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L E A D I N G I N T E L L I G E N C E I N T E G R A T I O N

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

**Worldwide Threat Assessment
to the Senate Select Committee on Intelligence**

**Wednesday, January 29, 2014, 10:00 AM
216 Hart Senate Office Building, Capitol
Washington, D.C.**

Madam Chairman, Vice Chairman, panelists and distinguished members of the committee, my colleagues and I here today present the intelligence community's worldwide threat assessment as we do every year. I'll cover five topics in about eight minutes on behalf of all of us.

As DNI, this is my fourth appearance before the committee to discuss the threats we face. I've made this next assertion previously, but it is, if anything, even more evident and relevant today.

Looking back over my more than half a century in intelligence I have not experienced a time when we've been beset by more crises and threats around the globe. My list is long.

It includes the scourge and diversification of terrorism, loosely connected and now globally dispersed to include here at home as exemplified by the Boston Marathon bombing; the sectarian war in Syria, its attraction as a growing center of radical extremism and the potential threat this poses to the homeland; the spillover of conflict in the neighboring Lebanon and Iraq; the destabilizing flood of refugees in Jordan, Turkey and Lebanon; the implications of the drawdown in Afghanistan; the deteriorating internal security posture in Iraq; the growth of foreign cyber capabilities; the proliferation of weapons of mass destruction, aggressive nation state intelligence efforts against us; an assertive Russia, a competitive China, a dangerous, unpredictable North Korea, a challenging Iran, lingering ethnic divisions in the Balkans, perpetual conflict and extremism in Africa, violent political struggles, and among others the Ukraine, Burma, Thailand and Bangladesh; the specter of mass atrocities; the increasing stress of burgeoning populations; the urgent demands for energy; water and food, the increasing sophistication of transnational crime; the tragedy and magnitude of human trafficking; the insidious rot of inventive synthetic drugs; the potential for pandemic disease occasioned by the growth of drug-resistant bacteria.

I could go on with this litany but suffice to say we live in a complex, dangerous world. And the statements for the record that we've submitted, particularly the classified version, provide a comprehensive review of these and other daunting challenges.

My second topic is what has consumed extraordinary time and energy for much of the past year in the intelligence community and the Congress and the White House, and, of course, in the public square.

I'm speaking, of course, about the most massive and most damaging theft of intelligence information in our history by Edward Snowden and the ensuing avalanche of revelations published and broadcast around the world.

I won't dwell on the debate about Snowden's motives or legal standing, or on the supreme ironies associated with his choice of freedom-loving nations and beacons of free expression from which to rail about what an Orwellian state he thinks this country has become.

But what I do want to speak to as the nation's senior intelligence officer, is the profound damage that his disclosures have caused and continue to cause. As a consequence, the nation is less safe and its people less secure.

What Snowden has stolen and exposed has gone way, way beyond his professed concerns with so-called domestic surveillance programs. As a result, we've lost critical foreign intelligence collection sources, including some shared with us by valued partners.

Terrorists and other adversaries of this country are going to school on U.S. intelligence sources methods and trade craft and the insights that they are gaining are making our job much, much harder.

And this includes putting the lives of members or assets of the intelligence community at risk, as well as our armed forces, diplomats, and our citizens. We're beginning to see changes in the communications behavior of adversaries, which you alluded to, particularly terrorists, a disturbing trend which I anticipate will continue.

Snowden claims that he's won and that his mission is accomplished. If that is so, I call on him and his accomplices to facilitate the return of the remaining stolen documents that have not yet been exposed to prevent even more damage to U.S. security.

As a third related point I want to comment on the ensuing fallout. It pains me greatly that the National Security Agency and its magnificent workforce have been pilloried in public commentary.

I started in the intelligence profession 50 years ago in SIGINT (signals intelligence) and members of my family and I have worked at NSA, so this is deeply personal to me. The real facts are, as the president noted in his speech on the 17th, that the men and women who work at NSA, both military and civilian, have done their utmost to protect this country and do so in a lawful manner.

As I and other leaders in the community have said many times, NSA's job is not to target the e-mails and phone calls of U.S. citizens. The agency does collect foreign intelligence, the whole reason an NSA has existed since 1952, performing critical missions that I'm sure the American people want it to carry out.

Moreover, the effects of the unauthorized disclosures hurt the entire intelligence community, not just NSA. Critical intelligence capabilities in which the United States has invested billions of dollars are at risk, or likely to be curtailed or eliminated either because of compromise or conscious decision.

Moreover, the impact of the losses caused by the disclosures will be amplified by the substantial budget reductions we're incurring. The stark consequences of this perfect storm are plainly evident.

The intelligence community is going to have less capacity to protect our nation, and its allies, than we've had.

And this connection I'm also compelled to note the negative morale impact this perfect storm has had on the IC work force which are compounded by sequestration furloughs the shutdown and salary freezes. And in that regard, I very much appreciate -- we all do -- your tributes to the women and men of the intelligence community, and we will certainly convey that to all of them.

This leads me to my fourth point. We are thus faced with collectively -- and by collectively I mean this committee, the Congress at large, the executive branch, and most acutely, all of us in the intelligence community -- is the inescapable imperative to accept more risk. It's a plain hard fact, and a circumstance the community must, and will manage, together with you and those we support in the executive branch.

But, if dealing with reduced capacities is what we need to ensure the faith and confidence of the American people and their elected representatives, then we in the intelligence community will work as hard as we can to meet the expectations before us.

And that brings me to my fifth and final point. The major take away for us, certainly for me, from the past several months is that we must lean in the direction of transparency, wherever and whenever we can. With greater transparency about these intelligence programs the American people may be more likely to accept them. The president set the tone and direction for us in his speech, as well as in his landmark presidential policy directive.

A major hallmark of which is transparency.

I have specific tasking in conjunction with the attorney general to conduct further declassification to develop additional protections under Section 702 of the FISA Act, to modify how we conduct bulk collection of telephone metadata under Section 215 of the Patriot Act and to ensure more oversight of sensitive collection activities. And clearly we'll need your support in making these changes.

Through all of this, we must and will sustain our professional tradecraft and integrity. And we must continue to protect our crown jewel sources and methods so that we can accomplish what we've always been chartered to do, protect the lives of American citizens here and abroad from the myriad threats I described at the beginning of this statement.

With that, I'll conclude and we're ready to address your questions.