

House Armed Services Committee Holds Hearing on the Proposed Fiscal 2015 Defense Authorization for the U.S. Northern Command and Southern Commands

MCKEON:

The committee will come to order.

Good morning.

The committee meets today to receive testimony on the posture of Northern Command and Southern Command. I'm pleased to welcome General Charles Jacoby, commander of NORTHCOM and NORAD, and General John Kelly, commander of SOUTHCOM.

Gentlemen, thank you very much for your service to this nation and for being here with us today.

This is the committee's first posture hearing on the fiscal year 2015 defense authorization cycle.

However, with the delayed release of the president's budget request, we're at a disadvantage in assessing whether your priorities and requirements are addressed in the budget and the quadrennial defense review. To this end, I've requested a list of unfunded requirements from each of your commands.

It's clear that continued cuts to defense are driving cuts in personnel, readiness and modernization. These have real consequences in your areas of responsibility, and I hope you'll discuss that here with us today.

As the department continues to face tight budgets and reallocation of resources, we must be diligent in keeping our hemisphere safe. There is anticipation that homeland defense will continue to receive priority in the upcoming budget request and important missions such as missile defense will receive increased resources.

I'm concerned, however, that certain NORTHCOM and SOUTHCOM exercising -- exercises and training priorities have been cut in past years due to budget shortfalls. I hope you'll both discuss what you have been able to put back into place and what gaps still remain following the conclusion of the budget deal last December.

General Jacoby, looking to your -- to our own border, we're witnessing a surge of self-defense vigilante forces in Mexico, as citizens don't trust state and military police forces to address internal security threats.

I look forward to your thoughts about whether legitimizing these forces is the correct path for Mexican security and what the implications are for U.S.-Mexico defense cooperation.

General Kelly, I had the great pleasure of visiting several countries in your area of responsibility last week. I was struck by Colombia's progress from an almost failed state to a nation of continued stability and economic growth.

In contrast, Venezuela's violent unrest and unstable economic situation make it a dangerous place.

It was kind of a paradox. I traveled to some of these same countries about 16 to 18 years ago, with Chairman Spence. And in that time, we went to Venezuela, Chile, Argentina, Brazil and Panama.

This time, we couldn't go to Argentina or Venezuela, but we were able to go to Colombia because of their huge turnaround. That was a real positive.

And then the other ones have caused some -- some unrest and some problems.

But it -- it -- it was good to see that Brazil and Chile keep moving a little bit better up the -- up the ladder.

I hope that you can discuss with us your lessons that your command has learned about combating illicit networking that poses a threat to our national security interests, while also encouraging Latin American countries to build the capacities to tackle their own internal threats.

Gentlemen, I look forward to your testimonies today, and I thank you again for being here with us.

Mr. Smith?

SMITH:

Thank you, Mr. Chairman.

And welcome. General Jacoby, it's good to see you again. Fond memories of your time commanding out at Fort Lewis.

And, General Kelly, fond memories of traveling with you when you were with the Marine Corps' Liaison's Office, and seeing you in Iraq after that.

So it's good to see both of you. Really appreciate your leadership throughout your careers and in your current position.

I think the chairman identified, you know, the top issue for all of us in dealing with the budget. And, you know, it's sort of like from bad to worse.

I mean, it's bad enough dealing with the budget environment we have now. You know, we did sort of the soft opening for the defense

budget a couple days ago, and, you know, we're alarmed at some of the cuts that were contained in it, which is understandable.

But that is for the next two years, where we have relative stability, at least by congressional standards. We passed a budget. We have an idea of what the appropriations levels are going to be.

And remind the committee that there are still on the books now, eight years of sequestration after that. And if you are alarmed about what the numbers looked like that we saw two days ago, and then we really need to step up and do something about sequestration, rather than later, to, number one, take away the uncertainty that that gives to our, you know, planning apparatus over at DOD, but, number two, to stop those bad things from happening. And we -- you know, the longer we wait, the worse it is.

So I am curious, to the extent you know how those budgets will affect your two commands.

On NORTHCOM, you know, your first and chief mission is to protect the homeland. We met yesterday, talked a little bit about that. Missile defense is a -- is a key part of that, so I'm curious on your update on the status of that, on our national missile defense system.

Also very interested in our ongoing relationship with Mexico. As the chairman mentioned, it continues to be a troublesome area. But it is evolving and changing. And I know we've worked fairly closely with our Mexican partners in a way that is helpful. Because, obviously, that's a threat to our homeland as well, being right across the border.

Leading into that, SOUTHCOM leads into Mexico. And obviously one of the foremost challenges in SOUTHCOM is dealing with the drug trade and all the different points of entry that it comes from (sic).

So curious to get an update on how that is going and in particular the interagency piece, because, obviously, I think as much as any of our combatant commanders, General Kelly, you -- you work with other agencies to combat the drug problems that come out of Latin America. So curious about that.

And also, of course, curious to get an update on Guantanamo, on the cost issues, the health issues for the prisoners down there, how it's going and what you see the future of our presence in Guantanamo and the inmates who are there.

Obviously, there's a ton of other issues, but we'll get to them in the questions and answering.

It's great to see both of you. Appreciate your leadership. Look forward to your testimony.

I yield back. Thank you.

MCKEON:

Thank you.

General Jacoby?

JACOBY:

Chairman McKeon, Congressman Smith, distinguished members of the committee, thank you for the opportunity to appear before you today.

It's a pleasure to be here once again with my friend and fellow combatant commander, General John Kelly of the U.S. Southern Command.

On behalf of the men and women of U.S. Northern Command and North American Aerospace Defense Command, I appreciate this committee's continuing support of our unique and important missions.

As the world grows increasingly volatile and complex, threats to our national security are becoming more diffuse and less attributable, while a crisis originating elsewhere in the world can rapidly manifest themselves (sic) here at home.

This evolution combined with fiscal constraints demands continuous innovation and transformation within the armed forces, the national security architecture and in our two commands.

And while we must deal realistically with limited budgets, the homeland must be appropriately resourced. Security of our citizens cannot be compromised.

We must continue to enhance international partnerships, provide defense support to civil authorities, and ensure the defense of the nation and North America.

U.S. NORTHCOM and NORAD, as the operational commands in North America, are critical components of a layered defense of the homeland, deterring and responding to threats before they reach our shores, threats ranging from aircraft, ballistic missiles, terrorism, transnational criminal organizations, advanced submarine technologies and cyber-attacks on our critical infrastructure and all the time being prepared to respond in support of our citizens in times of their greatest need.

In the performance of our aerospace missions, including Operation Noble Eagle, NORAD, a unique and proven binational command of Canada and the United States, defends North American airspace and safeguards national key terrain by employing a variety of capabilities.

Now, over the last year, NORAD's ability to execute its primary missions have been subject to increased risk, given the degradation of U.S. combat Air Force readiness.

Now, with vigilance and the support of the Air Force, we have been able to sustain our effective day-to-day posture but we remain concerned about mid- and long-term readiness challenges.

With regards to missile defense, tangible evidence of North Korean and Iranian ambitions confirms that the limited ballistic missile threat to the homeland has matured from a theoretical to a practical consideration.

JACOBY:

Moreover, we are concerned about the potential for these lethal technologies to proliferate to other actors. We're also working with the Missile Defense Agency to invest in tailored solution to address the challenges that advancing missile technologies impose on our current ballistic missile defense system architecture.

With the decreasing seasonal ice, the Arctic is evolving into a true strategic approach to the homeland. As such, we work with our premier partner, Canada, and other stake holders to develop our communications, domain awareness, infrastructure and presence in order to protect economic interest, maritime safety and our freedom of action.

Defending the homeland in depth requires partnerships with our neighbors, Canada, Mexico and the Bahamas. Our futures are inextricably bound together and this needs to be a good thing in the security context.

The stronger and safer they are, the stronger our partnerships, the safer we all are collectively. And this creates our common competitive security advantage for North America.

For civil support, USNORTHCOM stands ready to respond to national security events and provides support as a DOD core task to lead federal agencies for man-made or natural disasters and our challenge remains to not be late to need (ph).

Men and women of the USNORTHCOM and NORAD proudly remain vigilant and ready as we stand watch over North America and adapt to the uncertainty of the global security environment and fiscal realities.

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

Thank you.

MCKEON:

Thank you. General Kelly.

KELLY:

Mr. Chairman, Mr. Smith, distinguished members of the committee, thank you for the opportunity to appear here today and speak to you...

MCKEON:

General, can you get that mic right up to ya?

KELLY:

Thanks for the opportunity to speak with you today and talk about the soldiers, sailors, airmen, marines of SOUTHCOM but also included in that is a tremendous civilian work force that I have there and that includes contractors.

I'm pleased to be here, of course with Chuck Jacoby again. I wanna assure you, as Chuck just did, that there are no seams between NORTHCOM and SOUTHCOM. We talk all the time, we coordinate all the time, we've exchanged liaison officers. There is no seam. And I know that tends to be a concern sometimes here on the Hill.

I consider myself very, very fortunate, Mr. Chairman, to work in this part of the world. Latin America and the Caribbean are some of our staunchest allies and willing partners across a broad range of issues.

Most of the countries in Latin America want to work with us, they want to be our partners, they want our friendship, they want our support, they want to work with us. They want to engage to address a broad range of shared concerns.

For more than 50 years the U.S. Southern Command has done exactly that, and that is engage with our partners across the region. We've helped build strong capable military and security forces that respect human rights and contribute to regional security.

We've worked with the inter-agency and international communities secure the southern approaches of the United States. We've accomplished a lot even with minimal and limited resources. But severe budget cuts are now reversing this project I believe, enforcing us to accept significant risk.

Last year we had to cancel more than 200 engagement activities and numerous multilateral exercises in Latin America. Because of asset shortfalls we're unable to get after 74 percent of suspected maritime drug trafficking contacts.

And because of service cuts, we won't be able to immediately respond to humanitarian crises or disasters in the region without significant time lost in augmentation required.

Ultimately, the cumulative effect impact of our reduced engagement won't be measured in the number of canceled activities and reduced deployments, it will be measured in terms of U.S. influence, leadership, relationships in a part of the world where our engagement has made a real and lasting difference over the decades.

And in the maritime domain, drug traffickers, criminal networks, and other actors unburdened by budget cuts or any canceled activities or any employee furloughs will have the opportunity to exploit the partnership vacuum left by reduced U.S. military engagement.

Mr. Chairman, members, I look forward to discussing these and many other issues with you this morning. Thank you.

MCKEON:

Thank you very much.

On Monday, Secretary Hagel and Chairman Dempsey announced the updated defense strategy that builds on the QDR that we -- that we will be receiving and the -- the new budget.

I -- I recognize that you're not at liberty yet to discuss the -- the details on that. But it's my expectation that combatant commanders should be active participants in the QDR and the budget process.

With that in mind, what I'd like is if you could relate to us how you think the new strategy will affect your particular commands?

JACOBY:

Thank you Chairman. You saw in the secretary's soft roll out, he went through some of his critical priorities and I was happy to see, as I'm sure everybody was that homeland defenses is articulated as the top priority.

I think, specifically during the last four or five months working together as a team with the secretary, the chairman and their staffs, the homeland has been recognized and has received a high priority in the evolution of our strategic thinking now.

And so, that -- that phrase, "The homeland is defended" is critical and so, you know, I think we should all be heartened by that.

I have felt that priority during this very difficult budget years where the service have turned themselves inside out to provide ready forces for NORAD and for NORTHCOM but I am mindful that that comes at the expense of readiness of other formations well into the depth of the service capacities and capabilities.

So to put in more succinctly, air combat command that provides the fighter planes for my Noble Eagle has done its best to give me top readiness for those capabilities but it has come at the expense of increased unreadiness across over 50 percent of our combat aircraft fleets.

So the homeland has received priority. But this is a zero-sum game in readiness capabilities.

The Army has done the same thing. They've put -- paid particular attention to our chemical, biological, radiological and nuclear response capability. But again, that's come at the expense of other formations that -- they're not on the patch chart to finish up the work in Afghanistan, their readiness has plummeted.

So, this has been a -- a tough year for the services. They have tried very hard to meet this combatant commander's requirements. But I know it's a tremendous challenge for them.

We appreciate the bipartisan budget agreement in terms of providing tactical relief, particularly in the readiness categories. But that is still inadequate to remove the shadow of sequestration which starts back up again and proceeds for another eight years if

something is not done. And that will make it near impossible to make the quality strategic decisions that will be required for the future.

KELLY:

Sir, the -- for -- of the six combatant commanders, SOUTHCOM for at least a couple of decades has really been the economy of force combatant command, that is to say it's received a list in terms -- the least in terms of budget in available assets and things like that.

And frankly, that's OK in the sense that what -- what does a long way in South America, Latin America, the Caribbean, is a little bit. The problem with that, however, is if you only get a little bit, and that's -- that's a lot in terms of what I do, but if you only get a little bit and you lose even a little bit of that, it really does severely impact you and I think if -- if all of the combatant commanders, all of us, our responsibility is to protect the homeland -- ultimately to protect the homeland, I think the last place you wanna do that is where Chuck Jacoby lives, on the borders,

Chuck oftentimes talks of winning the away (ph) game and we so that very, very well. The U.S. military, the inter-agency I think has won the away (ph) game consistently in the last 10 or 12 years.

But in my part of the world, because it's the economy of force effort, and as we pivot to other parts of the world that are deemed more important to the defense of the United States, as I lose a little, I really do lose a lot.

Hopefully that answers your question, sir.

MCKEON:

General Kelly when you talk about losing a little bit of a little bit, one of the -- one of the big concerns I have is the amount of drugs that you've been able to interdict with a little bit. And then when you take away some of that capacity, what do you see ahead of us if -- if -- I -

- I know the percentage of drugs that you've been able to interdict versus what law enforcement, that spends a whole lot more money within our borders is able to interdict, that's a pittance compared to how much you've been able to stop before it gets to out -- to our shores or across our borders.

If you lose the ability to -- to interdict there, don't we see a flood of drugs coming into this nation?

KELLY:

You know, the short answer to that, yes sir, we do, we will. The -- the drug effort in -- in -- the vast majority of all drugs that are imported into the United States come up through the Latin America and -- or -- or produced in Latin American and then flow in -- into Mexico and across the border somewhere along the line.

The key is, we have -- we have tremendous intelligence in terms of the production and the flow of -- of drugs. I use cocaine, as an example, of cocaine out of Colombia. And they do -- the Colombians, heroic amounts of work in taking cocaine off of the market or eradicating the growth of cocoa, arresting criminals. Tremendous work. I can't give them enough credit.

Panama, very similar. But we have very, very good clarity on the movement when it leaves continent of Latin American and as it flows up the (inaudible) which is the traffic pattern of choice.

KELLY:

But if you don't have airborne ISR to pick it up as it's -- as it's moving across the ocean, and if you don't -- don't have legal -- legal enforcement -- police enforcement, law enforcement to do the end game thing, you simply don't get.

So the example I would give you, in 2011 we got 172 metric tons of cocaine, tons of cocaine, before it ever reached shore in Honduras or in Latin America. Last year, 2012, because of a lack of assets,

152 tons. That's 20 tons that got by us -- 20 more tons. This year they just finished 132 tons. It's all about ships, ISR -- and not many ships.

Typically, today we have on station four ships. One of which is a British oiler. A key point (ph) that can fly a helicopter. That British oiler, in six months, will get 20 tons to 30 tons of cocaine that's flowing into the United States. But, sir it's -- it's almost a scientific equation: Less ships, less cocaine off the market.

By the way, when I get it, I get it -- and it's an inter-agency process, DEA, DOJ, I mean, it's just not DOD doing this. In fact, we're to a large degree in support of the effort. But, at the end of the day, we get all of this tonnage, we spend 1.5 percent of the counter-narcotics budget we get -- again this year or last year we got 132 metric tons, zero violence, we get them 2 tons to 5 tons at a time.

Once it's ashore and on its way up through Mexico, it's virtually in the United States, and no matter how hard our very, very heroic border patrol and law enforcement people in the United States work, best case, they'll get 30 tons in the course of a year with unbelievable violence -- as you well know -- done against our country, our citizens.

And, at the end of the day -- the end of the year, year after year, 40,000 Americans die from these drugs, every year. It costs America \$26 billion a year to go after these drugs from a law enforcement point of view. It costs America \$200 billion in primarily health care costs -- for a fraction of that, in fact, for 1.6 percent of that, I can get the vast majority of drugs -- cocaine, to use the example, flowing up from Latin America.

JACOBY:

Mr. Chairman, if John doesn't get it -- if he doesn't catch it in the transit zone, and -- and we know that the transit zone is not the only place to work, it's just a place to work -- but he gets it in bulk. If it

hits the shore in Mexico or into the upper portions of Central America and then crosses into Mexico it's broken into very small loads and almost impossible to do effective interdiction.

Nonetheless, our partners on the border have -- have intercepted -- interdicted 39 percent more drugs over the last three years. So they're doing their job, it's just an incredibly difficult job. And that's why so much of our effort now together is thinking about, how do we put pressure on the networks, how do we put pressure on the organization and the men and women that are trafficking this -- these materials, as well as the interdictive effect.

Thank you.

MCKEON:

Thank you, both, for the efforts you're making and I want to make sure the committee as we go through the process really focuses in on this and makes sure that all we can do to make sure that the resources are there to cut this -- this as close to the source and as far from our borders as we can.

So just one -- one other thing that I wanna mention. There's been a lot of focus since the secretary and General Dempsey did this roll out and there've been a lot of focus on the Army end strength of 440,000 and people have been very, very concerned about that, because the feeling that it's the smallest army since just before World War II.

I want to just make one thing very clear, that 440,000 is a number if sequestration goes away. And I don't know any way that, that's going to happen. But, what we're really looking it is 420,000 when sequestration comes back in at the end of the budget agreement that was just worked out.

So thank you very much.

Mr. Smith.

SMITH:

Thank you, Mr. Chairman.

General Jacoby, can you tell us a little more about what's going on with the Mexican drug war. We just had a high profile capture of Joaquin Guzman (inaudible) positive success. I think you mentioned there's been a significant increase in vigilante groups, you know, trying to combat the drug trade, you know, I guess a relatively new government in Mexico.

What's the update on how that's going in your view? And then, specifically the cooperation between your folks and the Mexican authorities?

JACOBY:

Thank you, sir.

The -- I think the Chapo capture really illustrates the commitment this administration -- this Mexican administration to continuing the fight against the cartels themselves. And so this is very important. We talked about -- just now talked about the difficulties of doing this by interdiction alone. We have got to find ways to put pressure on these networks.

As the president rightly said in July of '11, you know, this is a national security threat to us, and it is exceeding the capacity of all of our partner law enforcement agencies. And that's why you see so many militaries in the region -- to include the Mexican militaries -- committed to this fight.

To that end, the Pena Nieto administration has been able to take Chapo off the street, the (inaudible) Gulf Cartel leader or the -- the Gulf Cartel leader and the Zeta Cartel leader. So that's -- the top three organizations have lost their top leadership over the last year.

That's significant, and it's necessary. It's not sufficient though. WE have to continue to pressure the rest of the networks, because they have a resilience and a depth to those organizations that allow the next leader up capacity within them.

So -- but I am heartened and applaud their efforts and the contributions that the Mexican military has made in this i-- in this important fight. Our relationship with the Mexican military has continued to improve. They have asked for -- we have worked with them and provided training, all kinds of partnering, things that we do together that really are as broad and rich as any of our strategic security partners.

So we've trained with over 5,000 Mexican soldiers and Marines over the last year, and over the last three years it's been almost a 500 percent increase in the number of things that we do together that they've asked for us to do with them.

And it's a rich exchange and we're benefiting from it as much as they are. So there's a lot of work to be done. The threat is adaptable. It's empowered by its wealth and the violence that they're willing to commit on their own people. And so this is a long tough fight, and in the end it's a law enforcement solution at the very end of this effort.

And so we're gonna continue partnering with them. These are common security concerns. But, I think the -- the Chapo capture just highlights the continued commitment -- that's the important part -- the continued commitment to a very, very tough fight and a very expensive fight.

SMITH:

Thank you.

And, General Kelly, on Guantanamo. Do you have an estimate right now what the per prisoner cost is maintaining the Guantanamo prison facility?

KELLY:

Yes sir, I -- based on what I spend down there -- about \$130 million a year, that comes out to -- we got 155 detainees now. That's probably \$750,000 a year. There's another figure out there that's bigger than what I spend that takes in every single kind of penny that's spent at Guantanamo, but that's more of a -- I won't speak to that figure. It's larger, it's about \$400 million. But, in terms of what I spend down there to detain 155 prisoners right now and take care of them medically and all of that, it's about \$750,000 a piece.

SMITH:

And as that population ages, can you talk a little more about the medical challenges?

Now, as I understand it, you provide the best care you can within, you know, what's available in Guantanamo, which is quite a bit, but there are still limitations given where it's at, but to bring in outside specialists -- you can't take any of the prisoners off -- off of the base, so you'd have to bring them in.

So, as the population is aging, how are the costs being affected? And how do you handle some of those medical challenges in dealing with the inmate's medical needs?

KELLY:

Sir, any medical care that's not available on the island -- and this -- we've done this now since we've had detention operations down there -- we bring in medical folks -- military medical folks typically from Norfolk or Charleston, fly them down there, and we do it routinely.

If, as time goes by, these men start having some of the -- you know, the typical things associated with getting older and they're more chronic, we would do the same time, but it does take a while to get them down there. So as time goes on I'm not so sure the medical care will increase, but the medical care beyond what's on the island would not be available to them.

SMITH:

Yeah, more problematic.

Thank you, that's all I have.

MCKEON:

Thank you.

Mr. Thornberry.

THORNBERRY:

Thank you, Mr. Chairman.

And thank you both for being here.

I'd like to get y'all's views on two issues during the limited time I have.

First is, Secretary Hagel and Chairman McKeon have both announced efforts to reduce bureaucracy and overhead both at the Pentagon and at combatant commands. And -- and so I would be interested in y'all's view about what should guide us as we look at having more efficiency, more agility, lower costs at all of the combatant commands, from your perspective?

JACOBY:

Thanks, Congressman.

That was really the opening round of ways to make savings in order to be in compliance with the law. And so first thing out of the shoot, it was a stretch goal and we were directed to reduce -- over 5 years -- 20 percent in our combatant commands.

And so we understood that, that was our share of the load and we've proceeded on that path. We've all submitted plans on how we're gonna do that, and we are committed to making those reductions and those efficiencies.

Now, I want to say, sir, that, you know, it was a very difficult year for us, it was a difficult year especially for our civilians who we furloughed and then who bore the brunt of the government shutdown. And, you know, we've worked tirelessly for decades to build an effective team with our civilians. And so they had a tough year.

JACOBY:

And so this first year or so we are committed to not removing civilians from the workforce any more than attrition and not filling positions that have remained empty. And that's our commitment to them and we're gonna try to keep that commitment.

We've done some minor reorganizations in the command. To a large extent, we've passed missions and requirements to components. But I will tell you that our components also took drastic cuts.

So there's quite a bit of work being done to gain efficiencies, to do it logically, to do it in a manner that allows us to continue accomplishing our missions. Because for a combatant commander, our guiding light is what's our mission, what are we expected to accomplish, and how do we continue to accomplish those missions in the best way possible.

One of the things I do is I write plans. I write major plans that are directed by the president and by the secretary of defense and that takes staff work. And that takes manpower. And so, you know, this is -- you don't do, you know, more with less. You do less. And you do it slower and you don't get it done on time.

THORNBERRY:

Thank you, sir.

General Kelly, do you have something to add? And I want to get to the other issues.

KELLY:

I just want to echo Chuck's comments about the workforce and what, you know, the knot hole we pulled them through last year. They -- no one deserves to go through that and I pray that we don't ever do that again. They're hard-working people. I don't have a lot of extra people working at SOUTHCOM. They come early. They stay late. They do a lot of great work.

THORNBERRY:

OK. Thank you.

General Kelly, let me start with you on the second issue. There was a change in the appropriations bill on human rights vetting for the current year, which basically expands it from just those retrained to those who retrain, equip, or provide other assistance. There's concern that there's not enough people at the State Department to vet these people; that it's all going to get balled up. The default position is going to be to deny.

I would be interested in your thoughts, if your folks have had a chance to look at the effect of this change on your ability to help train, equip, assist our partners in your region.

KELLY:

Let me start, Congressman, by saying this, that the human rights record, and I meet with human rights group here in Washington frequently and every time I go into a Latin American country, in almost every case I'll meet with human rights groups. Some of them are very hostile; some of them less hostile, if you will. So I've got an open door to human rights.

Generally speaking, what they tell me is today the people we work with are generally following the human rights rule. And I would tell you, a lot of people talk about human rights in the world. The U.S. military does human rights. We will not work with someone who violates human rights in Latin America. And I think that goes around the world. So that's the first point.

The second point is we are already very, very restrictive in who we work with. I look to human rights all of the time, but I will tell you the reason why the human rights record is getting better and better and better in Latin American countries, and in some cases very, very good, is because of the effect the U.S. military has had in working with them over the last few decades.

To your point about the new legislation, we don't know what it means yet. We're literally standing by to let the lawyers then tell us what it means. So, I -- I've got to think it's written to be more restrictive, so I'm assuming it will be more restrictive for us, but we're waiting for the general counsel in the Department of Defense, I'm sure are working with the Congress, to figure out what exactly the words mean and what we can do in the future.

JACOBY:

Mr. Chairman -- I'm sorry.

MCKEON:

Thank you.

Mr. Gallego?

GALLEGO:

Thank you, Mr. Chairman.

I -- there's a time in the life of every problem where it's already big enough to see, but it's still small enough to solve. And it seems to me that what I understood you all to say is that an investment early-on, closer to the source in South America, before any of the drugs or before they hit Mexico in particular, is the best investment of our money.

Is there some data that you call can share with the committee that would back that up?

JACOBY:

Thank you, sir.

Particularly in distribution part of the -- of the enterprise, I think that's exactly the case. But there's more than the distribution side of the drug problem. There's the production side, but there's also the finance side and the leadership side and the consumption side.

And so I think that our point, one of our larger points to make on this is that this is a series of threat networks that are dealing in illicit activity. And the primary money winner for them right now is drugs. But when you put pressure on the drug piece, they go into kidnapping and extortion and the transit of illegals.

And so these are powerful and rich organizations, which I think we need to make a concerted effort across those networks. But on the distribution side, it's very much better to work the distribution portion of the criminal enterprise early in the chain. But I think it's a larger issue than that, sir.

GALLEGO:

General Kelly?

KELLY:

Yes, Congressman. This network that brings things to the United States, it is incredibly efficient. It's more efficient than FedEx could ever hope to be. And anything can travel on it. Most of what travels on it is drugs -- heroin, methamphetamines, cocaine. But people travel on it, all sorts of guns travel on it, money travels on it. It's incredibly effective. It's just now drugs are the big money-maker for them.

As I mentioned a little earlier, I spend 1.5 percent of the counternarcotics budget -- 1.5 percent. I get the vast majority of cocaine with no violence in large amounts. And we capture these traffickers, bring them to the U.S. court system, and they cooperate to a man. And we gain a great deal of intelligence from them.

I can see, when I say "I," SOUTHCOM and Joint Interagency Task Force South in Key West, we can see it with amazing clarity this drug movement. But 74 percent of it, I watch go by. I can't touch it. And when I say I watch it go by, in the maritime domain to Honduras primarily, because I don't have the assets to stop it.

GALLEGO:

The district that I represent in Texas is a little over two-thirds, I think, of the Texas border with Mexico. So this is a huge issue for me at home. And I wonder, are you -- can you tell me, if you were to compare, for example, how many tons of drugs were -- were caught by law enforcement on the U.S. side versus how much was caught in Mexico versus how much was caught before, how would those numbers compare? You know, drugs caught before they land in Mexico; drugs caught in Mexico; and drugs caught in the U.S., how would those numbers compare?

KELLY:

I got 132 tons last year. Let me start at the beginning.

The Colombians, again, just can't give them enough credit; 200 tons and eradicated 40,000 acres of coca before it was ever harvested. I got 132 tons in the transit zone before it got to Honduras. Almost nothing is taken off the flow between Honduras and the Mexican border. You know -- a handful of tons.

Last year, and it's up big-time, but our border -- our border officials on both sides of the border, we think that about -- we got about, all around the country, we got about 30 tons. So...

GALLEGO:

Their 30-tons all around the country, in comparison to your 132 tons.

KELLY:

(inaudible) tons. And again, the cost is I get it for 1.6 percent of the budget; zero violence. And you have to keep thinking about the violence, because once it gets ashore, it's -- you can use Honduras as an example -- it's the most dangerous country on the planet. Guatemala is almost as dangerous; 70,000 Mexican deaths in the last seven years I think in their drug fight. And then when it gets into the United States, just the local violence of distribution, dealing this stuff, it's just incredibly violence.

GALLEGO:

Thank you so much. I want to thank each of you for what you do.

MCKEON:

Thank you.

Mr. Kline?

KLINE:

Thank you, Mr. Chairman.

Thank you, gentlemen, for being here, for your testimony.

I want to pick up a little bit where I think Mr. Smith was. I had to step out for a few minutes to talk to some disabled American veterans, which we also need to keep in mind, as well as those still serving.

I think probably both of you know, it's been in my mind, and I've spoken in hearings before and tried to move some legislation looking at ways that we might be able to combine or eliminate some of the COCOMs, frankly.

So let me -- let me, with that sort of thinking in mind, let me address both of you for just a minute. I look here at NORTHCOM and SOUTHCOM particularly. NORTHCOM has responsibility for support for domestic disaster relief efforts; support for counter-drug and counterterrorism efforts; support for domestic (inaudible) incident response; and consequence management support, too, and DOD liaison with law enforcement agencies, and support for events of national significance.

All important, no doubt. None of those are what we would call traditional warfighting.

SOUTHCOM, General, with all respect, there's sort of no potentially state-on-state conflict down there, although we obviously watch Venezuela pretty closely. One never knows. But you've got countering transnational organized crime, building partner capacity, planning for contingencies -- always a good thing I guess -- including responding to a natural disaster, mass migration event, attack on the Panama Canal, or evacuating American citizens.

So, as General Jacoby says, he does a lot of planning. And I assume, General Kelly, that you do as well, and that you're able to keep those plans secret. But I am wondering, it does seem to me

that in these times when we're talking about, as advertised, shrinking the Army back to pre-World War II levels.

And General Kelly, I know you've got your purple suit on, but if I can sort of see the green suit through there, you know what's happening to the Marine Corps and how it is shrinking in size. That we ought to be giving serious consideration to combining or consolidating some of these commands. We have two four-stars sitting here. You undoubtedly have some two- or three-stars in the organization. You've got a lot of SES's and all of those things that it sure seems to me would make sense to seriously consider combining some COCOMs.

And so I know neither one of you wants to rat-out your COCOM here, but why couldn't we, if not specifically for you, generically do some combining of these major commands? And I don't care -- we can start with either one of you.

JACOBY:

Thank you, sir.

I think we're in an environment where we have to take all of these potential efficiencies seriously. This particular idea has been examined at least three times in major ways by the GAO and others, and by the Department of Defense since the early 2000s. It was reexamined again.

JACOBY:

But I think that you have to look beyond just the question of how can I gain efficiencies. It really has to do with your strategy, and how do you -- how do you execute your strategy. And so it's part of the U.S. strategy to continue to engage the world and to defend our interest and deter and address instability around the world with our global -- our geographic combatant commanders.

In the homeland, we've looked at this closely. My most important relationships on a day to day basis are 50 governors and then throw in Puerto Rico and the Virgin Islands.

And so that's a wide audience and number of folks that we're working with across all the defense support, the civil authority tasks that we do.

But I also have a very, very intensive homeland defense task which I think is growing because of the growing threats and vulnerability to our countries. And so my responsibilities range all the way from nuclear command and control to ICBM missile defense requirements, cruise missile requirements and all those are going up, they're not going down.

And then there is something different and important about the partnerships that we have on the approaches to the homeland. The Arctic is going to be more of an approach to the homeland, it's gonna be a strategic approach to the homeland and is gonna require the same Defense Department interest and engagement and activity that any of the approaches to the homeland have and any of the bodies of water in which we want to have a safe, competitive advantage.

Canada and Mexico are not just partners, they are neighbors and they are integral to the defense of our homeland and I think that that makes it a special case and not just another couple of countries for us to engage with.

So I think that it's important to examine these things. It was examined. We're not making a major strategic shift. And so I think that that's off the table for now.

But if sequestration comes, if it continues, we're gonna have to go back to the well across all of the dimensions of the strategy.

Thank you sir.

KLINE:

All right. I see my time has expired. Mr. Chairman, sequestration is here so it's important that you added the -- if it continues and General Kelly you don't get a chance to defend SOUTHCOM, but I assume that you would tell us that it couldn't be consolidated either.

If that's not right, start shaking your head and I'll find a way to get back to ya.

OK.

(UNKNOWN)

(OFF-MIKE)

(LAUGHTER)

KELLY:

I should -- I think there should be a SOUTHCOM, even if there was only the combatant commander.

KLINE:

I yield back.

MCKEON:

Thank you. Mr. Enyart.

ENYART:

Thank you, Mr. Chairman.

General Kelly, I'm sure you're familiar with the great successes of the National Guard State Partnership Program in Central Europe and incorporating the former Warsaw Pact nations. Many -- most of

them now into NATO and of -- of the great contributions those nations have made in our efforts in Iraq and Afghanistan.

And I -- I know that Colombia now has a state partnership program and I'm wondering what -- what future a nation's (ph) adopt a State Partnership Program? And how you see the future of that impacting your operations in SOUTHCOM?

KELLY:

State Partnership Programs, I think I have 24 of them in the region. They're important to me, that's exactly the kind of -- particularly I think for my part of the world, a little bit goes a long, long way.

So to have some great National Guard folks come down and work for a short period of time with one of the -- you know, on of the host countries in some way. And these are small -- as you know, these are small contact points. But it really does go a long way to tie the United States in general to these countries.

So they're pretty important to me in -- right now that I don't think we have anyone that -- that is expanding. In fact, unfortunately, I think it's Kentucky and Ecuador. The Ecuadorians are -- are kind of -- somewhat cool to our presence right now, so they're not having the opportunity to do very much.

But certainly I'll be opened to any -- any country in the region wanting to have a relationship with one of our National Guard states.

ENYART:

Generally, I know we've seen a lot of headlines recently about the instability in Venezuela. And I'm wondering how you view that as impacting the wider relationships in South America?

KELLY:

I mean, I think, you know, as we watch what's happening in Venezuela, the economy's, to say the least, in trouble and there's -- there's obviously discontent there.

But not -- they're not having an awful lot of political impact, I don't believe, with the countries that surround them. Generally speaking, there are a few countries, the ALBA countries that are somewhat associated with them. One of the concerns I do have though is that the Venezuelans, traditionally have given a great deal of petroleum, oil to a number of countries, Cuba as a example, Nicaragua, some other countries, at almost give away -- at little (ph) the give- away prices.

If they can't continue that and they're already talking about perhaps not being able to continue it, these countries could not get by with buying fuel, you know, in kind of the global rates. So we'd see some issues there. And again, a lot of these countries, Cuba's economy is kind of close to the edge.

If they were to have to start spending a significantly large amount of money for fossil fuels, that would have an impact on their -- on their economy.

And when countries in Latin America -- I think almost in countries anywhere, when the economy starts to go south, the -- the migrants start to move north, if you will. And that would be -- be my concern.

Other countries like Haiti that get virtually all of their fuel from Venezuela, an economy that is -- that is tethering on the edge, they just couldn't afford it. And there's a number of other countries like that that depend on the petroleum products that they get from Venezuela at, as I say, almost give-away prices.

So I'm concerned about that 'cause the migration piece is part of the one of the things I have to think about.

ENYART:

General Jacoby, I don't wanna give you a free ride. So I'll -- I'll drop down and I have some more for General Kelly.

But General, as the Army draws down from -- from the winding down of the wars in Iraq and Afghanistan, do you believe that it's necessary for the security of -- of NORTHCOM and for the homeland that the Army have a rapidly expansible capability, that is that it could grow back rapidly in the event that we need to?

JACOBY:

Thanks, Congressman.

I -- I think that historically, expansible Army has been part of how we've approached defense. I think the requirements today for readiness and for deployability are higher than they ever have been historically.

So I think there is a different construct. But I think that having the ability to expand the force in times of crisis has been a historical mechanism that we've always sought to have.

ENYART:

I'm sure, General, that the 50 governors that you reference before as well as the governors of Puerto Rico and -- and the Virgin Islands would support you in that -- support you in -- in maintaining a strong and ready National Guard.

JACOBY:

Yes, sir. Thank you.

ENYART:

Thank you. I yield back, Mr. Chairman.

MCKEON:

I'd like to point out that we have a (ph) former chairman in the room, Chairman Hunter, wanna really make it welcoming for former chairmen around here.

(LAUGHTER)

(APPLAUSE)

Dr. Heck.

HECK:

Thank you, Mr. Chairman.

To General Jacoby, first, thanks for what you're doing at NORTHCOM and keeping the -- the homeland safe. I -- I had the great honor of being able to serve at -- at NORTHCOM, first under General Eberhart and then under Admiral Keating, way back before we actually (inaudible).

My question has to do with the dual status commander program. Can you give me an update on how well that's working, progress, how it's functioning, any obstacles and any cases where it has been utilized and whether it was a success or not?

JACOBY:

Doctor, thanks, thanks for that questions.

You know, the dual status commander was a very, very positive step forward that the council of governors and the department worked together on and the Congress enabled for us.

And we have used it over 16 times since I've been in command and four times over the last year to great effect.

And what I find so exciting about it actually is how -- how much flexibility and adaptability it gives me and it gives the governors and

the (inaudible) general in providing support and are -- a vast array of civil support task from national specialist security events like the Super Bowl to an emergent disaster like Colorado flooding and wildfires.

And we've been successful using dual status commanders, who have actually this year incorporated Title 10 forces (ph) right next to guardsman and state active duty in Title 32 to great success.

So it -- it is a super program. Right now, this year we trained over 200 -- we have trained over 200 now, dual status commanders and every stay has multiple dual status commanders and we -- begin -- have begun training some Title 10 senior leaders so that we can provide Title 10 deputies or Title 10 dual status commanders tremendous flexibility.

Another thing that we've done is we've instituted training update programs far as things evolve and change. So it's a very positive program and I think it's built great trust and confidence amongst the states and NORTHCOM.

HECK:

During the time it has been used, have there both Title 10 and Title 32 commanders, or have it all been Title 32 functioning in dual status?

JACOBY:

It's all been Title 32, except for on a couple of occasions we've had a -- a Title 10. And historically it's been a Title 10 for the boy scout jamboree.

But the vast majority, as is the direction of the statute (ph), is the customary and -- and usual way that we commanded is with a National Guards commander.

HECK:

Thank you. And General Kelly, likewise, for everything that you're doing in trying to keep illicit drugs from hitting our shores.

You know there's been a lot of discussion about whether or not we should start changing our focus from drugs that are being produced in other countries, to more of the prescription drug abuse problem that we see here in the United States.

More people are dying from prescription drugs than they are from cocaine and heroine, combined.

If that argument takes hold, how do you see -- I mean, and you're doing this at a very cost to the overall drug control budget. If you start seeing a shifting of focus to perhaps more prescription drug abuse problems, how do you see that impacting your ability to do the work that you're doing?

KELLY:

You're spot on with the abuse of prescription drugs. But that's actually reversing now because of the various regulations and what not that the government has put in place to control the amount of drugs that are prescribed.

KELLY:

They've done some things to the drugs to make sure that they're not injectable, things like that. So we actually see the use of prescription drugs going, for a lot of reasons as I say. And it's very, very expensive and so what we see replacing prescription drugs is heroine.

Infinitely cheaper. A -- a single OxyContin pill in an upscale neighborhood in the United States could cost \$80 to \$100. In an inner city neighborhood, the same pill could cost maybe \$60. A bag of cocaine -- a bag of heroin, \$7 or \$8.

So we're seeing more and more heroin -- in fact there's a -- I think -- been a 60 percent increase in the use of heroin in the country in just the last couple years. So the good news is prescription drugs are going down in terms of abuse. The very, very bad news is heroin's going up and unlike it -- in the past upscale neighborhoods -- and if you just read recently the kind of deaths we've seen, it's really tragic to me that -- that it has to be some high public face individual, usually, you know, an actor or something to die -- I mean, it's tens of thousands of young kids from the cities that have been dying from heroin and drugs in general. And no one seems to have cared very much.

So I guess it's good that we've had a couple high -- high public -- high publicity deaths so that now people are starting to take notice, but all of what heroin comes out Latin America, up through Mexico. The poppies are grown in Latin America. We don't get heroin from overseas anymore. It's all done.

These drug networks that we're talking about, and Chuck has referenced, are so good at what they do -- they're just international businessmen, the worst kind though, and they're just -- they diversify, they go after whatever they can make a profit.

HECK:

Thank you.

Thank you, Mr. Chair, I yield back.

MCKEON:

Thank you.

Mr. Langevin.

LANGEVIN:

Thank you, Mr. Chairman.

General Jacoby, General Kelly thank you for being here today, and for your service to our nation. And I hope you'll express our appreciation to all those who are under your command for the work that they do every day to keep our country safe.

General Jacoby, if I could start with you, we're all aware of the growing challenges of maintaining security in cyberspace. Which is a -- obviously a recurring theme that we've been talking about quite a bit.

A 2013 report from the director of operational testing and evaluation concluded that, and I quote, "Network defenses are insufficient to protect against a determined or well resourced cyber adversary and war fighter missions should be considered at moderate to high risk until they can be demonstrated to be resilient in a contested cyber environment," end quote.

General could you -- could you share your perspective on the cyber threat to domestic security operations and also to elaborate on how the NORAD, NORTHCOM, Joint Cyber Center is collaborating with civilian and military partners in cyberspace?

JACOBY:

Thanks Congressman, I thought Director Clapper's testimony was really helpful on this in highlighting his concerns about the cyber threat, and those are echoed here in the homeland.

I mean, the cyber nets that are most vulnerable and most important to us are the ones that reside in the homeland. In our case, we have our mission nets which are critical for the defense of the nation. So their defense is essential and to address that, we have received and are standing up our first Cyber Protect Team, 28 trained soldiers and airmen from -- with NSA training, CYBERCOM training.

And so we also work hard to try to exercise in a cyber challenged environment with specially trained red teams. So it's understanding

our own vulnerabilities as well as understanding the threat at the same time. We're working hard. There's a lot of legacy systems out there that didn't have the cyber mission assurance that we might have put in today in the past so there's some catch up to do as well.

And we're busily working on that.

I would say it's critical in our country that we develop relationships and partnerships that the president's laid out in his recent executive order, cyber-security, to ensure that we understand the inter-dependencies between private, commercial and government systems and we understand how to share information in a way that doesn't disadvantage our civilian -- commercial partners. and to that end we have a very close working relationship with DHS, which really has the bulk of our cyber-security partnerships and concerns and also with the FBI as we have concerns with what is illegal activity.

I think, in the future, we are building structure total force solutions to this in keeping with the blueprint from CYBERCOM on what we think the requirements are in the future. I believe that we're going to require legislation, policy and regulations that help us understand the mission space and to brighten up the lines on the road for the Department of Defense, but we're making -- we're making progress to that end in terms of understanding our vulnerabilities and developing our requirements.

LANGEVIN:

Thank you for your focus on this, General. it's obviously important.

The -- the same DOT&E (ph) report observed that, and I quote, "Less than one-third of all fielded systems observed in assessments over the past five years have had a current inter-operability certifications," end quote.

What has NORTHCOM been doing to improve operability and information sharing about cyber-security threats and network system defenses?

JACOBY:

We really are -- are looking at ways to improve within the command, and then between our partners.

I will tell you that one of the important challenges is to ensure we're inter-operable in the NORAD realm with Canada. That relationship with Canada allows us to highlight really the interdependencies and relationships between countries in our networks, between systems in our networks like energy systems and transportation systems. And so, you know, we're doing work as NORAD with our Canadian partners to make sure we understand those linkages and vulnerabilities.

Really, the lead agency for the department is CYBERCOM in terms of ensuring the standards in which we secure. And I think that they are doing a good job in getting that word out, and by helping us stand up our Joint Cyber Center and helping us with key subject matter experts we're going to continue to work to meet those standards.

LANGEVIN:

Thank you.

MCKEON:

Time expired.

Mr. Conaway.

CONAWAY:

Thank you, Mr. Chairman.

Gentlemen, thank you. If you've already answered this question, I apologize, but General Kelly let me get your thoughts on extremist elements within Central America -- within South and Central America, particularly Venezuela and what foothold they might or might not be getting.

Islamic jihadists.

KELLY:

Yeah, there's some activity.

There's an awful lot of proselytizing and missionary work if you will, but Iran has expanded -- I think we addressed this last year in the -- in the hearing -- expanding their presence in Latin America. Don't really know what they're up to. Not really well received by many governments with the exception of Venezuela.

So we -- we watch it, but no real threat right now from -- from that vector. But, something obviously to watch.

CONAWAY:

All right. I apologize for not being here. I'll re- plow (sic) any new ground, but again thank you very much for both your service.

And I yield back.

MCKEON:

Thank you.

Ms. Davis.

DAVIS:

Thank you, Mr. Chairman.

And General Jacoby and General Kelly, thank you very much for -- for your service.

There's been a lot of talk about interdiction today and I wanted to -- to focus on Secretary of Defense Hagel's announcement -- discussion on Tuesday about the curtailment of the Navy's planned LCS purchases from 52 to 32.

Obviously, we're not anywhere near that right now, but in light of the all that we've talked about this morning and the fact that South American drug traffickers are increasingly using semi- submersibles to traffic drugs into the U.S.-NORTHCOM area of operations, how do you think that this cutback if you will in terms of purchases would effect the effort?

Is that part of what you're talking about of needing resources to fight this?

KELLY:

Congresswoman, you know, I don't own a lot of forces. Decision is made in the Pentagon as to where, in this case, ships would flow -- to the Pacific as an example, or the to the Persian Gulf -- so those decisions made inside the Pentagon. I get what I get. And I'd just say, you know, more ships are better. Less ships are worse.

I need a platform -- I do my best work -- the inter-agency does its best work in terms of getting massive amounts of cocaine off the -- out of the network flowing, I need a helicopter and I need a ship that the helicopter can land on.

I don't need an aircraft carrier, in fact, I'll take an oiler if it has a helipad where a helicopter can operate from or a Coast Guard (inaudible) they do magnificent work and really are the lead agency in my part of the world in terms of law enforcement aspect of this thing.

But I need -- I need some kind of platforms and the decision's made, it's been made now for a number of years, that SOUTHCOM doesn't get what it's asked for. That's a decision I won't criticize.

But, if you're asking, could I use more ships and take out more product off the network, I'd say yes.

DAVIS:

But I guess, just generally though, I mean, if -- if there are a number of platforms perhaps -- are you suggesting that maybe the LCS isn't as critical perhaps or that even the number of 52 would not have -- would be more than or -- is there...

KELLY:

Again, not to speak about LCS, I need a -- I need a ship with -- that can land a helicopter on it. Right now, one of the things -- one of the ships in -- in my part of the world that's just doing yeoman work is a British oiler, doesn't have a gun on it, but it's got a helipad and the helicopter can refuel there. And it's doing -- and that helicopter's doing great work.

DAVIS:

All right, thank you.

General Jacoby, also talking about some of the concerns we've had about expandability. The -- there's a potential reorganization of the National Guard's aviation units and I'm wondering how you feel that, that would effect the ability that you have as the U.S. NORTHCOM commander.

Would it make a difference in your ability to fulfill the defense and support of civil authorities...

JACOBY:

Yeah, I'm -- I'm aware of the initiatives that the Army has been forced to take, and I know that these are, you know, tremendously difficult decisions the chief and the secretary had to make. And I have great respect for the challenge they've had trying to navigate that.

In particular, I think that the -- from the NORTHCOM commander perspective, I'm a requirements guy, and so I don't have the need for an armed Apache in the homeland, but I'll take more Black Hawks. And I'll take more LHUs and I think the Army plan gives more Black Hawks and more LHUs so that supports the homeland. And I don't need armed attack aviation in the homeland.

JACOBY:

But it's not as simple as that. I know that. And so my hat goes off to the -- to the Army for being able to manage scarce resources in order to create the most combat-effective total force.

But my requirement? I'll pick Black Hawks.

DAVIS:

Do you feel that your voice is heard in that?

JACOBY:

Sure.

DAVIS:

OK.

JACOBY:

Thank you.

DAVIS:

Yeah, I want to be sure that you're having the input and that it's making a difference.

Thank you.

JACOBY:

Well, yes, ma'am.

DAVIS:

OK. And also just, General Kelly, there's talk about the USS Comfort not deploying this year. How will that affect your priorities and the humanitarian efforts?

KELLY:

Very briefly. I know we're running out of time. But the Comfort is a really, really big engagement deal in Latin America. They look forward to it. It has huge impact on the local communities that it visits. And it really does -- it really is appreciated. And it's a great image of what the United States does for the world -- a big American flag with no guns. And that's -- the places it visits, it has huge impact. And to have lost that this year was very, very disappointing.

DAVIS:

All right.

Thank you, Mr. Chairman.

MCKEON:

Thank you.

Mr. Scott?

SCOTT:

Thank you, Mr. Chairman.

Gentlemen, both of you made comments about our civilian workforce. I want to thank you for those comments and your commitment to that workforce. I represent Robins Air Force Base and Moody Air Force Base. And I can tell you when you talk with that workforce that's out there supporting the warfighter, they feel exactly the way your comments -- your written comments reflect. And we need to make sure that we're taking care of them. So I appreciate your comments in recognizing them, and your commitment to them.

Moody Air Force Base, I can't -- I can't go without saying that's home of the A-10. I do a few wounded warrior hunts a year, and any of the men that I've talked about that have been in contact with the enemy are very proud of that weapon system and don't think there's another system that has done as much to protect our troops in combat as that weapons system has proven to be capable of.

With that said, I want to move to, General Kelly, your comment about insufficient maritime surface vessels and intelligence surveillance and reconnaissance platform impairing your primary mission. I traveled with the chairman to Colombia. It's very clear that they are capable of handling the ground game there. But it's also very clear that we are the -- we are the country that has to provide the intelligence, the ISR platforms to tell them where the mission -- the mission is.

The JSTARS fly out of Robins Air Force Base. It's a battle management platform. There have been a lot of proposals to improve that platform. And I'd just like for both of you to describe ways in which the JSTAR asset has been used in your areas of operation.

JACOBY:

JSTARS is one of those assets, Congressman, that really defines, you know, high-value, low-number asset. And so, I've used it my whole career, particularly in Iraq and Afghanistan, usually along borders; you know, usually to great effect. It's been adapted over and over again. It's one of those great pieces of kit that has proved its worth over time.

And we've been able to take advantage of it in support of law enforcement when asked -- asked for that type of capability. We've been occasionally able to get it to support law enforcement around the southwest border and they've done a terrific job.

KELLY:

Congressman, my organization when we're going to get a JSTARS, there is glee. It is a game-changer over the Caribbean. We only get JSTARS as training missions. So they're flying to just simply train. The airplane, of course, doesn't know where it's flying over, so they come down to the Caribbean. We put them into the drug fight. We see everything when the JSTARS are on station.

Frankly, we do the same thing on other training missions with bombers -- B-52 bombers and B-1 bombers, with pods on them. So I'll take anything I can get, but if I can get a JSTARS, it is a game-changer.

SCOTT:

Well, thank you for those comments. And it's a big ocean out there and the radar on the JSTAR platform gives you the ability to look at an awful lot of it in one pass.

With that, I'll just say thank you. I do think that the mission that is going on in getting the drugs, stopping the drugs before they ever get to America is an extremely important one, and I'm glad that your men have been as effective in doing that as they have been.

And with that, I'll yield the remainder of my time.

MCKEON:

Thank you.

I just want to point out, on that trip, we were able to see the submersibles that they bring a lot of the drugs in. And I remember as they were talking to us, they talked about having two frigates that were just several hundred meters apart and a submersible in between that they couldn't see.

So it does take a helicopter or JSTAR, other -- other means coordinated with the ships that are there to interdict. So all of these are very important items.

(CROSSTALK)

(UNKNOWN)

Thank you, Mr. Chairman.

General Kelly, I want to ask you some additional questions about illegal drugs. You know, one of the drugs that oftentimes comes in from borders is marijuana. And several states now have taken initiatives to legalize marijuana or decriminalize marijuana. And I wanted to know what effect do you think that's going to have on the war on drugs?

KELLY:

Thanks for that question, Congressman.

I think the first thing you have to take note of is countries that have decriminalized or legalized drugs are all now trying to figure out ways to turn back the clock. Legal or decriminalized drugs bring crime, bring higher addiction rates, bring higher, you know, substance abuse problems. And they're all trying to -- to turn back the clock.

As far as Latin America goes, we've been encouraging these countries to be in the drug fight for 25 years. The levels of violence that our drug problem has caused in many of these countries is just astronomical. And so, when -- when we talk about decriminalizing, the example I would give you is the two states that voted to decriminalize marijuana, or legalize marijuana.

Most of the states -- countries I deal with were in utter disbelief that we would, in their opinion, be going in that direction, particularly after 25 years of encouraging them to fight our drug problem in their countries and, you know, in their littorals.

So that's kind of where they are on it. They're very polite to me, but every now and again when they're not so polite, the term "hypocrite" gets into the discussion. But frankly, the crime rate is so high in many of these countries and the fact that they see us turning away from the drug fight, that -- they're starting to chatter a lot about, "Well, why don't we just step back and let it flow."

We do a lot on the high seas, but Mexico, Panama, Honduras, Guatemala, they're in -- Colombia -- they're in this fight big time with us. But at the end of the day, it's really our problem. And I think it's a false choice on their part, and I tell them this, to step back and let it flow will continue to bring you high crime problems. To stay in the fight is the way to go.

But to answer your question, I guess, it is hard for me to look them in the eye and tell them "You really need to, you know, stay shoulder to shoulder with us," because they see us in a sense giving in.

I don't know if that answers your question, Congressman.

(UNKNOWN)

Are the cartels that deal with moving marijuana, are they starting to look at moving to another product? I mean, to shift -- move the

marijuana in to the United States? Are they starting to consider moving to another product or is it just not having any effect, as you can tell right now?

KELLY:

They're already completely diversified. They move cocaine, heroin - they make heroin. They make methamphetamines. They make cocaine, and they transport it. They also do the same thing with illegal aliens, sex slaves -- something to the tune of 18,000 sex slaves a year, mostly adolescent, young women move through this network into the United States every year. Anything can move on this network.

They're already diversified. They're now starting to diversify into illegal mining, illegal logging for certain types of wood -- anything to make a buck. And the profits that come out, just the drug profits that come out of the United States is something to the tune of \$85 billion a year, of which only \$1 billion is required to keep the drug flow going. The rest of it is just -- is just profit.

Their biggest problem, frankly, in our interagency, the Department of Treasury, FBI, Department of Justice -- is getting after this. But their biggest problem is taking \$85 billion worth of U.S. currency and laundering it.

(UNKNOWN)

So even -- just let me get your opinion on this -- so even if you were to see this trend of legalization or decriminalization here in America take effect, because of this diversification, can we not expect to save any money on the war on drugs from the, you know, Pentagon's point of view?

KELLY:

The more we decriminalize or legalize drugs, God forbid, the more we do that, the price of -- the social price of dealing with the

additional crime, because there will be additional crime, the additional health care and all of that will go up exponentially. This costs a lot of money. It's astounding to me that we are -- we've just kicked off -- the federal government has just kicked off a \$100 million program to try to get people to stop smoking tobacco, yet we're opening up other areas of substance abuse. It's just astounding to me we're doing this, but...

(UNKNOWN)

Thank you, Mr. Chairman.

MCKEON:

Thank you.

Mr. Nugent?

NUGENT:

Thank you, Mr. Chairman.

And I truly do appreciate both your gentleman's service to our country. It means a lot.

And when you talk about the drug flow, I will concur with you, after 38 years in law enforcement. You know, we -- we would get a small, small smidgen of the drugs off the street; cost a lot of money to do that. It's much more cost-effective, I would think, to do it the way we have been doing it, and particularly out in South America.

But I wonder, you know, last year, I believe, General Kelly, you may have testified to the fact, the amount of dollars that are clearing the profit. Do we have any ideas as to where those dollars are going? Obviously, going back to the cartels, but is that money being utilized for anything other than furthering their criminal activities or others? Do we have any idea?

KELLY:

It all goes back into some type of criminal activity. As I say, their biggest problem is laundering the money. There's so much of it. And they have -- they have ways to do that. And as I said, the FBI, the DEA, the DOJ and the Treasury are -- are really working that hard and increasing their efforts to do that.

But as an example, we know some of that money and as it goes through a -- the laundering process, we know that elements of some -- some Islamic radical organizations, both Shia and Sunni are involved in that, and take, we -- we're estimating tens of millions of dollars into their organizations.

Cocaine that moves into Africa -- the vast majority of cocaine that is produced, and virtually of it that's produced in Peru and the other two big producers, Peru, number one, Bolivia, number two, that cocaine moves through Latin America to Africa and then up into Western Europe and the Middle East.

We know that Al Qaida affiliate organizations have taken money out of that as it moves, kind of as a whole. So it's -- it's going into every imaginable nefarious kind of activity to include Islamic radicalism.

I don't know if that answers it, but.

NUGENT:

It does. And my concern is obviously, it seems like this is sort of an after-thought in regards to the Pentagon's decision in regards to giving you the assets that you need to have.

Now, understand it's -- it's, you know, in war time, those assets are gonna be placed in other locations but this is really -- and you've talked about it, the commitment of our allies in this fight.

It seems like we have -- we have a very small commitment at the end of the day where we could have greater returns if we just up

that commitment just a -- even a small amount, versus trying to wait till it gets back in the United States, where once it gets diffused into our -- our criminal justice system or -- or what we have to go through to get it, becomes really difficult.

You know, I would like to see more assets, obviously, provided to you within that combat command. But in particular, as it related to just what we talked about, doesn't have to be, you know, a -- a multi-billion dollar aircraft carrier, it can be something as simple as refitting some -- you know, a shipper (ph) platform to give you the assets, the helicopter assets.

And -- and General Jacoby, and the question was -- or a statement was made referenced to, you know, the National Guard and the Army's -- look at how they're gonna refit or take away the attack assets of the National Guard.

And then I understand the National Guard's reluctance to give that up because they're -- they're kind of a mere (ph) image of -- of the big Army. But I will agree with you from this aspect that it would be more importantly from the state aspect to have more Black Hawks.

JACOBY:

Right. So I wanna make clear, Congressman, thanks for bringing that back up that you know, I'm looking at it from the NORTHCOM commanders' requirement.

NUGENT:

Right.

JACOBY:

I -- I would love for our governors and our (inaudible) general to have that kind of capability to meet the needs of their people.

I understand it's a more complicated question that -- but I really think the Army is being driven to this, you know, by the Budget Control Act and by the realities of the fiscal environment and they have to manage these shortages in order to put the best total force together to meet all of the missions sets of the combatant commanders.

NUGENT:

One last thing, reference to the Black Hawks, in particular, as it relates to the Army National Guard, but we have an Army reserve out there with a number of Black Hawk assets that really don't ever get called into play to support the state mission.

JACOBY:

Now, thanks, and I wanna thank Congress for making that possible and NDAA '12 that allowed us to use title 10 reserves for the very first time. Used to be against the law, now we can use them.

And so, I'm working very closely with General Grass and with the -- the directors of the different reserve forces to ensure that we come up with methodologies and mechanisms to get them effectively employed.

NUGENT:

I thank you for your time.

I yield back.

MCKEON:

Thank you.

Mr. Bridenstine?

BRIDENSTINE:

Thank you, Mr. Chairman, thank you General Jacoby and General Kelly for your testimony today.

I'm a Navy pilot. I've spent a lot of my time deployed to the Southern Command, the four (ph) operating locations that we have and -- in El Salvador, Colombia, Curacao.

I've spent many months on watch at the Joint Interagency Task Force South. I've seen, first hand, how wonderful the intelligence that we get coming from SOUTHCOM is.

I've also been excessively frustrated when we get such great intelligence from people who are taking great risk upon themselves, we get phenomenal intelligence and this is not -- it doesn't come easy, but it comes. And when it comes, I fly an aircraft called an E-2 Hawkeye, it's one of those intelligence surveillance -- that reconnaissance aircraft that you talked about, General Kelly, that we don't have enough of.

Interestingly, my squadron has been cut in March of 2013, and so it doesn't exist as -- as an asset or resource in this fight.

But even when it did exist, we would get the intelligence, we would see the target, we would make every effort to track and interdict the target, and over, and over, and over again, the end-game assets were not available.

The Coast Guard cutters that you talked about, the Navy cruisers that could, you know, carry helicopters, put a law -- a Coast Guard law enforcement attachment on those ships, even though they're DOD assets, you can put law enforcement attachments on those assets to avoid, you know, the Posse Comitatus challenges.

The -- the question I have for you, General Kelly, when you think about the national security of the United States and this is one of the challenges I have, quite frankly, on Capitol Hill. We -- we have a

real national security threat to the United States of America, that SOUTHCOM is specifically designed to deal with.

And I've just heard today, even, as a matter of fact, people talking about combining NORTHCOM and SOUTHCOM. SOUTHCOM is already one of the regions in the world that is the most disregarded by the United States of America and it -- it needs -- that needs to change.

When you talk about the integration of transnational criminal organizations with -- with leftist, totalitarian government, and now the integration of terrorist organizations in the Middle East, this is a real national security threat for the United States of America.

General Kelly, I was wondering if -- if you could take a minute and -- and talk about some of these challenges?

KELLY:

I don't guess I could say it any better than you just said it, Congressman. But -- but specifically on the -- on the integration, in the end-game piece, you're right.

We -- we have phenomenally good intelligence, we watch come out of all over Latin America. The good news is now more and more and more, we have partners -- and again, I would say Colombia, Panama and some of the other countries that are in real crisis, by the way, in the northern part of -- of Central America that are in the fight with us.

So they're getting more and more. But the frustrating is -- thing is, you're right, I mean, we -- about 75 percent of it that we -- that we watch, we can't touch. We only really engage about 25 percent of it.

With -- with -- I keep saying this but it's very, very important, no violence to speak of. They stop, we board, we get 5 tons, and we take them and arrest them and they go into the U.S. legal justice system.

When it gets ashore and comes into the United States, the distribution system is -- is just an amazing thing. And these cartels are just not, you know, south of the border. They -- they deal -- manage the distribution within the United States.

We estimate it's about 1,200 retail outlets, if you will, that these cartels control all over the United States. And then of course, it's -- it's then distributed down.

So -- so there's not much you can do in spite of all the amazing heroic deeds of our law enforcement people at the border and all over America. Once it's in it's just -- it's just part of this distribution network that it's almost impossible to touch.

BRIDENSTINE:

When -- sorry about that. When you're -- when you talk about the -- the pivot to the Pacific. A lot of us on this committee, we've heard a lot of testimony about the pivot to the Pacific.

And it's -- it's pretty clear to me that in -- in many cases, unless we plus up the Navy significantly, the pivot to the Pacific looks very hallow.

And -- and the threats to America see it that way, quite frankly. I understand the Straits of Malacca, they need to be secured. We've got to protect the seas, we've got to protect freedom of movement. We -- we all agree with that.

But this massive pivot to the Pacific, you were mentioning earlier, economies of force, which is a critical thing that I -- I think Congress needs to understand which is a very small investment in the Caribbean, a very small investment in SOUTHCOM, the eastern Pacific.

These investments can yield tremendous amount of benefit to the United States of America from -- from the national security threat that is very real coming from -- from Central and South America.

And yet, you can take this enormous region of the Pacific and do a pivot to the Pacific with a small force and it -- and it -- it actually hallows us out and makes us look -- look weak.

If you could just share a testimony real quickly, if you had all the resources you needed...

MCKEON:

(OFF-MIKE)

(CROSSTALK)

MCKEON:

Jim it's time. We -- we got other folks who wanna ask questions, Jim.

BRIDENSTINE:

Roger that Chairman. We'll -- we'll talk later.

MCKEON:

Now Mr. Garamendi for five minutes.

GARAMENDI:

Thank you. I'm almost wanting to yield my time to Mr. Bridenstine, because he's talking exactly where I wanted to go. But I wouldn't do that.

Instead I'd have a -- just one of the sentences in your testimony, General Kelly, "As the lowest priority, geographic combat command, USSOUTHCOM will likely receive little of any trickle down of the retired funding".

And -- and just following on what my colleague was talking about, there are threats and then there are immediate threats, and clearly

the issue we're talking about here of the Caribbean and the drug issues are immediate threats.

I'm also the ranking member of the Coast Guard Subcommittee, and so the integration of the military with the Coast Guard is -- is critical. Both of them have suffered with the sequestration and with attention going elsewhere.

So this -- this really for my colleagues as well is that we really need to pay attention to the funding for these two commands, for the SOUTHCOM command as well as for the Coast Guard and the inter- relationship.

Specifically, General, the ISR platforms, the unmanned platforms, we covered some of this a moment ago but not the unmanned piece of it. Are they sufficient? What's it going to take? What are the best platforms available on the unmanned vehicles?

General Kelly?

KELLY:

I mean, the -- yes, sir. The -- the unmanned drones, ISR, we don't get -- we don't see that very much where we are. I mean, that's one of those assets that is probably in more demands than -- than JSTARS. So we don't see those very much.

But interesting enough, the Colombians have purchased their own. We used to provide them some help in this regard. The Colombians are -- they're not armed right now, but they've produces them or bought them from the Israelis.

They're doing great work over Colombia and in (inaudible) but we don't see an awful lot of -- of the unmanned ISR capability, it's almost all manned is what we work with.

KELLY:

And some of this now is contract. I've got some contract airplanes that do great work for us because we simply can't get access to -- to the E-2s and some of the other things we've talked about here this morning

GARAMENDI:

I was in Colombia last week and we visited with president Santos on these issues. Also happen to have been in (inaudible) when a -- the LCS Coronado was there. Talk about a very expensive platform, and I was struck by your description of a tanker -- an oil tanker -- with a platform for a helicopter being very useful, probably 100th of the cost of that LCS, which is quite a ship.

I think the bottom line here is that we have an immediate threat, and we're simply not providing the resources to deal with it, either the Coast Guard, the issue of new cutters -- offshore cutters and the like.

I want to just take my last couple of minutes here and really shift to the north and the Arctic, again, the interrelationship between the -- the military and the Coast Guard. And General Jacoby, if you could just discuss this relationship or the interrelationship of them.

JACOBY:

Thanks, Congressman.

We have a great relationship with the Coast Guard and, along with the Canadians, they're the premier..

GARAMENDI:

Let's talk assets for a moment. You came out with (inaudible) last fall about the Arctic -- the role of the Arctic, and if you could just pick that up, what do we need from the military side, and from the Coast Guard side in the Arctic?

JACOBY:

So the question is, what do we need and when do we need it?

You know, the Arctic is a harsh environment, it's melting and it is going to become more navigable and there is gonna be increased human activity. We just don't know the pace of it. So it's a very difficult question, what do we need and when.

We are going to need ice breakers. We are going to need ISR. We are going to need communications above 60. We are going to need better mapping of the littorals in the Arctic.

So those things are gonna be required in the future. The next five years, and in the next 10 years are real challenges. What should our investments be for 15 years out when it really is -- when it really is (inaudible)?

GARAMENDI:

I would appreciate more specificity.

We understand the word, more, around here. But we need specificity -- more specificity.

With regard to the cutter in the Coast Guard reauthorization there is money for a cutter, about one-fifth of what would be needed. Where we would find the other money is going to be unknown.

Revamping, we've got some questions about rebuilding, revamping an existing Coast Guard cutter to serve the purposes in the Arctic, but I would appreciate specific information about the assets that are going to be needed for the Arctic, as well as for SOUTHCOM.

Thank you very much. I'm out of time.

I yield back.

MCKEON:

(inaudible) time has expired.

Mr. Turner, five minutes.

TURNER:

Thank you, Mr. Chairman.

General Jacoby, thank you for being here today and for all of your leadership.

One of the issues that we struggle with in -- in this committee is the issue of missile defense. As you know, the threat is proliferating both of weapons of mass destruction and with specific missile technology that can place mainland United States at risk.

The president has now canceled two missile defense systems that were intended to protect mainland United States, both the -- what was known as the third site, which the Bush administration had proposed and even phase four now of the phase adaptive approach, which was intended to provide that mainland coverage.

The -- this committee and Congress, through the National Defense Authorization Act, has continued to advance a -- what the administration would have called a hedging strategy, but we actually consider to be a sound strategy of locating a missile defense site on the East Coast that would give us that -- that additional ability that has been lost with the third site and with phase adaptive approach, and also would give us greater ability to protect that site with it being within our homeland.

In F.Y. '14, the NDAA, we included a requirement and funding for the Missile Defense Agency to update its plans and required documentation for this potential East Coast missile defense site. It is -- we're obviously looking for your insight and support for that effort. We both authorized and appropriated -- which means, Congress

had to do a great deal of deliberation in deciding to move forward with the East Coast missile defense site.

We want to reduce the deployment time frame when the United States decides to deploy the site. Waltwood (ph), a third interceptor site on the East Coast of the United States, provide for missile -- for defense coverage of the United States.

Would it be prudent if all the appropriate required documentation was completed (inaudible) deploy the site sooner than later, and although there are those who've said at times it's not presently needed, we know that the future development of threats pose an environment in which that -- that would be incredibly helpful.

We'd like your words on that, sir.

JACOBY:

Congressman, thank you.

The third site, if you built it, would give us better weapons access, it'd give us increased inventory and increased battle space with regards to a threat coming from the direction of the Middle East.

So those are just facts. And that's what it would give to the combatant commander -- and that's me -- the one that's accountable for the defense of the homeland from the ICBM threats.

Currently, we know that, in the Middle East, Iran continues to -- while we are doing the Five Plus One, and we're all hopeful that Five Plus One contributes to safety and security in the Middle East and our own country. They have not stopped aspirational goals towards ICBM technologies. They have successfully put a missile -- space vehicle into orbit, and that demonstrates the types of technologies that you need to develop an ICBM.

So we're watching closely.

I think it was very prudent to direct us -- or the Missile Defense Agency -- to do a site selection. There were four sites that were determined. We were close partners with Admiral Spring every step of the way, to include final say on what were gonna be the top four sites, and what were the characteristics and criteria used for selecting.

Those have been selected and according to the directions we received, we're moving forward on the EIS for all four sites, which should put us in a position to have those completed in the next two years.

So I think we're on the right path to provide options in continuing development for a third site and the ability to out-pace a threat from the Middle East.

TURNER:

Well, sir I want to thank you for those comments, because I -- I've always said that everyone who is -- questions this site is just three classified briefings away from being a real great fan of it. And everyone not having access to those briefings and everyone to availing themselves of that, your statements of support in this hearing of support of that third site are certainly important, because it shows in -- in your judgment, the importance of our making certain that we rise to the threat.

So I -- I appreciate those...

JACOBY:

Congressman, I -- I want to clarify that, I think it's going to put us in a position to make a -- make a good decision in a timely fashion.

TURNER:

Thank you, General.

MCKEON:

Ms. Speier -- Ms. Speier, five minutes.

SPEIER:

Thank you, Mr. Chairman.

And thank you, gentlemen, for being here.

I have just returned from a week in Colombia, where there was a lot of good news in terms of the civility there and the rule of law We met with the president.

It appears though that Venezuela is a powder keg. And we heard also that Central America is in grave condition and I -- I recognize in your statement, General Kelly, that you pointed to the fact that Latin America remains the most unequal and insecure region in the world, and I would probably suggest Honduras has got to be at the core of that.

What more should we be doing?

It seems like we move into one area, it becomes secure, and the trafficking just moves to other areas within Latin America.

KELLY:

You know, it's really a whole of government -- whole of world approach. You're right. If we -- recently we've had great successes - - declining success -- but great successes interdicting the drugs as it moves up into Central America.

And we've seen drug traffickers start to move product now -- up to 14 percent of it now we think is moving back to the old network up the Antilles into -- into the Dominican Republic and Puerto Rico or directly into the United States.

So they're pretty -- pretty adaptive people.

So to -- to deal with this drug problem, obviously, starts kind of in Kindergartens and in grade schools and all of those kind of -- those programs to keep kids off drugs. And then, to fund properly law enforcement inside the United States. And then to pick up as much of this stuff as it moves along the so called transit zone into these Latin American countries. And then, the source zones, that is to say who produces it, Colombia and countries like that. And they're doing as I say a tremendous job.

So it's really a whole of government -- whole of the world -- whole of world approach. There's not one single answer to it. At the end of the day, in my part of the world, more engagement -- not necessarily money, but more opportunity to advise these countries and to help these countries help themselves.

So I'm not asking for, you know, heavy brigades and Apache helicopters and Marine amphibious forces. I'm asking for the ability to deal with countries that I'm somewhat restricted in dealing with right now, small engagements to teach human rights, to teach how you interact and get at these problems.

So that -- that would be my answer to you.

SPEIER:

All right, thank you.

It's my understanding that we have not had a missile defense test succeed since 2008, in that, we've had three back to back test failures. So my question is are you confident that we can test accurately and safely without failure.

JACOBY:

Thanks -- thanks for the question.

I have now confidence that we're going to test. That's the most important thing. And so there is budgeted money now for a good steady test cadence that will allow us to understand problems that might exist with the various systems to develop new capabilities. I mean, I think that's critical.

JACOBY:

And so Admiral Syring and the department have committed to a -- a very firm and robust testing schedule. We did have a successful CE2 flight last year. It wasn't an intercept flight, but it was a successful flight. And so -- but I think it's really important when you're making upwards of dozens of modifications on boosters and EKV's that we test.

There are countries that don't test. We're not one of them. We test and make sure that what we have is a real system, a credible system.

SPEIER:

But, General, our tests have been test failures, so...

JACOBY:

Well, in part. Yes, ma'am, I think we've had a number of intercept failures. But if you look -- it was five year -- a five- year gap in the last intercept test.

So I think it's important to get back on a testing regime and make sure that we determine and achieve reliability in the system.

Those challenges are accounted for in our shot doctrine. They're accounted for in our battle management. And the fact is, that right now, the threat is a very limited threat.

But you bring up a great point. And as the combatant commander, I insist that we continue testing and make the modifications and make

the improvement in the systems that not just give us reliable -- or a sense of confidence in the current system, but also in the ability of the system to adapt and become more effective over time, as we pace the threat.

MCKEON:

The gentlelady's time (inaudible).

WITTMAN:

Thank you, Mr. Chairman.

General Jacoby, General Kelly, thank you so much for joining us today, and thank you for your service.

General Kelly, I want to begin with you. Can you give me an indication -- I noted last year there were a number of Navy ship deployments in your AOR that were canceled. Can you tell me about the impact of that, and what you did to mitigate those canceled ship deployments?

KELLY:

Yes, sir.

First, we didn't have -- we weren't gonna get that many ships, so we didn't, you know, lose much.

But in my A.O., not -- you know, losing a little is losing a lot.

(UNKNOWN)

Yeah.

KELLY:

How we mitigated it. Just more work with our partners, providing intelligence. One of the -- kind of a breakthrough we had last year is

we found a way legally to share information with our partners, not tell them how we get the information, but to share information with our partners.

And I can't say enough about the interagency aspect of this fight. I mean, at many of our embassies, we have FBI, we have DEA, we have DEA FAST teams. These are really heroic men and women that work with some of our partners, Honduras, Guatemala, people like that. Amazingly effective people.

So we really started to work closer with our allies. And, as I say, the breakthrough, the ability to start what we call spot-on-the-map information, where we can tell them, "If you go here," you know, "you will find something worth finding."

And, again, we don't tell them how. And it's -- and it's protected. And then we have liaison officers out of my headquarters in -- or my JIATF South headquarters in Key West in which we have law enforcement liaisons in many of the production countries we're talking about, or the countries that do the most with us to -- to go after this drug flow.

So that's how we've mitigated it. Because we've just -- I think we had on station last year one Navy ship. As a requirement, (inaudible) a lot more than that. I won't go into it.

A couple -- two or three Coast Guard cutters. I mean, to the gentleman's comments a few minutes ago, I mean, the lion's share of the effort really is done by Coast Guard cutters and DEA and FBI. Just really, really good people.

And, for that matter, Customs and Border Patrol, Border Protection folks.

(UNKNOWN)

Very good.

Let me ask an other element of concern within the SOUTHCOM AOR. As you heard alluded to earlier, an increased Iranian influence in the area, more Islamic extremism, efforts being -- being projected in that particular area, can you tell me, what are you doing in response to that, especially as it relates to our embassies?

Can you kind of give us your overview about that?

KELLY:

We're keeping an eye on it. You know, we don't know what they're up to. Generally, I would offer that the Iranians need to be watched pretty closely. They -- no -- no revelation here. They don't like us.

No -- you know, in terms of what's in Latin America for the Iranians, I mean there's two entirely different cultures, ways of looking at life, ways of looking at God and -- and everything else. So why are they so active?

They're -- they're -- they are active in a couple countries that receive them. But, for the most part, what they've done is opened up a number of embassies; certainly their right to do it. I think they've opened 11 additional embassies in Latin America.

They've also opened what they call cultural centers, 33 of them, I think, throughout the -- throughout the area. These can be used for a lot of different reasons, and we just -- we're just keeping an eye on that.

But they're fairly active, again.

WITTMAN:

I'd like to ask both you gentlemen the concerns and challenges that you see as far as military readiness going forward. One of the areas that we've defined as I think the biggest challenge going forward is how do we make sure in this -- in this resource- challenged

environment that we keep a steady and consistent effort on maintaining readiness.

And, as you know, sequester made that extraordinarily hard. In fact, I would argue, in some areas, it actually took away readiness from the military.

So I'd like -- I'd like to get your perspective.

General Jacoby, I'll begin with you.

JACOBY:

Thank you, Congressman.

We consume service readiness. We're combatant commanders; we consume service readiness.

The homeland's received a good health support as a priority, so we're consuming readiness.

Now, I will tell you, that in the homeland, I don't have the same readiness requirements as others do, because it's not a deployment, an overseas deployment.

WITTMAN:

Right.

JACOBY:

John Kelly is not getting that priority. And he requires a little bit different kind of readiness in order to get folks -- folks deployed.

And so, you know, the -- the bipartisan budget agreement, it bought us some time, bought us some breathing space. But every -- every force that is made ready for current use is just contributing to a bathtub effect that will be accelerated if we continue on with the law and sequestration numbers start up again in '16.

(UNKNOWN)

OK.

General Kelly?

KELLY:

I can't add anything to that, but I would like to add something, and that is the readiness of our -- of our people.

And, generally speaking, those of us in uniform get credit for serving the nation. Those of us in uniform are pretty well taken care of.

But, frankly, there's a big aspect to our readiness in terms of personnel, and that is our civilian workforce. And that includes, in my opinion, contractors.

These are very, very dedicated men and women who we haven't really been very nice to in the last year or so. It's amazing to me that the morale I have in SOUTHCOM, in my headquarters and throughout the region, in terms of my civilian morale, is as high as it is.

They have a lot of confidence in me. We do the best we can to share the good news and the bad news with them.

But our civilian workforce across the federal government is -- is just as important to us as those of us in uniform. So we need to keep an eye on their morale and take care of them as well.

(UNKNOWN)

Thank you, Mr. Chairman.

MCKEON:

The gentleman's time expired.

Mr. Smith, five minutes?

SMITH:

Well, thank you, Mr. Chairman.

I just want to echo that last point on, you know, the importance of the civilian workforce. The furloughs, the uncertainty, it's been devastating.

And, you know, that is moving. It also makes it more difficult to get the people that we need into that -- you know, that line of work. They have other options, and it makes it more and more difficult.

I follow up on the missile defense issue. And this is something you and I talked about last night.

Mr. Chairman makes the point about, you know, the importance of an East Coast missile defense system. And, by and large, he's right. We -- you know, the more missile defense we have to protect the homeland, the more we can discourage potential threats, you know. And that's not even really classified. I mean, we hit North Korea, we've hit Iran, we hit a whole bunch of other places, and what could potentially happen out there.

The concern that I have is sort of following up on Ms. Speier's point, and that is that the system that we have right now isn't working particularly well.

I want to spend money on missile defense. I think it's critically important.

But to spend money on developing a new site so we can put missile and radars and sensors and spend \$4 billion on a system that can't hit a target in a test strikes me as unintelligent would be the polite way to put it.

I'd rather spend that money on what you just said, test the existing system; get it to work. Get us to that point.

I'm worried about even deploying more missiles, you know, in our two existing sites, when they can't hit a target.

Why don't we spend money on radars and sensors and tests to get to the point where we actually have a system that works?

Now, I suppose we could -- of course, public hearings like this undermine what I'm about to say here -- I suppose we could just bluff. You know, we could convince our adversaries, oh, we've got these missiles. They could work.

But unfortunately we're in an open society, so we can't do that very successfully. They know even before I, you know, said this, that those tests failed, because it's a matter of public record.

So shouldn't we be wiser about how we spend that money, to spend it on getting our missile defense system to the point where it actually works, instead of just feeling good about having it deployed?

JACOBY:

Congressman, I think we all want the same thing. We want...

(CROSSTALK)

SMITH:

That's not entirely true.

We -- if you sat here on the nights when we do the NDAA and we argue about this stuff on this committee, I can assure you, we do not all want the same thing.

But go ahead.

JACOBY:

Well, based on our conversation last night, I think you and I want the same thing, which is...

SMITH:

That I'll agree with.

JACOBY:

... effective missile defense for the people of the United States. And they deserve it. And they've spent a lot of money and we've made a lot of effort.

You know, I believe that a lot of this has been theoretical -- a theoretical threat and a theoretical capability, That the threat -- the pace of the threat has become real. And the threat is real, and it's practical. And we've got some work to do to continue making sure that we have a practical system in place.

But we are -- we are infinitely better off with the system that we have, and I believe it does have the capability. It gives me confidence against the current limited threat.

The question is, what is the right path to improve that system, to outpace the threats, both from North Korea and any others that could now a highly sought and proliferated technology out there around the world.

SMITH:

And I would submit, just for the record, that the wisest way to do that is not to spend money developing a new site until we set the system that we need to rely on working. Spend the money on that.

JACOBY:

Congressman, I hope that in my answer to that question, I tried to indicate that I believe that it was important that we do things simultaneously.

And so, there are things that we can do to be prepared to make a decision on whether we need a third site or not in the future.

But if you start everything from scratch on the day that you decide you need something, then we're always behind.

And so, I think that we've taken -- we've been directed to take prudent steps. I don't think we're at a decision point for a third site, but I think we've set ourselves up to make a decision in a timely fashion. And I think that's smart to do.

SMITH:

Yeah. Thank you very much.

Thank you, Mr. Chairman.

JACOBY:

Yes, sir.

MCKEON:

Back to Mr. Lamborn for five minutes.

LAMBORN:

Thank you, Mr. Chairman.

And thank you both for your service.

And, General Jacoby, I want to thank you in particular for the great things that your team has done, helping our homeland and helping locally in Colorado Springs for some of the wildfires that we had.

The assistance that your people gave was tremendous. So thank you for that.

We've had some discussion about missile defense. And I have to point out that there have been some budget cuts in the last few years, last four or five years, that I don't think were helpful.

LAMBORN:

The purpose of testing is to find out what's wrong and to isolate those flaws and make improvements and -- so that there is success afterwards.

So, I'm glad to see that we're finally, with this administration, getting some further funding to reverse some of that.

Do you feel confident that we have a good system in place, not that it can't do better at testing and not that we can't continue to make improvements, which I believe we are, but are you confident that we have a good system right now?

JACOBY:

I'm confident that the system in place right now can handle the threat that exists right now. I think that what we've learned now is that there has to be continued smart investment that outpaces the threat.

And Congressman, one of the things we haven't talked about yet. My first dollar would go to intel. So that, you know, if your -- if your measure of effectiveness is that you're outpacing threat, you need to know a lot about the threat. And so we need to do more in understanding everything there is to know about North Korean missile capabilities; everything there is to know about Iranian programs, to make sure that we can make threat-informed decisions, not just resource-informed decisions.

LAMBORN:

Thank you. I appreciate that perspective. And you did mention North Korea, and I think Iran would be in that same list.

On a slightly different list, cruise missiles. What nations now have the ability to send strategic ballistic cruise missiles to the U.S. from great distances?

JACOBY:

Thanks, Congressman.

Cruise missiles are proliferating as well. But the nation that has the highest level of sophistication and can pose the greatest threat to North America is Russia. And they continue to make very, very important advances in both conventional and nuclear cruise missiles, both aerial-delivered and submarine-delivered. The first of the 12 projected SVR (ph) defense cruise missile-firing submarines -- nuclear submarines is at sea and being worked up. And the missile that it uses has already demonstrated its effectiveness.

So, this is a capabilities question. And we have always believed that having a capability and an intention to defend the country against aerospace threats is a capabilities issue, not just an intent issue. And so, we've been directed by the secretary to ensure that we are also looking at how to provide effective defense against cruise missiles in a way that outpaces any threats, to include Russians.

LAMBORN:

And what do you believe, General, should be the way forward on that?

JACOBY:

Well, we have a way forward right now, Congressman, and that's a three-phased approach that's been approved by the Pentagon. And it starts with getting the national capital region right. And right now, we're going through a test phase where two things have been

added or are being added to the national capital region -- the stateside affordable radar, in conjunction with a joint elevated net sensor, the JLENS balloons.

And what they're trying to accomplish is integrating that into an overall defensive plan that allows us to see, detect, track, warn and in the future hopefully engage cruise missiles that could pose a threat to the national capital region.

Then the issue will be if the cruise missile threat continues to evolve, how do we then take and export that capability where we think we might need it to defend other strategically or critical infrastructure locations in the United States and Canada.

LAMBORN:

OK. Thank you very much.

And lastly, funding for an improved kill vehicle. That's something that we did include in the fiscal year '14 National Defense Authorization Act. I think it's valuable. What's your perspective on that?

JACOBY:

The budget hasn't been released and missile defense wasn't addressed in the rollout that the secretary made earlier in the week. I would be very happy to have funding against an improved kill vehicle and I'm hopeful that we'll see the ability to do that sometime in the future.

LAMBORN:

Thank you very much.

THORNBERRY (?):

The gentleman's time has expired.

Mr. Bridenstine for one more round?

BRIDENSTINE:

Thank you, Mr. Chairman.

I wanted to ask, General Kelly, when you think about economies of force and the asset layout that we currently have, obviously the more hardware you get, there is diminishing marginal return for every additional piece of hardware. But clearly, we're not anywhere near diminishing marginal returns at this point, given your lack of resources.

If you could have the order of battle that you most desired to be as effective as possible, can you share what that -- what that might look like? And let's just pretend for a second that we had maybe a two-year period of time when we were going to do a surge operation in the eastern Pacific and into the Caribbean.

What -- what would that order of battle look like, in your best judgment?

KELLY:

Yes, sir. The -- our best estimates are if we had 16 helicopter-capable platforms -- again, they don't have to be warships necessarily -- but 16 helicopter-capable vessels of some kind, to include Coast Guard cutters, and sufficient ISR. And as you know, actually you pointed it out before, intel is very, very good. The tracking across the oceans, it's hit or miss because our -- of the isthmus in particular -- is hit or miss just because of the lack of ISR. But we need more ISR.

But at the end of the day, a vessel with a helicopter on it, our requirement is for 16, but you can see by some of the things we've talked about, when I had five or six, we were taking huge amounts of cocaine out of the flow. But 16 is the number.

And I have to say -- I have to mention our -- in addition to our Latin American partners that work so closely with us, the Dutch out of Curacao, they oftentimes will have a vessel in the Caribbean. The Brits have one there now. The French will oftentimes have one. And the Canadians have one. And they're as valuable to me as a U.S. vessel.

In fact, last year, 67 percent of the seizures, they were involved in. So you could make the argument in 67 percent of the cases, we may not have gotten the drugs. That translates, by the way, to 80 tons of cocaine. A helicopter flying off of a Dutch buoy tender or oiler, or a French small boat -- you know, frigate-type thing, or a Canadian frigate, is just as valuable to me as an American ship or Coast Guard cutter.

BRIDENSTINE:

The squadron I used to fly in, we -- on average, on an annual basis, we would bust about \$2 billion worth of cocaine. We were involved in that operation. And, of course, the squadron has been -- has been eliminated, which means a lot of that cocaine -- I'm not saying that we can't get some of it at certain steps along the process -- but a lot of it will be coming into the United States. And of course, that's devastating for our country and the children in this country.

KELLY:

One of the -- yes, sir. One of the -- maybe the congresslady -- made the point. You know, the consumption of cocaine actually in the United States is down. The war on drugs, if you will, if you look at the last 30 years, some people declare surrender here in D.C., but the fact is there's a lot more -- there's a lot fewer kids starting drugs. So there has been great success in the war -- so-called war on drugs.

BRIDENSTINE:

Right.

KELLY:

Well, I -- I'll point out that we've tried to fight it in exactly the wrong place. And that is, in the United States. It's just not cost effective to do it here. But the use of cocaine is down, but guess what's up? Methamphetamines. The use of prescription drugs is down, but what's up is heroin.

BRIDENSTINE:

Right.

KELLY:

So, we're not addressing it, in my opinion, nearly as much here in the states in the same way that we're trying to address, say, the reduction of tobacco use. So it would start here as much an education for particularly young kids, but it starts with education. There's a medical aspect to this. There's a law enforcement aspect to this.

But just like in any war, the worst place to fight it is in the homeland.

BRIDENSTINE:

Right. We've got about 45 seconds left. I'll ask a question; answer it the best you can. If you don't finish, then maybe we can get it on record in the future.

Which is Venezuela -- obviously, we have a very leftist government. We're seeing that the more power is centralized in these governments in Central and South America, the people ultimately rebel and it creates tremendous instability.

As -- as a nation, maybe you could provide for the record what we can do as a country to ensure that these efforts that are

destabilizing the region, of course, a region that we need stability in for our own national security, what we can do as a nation to prevent this kind of thing in the future.

KELLY:

Very briefly, Mr. Chairman, just engagement, more engagement is better. And some level of understanding for many of the countries that are struggling so terribly with internal violence and crime brought on to a large degree by our drug problem; a little bit of understanding as we work with them to clean up things like human rights; to get their police cleaned up -- not cleaned up, but improved so that the police can go back to being policemen and the military can go back to defending the borders. So just a little bit more understanding.

Venezuela is Venezuela. We watch it closely. Who knows what will happen. But there are others down there that are struggling mightily, that look to us for just a little understanding and a little bit of assistance. And I'm not talking a lot of money. Frankly, in some cases, I'm not talking money at all -- just some advice and some training tips, if you will.

THORNBERRY (?):

The gentleman's time has expired.

General Jacoby and General Kelly, thank you both for your long, distinguished service. And we appreciate your attention. And thank you very much for coming today.

The hearing is adjourned. Thank you.

CQ Transcriptions, Feb. 26, 2014

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