an incredibly strong alliance!

In addition to their efforts on the Korean peninsula, our allies have sent forces in support of OEF. The ROK Navy has been supporting OEF since 18 December 2001, with one Landing Ship Transport (LST). Utilizing over 170 personnel, they have delivered construction materials for runway repairs to coalition facilities at Diego Garcia and are assisting with search efforts regarding the downed B-1 bomber. The ROK Air Force continues to support U.S. global efforts with four C-130s conducting transportation

operations between Guam and Wake Island with support as far west of Diego Garcia. Furthermore, the ROK has provided a Mobile Field Hospital since February. This team of 130 personnel has provided medical care in the vicinity of Afghanistan in support of coalition efforts in OEF. Overall, the ROK has committed over 470 personnel, high value equipment, and significant force structure to support OEF objectives. The ROK support for the U.S. led coalition against terrorism has been comprehensive from humanitarian aid to global deployments of medical personnel, navy ships and air force units. We believe this type of support is key to a greater global and regional perspective for the Republic of Korea and will assist their evolving role as a regional leader.

The Republic of Korea, along with Japan, will co-host the 2002 World Cup Soccer Games between 31 May and 30 June. Teams from thirty-two nations will participate. An estimated five million visitors are expected to attend these events. This is the largest sporting event in the world and is of enormous importance to the Republic of Korea, Japan and all of Northeast Asia. This is the first time the World Cup has been held in Asia and the first time it has been co-hosted by two nations. In the wake of the September 11<sup>th</sup> attacks against the World Trade Center and the Pentagon, the world is looking to the Republic of Korea and Japan for assurance that they can provide a secure and stable setting for the World Cup Games. Unfortunately, the World Cup could also provide a lucrative terrorist target. The Republic of Korea has prepared extensively to ensure the utmost safety and security of athletes, officials and visitors, but is seeking the benefit of U.S. support and experience from our lessons learned.

The ROK JCS has formally requested U.S. military support to the ROK for 2002 World Cup Games. We will work with ROK JCS to respond to their request in order to strengthen an already unshakable alliance and demonstrate U.S. resolve to prevent further acts of terrorism or aggression. The U.S. Forces Korea staff continues to work the details of our support to the World Cup Games closely with the ROK JCS Staff. We have found this coordination effort to be another opportunity to leverage the strength of this great alliance. As the Secretary of Defense told me--this command and the nation pledges its assistance to our ROK allies. Together, we will ensure that these games are safe!

**Wartime Fighting Readiness:** Combined Forces Command (CFC) is ready to fight and win tonight. We are making great strides in our capabilities and readiness. In this section, we will briefly discuss three topics: **1) Exercise and Training**, **2) Force Protection Initiatives**, and continued **3) Modernization efforts by ourselves and the ROK.**

1) Exercise and Training Programs - The primary component of our war fighting readiness and bedrock of this great ROK-U.S. alliance is the CFC **Exercise and Training Program**. Both the content and timing of these combined and joint exercises successfully posture this command to deter, defend and decisively win any military engagement. However, because of the proximity of the threat, the complexity of this theater and the high turnover of both ROK and U.S. military personnel, we must conduct robust theater level exercises annually to maintain combat readiness. Each exercise is unique and focused on essential components of the combined war fight. The Exercise and Training Program is a critical pillar in our theater engagement strategy, I cannot stress this enough. We must fully resource this program. That being said, I regret to report that **any loss or reduction of dollars to support these exercises will weaken readiness and deterrence, hamper our combined forces training and put at risk our ability to fight and win.**

The exercise support we receive from the U.S. Chairman of the Joint Chiefs of Staff is invaluable. The combination of the increased cost of strategic lift with a flat-line strategic lift budget has eroded our exercise strategic lift capability. We must address this by some means. Simply put, we are bringing fewer personnel to train for a higher cost than ever before. It would be unwise to let this trend continue over the Future Years Defense Plan (FYDP).

We have made significant changes in our exercise program over the last year. The linkage of the Reception, Staging, Onward Movement and Integration (RSOI) exercise and the Foal Eagle (FE) exercise is a monumental step for this alliance. We have not sacrificed realism nor readiness--we've enhanced it. We have not reduced our exercise tempo--we've made a giant step forward in quality training. We monitor everything we do in combat readiness training carefully because these exercises are not hypothetical. These training events exercise the real "go-to-war" plans. Korea remains one of the only theaters in the world where real war plans form the basis of our exercise program.

We are working equally hard to improve our training capability. The training environment, for U.S. forces stationed in Korea, is best described as a "Tornado in a Closet." Our 93% personnel turnover rate, as well as constraints with land to train on, provides significant challenges. Personnel and units can, and do, train to standard, but it requires intense, detailed, and creative planning and management on the part of our leadership to make this happen. Our commanders accept these challenges, and become innovative in their approaches to provide better and more realistic training environments for their Soldiers,

Airmen, Sailors and Marines. We are creatively maximizing our Joint Use Ranges using mobile target sets that synchronize our efforts with ROK forces. We have several initiatives aimed at improving our urban training capability and we have a strategic roadmap aimed at improving key training areas such as Rodriguez Range for joint and live fire training. The FY 03 President's Budget restored the Korea Battle Simulation Center to full funding; we must now address the remaining requirement of \$3.0 million for training and instrumentation. We will continue to develop our range capabilities to ensure readiness now and for the future.

2) Force Protection - The events of September 11 have caused us to re-evaluate every aspect of our force protection program. The most significant lesson learned was that a high number of personnel must be committed to maintaining an increased force protection posture. At increased force protection levels, 20 percent of our force is committed. The environment in Korea presents several unique challenges for the protection of our members. Although we assess the terrorist threat in Korea to be generally low, our vulnerability to such an attack remains high. While we have taken significant steps to improve our security posture, many of the solutions require long-term programmatic changes, which cannot wait for a specific threat to appear.

Our force protection challenges here in Korea are centered on the following systemic issues: **lack of standoff and our off-post personnel and activities**. Compounding these challenges is the impact of the one - year tour on the majority of service members.

Our most difficult and "resource intensive" challenge is the **lack of standoff**. Urban encroachment at our facilities, and the lack of available real estate for force protection requirements contribute to this vulnerability. As a result, our installations will have virtually no early warning of a hostile action, whether by vehicle or a personnel infiltration. This challenge is intensified by the fact that USFK has 85 manned installations, many quite small, spread across the theater. We have organized these installations into 12 "base clusters", which operate as our major "hubs". While not ideal, since many of these bases lack the ability to plan or respond to terrorism, this is the best balance of our manpower and resources. However, many of these base clusters still lack resources necessary for basic force protection. Large portions of our personnel reside in **off-post lodging**. Because of the lack of on-base housing, many of our service members, civilians and family members must live in the local civilian community, with little security.

Our challenges are numerous. We have several initiatives underway to improve our force protection posture. On-going initiatives, which we will describe in detail later, will reduce the number of installations and eliminate many of the smaller facilities. This will have multiple payoffs for force protection: eliminating our smallest and most difficult to defend installations, thus reducing the manpower burden of defending them; creating standoff at our enduring installations; and allowing us to position our security and terrorist incident response forces for maximum benefit. USFK is also a test bed for the use of Biometrics for our access control systems. This technology has DoD wide application; it allows central management of who is authorized on our bases, and also dramatically reduces the risk of counterfeit ID Cards and passes. Starting last year, we began aggressively exercising our security systems through the use of Red Teams and terrorist incident response exercises. These initiatives are part of our on going force protection strategy review.

We have developed a force protection strategy that addresses immediate concerns as well as long-term requirements. We brought in a team to assist our base clusters in updating their antiterrorism plans, identifying vulnerabilities and mitigation procedures and determining resource requirements. The next phase is to address the physical security shortfalls at our "enduring" installations. This will involve placing perimeter intrusion detection and monitoring systems at our major bases to partially compensate for the lack of standoff. Additionally, we will restructure our access gates to more easily support increased security postures. Currently this posture requires large manpower commitments and creates major difficulties in maintaining base operations. The final phase will be to fully integrate force protection as we consolidate our forces on enduring installations. During the execution of this consolidation and base re-alignment, we plan to carefully balance the location our security forces and incident response forces.

In addition, as part of our force protection review, we concluded an anthrax policy study, which consolidated requirements and re-evaluated our posture versus chemical and biological terrorism. The events of September 11 were a call to re-evaluate all threats and the damage they can do. We re-energized a vigorous education program to ensure our USFK personnel and their families are aware of current threats and appropriate preventive and deterrent measures. We have coordinated our efforts with the ROK Ministry of National Defense to ensure that both we and the ROK are prepared to meet this threat. We will continue to make force protection our top priority.

3) *Modernization Efforts* - The ROK continues to develop defense policy changes. They are committed to a post-unification presence for the U.S. and an enhanced regional role for the ROK. The ROK has begun a subtle but definite shift in their security focus from a unidirectional North Korean view to a multidirectional Northeast Asian and world-view. Indicative of this shift is their interest in coalition support for the "war on terrorism" and their shift in defense spending away from an infantry-heavy army and to transform into a high-tech, agile, information age military. As a result, the ROK Ministry of National Defense has supported budget shifts that now favor more development and growth in air and naval forces. Together with regional diplomatic and world economic activity, this military shift indicates a ROK desire to increase their role in East Asian security and world stability.

The ROK paper entitled *Defense Outlays Preparing For The Future 2001*, published by the ROK Ministry of National Defense (MND), emphasizes aggressive modernization goals for South Korean forces based on the near-term North Korea threat and an uncertain regional security environment. United States Forces Korea wholeheartedly supports these efforts. South Korean force modernization improvements continue in many key areas through indigenous production, co-production, direct commercial sales and procurement through Foreign Military Sales. The ROK armed forces continue to demonstrate a very strong preference for U.S. military equipment. South Korean military purchases from the U.S. as a percentage of total foreign procurement has ranged from 59.2 percent to 98.9 percent in the last ten years. The decade average is 78.6 percent.

Last year South Korea addressed counter-fire shortfalls by fielding indigenously produced K-9 155mm self-propelled artillery systems. Significant automated shooter-to-sensor challenges remain, but the K-9 fielding coupled with this year's procurement of a second battalion of U.S. multiple launched rocket systems (MLRS) and the purchase of the Army Tactical Missile System Block 1A (ATACMS) set the stage for an improved counter-fire capability, which was previously addressed as a serious shortfall.

The events of 9-11 have alerted the world to the dangers of terrorism. In Korea, MND is reviewing the possibility of a new Anti-terrorism command to develop force protection policy and apply it to current and potential regional threats. Additionally, the current chemical, biological and radiological defense command will be reinforced, reorganized, and placed under the ROK Joint Chiefs of Staff for Homeland Defense in preparation for the World Cup and Asian Games in 2002.

All of Northeast Asia is currently experiencing a slowing of the economic growth that was projected earlier in 2001. In the ROK, this economic downturn has forced purchase delays of major weapon systems that were planned for 2002 - including the future fighter, the Patriot (SAM-X) missile system, an airborne warning and control system (AWACS), and cancellation of attack helicopter modernization initiatives. The military remains committed to improving South Korea's military capabilities as the economy improves. South Korea plans to sign a contract to procure 40 future fighters in 2002. Negotiations on the purchase of two Patriot Battalions for the 2002-2004 time period are ongoing. In addition, the ROK plans to initiate negotiations to procure three Aegis type destroyers. When procured, these acquisitions will significantly address South Korea's air defense problems. The ROK Navy also plans to procure eight additional P-3C anti-sub / anti-surface aircraft from the U.S. and completely refurbish them.

It is essential that these systems be interoperable with U.S. systems. This will ensure that military might can be brought to bear quickly and decisively as required. Not only will these systems improve today's ROK-U.S. combat power, they will also contribute to future regional security in Northeast Asia.

Three areas remain where the Republic of Korea must acquire capabilities to support our combined combat readiness: 1) Command, control, communications, computers, and intelligence (C4I) interoperability; 2) Chemical and biological defense capabilities; and 3) Preferred munitions necessary for the early stages of the war plan. USFK is working closely with the ROK on C4I interoperability. As a result of the September 11 terrorist attack, the ROK is also placing more emphasis on chemical and biological detection. While the ROK has procured preferred munitions, more are needed. To accomplish this we must maintain close coordination as we analyze, research, develop and test the best systems for our combined alliance. We are working hard to ensure that both U.S. and ROK modernization and transformation progress is synchronized and complimentary. A cornerstone of this is the on-going OSD/MND *Future Study of the Alliance*. In 2001, we completed the Joint Study of the Alliance analyzing the future role of USFK in the next 20 years. The study addressed Confidence Building Measures that potentially could be implemented in efforts reduce military tensions in support of Korean reconciliation. This year we are studying both ROK and U.S. increasing regional roles and our combined modernization efforts.

A key element of our U.S. modernization efforts would be to acquire an Army *Interim Brigade Combat Team (IBCT)* in Korea to replace one existing brigade. This will provide the maneuverability and combat power necessary to operate in the mountainous and increasingly urbanized terrain of Korea. The IBCT will add a new component in USFK's deterrence capability to counter a North Korean threat or provocation. It will also prepare us to refocus the Army's forward deployed forces in Korea for a regional role. The IBCT provides a rapidly deployable ground force to complement Air Force Aerospace Expeditionary Forces, Marine Expeditionary Forces, and Navy Amphibious Ready Groups and Carrier Battle Groups as U.S. Forces Korea's role transitions to regional security.

USFK must continue to improve our support capability to insure our wartime fighting readiness. Headquarters accounts continue to be squeezed and our UNC/CFC/USFK/ 8<sup>th</sup> US Army Command Headquarters Support and Air Force Base Support account is no exception. We need our full requirements recognized if we are to repair critical infrastructure, replace aged systems and train our combined team.

**Defense Burden-sharing and Special Measures Agreement Update:** The current ROK Defense Ministry continues its long-standing reputation of support. It demonstrates daily a commitment to honoring its host nation responsibility for defense cost sharing. The military budget for the Republic of Korea (CY 2002), recently passed the National Assembly is \$12.5 billion (16.3 trillion won). ROK defense spending, as a percentage of Gross Domestic Product, will increase to 2.8% for 2002, which remains below the 3.0% minimum level identified in the ROK modernization plan. If this trend continues this could reduce their ability to modernize.

The 2001 Report to Congress on Allied Contributions to the Common Defense identifies four burden-sharing categories - Multinational Military Activities, Defense Spending as percentage of Gross Domestic Product, Foreign Assistance and Cost Sharing. Of those four categories, South Korea met the Congressional goal in two, namely Multinational Military Activities and Foreign Assistance. However, at a defense budget of 2.7 % GDP in 2000, the ROK did not match the U.S. defense budget of 3% GDP. The ROK has contributed soldiers to UN peacekeeping operations (PKOs) since 1993. The ROK continues to maintain a peacekeeping battalion on in East Timor. It provides military observers to India/Pakistan, Georgia and the Western Sahara for a total contribution in 2001 of 474 soldiers. Also, it is worthy to note that the first ROK general officer was selected to command a UN PKO. Lieutenant General Hwang, Jin-

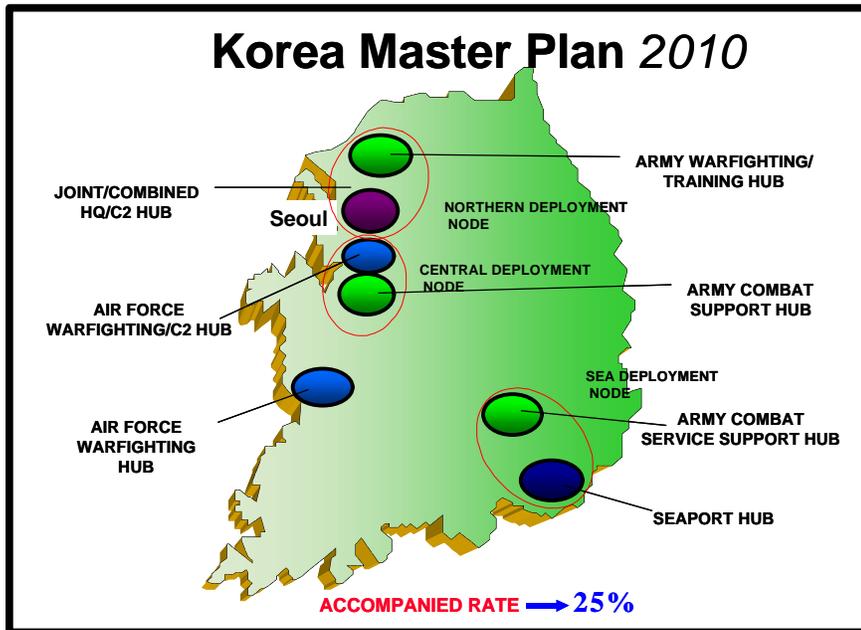
ha (a former military attaché to the U.S.) will command the UN peacekeeping force in Cyprus in 2002. The ROK met the Foreign Assistance goals in 2001. In the cost-sharing category, although significant progress has been made, the Republic of Korea has not yet offset 75% of U.S. stationing costs. The U.S. and ROK Special Measures Agreement (SMA 99-01) outlines the cost-sharing contributions of both nations. Contributions are made in both cash and in-kind support--71% of the program is in cash and the remaining 29% is in-kind. In accordance with the SMA Implementation Agreement (IA), USFK and the ROK MND jointly calculated and agreed the SMA contribution for 2001 is roughly \$425 million dollars. This contribution reflects an 8% growth adjustment from the 2000 contribution.

This year, the Koreans agreed to a new Special Measures Agreement for 2002-2004 (SMA 02-04) pledging \$490 million dollars for 2002, an increase of 15% from the \$425 million in 2001. The Koreans have steadily increased their share of non-personnel stationing costs rising from 36% in the 2001 burden-sharing report to 41 in the 2002 report. Their contributions over the next three years will push them over 50%. The total contribution rose 15%, the biggest single increase in SMA in 8 years. In addition, 2003-2004 contributions will be increased by 8.8% plus inflation protection in the form of Gross Domestic Product Deflator as determined by the Korean National Statistics Office. The 2002-2004 SMA demonstrates the *“real and meaningful growth”* we are seeking for USFK Non-Personnel Stationing Costs.

#### V. VISION FOR THE FUTURE

As President Bush has said, *“Power is defined by mobility and swiftness, influence is measured in information, safety is gained in stealth, and force is projected on the long-arc of precision guided weapons. This revolution perfectly matches the skills of our country, our people and the superiority of our technology. The best way to keep the peace is to redefine war on our terms.”* I would add that our strength is also measured in our personnel readiness and the values we teach to our military forces. The real lesson learned in Afghanistan is that our Soldiers, Sailors, Airmen and Marines are the best quality force in the world. In Korea, we want to blend our strengths with that of a great ally who is determined to improve their capabilities and whose courage and loyalty is unmatched. We are faced with a two-fold challenge to modernize and move to a capabilities-based force while ensuring that our near term readiness is unmatched and that we are ready to fight and win tonight.

We must modernize our forces, improve our capabilities and fix long-term problems with a comprehensive plan. Our strategy to modernize and transform is based on our ability to build a capabilities-based organization and enhanced warfighting structure centered on key hubs. The key to this organizational change is the transition to organizational hubs as part of our Korean Master Plan for 2010. The picture below illustrates this plan. A great example of our future capability is our proposed



Northeast Asia Regional Simulation Center (centered at our C2 hub). We are on a path to have a “Center of Excellence” capability for Joint and Combined simulations and exercises by 2008. This will become the cornerstone for merging ROK/US doctrine in the near term. It has the inherent growth potential to provide a multi-lateral focus as both USFK’s and the ROK’s power projection

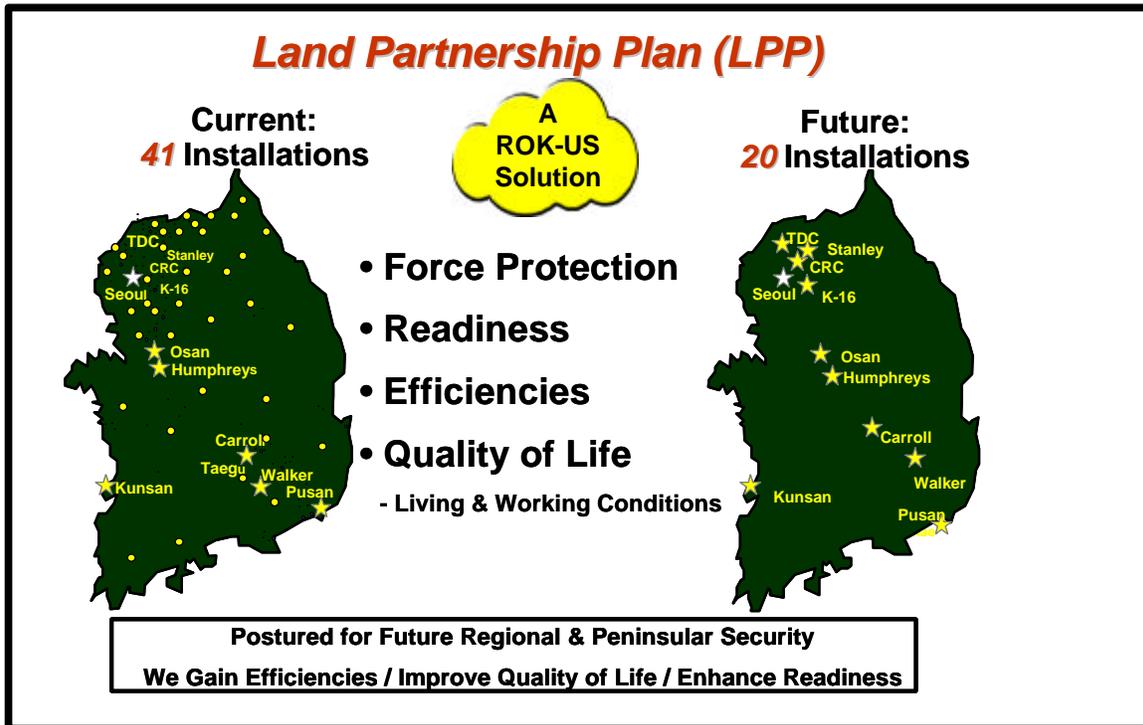
capability evolves to meet the future. The simulation center also provides the means to work difficult coalition integration issues as we build a more effective combined doctrine.

The key feature of our strategic facilities vision is the Land Partnership Plan (LPP), which will allow us to move from 85 scattered bases into the centralized hubs I have described above. We will divest ourselves from 41 major bases to 20 enduring installations. This will improve near-term readiness, enhance force protection, reduce stationing costs, reduce our footprint and return valuable land to the second most densely populated country in the world.

The LPP is our vision for the future and it has now been incorporated into the Overseas Basing Requirements Study. It gives us a comprehensive approach to ensure that USFK is the best manager of precious Korean land. We are happy to report significant progress from last year.

Our combined efforts with the ROK have produced an agreement which we are confident will be ratified by the ROK National Assembly. *This long-term effort is fully funded and will require no additional*

support from Congress, however, it is fully dependent on stable MILCON funding. The picture below illustrates this plan.



LPP seeks to improve the combined forces readiness posture, enhance public safety, stop training range encroachment, improve force protection and advance quality of life for U.S. forces. This initiative will also reconfigure and protect training areas and consolidate our forces around enduring installations. LPP potentially returns about 32,000 acres of valuable commercial and agricultural land to South Korea. This will provide a long-term cost savings for USFK by allowing the command to invest in and sustain our reduced infrastructure at the enduring installations. In exchange, the command seeks the acquisition of about 612 acres of additional land adjacent to enduring U.S. installations where we plan to relocate units and activities. The ROK will also grant USFK joint use of its own military training areas on a very efficient limited time-share basis. This will enable us to improve training and preserve readiness. Installations returned to the ROK will be transferred in accordance with the Status of Forces Agreement (SOFA) and current DoD guidance. The plan does not add any requirement for USFK to meet stricter environmental standards than those already required under the current DoD policy or the SOFA. However, being good stewards of the environment in our host country is critical to our mission and the alliance. We urge you to support LPP, which we feel is a key to positioning USFK forces to meet security

requirements well into the future. It will provide “irreversible momentum” to our efforts to fix significant command problems brought on by years of neglect. We expect to have a signed agreement by 15 March 2002.

The Congressional funding that you provided last year has been of enormous help, and we are extremely grateful for your demonstrated concern. Change is in the air, and on-going construction on USFK installations is a common site today. Family housing improvements, barracks renovations, workplace upgrades and new utilities are currently being developed. Our vision is beginning to be realized in USFK. But in order to ensure that our “*first-class military*” is provided with “*first-rate facilities*,” it is important to sustain this encouraging progress. Continued investment—your investment—is critical to provide the force protection and basic quality of life each service member deserves. Your involvement will enhance our military readiness and preserve and protect the environment of our South Korean ally, while providing enhanced regional stability.

#### **VI. COMMAND PRIORITIES**

I would now like to discuss the status of programs and areas in which we have resource allocation concerns. My intent is to discuss possible problem areas as they now appear. However, these program areas and their associated funding levels may change as a result of the strategy and defense review, which will guide future decisions on military spending. For FY 2002, the President's Budget includes funding to cover our most pressing priorities. I ask that you consider my comments in that light. Achieving our vision and accomplishing our missions requires us to prioritize scarce resources. Our command priorities are **1) Command, Control, Communications and Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) Functionality, 2) Precision Engagement, 3) Support toward Reconciliation Efforts, and 4) Improve Quality of Life.**

**1) C4I Functionality** - United States Forces in Korea are working very hard toward achieving the vision articulated in the Department of Defense's *Quadrennial Defense Review* -- to attain and maintain the asymmetric advantage afforded with network-centric warfare systems. We are in the process of modernizing these systems, and with your help, we will maximize our technological lead to ensure victory on the battlefield.

The Korean theater poses special problems in attaining and sustaining information superiority. The destructive effects resulting from the lethality of modern weapons compressed into such a small

geographical area overwhelm the imagination. It not only increases the potential for high casualties and collateral damage, but due to exposed and vulnerable C4I facilities and infrastructure, may significantly affect our ability to command and control forces and execute the war plan. It is this reality that sets Korea apart from all other theaters. It mandates Command, Control, Communications and Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) that is survivable, interoperable, and secure in a joint and combined environment.

We have developed a strategy to address both our short-term needs and our long-range requirements. This strategy is made up of three objectives: 1.) Developing a theater-wide C4I vision that supports the operational needs of the operator while facilitating process change; 2.) Aligning and institutionalizing the Program Objective Memorandum (POM) with operational requirements to resource and sustain the vision; and 3.) Fielding C4I capabilities that support current readiness and enhance our ability to “fight tonight.” We have made tremendous progress in each of these areas. The power of information and information technology is the catalyst for several comprehensive changes we are making to our command and control structure as well as operational concepts and warfighting processes.

Common Operational Understanding (COU) is the organizing mechanism for this transformation. COU is a process that transforms situational awareness into knowledge-based decisions. It ensures U.S. and ROK field commanders dispersed throughout the theater not only have the same view of the common operating picture (COP), but have the same level of understanding on what the COP means. This consensus can best be achieved with C4I functionality that provides real-time, interactive collaboration capabilities. In an environment where the fleeting nature of targets compresses the planning, decision and execution cycle from days and hours, to minutes and seconds, achieving COU is paramount to success, and in more direct terms, is the essence of decision superiority.

Survivable theater intelligence systems are a critical part of the common operating picture and essential to successful combat operations. We want to express our deep gratitude for the funding support you have provided to our C4I infrastructure with regard to the intelligence automation and communications segment, called the Pacific Command Automated Data Processing Server Site Korea (PASS-K). Our current intelligence funding level is addressed in this year’s Program Objective Memorandum (POM) is adequately funded through the General Defense Intelligence Program (GDIP).

This stable funding is essential to ensure that the planned enhancements necessary to maintain information dominance in collaboration with national and theater systems become a reality.

The progress we have achieved with your help, with programs such as PASS-K, is a success story, but taking full advantage of the emerging technologies has been a constant challenge for this command due to years of C4ISR funding shortfalls. In the past, un-funded C4I requirements have had a significant impact on our ability to maintain an adequate infrastructure needed to support the increased bandwidth, network redundancy, and the modern decision and collaboration tools required by my unit commanders. This has forced local units to divert money from other operations and maintenance accounts in order to maintain our C4ISR capability. We have the technical expertise in place to fully utilize these technologies but have lacked the acquisition authority and consistent funding stream to fully put these technologies to work. Such funding would help sustain our C2 systems, as well as the progress we made in areas such as C4 infrastructure and information assurance. More importantly, it provides some momentum as we look toward the additional plus-ups provided in the fiscal year 2003-2007 budget.

However, the C4I funding provided to Korea over the next five years with implementation of Program Budget Decision 725 is absolutely critical to addressing our shortfalls. This new funding, starting with \$67 million in FY 03, will not only allow us to make up the lost ground that occurred over the years, but will serve to facilitate the advances we need to implement our vision. ***I strongly urge your continued support of this funding increase over the duration of the Future Years Defense Plan (FYDP). Failure to achieve this will result in a serious risk to our ability to execute existing warplans.***

**2) Precision Engagement** - Precision Guided Munitions, or PGMs, are a critical enabler for our Korean warfighting strategy. These state-of-the-art munitions are an important part of what we need to be ready to win decisively. Since North Korea continues to shelter forces in underground facilities and hardened bunkers, we must be able to overcome these defenses with key penetrating weapons. The complexities of Korean climate drive up our need for Joint Direct Attack Munition (JDAM) weapons--our fight demands their accuracy in any kind of weather. We are studying the lessons from Operation ENDURING FREEDOM to apply in our theater. Just like Afghanistan and Kosovo, precision strike is needed to avoid collateral damage on the highly populated Korean peninsula. On the other hand, unlike Afghanistan, we face an adversary with thousands of mechanized targets and prepared defenses--one

who has been preparing to fight us as a modernized force for the past 50 years. Worldwide, readily available stocks of precision-guided munitions are mandatory for our “war fight” and our inventories that have been diminished by Operation ENDURING FREEDOM must be replenished quickly. Since Desert Storm, the American public has become accustomed to watching video clips on the nightly news where enemy vehicles or bunkers, seen targeted in cross hairs, instantly erupt in explosions. That capability does not come cheap, but the cost to not pursue PGMs is higher. When we fall back to “dumb bombs” to destroy enemy targets, historical examples illustrate that the final total cost is actually higher. Many more “dumb bombs” are required to destroy the same target that one PGM has a high probability of hitting. Additionally, we increase the risk of collateral damage and civilian casualties. PGMs must be addressed by both the ROK and the U.S. We need a solid inventory readily available on the peninsula.

**3) Support Reconciliation Efforts** - Although there has been no formal change in ROK defense policy towards the North Korean threat, early last year it was obvious that a perception of peace had emerged within the South Korean public. However, recent failures in talks have once again led to a change in how the ROK public regards the reality of a heavily armed North Korea. The ROK government has historically given much in terms of economic aid and assistance to North Korea, in the hope of developing better, more peaceful relations. All talks have now stalled, and no tension reduction measures of any sort have been agreed to or employed. Even the execution of planned family reunions between family members in North and South Korea, have now been postponed indefinitely

The United Nations Command (UNC) will continue to fully support President Kim Dae-jung’s reconciliation process and the development of a road/rail **transportation corridor** through the Demilitarized Zone. President Kim Dae-jung has termed this railroad, spanning Asia and Europe, as the new “Iron Silk Road.” As the vision of the Korean railroad begins to take shape, Korea could benefit immensely from its central geographic location. The promise of opportunity and economic commerce that these lines could generate is substantial. Any development of this Inter-Korean railroad, and the security implications involved, will be a significant source of careful planning, negotiation and bilateral inter-agency coordination. However, the transportation corridor is fully complete on the South side, while on the North side we see no progress whatsoever.

The 1953 Armistice Agreement authorizes the Commander In Chief, United Nations Command (CINC UNC) jurisdiction authority over the Southern portion of the Demilitarized Zone. To facilitate work

on the transportation corridor, acting as the CINC UNC, I have delegated administrative oversight to the South Korean Ministry of Defense. Close cooperation between United Nations Command and the South Korean Ministry of National Defense has guaranteed a powerful defense is active and in place, and will continue to ensure sufficient levels of security in the DMZ during de-mining, corridor construction and future operation. As we work closely with North Korea over issues concerning access and commerce in this corridor, we will continue to insist that all actions, and all confidence-building measures (CBMs) are both **reciprocal and transparent**. I am proud to report that our year-long Confidence Building Measures study has strengthened our alliance and has produced verifiable options to reduce tension if North Korea will only take the same steps. This is exactly the type of armistice issue that the UNC seeks to resolve carefully with all our UNC allies and coalition partners.

**4) Improve Quality of Life** - As stated in President Bush's statement *A Blueprint for New Beginnings* "..., we cannot honor our servicemen and women and yet allow substandard housing levels to endure." The Korean peninsula faces significant shortfalls in both family housing and barracks and has identified substandard living and working conditions in most areas. Our facilities are old - 32 percent of all buildings in the command are between 25 and 50 years old and 32 percent are classified as temporary buildings. The investment philosophy of "50 years of presence in Korea...one year at a time," without a continuous and sustained commitment, has taken a severe toll on our housing, infrastructure, and morale.

Our goal is a quality of life that is comparable to other overseas assignments. We want to make a tour of duty in Korea an "**assignment of choice**" by providing the best quality of life possible. A Korea assignment today involves some of the poorest living and working conditions of any permanent change of station (PCS) assignment in the military. According to current studies, "Army assignment experts report that Korea is their only problematic assignment location for both officers and enlisted personnel ... the Army must nominate many enlisted members to fill a single vacancy in Korea...the Army must contact several officers in order to fill one officer vacancy in Korea." While no confirmation data was provided by the Air Force, "assignment policy experts opined that Korea and Turkey are the least desirable locations in their overseas assignment inventory." We must improve both the housing and barracks living conditions for our personnel and their families to reach our "assignment of choice" and "quality of life" goals. We appreciate Congress's assistance in helping improve the grim conditions regarding housing throughout this command. **Yet over 95% of the currently assigned and accompanied service**

*members and their families live in inadequate and substandard quarters. Furthermore, over 50% of the unaccompanied service members in U.S. Forces Korea live in inadequate quarters.*

Overcrowded facilities force us to billet many unaccompanied personnel outside our installations in dense urban areas, creating force protection concerns and imposing a high financial burden on them from out-of-pocket living expenses. Investment in USFK facilities has declined as a result of constrained defense budgets and competing requirements. Now we see growth in the backlog of work necessary to maintain the readiness edge we established in past years. We must balance overseas funding among the priorities of people, readiness, modernization and infrastructure. Because of past funding shortfalls, we are at a breaking point. We cannot continue to mortgage this aspect of our force readiness without significant long-term effects. Accordingly, we are finalizing a budget that will meet this challenge. Meanwhile, the expectations of our commanders, our people and our families remain high as they urge us to balance direct mission support and quality-of-life efforts in the face of aging infrastructure and very constrained budgets.

We recognize that quality-of-life and readiness also extends into the workplace environment. Deteriorating work facilities impair readiness, reduce the efficiency of uniformed and civilian workers and lowers retention rates of highly qualified and otherwise motivated people. Our **Sustainment, Restoration and Modernization (SRM)** funding levels have only allowed us to provide day-to-day critical maintenance of our work facilities and infrastructure and does not allow us to address our SRM backlog. To illustrate the hardship this causes, let's look at an airman whose job is to maintain an F-15 engine, a soldier maintaining an Apache attack helicopter and a mechanic fixing a fighting vehicle. They may work in a hangar where the roof leaks or they may repair vehicles in the freezing cold. In these conditions they are often distracted from fixing the F-15 engine, the Apache helicopter or the fighting vehicle. This has both a quality-of-life implication as well as a readiness impact. When our service members are distracted from accomplishing their primary mission, our readiness suffers. Our Soldiers and Airmen see this as quality-of-life issue, and they are frustrated that they have to spend an increasing amount of time on non-productive efforts. They assume that their leaders do not care! The Department of Defense spends millions of dollars training these young men and women to work on sophisticated equipment, yet they are required to work many non-productive hours tending to their run-down workplaces. I think we're losing the battle to maintain the high standards our people have come to expect. Aging facilities are more costly

to maintain. Continued disrepair exacerbates an already serious problem and impacts readiness, especially when coupled with a high operational tempo and harsh conditions, such as we experience daily in Korea.

With the high operational tempo and the increasing number of married members, we recognize an integral link between family readiness and total force readiness. A key element of our quality of life initiative is our goal to provide safe, adequate housing for our personnel and their families. We firmly believe providing quality accommodations improves our members' quality of life, increases their satisfaction with military service and ultimately leads to increased readiness and retention. Indeed, Korea's uniqueness as a yearlong unaccompanied tour has been purchased at a great price. We provide government owned and leased housing for only 1,979 personnel - less than 10 percent of our married service members serving in Korea - compared to more than 70 percent in Europe and Japan.

Our goal is to increase the command-sponsored rate for Korea and to house at least 25 percent of our married military members and their families by 2010. This initiative will require additional resources and support. If we were to address this shortfall, and meet this increased demand for housing with traditional military construction alone, it would cost the U.S. taxpayer \$900 million. Under our comprehensive LPP, utilizing Host Nation Funded Construction and cost savings achieved with base consolidation, we can cut this cost in half. In order to obtain the remaining capital investment required, we plan to use existing build-to-lease authority, and leverage the Korean private sector to obtain an additional 2,000 units. If we can get help to raise the existing statutory per/unit cost limitation from \$25,000 to \$35,000 per/unit for overseas leased family housing, we will develop these 2,000 units at no additional cost to the U.S. taxpayer! With your help, we will realize our vision for improving the housing situation in Korea, and we will minimize the financial burden on the U.S. Congress.

We will also improve the quality of our **existing housing** in FY 03 by continuing our phased renovation and conversion of housing units located in Hannam Village in Seoul. We began last year with your support and the results have been outstanding. The enthusiasm of the occupants over these improvements is spreading across the Korean peninsula. They see first hand our efforts to make a difference.

**Unaccompanied Housing Improvements** also remain a critical priority. Our objective is to provide enlisted service members with quality housing by the Department of Defense mandated date of

2008. We have two long-range planning tools to guide our investments: The Air Force Dormitory Master Plan and Army Barracks Upgrade and Buyout Plan. These planning tools have and will continue to guide us in providing quality living conditions for our unaccompanied service members allowing us to use our limited funds where they are needed the most and at the same time keeping our good units good. On-going renovations will continue to ensure we provide quality living facilities, however based on our plans we still short of our total requirement. The current upgrade plans do not cover senior enlisted soldiers. Adequate housing for unaccompanied senior enlisted soldiers (E7 - E9) and officers is urgently needed as well. Unlike CONUS Army units, all Second Infantry Division soldiers, including senior enlisted and officers, are required to live on post. Eighth Army's shortfall for senior enlisted and officers housing is 3,100 quarters for E7 - E9 and 2,800 for officers. Adequate housing for these service-members has been neglected for too long. We urgently need to continue our efforts and Congress can help to support this responsibility by funding the \$81 million MILCON requirement beginning in FY 03.

***Infrastructure Maintenance and Repair*** is required immediately. Funding increases in MILCON for infrastructure upgrades have helped USFK to improve conditions not only in our barracks and dormitories, but also in other traditional quality-of-life facilities such as physical fitness centers. We greatly appreciate your support. However, we still have a lot of work to do. The master plans mentioned earlier, addressing family housing, barracks and dormitories, respectively, have been extremely valuable tools in helping to focus and guide our actions. Accordingly, we have just added to our arsenal a Physical Fitness Center Master Plan and a Maintenance Facility Master Plan. Together, these plans guide us towards wise investments in our most urgent quality of life requirements. We need to replace or upgrade 52 maintenance facilities and 17 physical fitness centers. To begin buying out this requirement in FY03, we intend to use \$21 million from the Host Nation Funded Construction program for the maintenance facilities. To correct other quality of life and infrastructure deficiencies, we need to further address military construction. The funding Congress provided in FY02 will enable us improve infrastructure, facilities and barracks across the peninsula. We will continue this effort by applying the remaining \$171 million of Host Nation Funded Construction money against this improvement effort.

As part of this comprehensive plan, USFK must demonstrate its unwavering commitment to protecting the health of Korean and U.S. personnel, while preserving the ***environment*** everyday. USFK continues to wrestle with environmental protection and problem mitigation programs given the age and

poor condition of our infrastructure. The number of environmental incidents is on the rise in the past year due to failed infrastructure and lack of maintenance. Our most immediate environmental concern is with the command's aging underground storage and heating oil tanks. The cost to remove and replace these tanks will be \$133 million dollars, but it will be spread over several years.

Although we have a solid, attainable, and comprehensive *Self-Help Plan* to make service in Korea an assignment of choice for our service members, it will take ten or more years to complete. In the interim, we must provide fair incentives to those who serve in the inadequate working and living conditions to close the quality of life gap that exists today between military service in Korea and service in either the continental United States or other overseas locations. To do this, we ask that you increase the pay and allowances of military members that serve in the Republic of Korea. We have an essential requirement to recruit and retain skilled military personnel. We need to continue the effort to adequately compensate our people for their service. Unlike most American businesses, we financially penalize our military members for Korean service. While our service members are motivated by much more than money, **pay and morale** are nonetheless linked. Service members want and deserve equal pay for substantially equal work under the same general conditions. In addition to an average cost of \$3,000 to \$5,000 of out-of-pocket "hidden 2<sup>nd</sup> household" expenses for a one year unaccompanied tour in Korea, our forces see a basic pay inequity between their deployment here and equally harsh, but shorter tours to southwest Asia and the Balkans. For example, an Army Sergeant (E5) serving only a six-month tour in Bosnia receives approximately \$500 per month more than an E5 in Korea who is separated from his family for twelve months. The difference results from tax relief and separate rations benefits received by those who faithfully serve in the Balkans - entitlements that do not now apply to a typical Korean tour of duty. We need your help to level the playing field by providing compensation such as a Balkans or Kuwaiti tour provides.

#### **CONCLUSION - The Road Ahead**

The ROK-U.S. Alliance is built on the principle of *Katchi-Kapshida* - "We Go Together!" Simply put, we have fought a war and kept the peace for over fifty years as a combined team. As we prepare for the future, both USFK and the ROK military are reviewing their modernization plans and transforming our militaries into a *capabilities-based force*. We are looking at new organizational structures that will increase our effectiveness, improve our combined doctrine and take advantage of new equipment. As we

modernize together, we must identify complimentary capabilities that support regional security and one that helps both the American and Korean militaries to focus critical resources on the most cost effective capability.

Despite the unprecedented June 2000 summit between North and South Korea, there is still no “peace dividend.” This posture statement reflects our efforts to optimize USFK’s presence in the most efficient manner to meet both current and future missions. For many years, our funding requirement statements have merely reflected OMA incremental increases over a baseline. Candidly, as a result, we have looked at Korea “one year at a time.” The result is that we still have substandard living and working conditions for our service members that are having an adverse effect on the readiness and a significant impact on long-term retention. As a commander, I am ashamed of how I ask our service members to live and work.

In conclusion, we would like to leave you with six thoughts:

**First, we want to emphasize that the support of Congress and the American people is vitally important to our future in Korea.** We thank you for all you have done. However, we must also ensure that our resolve is consistent and visible so that North Korea, or any other potential adversary, cannot misinterpret it. We urge committee members to come to Korea and see first-hand the importance of the American military presence and the strength and vitality of the United States - Republic of Korea alliance.

**Second, the North Korean military continues to adapt its non-conventional threat and conduct large-scale training exercises in spite of severe economic problems and a perception of a thawing relationship between North and South Korea.** North Korea’s continued growth in military capability and their implied intent amounts to a continued significant threat. Now, more than ever, the strength of the Republic of Korea - United States alliance, built on a foundation of teamwork and combined training, provides both nations with a powerful deterrent as well as the readiness to fight and win. The North Korean threat to peace and stability in Northeast Asia will not fundamentally diminish until the North engages in tangible military confidence building measures that are **reciprocal** and **transparent**.

**Third, now and in the future, the U.S. and Northeast Asian nations cannot secure their interests and economic prosperity without credible air/land/sea forces in Korea.** Presence is essential to security, commitment to long-standing friends, and access into the region. As the only

presence on the mainland of East Asia, U.S. forces in Korea will likely play a vital role in the future peace and stability of the region. The U.S. forces in Korea require a continued investment in basic readiness and quality of life, even if our role shifts from North Korea to a regional focus.

**Fourth**, achieving our vision and accomplishing our missions requires us to prioritize scarce resources. For U.S. Forces serving in Korea, the number one command priority remains improving C4I functionality. We urgently need your help in order to **achieve the information age advantage that network-centric warfare systems will provide**. Secondly, we need a solid inventory of readily available **precision-guided munitions** on the peninsula. Lastly, now and in the future, if we are to sustain our Combat Readiness it must be *balanced* and *tempered* with a **quality-of-life** that is commensurate with other duty locations throughout the world. **A First Class Military requires First Rate Facilities**. As the only presence on the mainland of East Asia, U.S. forces in Korea will likely play a vital role in the future peace and stability of the region. **The U.S. forces in Korea require critical investment in basic readiness and quality-of-life now**. The Land Partnership Plan, that we hope to have ratified by both governments by 15 March, 2002, will put us on the proper course to improve the Quality-of-Life for U.S. Forces in Korea and their families.

**Fifth**, this is the third year of commemorations recognizing the significance of the 50<sup>th</sup> Anniversary of the Korean War, viewed by many of our veterans as the “forgotten war.” We are committed to honoring the brave veterans, living and dead, and hope you can join us in Korea for these commemorations to remember their sacrifice.

**Finally**, you can be justifiably proud of all the exceptional things the Soldiers, Sailors, Airmen, Marines and Defense Department civilians continue to do with great spirit and conviction. They remain our most valuable asset. They sacrifice for our nation every day. This is why we remain so firm that we owe all those who faithfully serve proper resources for training, an adequate quality of life, and a quality infrastructure. Again, thank you for this opportunity to share our thoughts with you.