

**ASIA-PACIFIC TRENDS:  
A U.S. PACOM PERSPECTIVE**

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Admiral Timothy J. Keating, Commander, U.S. Pacific Command (PACOM) spoke at the Center for Strategic and International Studies (CSIS) in Washington, D.C. on July 24, 2007. He was introduced by his co-hosts, Pacific Forum CSIS President Ralph A. Cossa and CSIS Senior Vice President Stephen Flanagan.

Good afternoon. everyone. Konichiwa. Good to see you all, some good friends and old friends.

I thought we'd talk a little bit about the Pacific from a relatively new and a very old guy's perspective. I'll give you a stereo broadcast, a then and now perspective. I'll touch on some areas that I think might be of interest and am very interested in some back and forth, whatever's on your mind.

Let's go back to 1984. Lieutenant Commander Tim Keating and wife, Wanda Lee, moved to Hawaii to be the flag lieutenant to CINCPAC Admiral William J. Crowe. So, we were there 22 years ago in a somewhat different capacity. As I walk into the office every day, there on the bulkhead are all the pictures of all the old guys. And I stop and I look at Crowe's picture every day, and I can see him squinting, and he'll shake his head and go "I could have ended this with the stroke of a pen back in 1985." But here we are: commander of the Pacific Command.

Much has changed in the Pacific in the 22 years. Now, I have been in and out of the Pacific many times since that water mark of 1984-1985. My wife and I were stationed in Japan, in Yokosuka, for over two years in the early part of the century – 1999 and 2000, the early part of the Millennium. So it's not like we were in Hawaii and in the Pacific and then left and came back. But while I was carrying Admiral Crowe's bags, I got to move around a theater a good bit in a way that isn't common to a young naval officer. I am moving around the theater in a way today that isn't common to an old joint officer. This is my seventh joint assignment.

I haven't been in the real Navy in quite some time, and that's not really here or there, except to maybe give you a little bit of a background or a little bit of some texture on the prism through which we view things in the Pacific. It is a maritime theater, in many ways. And I happen to have grown up in the Navy, but the way we're doing business in the Pacific these days is not just U.S. Navy, quite the contrary. It is Army, Navy, Air Force, Marine Corps, Coast Guard, to a much greater degree than we were doing in 1985. And it is interagency and commercial practice to a much greater degree than anything I saw or overheard when I was a flag lieutenant in 1985.

I've been in the office about 100 days now, on this second tour of ours. We got out there at the end of March. We were at the United States Northern Command for a couple of years before that, so this is my second journey through the world of regional combatant commands. Northern Command is profoundly different than any of the other four regional commands. Not better or worse; it's just much different. But while there, I developed a much better appreciation for the importance of interagency operations, interagency communications, development of a common – if possible – strategy. And I

developed a very deep appreciation for the opportunities available to the United States military in particular – Department of Defense writ larger, federal government writ larger still – for capitalizing on the capabilities and capacity in the commercial sector when there are military applications and/or civil military applications, principally humanitarian assistance and disaster relief. More on that in just a little bit.

So I've been here 100 days. What are the things that keep me awake at night? The answer is nothing. I don't worry about much in our area of responsibility. We've been on the road more than half the time we've been there. I don't want this to be a travel log, but I've been to Japan three times, South Korea, the People's Republic of China, the Philippines, Solomons, Guam, Indonesia, Malaysia, Singapore. So we've moved around a good bit, on purpose. It's a big theater, not just geographically but in terms of ideas, in terms of challenges, in terms of opportunities. And you've got to get out there. You've got to get amongst them. It takes a little while to get there. So I'm preaching to the choir here – Ralph Cossa has 5 billion miles on United Airlines, and many of you are like that.

Our travels have illuminated me in several areas. One, when I was with Admiral Crowe and he was leaving a country – the name of the country is not so important – he got in a car after a visit with the leader of the country, and he was noticeably grumpy and he said “damn it, things are going to get a lot worse before they get any better here.” He was right. They did get worse. But, in my view, the pendulum has swung dramatically and perceptibly, measurably throughout the area of responsibility that is the United States Pacific Command, West Coast to India, North to South Pole. Pretty large, half the area of the world.

Things are better. U.S. trade has increased sixfold since I was there in 1985 – sixfold. The economies of the region are generally improving, some of them dramatically. The people in the region are getting better medical care. Education opportunities are improved, in some cases dramatically. Healthcare and dental care are now more available. There are still significant challenges to be sure. Peace and stability are the watch words in all the countries we visit, all of them.

Now, there are alliances that we enjoy – Japan foremost amongst them in the area; South Korea, a strong ally; the Philippines, very strong ally; Australia. There are partners with whom we share common objectives: Indonesia, Malaysia foremost among them. Those countries are somewhat less interested in the term ally, but they're very interested in the term partner. They want to work with the United States. They don't want the United States to be omnipresent. The United States military and in some ways perhaps best personified, the United States Navy; we can come and we can go. We can provide assistance for exercises. We can provide assistance for humanitarian assistance if necessary – witness the tsunami in Aceh a year and a half ago.

Less well known but just as important to the people, there was a tsunami in the Solomon Islands, and we sent a ship – a United States Navy ship – which had an H-60 helicopter on the back. Not a huge deal, but the folks there – a helicopter crew saved

approximately 50 lives that would not have been saved otherwise; provided fresh food and water to folks who were out of communication because all the infrastructure had been destroyed. Those folks are very appreciative of what the United States military, the United States government can provide.

Regional economies are improving. We went to the People's Republic of China, spent two and a half days in Beijing. I had been there in 1985. We went in 2007. Huge contrast – stark contrast as, in my mind, best characterized by Tiananmen Square in 1985, thousands and thousands of bicycles all going one way as folks went to work in the morning, thousands and thousands of bicycles as folks went home at night. Today, not so many bikes, an awful lot of automobiles. There are energy demands associated with that change from bicycles to automobiles. Hence, the People's Republic of China's military statement that they just want to protect those things that are rightfully theirs: sea lines of communication to provide assured access to oil coming through the Straits of Malacca.

Half of China's oil comes through the Strait of Malacca. Ninety-five percent of the oil to South Korea, Japan, China, and Taiwan – 95 percent of that oil comes through the Strait of Malacca. How important is that waterway to the world, to those of us in the Pacific? That's not lost on Singapore, Indonesia, and Malaysia. Their work – contrast it to what we experienced in 1985. Their work today is increasingly collaborative. They're friendly. They understand the challenges they have. They understand their differences. Don't forget Indonesia: the world's largest Muslim population – democracy, freely elected – over 200 million Muslims in Indonesia – vast, vast majority, moderate. I think it's safe to say Indonesia doesn't necessarily want to be regarded as a strong ally of the United States, but they're very much interested in being a partner with the United States.

Philippines – went there a month ago. Things are a lot better in the Philippines. When we were there in '85, graft, corruption may have been more – certainly were more prevalent than they are today. We flew an hour in our jet, got out, got in a helicopter, flew an hour and a half further south, got out and rode for 45 minutes in SUVs and then walked for 45 minutes on foot to look at a site where the Abu Sayyaf had been conducting some counterinsurgency operations.

We're in the convoy along the road, bumped along with a Philippine marine corps lead and a Philippine marine corps trail – escort and trail security folks, some Special Operations Pacific Army guys. They're in support. They're not lead. They're not doing any fighting. They're in support, training the Philippine armed forces, principally the marine corps. We go through large villages with some electrical wires, then proceed into increasingly isolated, not so many electrical wires strung hamlets, then scattered houses, isolated houses, and then dense jungle.

All along the way, roads a little bit better than I-95 but maybe not a lot. Little kids alongside, youngsters and those two, three, four, five years old run up to the side of the road and wave at the trucks as we're going by. They're not waving at the commander of the Pacific or Ambassador Kristie Kenney. They're waving at the Philippine marines in the lead in the trail. Ambassador Kenney, who made the same trip two years ago,

would tell you two years ago the kids would just stand mute by the side of the road, if they weren't throwing rocks.

So in a relatively short period of time there has been a sea change in the attitude of the folks, who had been terrorized by Abu Sayyaf. Remember, they just killed 14 Philippine marines, beheaded 10 of them and committed other unspeakable atrocities. These folks – the Philippines, the kids waving alongside of the road, their moms and dads who didn't rush up at the side of the road, but they were waving pleasantly – their lives have changed, and they are dramatically better. Now, they're not living the life of Riley out there, and they may not want to. It's their choice.

Few days later, we went to visit the USS Peleliu, a United States amphibious ship that was anchored off the eastern coast of the Philippines. It happened to be in the Philippines. They're in Vietnam today, Da Nang, Vietnam. Went out to the ship, went down to sickbay. Lots of native Filipinos whose command of English wasn't great. We went to sickbay and went up to the rack – a rack down in sickbay, and approached a young lady. She was 20, tops. And this woman had a young boy in her lap, 3 or 4 years old, and the kid was squirming a little bit. He just wanted to go back and play with his pals. His mother was just beaming. She could not contain her – her relief was palpable.

What had happened? Folks from the ship, not all military – we have volunteers from Hawaii and United States medical institutions – they were riding Peleliu – the Marines aren't on the Peleliu – I have nothing against the Marines, but it's a civilian assist mission. This woman – her son had been born with an intestinal challenge, which over the course of his young life had ruptured, and he had organs protruding through his stomach wall. He wasn't going to live to be five. She didn't know this. She lived in a village, no electricity, no nothing, but the medical capabilities team had gone into the Philippines, word had gotten out – hey, there is free medical help. Come talk to these folks – happen to be Americans, happen to be in uniform, most of them. Brought this kid in a helicopter out to the USS Peleliu, performed what the doctors say is relatively simple surgery. I'm always amused when a doctor says “ah, this will be a minor procedure.” It's not minor if it's you upon whom they're operating but they said it was a relatively simple procedure. He's fine. He's bouncing around, can't wait to get back to his village to play with his pals. His mom is just relieved beyond measure. Peleliu left the Philippines and is now up in Vietnam, where they were welcomed with open arms by the Vietnamese.

Back to the People's Republic of China for a couple minutes. Some folks would figure that we at Pacific Command spend a fair amount of our time worrying about the PLA – the People's Liberation Army – but we don't. We don't worry about it. We're watching them. We're interested. They're watching us. They're interested in us. It makes sense. While there, we spent some time with China's military leaders. They emphasized their interest in the Taiwan independence issue. We emphasized our U.S. government's policy. They accepted our position. We listened to their position. We kind of agreed to maintain this somewhat ambiguous position on our part, and they understand it, and that was okay.

We talked a little bit about anti-satellite tests. Our hosts were slightly less than eager to discuss this, but we did. And we noted that we didn't know that this was necessarily consonant with the country whose stated objective is peaceful rise. The military officials with whom we spent time talking emphasized their interest only in defensive military capabilities. Their white paper this year emphasizes that. They took some exception to some of the statements made in the Department of Defense white paper published shortly after our visit.

So there is a difference between the way the People's Liberation Army and the Pacific Command view Chinese military development and Chinese military capabilities. The Chinese will point out their energy demands are significant for oil and coal. Much of the trade that they enjoy with other countries – Australia, a prominent partner now in terms of trade with China. This commerce moves through the maritime domain, and China wants to develop a blue water navy, they say, simply to protect their right to use the maritime domain. For the United States of America, it's hard to argue that position.

They're interested in developing an aircraft carrier, said the People's Liberation Army officials with whom we've met. We had some interesting discussions about development of aircraft carriers. Some of us are not unfamiliar with them. I've flew on Archie – (unintelligible) – wing a number of times on and off aircraft carriers. We said to them, essentially, “hey, knock yourselves out. It ain't as easy as it looks.” It's a very difficult technology to master. It's taken us a long time. It is an expensive, time consuming, sophisticated, dangerous undertaking.

They acknowledged that and said we reserve the right to develop aircraft carriers if we so choose. They said to us there is no more prominent and visible signal of a nation's resolve and might than an aircraft carrier coming into a port. That has a certain unique naval perspective to it, but it's hard to argue that. They also pointed out how effective the USS Abraham Lincoln was in the aforementioned tsunami relief operation, humanitarian assistance, and disaster relief. They said they would use an aircraft carrier for that purpose. Our Chinese guests said, “here's what we'll do. You take care of the Eastern Pacific, we'll take care of the Western Pacific, and we'll just communicate with each other.” That is a notion, shall we say.

But we said to them, “hey, you want to see an aircraft carrier? We'll show you.” They have been on the USS Harry S. Truman. When I was fortunate enough to have the Kitty Hawk Battle Group, some senior Chinese military officers came out and watched us conduct flight operations just off of Hawaii. They have been on the bridges of nuclear powered submarines. They have been in the control rooms. They have been in the Pacific Fleet Command Center. So if you want to develop a military capability, defensive though you profess it to be, this is what you can expect. This is the price of admission, if you will.

In Indonesia and Malaysia, I had some very productive discussions with our guests and our hosts there. They are profoundly interested in winning the global war on

terror. They do not want any perturbation to influence adversely their population. They want our help in winning the global war on terror. They don't necessarily want our presence around the clock, 24 hours a day, seven days a week. We are happy to oblige. They are increasingly interested in not just bilateral small-scale exercises, but multilateral, larger scale exercises. We are providing some economic assistance and some train-the-trainer assistance, so as to give them capabilities, principally in maritime security, so as to keep the Strait of Malacca as open as it is today.

We were in Singapore for the Shangri-La Dialogue. Some of you may have been there. Got in the airplane, took off, and for the first time my wife saw the Strait of Malacca from 15,000 feet, and she saw those 10 ships per hour, and I told her: seven days a week, 24 hours a day, 10 per hour. Do the math. Seventy thousand a year transit the Strait of Malacca. She was near thunderstruck. It looked like, again, I-95 in a maritime-like concept.

I talked a little bit earlier about sharing our interests, not just interagency but with the commercial sector. The Strait of Malacca is a good example. The Pacific is a good example. Twenty million containers a year move across the Pacific, the 20 foot or larger – 20 million per year. Doesn't it make sense that Matson and Connor (?) would be interested in not imposing unnecessary delays in the movement of those containers, so they can offload them and move them and unload them? They are able and willing partners with us to enhance security in the maritime domain and, not just with the United States but with Singapore, all those countries in the AOR. And we go back to China and to South Korea and Japan and recognize how dependent they are, not just for energy, but for many of the products they consume and many of the products they produce and export on the maritime domain. And the same holds true for the air domain.

So Keating's perspective in the year 2007 is different than it was in 1985. Things in the Pacific are better. We're on an upslope. There are challenges to be sure. There are terrorist groups afoot. We're working with host nations to reduce, if not eliminate, all of them and we're making progress there.

We're worried a little bit about North Korea. We watch North Korea carefully; the Six-Party Talks. I talked to Ambassador Christopher Hill just last night. His view, to characterize it, is we're making progress. It isn't necessarily a breakneck pace, but little associated with North Korea is, but there is measurable progress being made. Japan, China, Russia, South Korea, the United States – we are all very interested in doing what we can to provide a nuclear-free peninsula.

There is a transformation going on in South Korea for the United States military. We are going to move around some of our forces, and as you know, we're transferring wartime operational control to the South Korean military in about five years, the spring of 2012. So General B. B. Bell, our current commander on the peninsula, is working very closely with South Korea to provide a means to ensure security of South Korea, to fortify the South Korean military's capabilities to assume operational control, and to hopefully achieve the goal of peace on a nuclear free peninsula.

Throughout the region: peace and stability. That's a fundamental tenet of our strategy, but make no mistake – make no mistake – our fundamental goal is to defend our homeland. We're a military command. We're willing to fight and defend the United States of America. We're also willing to defeat any adversary with the temerity to challenge us and we are looking hard to do so in firm concert with our allies and our partners and our friends throughout our area of responsibility. It is still a powerful, challenging, exciting area of responsibility, as it was in 1985. I'm kind of an optimist by nature. As I said at the start, I have nothing that keeps me awake at night. I'd be happy to take your questions.

Q: Chris Nelson, Nelson Report. So much of your talk started out really almost on soft power, which is fascinating. The only thing that you've said you worry a little bit about is North Korea. My question is something that I worry a lot about. I'd be interesting if you think I shouldn't. A lot of your talk was really about politics and regional cooperation. I think those of us here who look at the political situation in South Korea and Japan worry that these two very important allies of ours don't actually see a lot of things eye-to-eye. At the military level, the things may be going ok, but at the political level it gets pretty messy. Is that something that we're perhaps misunderstanding back here? Do you see things like that also out there? Are there things you think we should be doing about it? Do you think it affects some of the military questions?

ADM. KEATING: Not necessarily in that order. I wouldn't use messy to describe it. That's not how I see it. That's not the sense I get. Everything is not peace, harmony, sweetness, and light between South Korea and Japan to be sure. On a military basis, South Korea's developing some impressive capabilities and is increasing their capacity. Japan, as you know, is entertaining notions of a constitutional revision. A, will they, and B, if so, what will it mean? How will it be revised and what will it mean?

When I visited the two countries, – Japan three times, South Korea just once, but going again here in a little while – I don't get the sense that it could get messy. They had their issues, the comfort women and that sort in that, but I don't get the sense that it is messy. I am assured by the statements of folks like Prime Minister Abe, Minister of Defense Koike, Chief of Defense Staff Saito, Minister Kim, folks on both sides of the Sea of Japan with whom I spent time, and I don't worry about it.

Q: Harvey Feldman, currently with the Heritage Foundation. Sir, a RAND researcher has recently suggested that we do not have sufficient forces in the vicinity to respond quickly enough to a Taiwan strait contingency. What's your view on that, sir?

ADM. KEATING: He's wrong. We don't want to do this with mirrors, smoke, and hand waving. What is this? Anything – any military undertaking in the Pacific theater – we want our statements to be backed up by cold, hard fact which can be supported by extensive analysis. But in the end you've got to not just talk the talk, you've got to walk the walk. Somebody's got to move. Somebody's got to fly. Somebody's got to pull a trigger, if that's what you're talking about.

We have fewer troops in the area of responsibility today than we had in 1985 – lots fewer. We’re also capable of moving people around fairly quickly, and sometimes we can move and folks don’t know we’re moving. We don’t necessarily advertise it. And we have ways of watching people and things and developments and doing better analysis – much better analysis than we could do back when I was a lieutenant commander.

So in the Strait of Taiwan in particular we could get a large number of forces there in relatively short order. The more unambiguous activity we notice and the earlier we make that analysis, obviously the more we can move. Guam figures prominently – we would like to be able to depend on Japan for certain aspects of operations we conduct, but – and, Mr. Ambassador, again, not to be glib – I don’t lose sleep at night over our ability to respond to any crisis anywhere in the AOR, including the Straits of Taiwan.

Q: Eric McVaden. I’m a retired Navy officer and a consultant.

ADM. KEATING: How do you do, sir? What did we do to lose you? Where did we go wrong?

Q: I got old. A common malady. I was in China recently, after your visit and after Admiral Mullen had raised with Vice Admiral Wu Shengli the possibility of a 1,000 ship navy concept with China. I heard some encouraging words from some people about possible maritime cooperation, protection of sea lanes and so forth. I wonder about your thoughts on that.

ADM. KEATING: Very interested in it. It’s a great question. We are talking about the possibility of sharing capabilities in the maritime domain.

We’re better with a 1,000-ship navy than a 100-ship navy. When we were in Bahrain during Operation Iraqi Freedom, we had 180 ships under the command of the Fifth Fleet, NAVCENT – 60 of them coalition. It’s not easy to communicate necessarily, even just in the maritime domain. There are challenges attendant to the 1,000-ship navy concept. But given those challenges, the countries who would join us or with whom we would join in that endeavor are important. They matter. They are interested in it as we are, or else they wouldn’t join. Could Chinese Navy be a member of that? I think in time they could be.

We had an interesting discussion in the Pentagon today: where do we see China in 10 years, in 25 years, in 50 years? Will we be able to work with them? You bet. Are we doing it already? To a limited degree. We have done search and rescue exercises. We are proposing to do humanitarian assistance and disaster relief exercises using maritime platforms in the maritime domain to provide relief to folks who need it, simulated in China or other countries in the region. I’m not wildly optimistic, but I’m cautiously optimistic that we could work with more frequency and more complexity with the PLA Navy. And I think in time they may be interested in becoming a member of this 1,000-ship navy. I would hope they would.

Q: You talked briefly about the development of the Chinese aircraft carrier, but about the development of the Chinese submarine fleet and how that relates to their defensive capabilities that you talked about, as they continue to project that more and more into the Pacific region.

ADM. KEATING: A, China's developing more submarines. B, not just conventional but nuclear. We watch this with more than passing interest, but it goes back to Ambassador Feldman's question. There is no development of which I'm aware – and I think we'd be aware of all – nor any prediction that we're analyzing that causes me increased concern.

Now, that's not to say I'm not concerned. The Chinese submarine movement throughout the Pacific is a matter of interest to us at Pacific Command. You know the Song popped up next to the USS Kitty Hawk a little while ago. They're allowed to be there. We're allowed to be there. It's the maritime domain after all. This is one of the areas we talked about with our Chinese hosts when we were there, where we want to try and reduce, if not eliminate, areas for misunderstanding, because you can make a case where a misunderstanding could lead to an issue that could lead to a confrontation and our folks are all tensed up and holding their breath waiting for somebody to blink.

We would like to avoid that. More communication, more exchanges, more exercises, per previous question, having, let's say, some senior enlisted members of the United States Department of Defense, visit China to talk to them about a concept rather foreign to them: senior enlisted leadership. Is that something we want to do? Well, we'll make a policy decision on that, but those are the sorts of areas which if we entertain the discussion in a clear-eyed, open manner with ourselves and then address with the People's Republic of China, we can work to reduce that potential for misunderstanding. Submarines are one of those areas.

Q: Admiral, Guy Raz from NPR. You're here obviously for the senior defense officials meetings with the secretary over the next couple of days –

ADM. KEATING: How did that get out? Yes, we are.

Q: And I'm wondering in those discussions that you have – that you're going to be having over the next day and a half, with all the combatant commanders here in Washington, how much of those discussions are focused primarily on what's going on in the CENTCOM AOR and to what extent do you think our political leaders are ignoring other areas like the Pacific Command, ultimately to our strategic peril?

ADM. KEATING: Do I think that our nation's leaders are ignoring other areas like the Pacific? We'll spend a little bit, a modest amount of time talking about the Central Command AOR. That is, of course, where we are. The level of military activity is highest in the world. It's appropriate. We discuss those issues that are very important to the Department of Defense, to the United States, to the coalition, but I don't for a

second – not for a second do I think that there is a concomitant lack of interest in and attention to, when appropriate, other areas of responsibility.

In our area in particular, I have had the good fortune of calling on the secretary of state, secretary of defense. The SecDef has been through our headquarters twice in the 100 days I've been there, and it's not the easiest thing in the world to visit the Pacific Command area of responsibility. The SecDef's been there twice.

Again, here it is. I don't worry about my bosses, any of them, ignoring me or neglecting me, or paying less than appropriate attention to me. If I need to get to the secretary, I get to him. If I needed to get to the president, I'm confident I could. I haven't yet, thank goodness. He knows who I am – the president – he knows where I work, he knows how to get a hold of me. He hasn't bothered calling. The folks in the front office, they have standing instructions – they walk in and say, hey, admiral, it's the boss. It's the president, it's the secretary of defense, it's Wanda Lee. They are told to put them in inverse order. And Wanda Lee does not disabuse me that that's the correct notion.

Anyway, and I don't mean to make light of what is a really serious question. There are 200,000-plus U.S. forces in the Central Command Area of Responsibility. We are lower in fighting forces than we would be ordinarily. Some 30,000 soldiers and Marines from the Pacific Command are in the Central Command area of responsibility. Back to the ambassador's question. Do I think we are less prepared to respond to crises? We may not get there quite as quickly with all the forces we would like to have, but we will be there on time with appropriate force, and I know the president knows that, I know the secretary of defense knows that, and I know State Department knows that, as do the embassies in the region. Long answer to a good question. We're not just going to talk about the Central Command AOR in the next two days, and I'm confident that the attention being paid to us by our senior authorities is appropriate.

Q: Sir, Admiral, Sidney Friedberg, National Journal. Could you comment on India, especially their recent purchase of one of our old amphib ships.

ADM. KEATING: Yes. I feel bad. I should have included India in my 30-minute homily, thanks for bringing it up. We go to India next month. Few countries are more important to us in the Pacific Command than India. The fact that I haven't gone in there in the first 100 days shouldn't be confused with a lack of interest in India. We're teeing this up to the centerpiece of our travels this summer. Malabar exercises – we have a fairly robust foreign military articles program underway with India. India's looking at a next generation fighter, and the United States has several eager participants, F-16 and F-18, I think are the two companies that are pushing them.

We're very interested in a strategy attendant to the Indian Ocean. For years, the Indian Ocean was something through which we steamed en route to another AOR. We're now training in the Indian Ocean. I mentioned how much commerce flows through the Strait of Malacca. How does it get there? Through the Indian Ocean; we want security in

the Indian Ocean. There are parts of India that are somewhat fragile – Kashmir – so we’re paying close attention. We’re very interested. We’re working closely with Nick Burns and the State Department on a Pacific Command strategy attendant to India.

Q: Bei Lin of the World Journal. What would you like Taiwan to do in its own defense?

ADM. KEATING: We would emphasize in Taiwan the necessity for their development of defensive capabilities, we would emphasize to Taiwan the United States government’s policy with respect to Taiwan, and we had good discussions with General Huo about those policies and we came in understanding each other and we left understanding each other. It was a very good visit. There were some requests made which we did not endorse. Ours was just a recommendation to the Department of Defense, through DOD to Department of State, regarding certain systems and certain platforms that Taiwan seeks. We said to the general, let’s concentrate on the systems you have and increasing your capabilities to defend yourself.

Q: Could you discuss your requirements or the general areas of cruise missile and ballistic missile defense in your area of responsibility?

ADM. KEATING: Yes. Great question. Cruise missile, ballistic missile defense. Let me roll the clock back a bit to a former life as the commander of Northern Command, where a year ago – a year and a couple of weeks ago we noticed some unusual activity in North Korea. We weren’t the only folks noticing it. Then we were prepared to respond should the North Koreans elect to launch the Taepodong missile. As you know, they did. It didn’t sustain flight for very long, but we’re prepared to respond with the launch of ground-based interceptors out of Vandenberg or Greeley, but we didn’t have to. We did not have a capability to use any other interceptor at that time. Ground-base interceptors were all we had. The United States – as is Japan – is bringing online maritime capabilities in the terms of Aegis destroyers, Aegis cruisers that have missiles that can engage cruise and ballistic missiles.

We are working through the command and control, the protocols, and the procedures attendant to incorporating that capability into the overarching United States ballistic missile defense program. We’re not there yet. There have been a large number of successful launches from United States Navy ships. Japan is bringing this capability online, as you probably know. We have exercises planned for the future where we work on integrating command and control and at the very highest levels of our governments there is consideration being given to the authorities attendant to executing various capabilities in that system.

I hope that’s not coming across too geekish, but we’re not there yet today in terms of ability to put cruisers and destroyers off our coast or in the Sea of Japan, incorporate that capability into the entire system, but we’re getting there quickly and our position at the Pacific Command is advocating a robust engagement policy, and also making sure that those countries who might consider using those systems are aware of our capabilities.

Q: Agence France Press. Just a very simple question, sir: What's the biggest security threat in the Asia Pacific region now?

ADM. KEATING: Terrorists. Biggest threat in the region: terrorism. The countries where we visit each universally view the terrorist threat as significant, though not particularly – it's not a wolf that's close to the sled. Please don't mistake that. It's not to say we're dismissing it. You asked me what's the most prominent threat, I think it's the threat of terrorism throughout the entire region. Japan has felt the sting of terrorists; the Philippines; Indonesia of course with the Bali bombings; India, horrible casualties; Sri Lanka fighting the LTTE constantly. China has not yet. They are in our area of responsibility of course, but it is a concern to the Chinese. And Russia – the eastern part of Russia is in our AOR, and I had some extensive discussions a while ago with a senior Russian military official who's concerned about terrorism in Russia. So I have many examples of countries whose concerns are similar to ours, and that's terrorism.

Q: I'd like to ask you about Japan's desire to obtain F-22 aircraft.

ADM. KEATING: How does Pacific Command view the notion of Japan obtaining F-22 fighters and would it enhance interoperability to have Japan get the F-22? There is currently underway a study – we're great at studies – a Capabilities Assessment Group, a CAG, comprised of members from the Navy, Air Force, Marine Corps, OSD, some industry participation I think, to consider Japanese requirements writ large in the air domain. An FX, an F-15, F-4, F-15 follow on. The group has not yet reached a conclusion. PACOM's position has been expressed to this group.

I don't advocate necessarily F-22s for Japan. I think we need to let the group provide its recommendation to the secretary of defense, who I know has communicated the fact that this group's efforts are underway with Minister Koike, whom I visited a little bit ago, and emphasized to her the formulation of the assessment group. So the assessment group does the analysis, they inform the secretary of defense, who will talk to the president about it and then I'm sure the official U.S. position will be provided to Japan.

Q: My question is simple. Do you see any possible naval arms race in Asia between regional powers? You have shared your view that U.S. is not very much concerned with the China's military power, but that may not be the case elsewhere.

ADM. KEATING: Let me back up just a second. If I conveyed the impression that we're not very much concerned, I would not say that's correct. I'd say we are concerned with the development of any country's ability to project power. PLA, South Korea, Japan – you name it, we're concerned. Concern is an interesting word. Does it mean we're worried? No. Does it mean that we're watching it carefully and we will share our opinion with the nation who is developing this – clearly developing? You bet. That's what we do.

Do I think there's a possibility of a maritime arms race? I don't think so. But, what do you mean by arms race? Is it going to be, oh, yes, I'll see your destroyer and raise you a cruiser, I'll see your submarine and raise you three nuclear fast attack submarines? No, we're not going to get caught up in that. We have a technological advantage over folks who may choose to threaten us. We don't intend to yield that advantage and folks would do well to choose not to engage us in an arms race. Let me put it that way. And, the same would hold true with our allies and partners and friends and associates. Don't do it.

Q: My name is Ionut Popescu, from CSIS. You've mentioned some of the great accomplishments that PACOM and other interagency and together with other government agencies managed in the war of terror by emphasizing soft power issues such as humanitarian intervention and working with allies and counterinsurgency in the Philippines. So how would you apply that to whole-of-government level if you'd have to scale it from PACOM to the entire globe? Why do you think that U.S. has such problems in achieving the same successes in other areas of the world, such as the Middle East?

ADM. KEATING: We had the privilege of living in Bahrain for two years, and we got to know well and closely and make good friends with a number of folks in the region. I had underestimated by a fairly wide margin the difference in culture between the Middle East and as it happens an American. And I don't know if that is unique to Middle Easterners; it may be true I suspect for Europeans, Southeast Asians, South Americans. And so the model that works well in the Pacific, the system that we are developing doesn't automatically transfer seamlessly, without bumps – significant bumps – to other parts of the world, let's say the Middle East. But I am convinced that whatever solution is achieved won't in any region be strictly military.

We have the capability – back to the ambassador's question – of responding in a timely fashion to defend our homeland, make no mistake. But a long-term solution, not just to peacemaking, but to peacekeeping, which is much more today than it was in 1985 an interagency opportunity, and I mention again, bringing in the commercial sector, but it is the Department of Defense, Department of State, Department of Labor, Department of Energy, Department of Commerce, federal government opportunity, and not just a military opportunity.

Does it transfer as easily in the Middle East? Obviously it does not, but that doesn't mean it isn't a long term solution, and my personal belief is that is a long-term solution, the interagency solution.

Q: Stan Weeks, SAIC. Thank you for taking the time with us today. Let me ask you to look 10 or 20 years ahead in the region that is going to evolve out there by that time; what should we be doing and how best should we be doing it now to get ready for what you see out in the future?

ADM. KEATING: I'd emphasize multilateral over bilateral, whatever – exercises, engagement, theater security cooperation plan. If we can develop an increasingly interweaving system of systems – here we go again, it's not just military, but interagency and commercial partners – that will obviously, literally and metaphorically, bind people together. And I think it is development of that interwoven system that is different today than it was in '85, and as we continue to tighten up the weave – to torture the metaphor – into the next five, 10, 25 years, it will be a stronger fabric; it can accommodate, it can still be flexible and fluid, but it is at the end of the day still a very strong core fabric and it will do much to ensure peace and stability in the region in the near, mid, and long term.

Q: Stephen Piper, Piper Pacific International. Following your capitalizing on capabilities in the commercial sector, what is the role of defense industry and the potential for defense industry cooperation within your AOR?

ADM. KEATING: I think it's significant, it's important, but it's not automatic. That is to say, just because – let me pick a name – oh, man, I get in trouble. No matter who I pick, I'm going to get in trouble. Keating Industries. That's a good company. LLC – very limited. The economies of the region are generally healthy and are generally improving. Some would say that countries who have an increasingly healthy economy are going to almost reflexively want to develop and enhance their military, so there is opportunity in the commercial sector to help those countries build systems they need, don't gold plate them, make them increasingly interoperable, and ensure the capability to communicate across the spectrum of military equipment. And that would very, very much in our benefit, the United States, certainly to the Pacific Command's benefit, and that's where I think significant industrial potential resides – in providing the equipment, the hardware that the country can actually use. We should provide the equipment the country needs – analyze their requirement, satisfy the requirement, and do it in a fashion that contributes to the larger common good, which sounds kind of smarmy, but I think can work to go back to the integrating – to weaving this fabric.

Q: But is their industry being woven with ours?

ADM. KEATING: I don't know yet. My answer is this: I would think so, but then you say, okay, how? And I don't have a great answer to your question. I just don't know. I would hope so. I would think so, but I don't have a concrete example to give you to say, well, let's say the Philippines has a boat that can work in the brown water area, the littoral, and they build it and it's better than anything the United States' shipbuilding industry can provide. Well, then how would we, the United States of America, help the Philippines equip that ship and would we work with them to develop the tactics, techniques, and procedures that would be more effective. I think we can help them in that regard if they have their hardware to begin with.

Q: I'm Bronson Percival with CNA. I want to come to the issue of China and energy security. It seemed to me that you didn't express a great deal of that magic word, concern, about China developing a blue water fleet that might prove useful for its energy

security, but certainly India, Southeast Asia are somewhat concerned. The Chinese asked the Malaysians if they could use some help in the Strait of Malacca, and I know Southeast Asians have basically kept the Chinese out, but Southeast Asians and (Indians ?) say, well, this is 10 years down the road, this is not something we should be worrying about now. Is your let's say moderated concern because it would take the Chinese so long to develop a Navy that could actually protect this energy supply?

ADM. KEATING: Not necessarily. I think if we work hard to understand, to observe as carefully as we can this development by PLAN – if we keep our finger on it, if you will, and help them understand how carefully we're watching, and ensure that we make clear the technological advantage that we enjoy over the fullness of time – five, 10, 15 years – with increasing emphasis on the peaceful rise strategy they themselves advocate and we hold them accountable, as we would any country in the region, say, you want to join the League of Nations? Here are the rules.

And you would say, then okay, how are you going to enforce those rules? That gets trickier, but it's an area where we've done okay in the past in my view. We've got to be prepared to respond accordingly, if that's not too cryptic.

Q: Mr. Admiral, thank you so much for sharing with us your insights. I have question, you know, the nation pays attention to a lot and mostly to Iraq and also to a lesser degree Iran. When you think about the world in a more strategic perspective, what kind of weight do you give to the Middle East or Iraq like 100 – when you have 100 points, how many points you give to Middle East, like Iraq war and vis-à-vis your Pacific Command? And maybe just you give this score to those two areas.

And is there any matter that you sometimes really agonize maybe during the night, sleepless time? Because it's something might erupt in this world –

ADM. KEATING: Yes. Short of Barry Bonds hitting his 756<sup>th</sup> homerun?

Q: Because you already talked about terrorism, but the recent trend is not the nation but the terrorist. You don't know what it happened, but maybe as a commander there you might have something in your mind, or just in a dream, that this is very important and we give less weight to this important issue. Is there any such thing?

Q: (from moderator) In other words, if you had a nightmare, what would it be about?

ADM. KEATING: Let me try and answer the first part of that question. I think Iraq is 100. I think it is critically important not just to the United States, to the world. I believe that. I was in the Pentagon Tuesday morning, 11<sup>th</sup> September, 2006. I took the ops intel update that morning down to the Navy Command Center, then went up to my office. The Pentagon shook. I tried to get back down to the command center where I just left; I couldn't. Lost 26 kids who just minutes before had given me the daily ops intel update. They didn't get out. I think about them all the time.

So how important do I think the Iraq conflict is? I think there is linkage between the terrorist attack on 11<sup>th</sup> September and the war in Iraq, and if we do not prevail over time in Iraq, I think that portends significant problems for the free world. I talked and then answered a good question earlier. What's my number one concern: terrorism. We've got to get it right in Iraq. It's not going quite as well as we'd like. There's no question about that. So on a zero to 100 of my concern, you bet.

How does that affect the Pacific Command? We're not at 100. Things are pacific in the Pacific. I'm grateful for that. It is not an accident. It is the result of long, dedicated effort, guys like Dr. John Hanley who was on the Pacific Command staff. Many in this room have served in one capacity or another for countries in the Pacific. We're doing okay. We do not want to find ourselves in a situation where it's 100. We want to keep it down around zero. Peace, stability, free flow of commerce, freedom of speech, freedom of communication, freedom of worship, you name it. As those freedoms continue to blossom throughout the Pacific, we'll keep it around zero and we won't have to worry about 100.

Q: My name is Yoichi Kato with Asahi Shimbun, Japanese newspaper. About Chinese regional strategic intention, the DOD report said the build-up of Chinese military capability goes beyond Taiwan, but what else is not really clearly explained. I was wondering, what do you think is China's regional strategic intention beyond Taiwan, and what does the United States do to deal with it?

ADM. KEATING: Our Chinese hosts when we were there, as I think I said, expressed it very simply: they want to be able to defend what they think is theirs. They most assuredly mentioned Taiwan to us, but the conversation then went on to include the sea lines of communication, the economic areas, the areas of the world's oceans where China thinks they have a claim to deposits on and underneath the ocean floor and the maritime subsurface domain, fish principally, of course.

The United Nations has an opinion on this. The Pacific Command has an opinion on economic exclusion zones claimed by countries; to a varying degree they're observed. I do not think the Chinese folks with whom we spent time intimated, much less professed, a desire for anything beyond the capability to defend what they think is theirs.

Now, there is room for interpretation there, to be sure. It goes beyond the strait of Taiwan to be sure, but it kind of goes back to the question: do we want an arms race in the Pacific? Do I lose sleep over the fact that the PLAN may in five, 10, 15, 20 years be able to project power? I'm not worried about it, but we won't get there by omission. It will take active work by all of the members of our alliance and all of our partners in the region to ensure whatever development the Chinese undertake is done in the fullness of exposure and coordination and communication.

Q: You spoke about partners versus allies. I wondered if you could talk a little bit more briefly about that. How do you define partners versus allies? Is there anything

that you can do or should do or want to do to make those partners become allies and what's the difference as you define them?

ADM. KEATING: I'm not so sure there's much we can do, and not necessarily much we should do. The ability of nations – sovereign nations – to exercise those authorities that they regard as appropriate to them and their ability to enforce their own laws, their ability to ensure security for their own citizens is dependent on an ability to maintain the rule of law in their country, and that's something they have to do themselves.

If they would like United States assistance in training their military forces, if they would like USAID help, we would certainly provide. And the characterization of a country as an ally versus a partner I think is much less important than the overall sense of security – I use that word advisedly – the sense of security throughout the theater. And as we develop and improve that sense, if it's as allies or as partners, I think that is much less consequential than the overall sense of security.

I don't think there's a "one size fits all." We talked a little bit earlier about how customs in the Middle East are perhaps different than they are in Wapakoneta, Ohio. Not perhaps, they are different. Well, so too are they different – there are small islands – groups of islands in the Pacific where over 800 languages are spoken. The notion that we, the United States, would just barge in there and just declare them an ally and embrace them and say, you're now going to be a Cincinnati Reds fan, that's – that may be preposterous in several respects.

But we're partners here. We're allies. So I'm optimistic about it. I'm much less concerned today than I would have been even four months ago about the distinction or the differentiation, because I've been to countries where they say, we'll let you know when we need your help, because they do let us know, and we're anxious in almost every example I can think of to provide that assistance, and then have a smaller footprint, a less visible presence so they can themselves provide for peace and stability in their region and the rule of law.

Q: What will you be talking about at the Pentagon?

ADM. KEATING: Here we go again with zero to 100. It's Iraq, it's Afghanistan, it's Central Command, I don't know if the agenda is classified. But I wouldn't be surprised if we discussed areas like information sharing with partners and allies. I wouldn't be surprised if we discussed space. I've seen the agenda, but I don't remember it, but topics like that, yes. But we are not single target track on Iraq or Afghanistan.

We get some time with the secretary of defense. He's with us for over a full day, and as you know, he's got a lot on his plate over which to say grace. He is going to share some of his concerns with us. They are not just Iraq and Afghanistan. I guarantee it.

Q: CTI TV of Taiwan. In your view, is the situation in the Taiwan Strait getting better or getting worse given China's growing military capabilities and claim over Taiwan and also Taiwan's growing dynamic, political trends.

ADM. KEATING: Regarding the second part of your statement, President Chen Shui-bian's, rhetoric isn't entirely helpful. That was pointed out to me while I was in China, but it's also been pointed out in other fora by other people in other countries.

The status quo in the Strait of Taiwan is militarily beneficial, I believe. That doesn't say that's where we want things to be five, 10, 25 years down the road, but on a day-to-day basis, if no harm is done, that's beneficial. The economic engine that is big and getting bigger between China and Taiwan is not insignificant. There is more freedom of movement, as I'm sure you know, between Taiwan and China. Young men and women are falling in love. Some of them are even getting married, I'm told, in ways that would have been unheard of in 1985, let's say, when I was there. So status quo militarily tends to recommend to me that there are other things going on that are beneficial, so the status quo is fine with me.

Q: Ken Choi from the Chosun Daily Newspaper, Korea. Just follow up on the terrorism issue. If terrorism is your number one priority of concern, just wondering if the United States military is prepared to equip or train to deal with this insurgency warfare and if this is the case or if this is the transition, then how is this going to affect the posture of the U.S. Pacific Command, maybe the troops in Korea.

ADM. KEATING: I think that's a very good question. Not every piece of equipment that we have in the United States military is necessarily effective or efficient in a straight counterterrorism application, but we're finding ways of using much of what we have to support other military capabilities and other agencies in executing a policy that will eventually lead to our prevailing in the global war on terror. Examples, and it comes back to the young lady whose son was surgically fixed, in the Philippines. It goes to the tsunami relief, and it isn't just humanitarian assistance disaster relief, but again the metaphor – to torture it one more time – if on a military basis we are increasingly interoperable, we can communicate, we can command and control each other's assets when appropriate, if we can exercise in fairly aggressive scenarios, then it will be in my opinion increasingly difficult for the terrorists to find operating room.

We're going to shrink their envelope where they can operate. We have wonderful capabilities in the United States military. You guys have given them to us – you the taxpayer. You should expect from us an aggressive utilization of those arrows in our quiver, and that's what we're looking to do. We're looking to provide the security so that you can join me in sleeping comfortably at night, if you will.

MR. FLANAGAN: Admiral Fallon, thank you very much for your time and for your candor and I think all of us after listening to you this afternoon, we'll also sleep a little bit better. We'll all sleep a little bit better knowing that a steady hand like yours is in the seat out in Hawaii. But I also want to thank my colleague Ralph Cossa from the

Pacific Forum for making this liaison possible and we look forward to having you back here. Thank you.

ADM. KEATING: Thanks very much.

(END)