



APRIL 11, 2013

WORLDWIDE THREATS

UNITED STATES HOUSE OF REPRESENTATIVES, PERMANENT SELECT COMMITTEE ON
INTELLIGENCE

ONE HUNDRED TWELFTH CONGRESS, SECOND SESSION

HEARING CONTENTS:

MEMBER STATEMENTS

Chairman Mike Rogers [[View PDF](#)]

Ranking Member C.A. Dutch Ruppertsberger [[View PDF](#)]

WITNESSES

James R. Clapper [[View PDF](#)]
Director
National Intelligence

John O. Brennan [Testimony not available]
Director
Central Intelligence Agency

Lieutenant General Michael T. Flynn [Testimony not available]
Director of the Defense Intelligence Agency
Department of Defense

Robert S. Mueller [Testimony not available]
Director
Federal Bureau of Investigation

*This hearing compilation was prepared by the Homeland Security Digital Library,
Naval Postgraduate School, Center for Homeland Defense and Security.*

COMPILED FROM:

- <http://intelligence.house.gov/hearing/worldwide-threats>

**House Intelligence Committee Chairman Mike Rogers
Opening Statement for World Wide Threats Hearing
April 11, 2013**

Today, we welcome Director of National Intelligence James Clapper, Director of the CIA, John Brennan, Director of the Defense Intelligence Agency, Michael Flynn, and the Director of the FBI Robert Mueller for the yearly open hearing before the House Intelligence Committee. As a reminder to all members, we are in open session, and we should be careful not to discuss classified matters; we will have a closed session immediately following this session to address sensitive matters.

The purpose of this hearing is to allow the American people to hear from those responsible for providing the intelligence to protect the United States; and for America to see first-hand the oversight conducted by their elected representatives.

As always, we live in dangerous times.

A nuclear North Korea continues its bellicose behavior, threatening American allies and interests in the region, as it hopes to distract international attention from its expanding nuclear ambitions. I commend U.S. efforts thus far to show support for our allies and display strong leadership in the region.

In Syria, Bashar al-Assad responded to civil protests with murderous violence, and after two years of chaos, and 70,000 dead, the country is caught in a bloody civil war that plays out under the shadow of chemical weapons. The chaos

places the entire Levant at risk, and without a change in course, it provides a new safe haven for al-Qaeda to plan future attacks, this time while controlling some of the world's most deadly weapons.

Islamic radicals still seek to exploit weak states or regions in their quest to enact an evil vision of society that is opposed to the principles of our civilization.

We experience a daily onslaught of Russian and Chinese cyber attacks – attacks that steal America's technological innovation and ingenuity -- the keys to our future military and economic success as a nation.

And in Afghanistan, where we have spent 12 years fighting those who fought us first, we face the ultimate test of our national will; do we have the conviction to cement our hard-fought gains and achieve a lasting victory, or will we walk away before the job is done.

The challenges are many, and we must face them in an increasingly constrained fiscal environment:

The sequester is an outcome that nobody wanted and I share Director Clapper's concerns about its potential impact and risks to intelligence. I find particularly disturbing reports that the Department of Defense wishes to impose its furlough policy on the Intelligence Community. If these reports are true, this would be mindless and irresponsible.

I support Director Clapper's steps to mitigate the effects of the sequester, such as freezing new hires, delaying contract awards where possible, cutting back lowest priority spending, and avoiding furloughs.

The enactment of the FY 13 defense appropriations bill will be helpful, as the cuts will now be applied to current spending priorities. We've been assured that the IC can meet its core missions, despite the sequester.

Still, the White House and Congress must avoid another sequester. Sequester must not become the "new normal".

I speak now before the people responsible for managing our intelligence community and giving policy makers the information needed to do our jobs. But these intelligence professionals can only do their jobs when policy-makers do ours first.

We must set clear policy goals and objectives to keep this country safe.

When the threats are numerous and the constraints are many, we have the duty to explain a coherent national security strategy to protect the United States.

From both sides of the aisle, we see a rising tide of isolationism. Whether we are discussing provoked fears about the use of drones, or how to help the Syrian crisis, we hear that people are weary of war. We hear that people are fearful of more U.S. interventions in the world. People are skeptical of the efficacy and morality of American power.

America has faced such worries before. And we must lead America out of this challenging time, and inspire renewed confidence that a thoughtfully engaged America can continue to be a force for good in the world.

We must speak clearly to both our friends and our enemies, so no one doubts where we stand.

We must mean what we say. When America announces a policy against a foreign regime, America must act to effectuate the outcome, not stand by hoping the outcome arises organically.

We must not simply watch events unfold. To hope events turn out in a peaceful and positive way is to ignore history and to avoid responsibility for the costs of inaction.

After a decade of the war against Islamic extremism, Americans may understandably worry about the costs of action. But ignoring threats will not avoid those costs. The bill for inaction will always come due.

I have never known Americans to back down from a righteous challenge.

So I call on America's leaders and I call on America: don't abandon the world; let's not turn our backs on those looking for American leadership; let's continue to stand as the rock of freedom and prosperity in the world.

I now turn to the Ranking Member for any remarks he would like to make.

Opening Statement: World Wide Threats
Ranking Member C.A. Dutch Ruppertsberger
April 11, 2013

Thank you, Chairman Rogers.

First, I would like to acknowledge the leaders of our Intelligence Community, including:

- Director of National Intelligence, James Clapper
- CIA Director, John Brennan
- Director of DIA, Lieutenant General Michael Flynn
- FBI Director, Robert Mueller

Thank you for being here today.

Every year during our Worldwide Threats Hearing, we take a look back at the previous year and take a look toward the future.

2012 wasn't like 2011. 2011 was an unusual year for high profile intelligence victories.

The successful raid on Bin Laden was the culmination of over a decade of painstaking intelligence work.

Although there may be no Oscar-nominated movies about intelligence successes in 2012, make no mistake—every day is an intelligence success.

The men and women of the Intelligence Community are working to keep us safe 24 hours a day, 7 days a week.

These federal employees work nights, weekends, holidays, and in some of the most remote and dangerous locations around the world to defend the nation.

There are no movies made of these daily successes because these tireless professionals are preventing the attacks that dominate the headlines and inspire big screen movies.

They know that their success often requires anonymity, and we know they work to serve, not for glory.

We know this, and we deeply appreciate all the work of your quiet professionals.

The Intelligence Committee made a commitment to give our intelligence professionals the resources, capabilities and authorities we need to protect the United States.

The Intelligence Community did so amidst grave, and sometimes deadly, challenges, as we saw in Libya. I believe the Intelligence Community is ready to handle the threats we

face in 2013, and I believe this Intelligence Committee is ready to make sure they have the tools, guidance and appropriate oversight to do so.

As we head into 2013, there is a lot of unrest around the world.

The IC must continue to focus its analytical capabilities in the Middle East as that region continues its violent transformations.

We must remain vigilant on Iran, whose antagonism grows, as does its capacity to do harm to us and our allies.

Iran cannot be trusted and we cannot allow it to create a nuclear weapon. A nuclear capable Iran threatens our safety as well as the safety of Israel and the rest of the Middle East.

We must also continue to keep up with events in Yemen where Al-Qaeda in the Arabian Peninsula, AQAP, is still plotting to kill Americans and disrupt our way of life.

In Syria, we must continue to know all we can about this horrendous situation and find ways to gain influence and supporters in the post-Assad Syria.

The fall of the Assad regime will not end the crisis. The common enemy that unites the various opposition groups will one day fall, and the old divisions will mix with the glut of weapons to make for a volatile situation. We must think ahead, avoid making the mistakes of the past, and never fall back into the trap of thinking military solutions alone can solve complex problems.

Africa too is becoming a breeding ground for terrorists—although we must always take care to keep threats in perspective, and not take actions that could transform remote, regional struggles into movements against the West.

Our eyes must turn more towards Asia, and we need to build our capacity to understand the many languages and cultures there, as well as the governments and the militaries.

North Korea is proving yet again its determination to destabilize the region with overblown, irresponsible, and dangerous actions. The destabilizing potential of North Korea, and its willingness to export proliferation, cannot be under-estimated. But, we also know their pattern of ramping up tensions in order to extract concessions. We need to find a way to break this cycle.

Pakistan is going through another round of internal convulsions, with vast security implications for the region and for the U.S.

China and Russia continue their efforts at economic espionage, and continue to modernize their militaries. Both China and Russia went through important leadership transitions in 2012 as well.

We must also look for broad movements and anticipate the triggers of conflict. Will ideology yield to competition for natural resources—be they food, water or rare earth minerals—as the next motivator for international conflict?

The threats we will face are grave, constant and evolving.

For example, cyber. What many were calling a cyber “cold war” has turned hot.

Countries like Iran are continuously attacking our economic infrastructure, while China and Russia keep stealing our trade secrets by infiltrating the networks of our companies. U.S. industry is spending billions to respond to the attacks and is rightfully looking to the Government to do what it has always done—defend against attacks from foreign governments.

The Intelligence Community is on the front lines of defense—and it must continue to do so.

We in Congress need to do our part as well.

In 2012, the House passed our *Cyber Intelligence Sharing and Protection Act*, which would have given the Government the authority to share “cyber threat intelligence” with industry, and would have allowed industry to place a cyber 911 call to Government.

Yesterday, the Intelligence Committee passed the bill out of markup by a vote of 18-2. The markup adopted many amendments that vastly improved our bill—making it more effective and more protective of privacy. These efforts were the culmination of over a year of work with industry and groups devoted to our privacy and civil liberties.

This year, CISPA must become law.

Beyond CISPA, we in the legislature also need to do everything we can to ensure we have a deep bench of cyber security professionals and innovators, by investing in early education in science, technology, engineering and math (STEM).

We also need to find the right incentives for our best and brightest to go into public service right out of school, starting, for example, by increasing opportunities for Government internships.

Our prosperity and our national security depend on our schools. If they fall behind, we fall behind.

We all realize that this is a tremendous set of priorities, and you have a tremendous burden. It is all being made that much more challenging by sequestration.

People forget when they talk about “sequestration” that it was designed to be bad.

The across-the-board cuts were designed to be so ill-advised and so painful that their mere possibility was to force both sides to come together on a broader budget deal.

That was the threat, but now it's reality.

Now we are facing deep and indiscriminate cuts with no regard to priority or good sense.

These cuts negatively impact our important social programs, and it cuts investments in STEM, the very educational subjects that are crucial for innovation and economic growth, and the very fields that the Russians and Chinese are heavily investing in.

Sequestration also sacrifices our national security. The Intelligence Authorization Act very narrowly spells out what the intelligence community can do, allowing Congress to provide oversight. The flip side is that under sequestration, each of those narrowly defined programs gets the same cut.

It doesn't matter what the priority of the program is, or the timeliness, or even the overall cost-- it's throwing the baby out with the bath water.

Take space programs, for example. To indiscriminately cut a space program by even 9% can force a decision to turn off a well-performing satellite, long before its useful life is complete. If it costs \$1.5 billion to buy a satellite and \$15 million a year to operate and maintain it, then cutting into those yearly costs effectively means you cannot operate or maintain the platform.

A 9% reduction could lead to a 100% loss of capability.

What's worse is that once you stop maintaining a satellite, it turns off—and you can't turn it back on. If you one day want to get those capabilities back—say a country is testing nuclear weapons—you are going to have to replace the satellite for the full cost.

To borrow an old phrase—we are being penny wise, but pound foolish. We are abandoning the car on the side of the highway so we don't pay for gas.

There is, however, a way—and a need—to trim our budgets intelligently. The Intelligence Authorization Acts for FY 2011, 2012 and 2013 managed to limit resources without affecting mission or our dedicated professionals—and we must do the same in 2014.

I look forward to hearing from leaders of the intelligence community on how they plan to address these challenging issues and how they are going to work individually, and together, to do so.

Mr. Chairman, I yield back.

###



**Remarks as delivered by
James R. Clapper
Director of National Intelligence**

**Worldwide Threat Assessment to the
House Permanent Select Committee on Intelligence**

Location: HVC-210, U.S. Capitol, Washington, D.C.

Date: Thursday, April 11, 2013

Time: 10:00 a.m. EDT

Chairman Rogers, Ranking Member Ruppertsberger and distinguished members of the committee, we're here today to present the 2013 Worldwide Threat Assessment.

These remarks and our two statements for the record, one unclassified and a much more detailed classified one, reflect the collective judgments of the extraordinary men and women of the United States intelligence community. And may I say that on behalf of all of us and all the men and women of the community, we certainly appreciate your strong, staunch support. It's our privilege and honor to serve in these positions, to lead them, and now, as I'll discuss shortly, our solemn duty to protect them.

As you know, Mr. Chairman, I have serious reservations about conducting open hearings on the worldwide threat, especially the question-and-answer sessions. While I believe it's important to keep the American public informed about the threats our nation faces, I believe that can be done through unclassified opening statements and statements for the record. As you also know, we're ready to answer any of all of your questions in closed session.

But an open hearing on intelligence matters is something of a contradiction in terms. While our statements for the record and your opening statements can be reviewed in advance for classification issues, our answers to your questions cannot. And our attempts to avoid revealing classified information sometimes lead to misinterpretation or accusations that we're being circumspect for improper reasons.

It's a hazard we've encountered when publicly discussing sensitive details of national security matters. So when we ask to discuss certain matters in closed session, it's not to evade but rather to, one, protect our intelligence sources and methods; and two, to be sensitive to the often delicate relations we have with our allies and partners. They and our adversaries all carefully listen to and watch these hearings as well, as I've learned the hard way.

The topic -- and you've already brought it up, and importantly so -- the topic that's foremost on all of our minds this year is sequestration. I raise it in this hearing because the effects of sequestration amplify the threats that I'll discuss later that face this nation. You haven't seen a whole lot of public discourse on the impact of these indiscriminate cuts on intelligence. Comparatively speaking, our engagements with the media on this issue have been fairly restrained. So now let me be blunt for you and for the American people.

Sequestration forces the intelligence community to reduce all intelligence activities and functions without regard to impact on our mission. In my considered judgment as the nation's senior intelligence officer, sequestration jeopardizes our nation's safety and security, and this jeopardy will increase over time.

The National Intelligence Program, or NIP, as it's known, which provides our resources, is spread across six Cabinet departments and two independent agencies. Much of it is carried in the DOD budget. For that portion of the NIP, the Congress directed that the National Intelligence Program use an even more onerous set of rules to carry out these cuts than that imposed on the larger Defense Department itself.

We appreciate the committee's support in trying to fix this problem. These restrictive rules compound the damage and restrict our ability to manage where to take reductions in a balanced and rational way. Accordingly, the sheer size of the sequestration cut, about \$4 billion, or about 7 percent of the NIP, will directly compel us to do less with less.

Some examples, by way of exhaustion, not -- or by way of illustration, not exhaustion. We will reduce human technical and counterintelligence operations, resulting in fewer collection opportunities, which increases the risk of strategic surprise. This includes, for example, possibly furloughing thousands of FBI employees funded in the NIP.

Our cyber efforts will be impacted. Critical analysis and tools will be cut back. We'll reduce global coverage and may risk missing the early signs of a threat. We'll let go thousands of contractors who are an integral part of the intelligence community. We'll delay major systems acquisitions and decommission older but still productive overhead reconnaissance capabilities, thus reducing coverage that Mr. Ruppertsberger has already alluded to. Virtually all of the 39 major systems acquisitions across the intelligence community will be wounded. We'll have to renegotiate contracts and (slip ?) schedules for delay, which in the long run will cost us even more. And we'll have to scale back cutting-edge research.

Since we're already halfway through the fiscal year, the mandated across-the-board cuts are really equivalent to about 13 percent because we're forced to take them in just seven months. This condensed timeline magnifies the impact these cuts will have on the intelligence community.

So in response, our approach starts with the premise that mission comes first. Therefore, our two highest priorities are, one, to protect our most valuable resource, our civilian workforce, so it can focus on the threats we face, and two, to support overseas operations.

Our civilian workforce works 24/7 around the world and is crucial to performing our mission. It is our civilian professionals who will provide the resilience and ingenuity to help compensate for the other cuts that we will unavoidably incur.

The IC leadership is uniformly and resolutely committed to minimizing the number and length of furloughs if required, not only because of the direct impact on our mission but because of the severe impact on the morale of the people who do it.

Let me emphasize we're not arguing against taking our share of budget reductions. What I am saying is we must manage this budget crisis and sustain our vital missions, but accept, to be clear, and manage the inevitable risk we're incurring. Therefore, I plan to resubmit a reprogramming action to mitigate some of the most egregious cuts to help us cut in a more rational, mission-focused manner, and in this I'm asking for your support and that of the other intelligence oversight committees for expedited consideration.

I must tell you I've seen this movie before. Twenty years ago I served as director of DIA, the job that Mike Flynn has now. We were then enjoined to, quote, "reap the peace dividend" occasioned by the end of the Cold War. We reduced the intelligence community by about 23 percent. During the mid-and late '90s, we closed many CIA stations. We reduced HUMINT collectors; cut analysts, allowed our overhead architecture to atrophy; neglected basic infrastructure needs, such as power, space and cooling; and let our facilities decay. And most damagingly, we badly distorted the workforce.

All of that, of course, was reversed in the wake of 9/11. Thanks to the support of the Congress, over the last decade we've rebuilt the intelligence community into the premier capability we have today. But now, if we're not careful, we risk another damaging spiral.

The IC leadership is going to do all we can to prevent history from repeating this cycle. Unlike more directly observable sequestration impacts, like shorter hours at public parks or longer security lines at airports, the degradation to intelligence will be insidious. It will be gradual, almost invisible, until, of course, we have an intelligence failure.

With that preface as a backdrop, let me turn now to a brief wave- top review of global threat trends and challenges. In my almost 50 years in intelligence, I do not recall a period in which we've confronted a more diverse array of threats, crises and challenges around the world. To me, at least, this makes sequestration even more incongruous.

This year's threat assessment illustrates how dramatically the world and our threat environment are changing. Threats are more interconnected and viral. Events which at first blush seem local and irrelevant can quickly set off transnational disruptions that affect U.S. national interests. "War" now includes a software variant -- a soft war variation. Arms include cyber and financial weapons, and attacks can be deniable and nonattributable.

I'd like to turn now to a few of the issues we've identified in our statements for the record. Our statement this year leads with cyber, of course, and congratulations to the committee for the passage of your bill.

As more and more state and nonstate actors gain cyber expertise, its importance and reach as a global threat cannot be overstated. This year our discussion of natural resources is also more prominent because shifts in human geography, climate and disease, and competition for natural resources, have huge national security implications. Many countries important to U.S. interests are living with extreme water and food stress that can destabilize governments, force human migrations and trigger conflicts. Criminal or terrorist elements can also exploit these weaknesses to conduct illicit activity, recruitment and training.

On the issue of terrorism, the threat from al-Qaida and the potential for a massive coordinated attack on the United States may be diminished, but the jihadist movement is more diffuse. Lone wolves, domestic extremists and jihad-inspired affiliated groups are determined -- still determined to attack Western interests. The turmoil in the Arab world has brought a spike in threats to U.S. interests. The rise of new governments in Egypt, Tunisia, Yemen and Libya, along with ongoing unrest in Syria and Mali, provide openings for opportunistic individuals and groups.

In these and other regions of the world, extremists can take advantage of diminished counterterrorism capabilities, porous borders and internal stresses, and most especially a high proportion -- a disproportionately high proportion of unemployed frustrated young males who deeply resent our power, wealth and culture.

Weapons of mass destruction development and proliferation is another persistent threat to U.S. interests. We continue to monitor the spread, development and possible use of WMD around the world.

North Korea has already demonstrated capabilities that threaten the United States and the security environment in East Asia. It announced in February that it conducted its third nuclear test, vowed to restart its nuclear reactor at Yongbyon and last year about this time displayed what appears to be a road-mobile intercontinental ballistic missile. We believe Pyongyang has already taken initial steps for -- towards fielding this system, although it remains untested. It also uses Taepo Dong-2 launch vehicle to put a satellite in orbit in December, thus demonstrating its long-range missile technology.

These developments have been accompanied with extremely belligerent, aggressive public rhetoric towards the United States and South Korea. We continue to carefully monitor developments in anticipation of North Korea's next provocative step.

Iran continues to develop technical expertise in uranium enrichment, nuclear reactors, weaponization and ballistic missiles from which it could draw, if it decides to build missile delivery -- missile-deliverable nuclear weapons. These technical advancements strengthen our assessment that Tehran has the scientific, technical and industrial capacity to produce nuclear weapons. So the central issue is its political will to do so. Such a decision will reside with the supreme leader, and at this point, we don't if he'll eventually decide to build nuclear weapons.

The United States and our allies are tracking Syria's munitions stockpiles, particularly its chemical and biological warfare agents, which are all part of a large, complex and geographically dispersed program. Its advanced chemical weapons program has the potential to inflict mass casualties. The increasingly beleaguered regime, having found that its escalation of violence through conventional means is not working, appears quite willing to use chemical weapons against its own people. All the worse, nongovernmental groups or individuals in Syria could also gain access to such materials.

Looking briefly at geographic threats around the world, some nations of the Mideast and North Africa are making progress toward democratic rule, but most are experiencing violence and political backsliding.

In Iran, leaders are exploiting the unrest in the Arab world to spread influence and undermine the United States and our allies. But Tehran also faces a worsening financial outlook, and the fall of the Assad regime in Syria would be a huge strategic loss for Iran.

In Iraq, tensions are rising between the majority Shia and minority Sunni as well as with the Kurds. To this point, al-Qaida in Iraq has not mustered the strength to overwhelm Iraqi security forces, and Iraq is producing and exploiting oil at its highest levels in two decades.

Islamic actors have been the chief beneficiaries of the political openings, and Islamist parties in Egypt, Tunisia and Morocco will probably solidify their influence this year.

After nearly two years of conflict in Syria, the erosion of the regime's capabilities is accelerating. We see this in its territorial losses, military manpower and logistics shortages. The opposition is slowly but surely gaining the upper hand. Assad's days are numbered. We just don't know the exact number. The regime's aggressive violence and the deteriorating security conditions have led to increased civilian casualties, now estimated as some 70,000 deaths. The violence and economic dislocation have also led to approximately 3.6 million civilians being displaced and a further 1.3 million refugees who have fled Syria, which intensifies the pressure on Jordan, Turkey, Lebanon and Iraq.

Egyptian elections, originally scheduled for this month, will now probably be pushed to the fall. The longer they are postponed, the greater the potential for more public dissatisfaction and even violence in the streets.

In sub-Saharan Africa, we're monitoring unresolved discord between Sudan and South Sudan, fighting in Somalia, extremist attacks in Nigeria, the collapse of governance in northern Mali and renewed conflicts in the Great Lakes region.

Mali's security hinges on France being able to determine -- undermine terrorist networks in the region. It also depends on the efforts by the Africa-led International Support Mission to Mali or by future U.N. peacekeeping operations. West African countries have deployed thousands of troops to help stabilize northern Mali. Chad is the nation's biggest contributor, and it's working closely with the French to combat terrorist groups in the north.

Moving to Asia, the Taliban-led insurgency has diminished in some areas of Afghanistan but is still resilient and capable of challenging U.S. and international goals.

The coalition drawdown will have an impact on Afghanistan's economy, which is likely to decline after 2014.

In Pakistan, the government has not instituted much-needed policy and tax reforms, and the country faces no real prospects for sustainable economic growth. On a more positive note, this past year the armed forces continued their operations in the Federally Administered Tribal Areas, or FATA, which had been safe havens for al- Qaida and the Taliban. And Pakistan has scheduled national and provincial assembly elections for May 11th.

In China last month, Xi Jinping became president. His country continues to supplement its military capabilities by bolstering maritime law enforcement to support its claims in the South and East China Seas.

Russia will continue to resist putting more international pressure on Syria or Iran. It'll also continue to display great sensitivity about missile defense.

Closer to home, despite positive turns toward democracy and economic development, Latin America and the Caribbean contend with weak institutions, slow recovery from devastating natural disasters and drug-related violence and trafficking.

In Venezuela, Nicolas Maduro was recently named acting president. Their election is slated for three days from now, and with a comfortable lead in the polls, Maduro is expected to win, and he will probably continue in Chavez's tradition.

In sum, given the magnitude and complexity of our global responsibilities, insightful, persistent and comprehensive intelligence has never been more important or more urgent. And I have trouble reconciling this imperative with sequestration.

With that, I thank you for your attention, and we stand ready to address your questions.