

**HEARING TO RECEIVE TESTIMONY ON THE
CURRENT AND FUTURE WORLDWIDE
THREATS TO THE NATIONAL SECURITY OF
THE UNITED STATES**

TUESDAY, MARCH 10, 2009

U.S. SENATE
COMMITTEE ON ARMED SERVICES
Washington, DC.

The committee met, pursuant to notice, at 9:36 a.m. in room SH-216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, E. Benjamin Nelson, Bayh, Webb, McCaskill, Udall, Hagan, Begich, Burris, McCain, Inhofe, Sessions, Graham, Thune, Martinez, Wicker, Vitter, and Collins.

Committee staff members present: Richard D. DeBobes, staff director; Leah C. Brewer, nominations and hearings clerk; and Mary J. Kyle, legislative clerk.

Majority staff members present: Madelyn R. Creedon, counsel; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Thomas K. McConnell, professional staff member; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; John H. Quirk V, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Joseph W. Bowab, Republican staff director; Adam J. Barker, research assistant; William M. Caniano, professional staff member; Richard H. Fontaine, Jr., deputy Republican staff director; and Paul C. Hutton IV, professional staff member.

Staff assistants present: Kevin A. Cronin, Jessica L. Kingston, and Ali Z. Pasha.

Committee members' assistants present: Sharon L. Waxman, assistant to Senator Kennedy; James Tuite, assistant to Senator Byrd; Christopher Griffin, assistant to Senator Lieberman; Elizabeth King, assistant to Reed; Christopher Caple, assistant to Senator Bill Nelson; Ann Premer, assistant to Senator Ben Nelson; Jon Davey, assistant to Senator Bayh; Gordon I. Peterson, assistant to Senator Webb; Jennifer Barrett, assistant to Senator Udall; David Ramseur, assistant to Senator Begich; Anthony J. Lazarski, assistant to Senator Inhofe; Lenwood Landrum and Sandra Luff, assistants to Senator Sessions; Adam G. Brake, assistant to Senator Graham; Jason Van Beek, assistant to Senator Thune; Brian W.

Walsh and Erskine W. Wells III, assistants to Senator Martinez; and Chip Kenneth, assistant to Senator Collins.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. I'd like to welcome our today's hearing on current and longer-term threats and challenges around the world. We're delighted to have the Director of National Intelligence, Dennis Blair, for his first appearance before us as DNI; and the DIA Director, General Michael Maples, for his final appearance before the Armed Services Committee.

General Maples, on behalf of the Committee, thank you for your great service to the Nation, for your appearances before this Committee.

General Maples: Thank you, sir.

Chairman LEVIN. This Committee has a special responsibility to the men and women of our armed forces to be vigilant on intelligence programs, because decisions on whether or not to use military force, the planning for military operations, and carrying them out successfully depend so heavily on accurate intelligence.

I want to focus my remarks this morning on a few major challenges to our security. The situation in Afghanistan has been deteriorating for several years and is now a serious problem, necessitating the dispatch of additional U.S. forces even before the new administration completes its strategic review of the region and while it's working on a comprehensive regional approach to the problem. This situation is the result of: one, years of large commitment of U.S. military troops in Iraq; two, a disorganized and underresourced international effort in Afghanistan; three, the disappointing performance by the government of Afghanistan; and four, a resurgent Taliban enjoying sanctuary in Pakistan across a border that the U.S. commander in that region, Brigadier General John Nicholson, says is "wide open."

Indeed, the Afghan-Taliban forces under Mullah Omar operate with impunity from Pakistan's Baluchistan province, crossing unhampered into southern Afghanistan. Other large Pakistan militant forces now dominate major portions the Federally Administered Tribal Areas, or FATA, in the Northwest Frontier Province. It is in these regions that al Qaeda is based and from which attacks in Afghanistan and Pakistan itself are launched.

The militant strongholds in Pakistan, however, are not simply a threat to Afghanistan. They have also become a clear threat to Pakistan's security and the source of major global terrorist threat from al Qaeda. The United States and our allies have to develop alternatives to address Pakistan's security concerns and persuade Pakistan to make a fundamental break with its past policies. I do not underestimate the challenge that this could present to Pakistan. I have doubts, however, as to whether Pakistan has the will or the capacity to make significant changes in the near term. Achieving a basic change in Pakistan's strategic security policy will take time, but we cannot make progress in Afghanistan or the defense of America against an al Qaeda attack dependent on a hoped-for change in Pakistan's calculus and capabilities.

There are many things that we and our allies can do in Afghanistan to protect the population, help them establish the rule of law,

and improve their lives, while seeking ways to end the Pakistan safe havens. Can we fully succeed with an open border and safe havens in Pakistan? No. But progress in Afghanistan cannot await changes in Pakistan.

Relative to Iraq, the President has announced a timetable for reducing force levels in Iraq and reorienting our mission there. I look forward to the witnesses' estimates about likely Iraqi political developments, including the prospects for reconciliation and the peaceful settlement of the political and territorial issues in the north.

Turning to Iran, the Obama Administration has initiated a new diplomatic approach to persuade Teheran to stop its uranium enrichment program and to forego the acquisition of nuclear weapons and to behave more constructively in the region. Director Blair's statement today indicates that the Intelligence Community continues to believe that some combination of international scrutiny, pressure, and incentives might persuade Teheran to forego a nuclear weapon capability, but achieving this would be "difficult."

Secretary Clinton's invitation to Iran to participate in a conference on Afghanistan at the end of the month is an important test of whether Iran is willing to explore ways to begin a less confrontational relationship.

The Obama Administration is trying to reset relations with Russia for multiple reasons. We have many common security interests with Russia and our mutual security will be best served if we cooperate to address our common security challenges. One important opportunity is the exploration of the possibility of cooperating with Russia on missile defense capabilities to provide protection against Iran's ballistic missile systems. A nuclear-armed Iran with ballistic missiles would be a common threat to which Russia cannot be indifferent. U.S.-Russia cooperation on missile defense would send a powerful signal to Iran, perhaps helping to dissuade Iran from continuing to violate UN resolutions.

Secretary Gates recently indicated that he thinks there is interest in Russia on cooperation, and I look forward to learning the views of the Intelligence Community on this question as well this morning.

Clarity on the status of Iran's nuclear program is also crucial. Director Blair's testimony last month is consistent with the last national intelligence estimate, which concluded that, while Iran had halted its efforts to seek a nuclear warhead, Iran is continuing its uranium enrichment program and ballistic missile development efforts. Moreover, Iran has sufficient low enriched uranium to produce a nuclear weapon if it chooses to further enrich that material to weapons-grade levels. It would be useful for our witnesses to clarify the Intelligence Community's view of Iran's current activities and its intent.

The other primary nuclear and missile proliferation challenge remains North Korea. North Korea rejected the verification protocol proposed in the Six Party Talks in December and has since made a number of belligerent threats and appears to be preparing another attempt to launch a satellite with a system that could demonstrate many aspects of a long-range ballistic missile capability.

The question is whether North Korea will agree to acceptable verification of its declaration, including the issue of a suspected uranium enrichment program, and what that would mean for U.S. policy. North Korea has a habit of issuing dire threats when it does not get its way. To what lengths will the regime go to try to extract concessions and attempt to get us to re-engage on their terms?

The challenges confronting the U.S. Africa Command are vast and complex: ungoverned or undergoverned areas that offer potential havens and recruiting grounds for terrorist extremists and nations immersed in or emerging from conflict, where peace is elusive or fragile and international forces are required to provide much of the security and stability. Our thoughts are with all of the personnel of the aid agencies and the NGOs being expelled from Sudan and the people they serve following the International Criminal Court's arrest warrant for the president of Sudan. I look forward to hearing our witnesses' assessment of the implications of this decision by the International Criminal Court.

The challenges within our own hemisphere are complex. The violence in Mexico is becoming reminiscent of the situation in Colombia a decade ago. The root cause of the violence in Mexico is the same as Colombia: trafficking and profiting from illegal narcotics. The source of the vast majority of these drugs remains Colombia, but the problems created from the trafficking of these narcotics run from Panama City to Tijuana and includes the Pacific and Atlantic Oceans.

I would also appreciate if you could add to your presentations this morning any information that you can provide us relative to the Chinese government's intent and motive in the maneuvers of their ships against the USNS IMPECCABLE, a Navy ship which was in the South China Sea and in international waters.

We are going to have a closed session following this session and will have a briefer from the Navy who is ready to brief the Committee during our closed session on this matter in the China Sea. We've arranged, as I said, for that session and it's going to be in Hart 219 following this open session.

Senator McCain.

STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman, and I join you in welcoming our witnesses today.

Admiral Blair, I'd like to acknowledge and appreciate your willingness to return to government service and assume one of the most important and difficult positions in the Executive Branch.

General Maples, this is likely and on your part hopefully your last appearance before the Committee as the Director of the Defense Intelligence Agency. I know you will relinquish the directorship of DIA later this month and retire later this year. Thank you for your leadership of the DIA and for 38 years of distinguished service in the United States Army.

This is an important hearing on the Committee's annual calendar. The Committee has a special responsibility to look closely at our Nation's intelligence analysis, the nature of the threats we face today, and the intelligence programs that support those in harm's way. We hope you'll describe the complex nature of today's inter-

national environment and identify those areas of risk, concern, and opportunity that are critical to our National security.

I hope we will be able to discuss and you're prepared to discuss security trends and prospects in Iraq and Afghanistan, the capabilities and intent of al Qaeda, including threats to the U.S. homeland and U.S. interests worldwide and the outlook for Pakistan, especially progress against extremism in its federally Administered Tribal Areas and the possibility of an outbreak in military hostilities with India.

In addition, Iran's nuclear ambitions pose a large and enduring problem to our interests, and there are also ongoing developments with respect to Russia, China, and North Korea.

Closer to home, there's a widening drug war on Mexico's border with the U.S. and our Justice Department has identified Mexican gangs as "the biggest organized crime threat to the United States." We'd benefit from your views on these issues.

The Committee is also interested in your estimates about the destabilizing impact of the global economic crisis on our allies and adversaries, the domestic and international impact of global climate change on our National security, and the threats to the U.S. information infrastructure posed by both state and non-state actors.

Our forces around the world, and especially in Iraq and Afghanistan, put a premium on the intelligence support they receive, especially those conducting counterinsurgency and counterterrorism operations. The Committee is interested in the state of our human intelligence capability, linguist resources, and intelligence, surveillance, and reconnaissance capacities.

I thank the witnesses for their appearance today and I also am interested in any public statements prior to our closed hearing that you might make on apparent confrontation at sea with Chinese naval forces.

I thank you, Mr. Chairman.

[The prepared statement of Senator McCain follows:]

[COMMITTEE INSERT]

Chairman LEVIN. Thank you so much, Senator McCain.

Director Blair.

STATEMENT OF HON. DENNIS C. BLAIR, DIRECTOR, NATIONAL INTELLIGENCE

Admiral Blair: Chairman Levin, Ranking Member McCain—

Chairman LEVIN. Get your mike on there.

Admiral Blair:—members of the Committee: This morning General Maples and I represent thousands of patriotic, highly skilled professionals, the world's finest intelligence team. All these intelligence agencies participated in compiling the information and analysis that I'm reporting on this morning and the longer statements for the record which we submitted.

My report is not simply of threats, but also of opportunities and a tour of the complex and dynamic national security landscape with which the United States must deal. Let me start with the global economic crisis.

It already looms as the most serious one in decades. You may have seen yesterday's World Bank estimates that both world GDP and trade are declining at unprecedented rates. Since September of

last year, 10 nations have committed to new IMF programs and, unlike the 1997–1998 Asian financial crisis, no country or region can export its way out of this one.

The stakes are high. Mexico, with its close trade links to the United States, is vulnerable to a prolonged U.S. recession. Europe and the former Soviet bloc have experienced anti-state demonstrations. Much of Eurasia, Latin America, and sub-Saharan Africa lack sufficient cash Reserves and access to international aid.

Economic crises increase the risk of regime-threatening instability if they are prolonged 1 or 2 years, and we're watching this closely. Instability can loosen the fragile hold that many developing countries have on law and order.

There are some silver linings. With low oil prices, Venezuela will face fiscal constraints this year. Iran's president faces less than certain prospects for reelection in June. However, a serious energy supply crunch may happen in the longer range future if sustained low prices lead to major cuts or delays in new investments in the near term.

This crisis presents challenges for the United States, who are generally held to be responsible for it. The November G–20 summit elevated the influence of emerging market nations, but the United States also has opportunities to demonstrate increased leadership. Our openness, development, our skills, leadership skills, the mobility of our work force, puts us in a better position to re-invent ourselves. And Washington will have the opportunity to fashion new global structures that can benefit all nations.

Turning to terrorism, importantly, we have seen progress in Muslim opinion turning against terrorist groups. Over the last 18 months al Qaeda has faced public criticism from prominent religious leaders and even from fellow extremists. In 2008, these terrorists did not achieve their goal of conducting another major attack on the United States and no major country is at immediate risk of collapse from extreme terrorist groups.

Replacing the loss of key leaders since 2008 in Pakistan's federally Administered Tribal Areas has proved difficult for al Qaeda. Al Qaeda in Iraq continues to be squeezed. Saudi Arabia's aggressive counterterrorism efforts have rendered the Kingdom a harsh operating environment for al Qaeda.

But despite these setbacks, al Qaeda remains dangerous. Yemen is reemerging as a jihadist battleground. The capabilities of terrorist groups in East Africa will increase in the next year and we remain concerned about the potential for home-grown American extremists inspired by al Qaeda's militant ideology to plan attacks in this country.

There are many challenges in that region that stretches from the Middle East to South Asia and these challenges exist despite the progress I outlined in countering violent extremism. The United States has strong tools from military force to diplomacy and good relations with the vast majority of these nations and we will need all these tools in order to help forge a durable structure for peace and prosperity.

The revival of Iran as a regional power, the deepening of ethnic, sectarian, and economic divisions across much of the region, the looming leadership succession among U.S. allies, all these factors

are shaping the strategic landscape. Hezbollah and Hamas, with support from Iran, champion armed resistance to Israel, a development that complicates efforts to resolve the Israeli-Palestinian dispute and undercuts the legitimacy of moderate Arab states that support negotiated settlements. Battle lines are increasingly drawn in that part of the world, not just between Israel and Arab countries, but also between secular Arab nationalists and ascendant Islamic nationalist movements inside moderate states.

The Iranian regime views the United States as its principal enemy and a threat to Iran. A more assertive regional Iranian foreign policy coupled with its dogged development of a uranium enrichment capability alarms most governments in the region from Riyadh to Tel Aviv.

The Levant is the key focal point for these strategic shifts. Recent fighting between Israel and Hamas on the Gaza Strip has deepened Palestinian political divisions. It's also widened the rift between regional moderates, led by Egypt, Jordan, Saudi Arabia, and hard-liners, including Iran, Hezbollah, and Syria. With Hamas controlling Gaza and Hezbollah growing stronger in Lebanon, progress on a Palestinian-Israeli accord is much more difficult. With Iran pursuing uranium enrichment and Israel determined not to allow it to develop a nuclear weapon capability, there is potential for an Iran-Israeli confrontation or crisis. Moderate Arab states fear a nuclear-armed Iran, but without progress on a Palestinian settlement they are harder put to defend their ties to the United States.

In Iraq, coalition and Iraqi operations and dwindling popular tolerance for violence have helped to sideline extremists. Fewer Iraqis are dying at the hands of their countrymen than at any time in the last 2 years. Nevertheless, disputed internal boundaries, perceptions of government repression, or increased foreign support to insurgent or militia groups could reverse political and security progress, and Baghdad also will be coping with declining oil revenues.

In Afghanistan, the Taliban-dominated insurgency forces have demonstrated greater aggressiveness. Improved governance and extended development were hampered in 2008 by a lack of security. Afghan leaders must tackle endemic corruption and an extensive drug trade. Progress has been made in expanding and fielding the Afghan National Army, but many factors hamper efforts to make the units capable of independent action. The upcoming 2009 presidential election will present a greater security challenge than the election of 2004 and insurgents will probably make a concerted effort to disrupt it.

Improvement in Afghanistan and Pakistan's taking control of its border areas, improving governance and creating economic and educational opportunities throughout the country are linked. I agree, Chairman Levin, that that doesn't mean that you can't do anything in Afghanistan without solving Pakistan, but there is a linkage between these two that we have to address in making our policy.

In 2008 Islamabad intensified counterinsurgency efforts, but its record in dealing with militants has been mixed. It balances conflicting internal and counterterrorist priorities. The government is

losing authority in the north and the west and even in the more developed parts of the country mounting economic hardships and frustration over poor governance have given rise to greater radicalization.

The time when only a few states had access to the most dangerous technologies is long over. Often dual use, they circulate easily in our globalized economy, as does the scientific expertise. It is difficult for the United States and its partners to track efforts to acquire components and production technologies that are widely available. Traditionally deterrence and diplomacy constraints may not prevent terrorist groups from using mass effect weapons, and one of the most security challenges facing the United States is fashioning a more effective nonproliferation strategy along with our partners.

As the chairman mentioned, the assessments in our 2000 national intelligence estimate about Iran's nuclear weapons programs are generally still valid. Iran at a minimum is keeping open the option to develop deliverable nuclear weapons. The halt since 2003 in nuclear weapons design and weaponization was primarily in response to increasing international scrutiny and pressure and we assess that some combination of threats and intensified international attention and pressures, along with opportunities for Iran to achieve its security goals, might prompt Iran to extent this halt to some nuclear weapons-related activities.

Let me turn to Asia, rapidly becoming the long-term locus of power in the world. Japan remains the world's largest global economy and a strong ally of the United States, but the global downturn is exacting a heavy toll on Japan's economy. To realize its aspirations to play a stronger regional and perhaps global role will require political leadership and difficult decisions by Japan.

The rising giants, China and India, are playing increasing regional roles economically, politically, and militarily. China tries to assure access to markets, commodities, and energy supplies needed to sustain domestic economic growth. Chinese diplomacy seeks to maintain favorable relations with other powers, especially the United States. The global downturn, however, threatens China's domestic stability and Chinese leaders are taking both economic and security steps to deal with it.

Taiwan as an area of tension in U.S.-China relations has substantially relaxed. Taiwan President Ma, inaugurated in May, has resumed dialogue with Beijing and leaders on both sides of the Straits are cautiously optimistic about less confrontational relations. Nonetheless, preparations for a Taiwan conflict drive the modernization goals of the People's Liberation Army.

But in addition to that, China's security interests are broadening. A full civilian and military space capability, formal capabilities in cyberspace are rapidly developing. China will attempt to develop at least a limited naval projection capability, which is already reflected in anti-piracy operations off the coast of Somalia, and we can talk about the incident that happened recently in the South China Sea.

Like China, India's expanding economy will lead New Delhi to pursue new trade partners, to gain access to vital energy markets, and to develop other resources that sustain rapid growth. India's

growth rate will slow this coming year, but ample Reserves and a sound banking system will help ensure relative stability.

Determined efforts by Indian and Pakistani leaders to improve relations could unravel unless Islamabad takes meaningful steps to cut support to anti-Indian militant groups and New Delhi for its part makes credible efforts to allay Pakistan's security concerns. The increase in violent attacks within India is a cause of great concern to its government, as is instability in neighboring countries in South Asia, and I think the attacks in Islamabad on cricket teams was the latest instance of that.

On the global stage, Indian leaders will continue to follow an independent course. That we are both democracies does not guarantee congruence of our interests. Nonetheless, good relations with the United States will be essential for India—will be important for India to realize its global ambitions.

Although the Middle East and Asia have the highest call on our attention, our concerns are broader. Russia is actively cultivating relations with regional powers, including China, Iran, and Venezuela. Moscow also is trying to maintain control over energy networks to Europe and to East Asia. Russian leaders have spoken positively about the possibilities for a change in the U.S.-Russian dynamic, but NATO enlargement, the conflict over Georgia's separatist region, and missile defense could pose difficulties because of the combination of overlapping and conflicting interests there.

In Latin America, populist, often autocratic, regimes pose challenges to the region's long-term success. Basic law and order issues, including rising violent crime, powerful drug trafficking organizations, confront key hemispheric nations, as do uneven governance and institution-building efforts in confronting chronic corruption. The corruptive influence and increasing violence of Mexican drug cartels impedes Mexico City's ability to govern parts of its territory. Unless the United States is able to deliver market access on a permanent and meaningful basis, its traditionally privileged position in the region could erode, with a concomitant decline in political influence.

In addition, the United States has an opportunity to partner with Mexico in promoting our common interests in the region, including working against the drug cartels, stopping weapons moving generally south along the border, and working on other common issues.

Africa has made substantial economic and political progress over the past decade and the level of open warfare has declined significantly, especially in Liberia, Sierra Leone, and the Ivory Coast. However, the drop in commodity prices and global recession will test the durability of the region's recent positive growth trend. Even before the current crisis, the 6 percent GDP growth in Africa rate, although impressive, was not able to bring the necessary structural changes to reduce poverty and a number of intractable conflicts persist in the Democratic Republic of Congo, Nigeria, Sudan, and Somalia.

In Darfur, peace talks remain stymied, the larger peacekeeping force is slow in deploying, and the recent actions that the chairman referred to have made progress there even more difficult.

Let me finish with the long-term challenge of violence security and the threats to our information technology infrastructure. Adding more than a billion people to the world's population by 2025 will put pressure on clean energy sources and food and water supplies. Most of the world's population will move from rural to urban areas. They're seeking economic opportunity and many, particularly in Asia, will achieve advanced lifestyles with greater per capita consumption and greater generation per capita of pollution.

According to the United Nations International Panel on Climate Change, physical effects of climate change will worsen in coming years. Multilateral policymaking on climate change is likely to be substantial and will be a growing priority among traditional security affairs. The world sees the United States in a pivotal leadership role.

As effects of climate change mount, the United States will come under increasing pressure to help the international community set goals for remissions reductions and to help others through technological progress.

Finally, threats to our information technology infrastructure. It is becoming both indispensable to the functioning of our society and vulnerable to catastrophic disruptions in a way that the old decentralized analog systems were not. Cybersystems are being targeted for exploitation and potentially for disruption or destruction, and it's being done by an increasing array of both non- state and state adversaries.

Network defense technologies are widely available to mitigate threats, but they have not been uniformly adopted. A number of nations, including Russia and China, can disrupt elements of our information infrastructure. We must take proactive measures to detect and prevent intrusions before they cause significant damage. We must recognize that cyber defense is not a one-time fix. It requires a continual investment in hardware, software, and cyber defenses.

In conclusion, the international security environment is complex. The global financial crisis has exacerbated what was already a growing set of political and economic uncertainties. We're nevertheless in a strong position to shape a world reflecting universal aspirations and the values that have motivated Americans since 1776: human rights, the rule of law, liberal market economics, social justice. Whether we can succeed will depend on actions we take here at home, restoring strong economic growth and maintaining our scientific and technological edge, and defending ourselves at reasonable cost, while preserving our civil liberties.

It will also depend on actions abroad, not only how we deal with individual regions, individual regimes, individual crises, but also on how we develop a new multilateral system, formal or informal, for effective international cooperation in areas like trade and finance, in neutralizing extremist groups using terrorism, in controlling the proliferation of weapons of mass destruction, in developing codes of conduct for cyberspace and space, and in mitigating and slowing global climate change.

Mr. Chairman, subject to your questions, that concludes the prepared remarks.

[The prepared statement of Admiral Blair follows:]

Chairman LEVIN. Thank you so much, Director Blair.
General Maples.

**STATEMENT OF LIEUTENANT GENERAL MICHAEL D. MAPLES,
U.S. ARMY, DIRECTOR, DEFENSE INTELLIGENCE AGENCY**

General Maples: Senator Levin, Senator McCain, members of the Committee: First of all, thank you for this opportunity to appear with Director Blair today. I have submitted a statement for the record and I will summarize my remarks, focusing primarily on ongoing operations and military developments. But before I do, I just want to thank the members of the Committee for your support of our service men and women around the world, and in particular for the support that you have provided to the Defense Intelligence Agency and to our defense intelligence professionals, who support all of our men and women in uniform who are engaged in conflict around the world. Your support and what you have done for us to enable us to support them truly has been remarkable and I thank for that.

Chairman LEVIN. We thank you.

General Maples: First of all, let me start with Iraq. The security situation in Iraq does continue to improve. Overall violence across the country declined in the last 6 months of 2008 and by January of 2009 attacks were 60 percent lower than in January of 2008. While Iraqi leaders have reached accommodation on a range of key issues, many of Iraq's underlying problems, such as lingering ethno-sectarian rivalries, a weakened insurgency, a still developing central government, and a lack of a shared national vision, will continue to challenge Iraqis over the next year and beyond.

Iraqi security forces improved their overall capabilities in 2008, demonstrating an increased ability to plan, prepare, and execute independent counterinsurgency operations. The ISF continues to rely on coalition support for key enabling capabilities, including close air support, intelligence, and logistics. A rapid degradation of the security situation is unlikely in 2009, although the failure of the Iraqi government to address key issues may erode security over time. Control of disputed areas, particularly in Ninewah and Kirkuk, may be the greatest potential flashpoint in Iraq for 2008.

The security situation in Afghanistan continued to worsen in 2008, driven by an increasingly proficient insurgency, government inability to deliver basic services to portions of the country, and insurgent access to safe havens in western Pakistan. Although the Taliban lost several key commanders in 2008 and have not demonstrated an ability to conduct sustained conventional operations, it has increased attacks. Enemy-initiated violence in 2008 grew by 55 percent over levels in 2007. Statistics also show increases in suicide bombings, the use of improvised explosive devices, and small arms attacks.

The Afghan National Army has grown from 49,000 to approximately 80,000 over the last year, fielding six new commando battalions which are specifically trained to handle counterinsurgency operations. Half of Afghan's combat arms units can lead combat operations, albeit with coalition support.

Afghan National Police forces still require considerable training and coalition support to fulfil their mission. The ANP has report-

edly grown from 75,000 to approximately 80,000 over the last year. The Afghan government has initiated a program to improve police performance.

Over the next year, the Afghan government will remain vulnerable to insurgent violence, the narcotics trade, foreign influences, and disruptive political maneuvering ahead of the 2009 Afghan presidential election. Afghan popular discontent could worsen, especially in areas where tribes remain disenfranchised and basic employment opportunities are not provided.

In Pakistan, some senior Pakistani leaders have publicly acknowledged that extremism has replaced India as Pakistan's pre-eminent national security threat. India, however, remains a high priority long-term concern. Strategic rivalry with India continues to drive Pakistan's development of an expanding array of delivery systems.

In the Federally Administered Tribal Areas, al Qaeda, the Afghan Taliban, and Pakistan-based extremist groups continue to have vital sanctuary. The area is used to recruit and train operatives, plan and prepare regional and transnational attacks, disseminate propaganda, and obtain equipment and supplies.

Pakistan's military has expanded its paramilitary forces and deployed additional troops to the area in an effort to contain the threat. Although U.S. efforts to address Pakistani counterinsurgency deficiencies are under way, it will take years before meaningful capabilities are likely to be developed.

Pakistan continues to develop its nuclear infrastructure, expand nuclear weapons stockpiles, and seek more advanced warheads and delivery systems. Pakistan has taken important steps to safeguard its nuclear weapons, although vulnerabilities still exist.

Al Qaeda is committed to imposing its own interpretation of Islamic rule upon the Muslim world and is the most terrorist threat to U.S. interests worldwide. Al Qaeda retains the operational capability to plan, support, and direct transnational attacks, despite the deaths of multiple senior-level operatives. Al Qaeda continues efforts to acquire chemical, biological, radiological, or nuclear materials and would not hesitate to use such weapons if the group develops sufficient capabilities.

Al Qaeda also continues to further relationships with compatible regional terrorist groups, such as al Qaeda in the Lands of the Islamic Maghreb and al Qaeda in East Africa, to extend the organization's financial and operational reach.

Now I'll turn to military developments in regions of interest. In Iran, Iran's military is designed principally to defend against external threats from more advanced adversaries and threats posed by internal opponents. However, Iran has the capability to conduct limited offensive operations with its ballistic missile and naval forces. Iran continues to develop and acquire ballistic missiles that can range Israel and Central Europe, including Iranian claims of an extended range variant of the Shahab 3 and a 2,000-kilometer medium-range ballistic missile, the Ashura.

Iran's 2 February 2009 launch of the Safir space launch vehicle shows progress in mastering the technology needed to produce ICBMs. Iran has boosted the lethality and effectiveness of existing

missile systems with accuracy improvements and new sub-munition payloads.

Ongoing naval modernization is focused on equipment such as fast missile patrol boats as well as anti-ship cruise missiles and naval mines. Iran continues to invest heavily in advanced air defenses. Iran has deployed advanced SA-15 tactical surface-to-air missile systems and continues to express interest in acquiring the long-range SA-20.

With the rest of the Intelligence Community, DIA judges Iran halted its nuclear weaponization and covert uranium conversion and enrichment-related work in 2003, but we assess that Teheran is keeping open the option to develop nuclear weapons.

China is strengthening its ability to conduct military operations along its periphery on its own terms. That would include the claims to an exclusive economic zone where the recent incident occurred. It is building and fielding sophisticated weapons systems and testing new doctrines that it believes will allow it to prevail in regional conflicts. The navy operates a large surface fleet, an increasingly modern submarine fleet, and appears likely to pursue an aircraft carrier development program. The air force is developing an extended range land attack cruise missile-capable bomber. China's nuclear force is becoming more survivable with the deployment of the DF-31 and DF-31 Alpha road-mobile intercontinental ballistic missiles and the eventual deployment of the JL-2 submarine-launched ballistic missile. China is also expanding its space capabilities, counterspace, cyber warfare, and electronic warfare capabilities.

In North Korea, North Korea's large forward positioned, but poorly equipped and poorly trained military is not well suited to sustain major military operations against the South. As a result of its limitations, North Korea is emphasizing its nuclear capabilities and ballistic missiles as a means to assure its sovereignty and to deter technologically superior opponents. The long-range artillery the North has positioned near the demilitarized zone is complemented by a substantial mobile ballistic missile force with an array of warhead options, to include weapons of mass destruction, that can range U.S. forces and our allies in the Republic of Korea and Japan.

After a failed July 2006 test launch, North Korea has continued development of the Taepo Dong 2, which could be used for space launch or as an ICBM. North Korea announced in late February they intend to launch a communications satellite, Kwangmyongsong 2. North Korea also continues to work on an intermediate range ballistic missile.

North Korea could have stockpiled several nuclear weapons from plutonium produced at Yongbyon and it likely sought a uranium enrichment capability for nuclear weapons, at least in the past.

Russia is trying to reestablish military power that it believes commensurate with its economic strength and general political competence, although the current global economic downturn may limit Moscow's ability to achieve its goals. Russian conventional force capabilities continue to grow at a measured pace. Readiness improvements are seen primarily among the conventional permanent ready forces. Development and production of advanced stra-

tegic weapons continues, particularly on the SS-27 ICBM and the Bulava SS-NX-32 submarine-launched ballistic missile that is still undergoing testing.

Russia's widely publicized strategic missile launches and increased out of area activities are meant to signal a continued global reach and relevance.

Under a comprehensive set of reforms announced in September of 2008, the Russian armed forces will be significantly reduced and remaining units modernized and brought up to permanent ready status by 2020. Emphasis reportedly will be given to precision munitions, intelligence assets, submarines, and elements of an aerospace defense system. These reforms, if carried out, would improve Russian capability to respond to limited regional threats, but reduce their capability for large-scale conventional war.

Turning to global military trends of concern, the proliferation and potential use of weapons of mass destruction, often linked with delivery system enhancements, remains a grave, enduring, and evolving threat. Terrorist organizations will continue to try to acquire and employ chemical, biological, radiological, or nuclear materials.

The threat posed by ballistic missile delivery systems is likely to increase over the next decade. Ballistic missile systems with advanced liquid or solid propellant propulsion systems are becoming more mobile, survivable, reliable, accurate, and possess greater range.

Cyber attacks on our information systems are a significant concern. Nation and non-state terrorist and criminal groups are developing and refining their abilities to exploit and attack computer networks in support of their military, intelligence, or criminal goals. The scope and sophistication of malicious targeting against U.S. networks has steadily increased and is of particular concern because of the pronounced military advantages that the U.S. has traditionally derived from information networks.

The international proliferation of space-related expertise and technology is also increasing, largely through commercial enterprises, and is helping nations acquire space and space-related capabilities, including some with direct military applications. Included are more capable communications, reconnaissance, navigation, and targeting capabilities.

At the same time, countries such as Russia and China are developing systems and technologies capable of interfering with or disabling vital U.S. space-based navigation, communication, and intelligence collection capabilities. In addition to direct ascent, anti-satellite missile capabilities such as satellite tracking, jamming, and laser blinding are also under development.

The global economic crisis to date has not led to widespread defense spending cuts, with the exception of some Central and Eastern European nations. China's defense spending growth in 2009 is supported by continued economic growth and large international Reserves. China will likely continue to downsize forces, freeing funds needed to meet modernization and reform goals.

Russia's defense spending will continue to increase despite recent declines in oil prices and domestic economic problems. Iran will see government revenues decline in 2009 as oil prices remain at low

levels. Defense spending will have to be balanced with social programs. North Korea will continue to divert economic and aid resources to higher priority military projects in spite of critical public welfare needs.

I appreciate this opportunity to share with you the tremendous work done by thousands of defense intelligence professionals who work very closely with their national intelligence, homeland security, and law enforcement colleagues. On their behalf, thank you for your strong support and your continued confidence in our work.

[The prepared statement of General Maples follows:]

Chairman LEVIN. Thank you so much, General. Again, thank you for your great service to this country. This will be your last visit to us, but we will long remember that service. We very much appreciate it.

General Maples: Thank you, sir.

Chairman LEVIN. Let's try an 8-minute first round.

There has been some confusion and I think some apparent inconsistencies in our assessment of Iran's uranium enrichment activities and their intent. It's my understanding that uranium for civil nuclear power production has to be enriched from 2 to 4 percent, but that highly enriched uranium which is necessary for a nuclear bomb or warhead needs to be enriched to about 90 percent.

Let me ask you first, Director: Does the Intelligence Community believe that as of this time Iran has any highly enriched uranium?

Admiral Blair: We assess now that Iran does not have any highly enriched uranium.

Chairman LEVIN. Now, on March—is your mike on, by the way?

Admiral Blair: It is now.

Chairman LEVIN. Thanks.

On March 1st, the Chairman of the Joint Chiefs, Admiral Mullen, was asked if Iran has enough fissile material to make a bomb and he said: "We think they do." Now, that seems to be different from what you just said the Intelligence Community thinks, which is that you believe they do not. Have you talked to Admiral Mullen or what is the explanation for that apparent difference?

Admiral Blair: Mr. Chairman, Admiral Mullen later issued a clarification that he was referring to low enriched uranium, not highly enriched uranium.

Chairman LEVIN. Now, does the Intelligence Community assess that Iran currently has made the decision to produce highly enriched uranium for a warhead or a bomb?

Admiral Blair: We assess that Iran has not yet made that decision.

Chairman LEVIN. In 2007 the National intelligence estimate on Iran said that "The Intelligence Community judges with high confidence that in the fall of 2003 Teheran halted its nuclear weapons program." Is the position of the Intelligence Community the same as it was back in October of '07? Has that changed?

Admiral Blair: Mr. Chairman, the nuclear weapons program is one of the three components required for a deliverable system, including a delivery system and the uranium. But as for the nuclear weapons program, the current position of the community is the same, that Iran has stopped its nuclear weapons design and

weaponization activities in 2003 and did not—has not started them again, at least as of mid-2007.

Chairman LEVIN. In '07 that national intelligence estimate said the following: “That we judge with moderate confidence that the earliest possible date that Iran would be technically capable of producing enough highly enriched uranium for a weapon is late '09, but that is very unlikely.”

Now, if your position is the same as it was in '07, does the '09 now become 2011?

Admiral Blair: Our current estimate is that the minimum time at which Iran could technically produce the amount of highly enriched uranium for a single weapon is 2010 to 2015. There are differences among the Intelligence Community. 2010 to 2015 brackets that uncertainty.

Chairman LEVIN. Relative to the Russian view of Iran, you indicated that Iran's neighbors would be—or are threatened or would be threatened by a nuclear-armed Iran. Russia is one of those neighbors. Is it the assessment of the Intelligence Community that Russia would be concerned by a nuclear-armed Iran?

Admiral Blair: Yes, sir, Russia would be concerned. It has a number of other interests with Iran that are also at play, but it would be concerned about a nuclear-armed Iran.

Chairman LEVIN. Do you have an assessment as to whether or not Russia has an interest in cooperating with us on missile defense?

Admiral Blair: Russia has an interest in cooperating with missile defense, we assess, Mr. Chairman. But they also have an incentive to limit that cooperation on nuclear defense. So I believe it will be a—

Chairman LEVIN. On missile defense or—I'm sorry?

Admiral Blair: Is that what you asked about, sir?

Chairman LEVIN. Yes.

Admiral Blair: Missile defense?

Chairman LEVIN. You said “nuclear defense.”

Admiral Blair: I'm sorry. Missile defense. They have some positive incentives to cooperate with us. They have some ways they'd like to limit our missile defenses and their cooperation. So it would be a complex negotiation, but I think it's one worth exploring.

Chairman LEVIN. General, here's a question for you. I think you both have indicated that the greatest threat to Afghanistan's security comes from the Afghan Taliban and other militant forces that reside in sanctuaries on the Pakistan side of the border, from which they are free to command operations against coalition forces. First of all, would you agree with our commander's assessment that the Afghan National Army is motivated, capable of fighting, and generally respected by the Afghans?

General Maples: Sir, I would agree with that. In fact, they're one of the most respected institutions in Afghanistan.

Chairman LEVIN. Could the Afghan Army be effective in countering the threat of cross-border incursions from Pakistan?

General Maples: Yes, sir, they could.

Chairman LEVIN. Can you tell us what the reasoning is why that army is not yet more focused on the border to stop those incursions, given that it's the greatest threat to Afghanistan—excuse

me—yes, to Afghanistan, and given the apparent situation that the border police are not an effective force?

General Maples: Sir, I believe there are a couple of factors that are involved in that. The first is the priority, operational priority that is given to security in the populated areas of Afghanistan and the fact that the Afghan National Police are not at the point where they can provide the kind of security in the cities that is needed. So I think the prioritization of the effort is a part of that decision.

I think the second part of it is simply the number of trained Afghan National Army troops that are in place. I think eventually we will reach that point where an operational decision will be made to employ the Afghan National Army in a different way.

Chairman LEVIN. How soon can we reach that point of making that decision?

General Maples: I know the decision has been made to expand the size of the Afghan National Army to 134,000 and that a great effort is going to be put into that to expedite it. I don't know the time frame that the 134,000 will be reached.

Chairman LEVIN. I guess this would be for you, Director, or either one actually could answer this. Is it the community's assessment that the Afghan Taliban council, or Shura, operates openly in Quetta, Pakistan, without interference from the government? And if so, why has the government of population so far failed to take action to eliminate the activities and the safe haven enjoyed by that Quetta Shura?

Director, let me start with you. I think either one of you might want to comment on that.

Admiral Blair: It's true that the Taliban governing bodies operate quite freely in Pakistan. The Pakistan approach to handling that threat is a combination of lack of capability, their overall approach in which they believe that there needs to be compromise and cooperation with some groups in that area, and their assessment of the threat of that group to Pakistan as opposed to Afghanistan.

Chairman LEVIN. General, do you have any answer to the question, why they haven't—why Pakistan has not taken action against a terrorist group that's operating openly in Quetta?

General Maples: Sir, the Quetta Shura is operating openly, as you know, in Quetta. I believe it is more in relation to the effect on the Pakistani population, in particular the Pashtun population in Pakistan, that causes the Pakistani government to move at a slower pace, and they have not taken action against that Quetta Shura.

Chairman LEVIN. Thank you.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses. Admiral Blair, the March 9 Washington Post report says that the United States probably will not pull any more forces from Iraq this year beyond those announced over the weekend, the number two U.S. general in Iraq said Monday. About 12,000 U.S. soldiers will leave Iraq by September. "What we have right now is what we plan on having for the foreseeable future," General Austin said.

Is that accurate?

Admiral Blair: I don't have additional information on that, Senator.

Senator MCCAIN. Well, surely you were consulted as to whether that's a fact or not?

Admiral Blair: The announcement of the—as you know, the President's announcement set a level of 10 to 12 brigades that were remaining, and I have not—I have not been in discussions on whether that will be 10 or 12 and just what the drawdown plans are in the future. I'm sure that the Department of Defense has—

Senator MCCAIN. Well, please get briefed up and tell us. It's kind of an important item as to what our troops levels will be for the rest of this year. I don't think it's a minor item.

Admiral Blair: No, sir. It's a very important item.

It's just not in my area of responsibility. It's the Secretary of Defense—

Senator MCCAIN. You are the Director of National Intelligence.

Admiral Blair: I am.

Senator MCCAIN. And so you would be informed as to our troop levels in Iraq and our plans for troop levels in Iraq?

Admiral Blair: I'm asked to assess the effects of different troop levels on the level of security in Iraq.

Senator MCCAIN. Admiral Blair, please get back to me, would you please, on that issue?

Admiral Blair: Yes, sir.

Senator MCCAIN. I'd be very interested. I think most Americans are interested in troop levels in Iraq as well.

Last month Iran successfully launched its first satellite into orbit and President Ahmadinejad proclaimed in a televised speech "The official presence of the Islamic Republic was registered in space." Last Sunday Iran tested a precision air-to-surface missile with a 70-mile range. Does that lead one to the conclusion that it's pretty likely that, very likely that Iran will be developing a nuclear weapon to go along with these weapons of delivery vehicles, development of delivery vehicles?

Admiral Blair: I don't think those missile developments, Senator McCain, prejudice the nuclear weapons decision one way or the other. I believe those are separate decisions. The same missiles can launch vehicles into space, they can launch warheads, either conventional or nuclear, onto land targets, and Iran is pursuing those for those multiple purposes. Whether they develop a nuclear weapon which could then be put in that warhead I believe is a separate decision which Iran has not made yet.

Senator MCCAIN. General Maples, do you have an opinion on that?

General Maples: Sir, I would agree that the development of the nuclear weapon tied to the missile launch and testing are not necessarily related. I would say, though, that the Safir launch does advance their knowledge and their ability to develop an intercontinental ballistic missile. The second test that you mentioned most likely, that was in the press, most likely an air-to-ship missile that was being tested.

Senator MCCAIN. General Maples, do you believe that it is Iran's intention to develop nuclear weapons?

General Maples: I believe they are holding open that option, sir. I don't believe they've yet made that decision.

Senator MCCAIN. You don't believe that they have made the decision as to whether to develop nuclear weapons or not?

General Maples: No, sir.

Senator MCCAIN. Could I turn to Pakistan—Afghanistan with you for a moment. Maybe you can clear up a little confusion. What's the difference between and the commonality between Taliban activity and al Qaeda activity in Afghanistan?

General Maples: Sir, there is al Qaeda activity in Afghanistan. Generally al Qaeda from a central standpoint has recruits that come into their training camps in Pakistan. Often they will introduce al Qaeda individuals to provide supportive activity in Afghanistan, but not directly linked to al Qaeda activity.

There is a direct link between the al Qaeda, the Quetta Shura, the Hakkani and the Miramshah Shura in particular with al Qaeda in Pakistan. So there is an exchange of information, of training, of expertise, and a sharing of capabilities in producing trained individuals what later conduct attacks in Afghanistan.

Senator MCCAIN. So are they working more closely together?

General Maples: Sir, I believe they are working closely together and I believe al Qaeda's presence in Afghanistan is more significant, although still at a relatively minor scale, than we have seen in the past.

Senator MCCAIN. What kind of activity are you seeing on the part of the Iranians in Afghanistan?

General Maples: Sir, the Iranians' primary activity is in the western part of Afghanistan. There's a great deal of economic investment that is pretty open in the western part, around Herat and elsewhere in Afghanistan. We have seen shipments of munitions that have been intercepted coming from Iran into Afghanistan that have contained small arms, some explosive devices coming in. However, that has been very limited in nature. I believe that Iran is keeping open their options in Afghanistan. They don't want to see a Taliban-dominated Afghanistan, but they do want to have a presence and ensure that their interests are represented.

We are seeing some increased activity between Iran and the Hakkani network that we have not seen in the past. So they're there, they're present, and they're trying to influence the future.

Senator MCCAIN. Admiral Blair, is it a true statement to say that in Afghanistan, since we are not winning, the nature of warfare and counterinsurgency and counterterrorism is that we are losing?

Admiral Blair: I think it's important to look at the degree of government control over the various parts of the country as a really key indicator towards that question, and the amount of government control has been decreasing over the past year, so it's a bad trend.

Senator MCCAIN. So we really do not have control over the southern part of the country of Afghanistan?

Admiral Blair: The reason for the deployment of the two brigades that the President announced a short time ago was in order to precisely stabilize that part of the country where the trends were the most negative and the stakes were the highest, with an eye towards the elections that are going to be taking place in August. So

the trends were negative and the deployment was designed to stabilize the situation.

Senator MCCAIN. And you and the administration are in the process of developing an overall strategy for Afghanistan?

Admiral Blair: For Afghanistan and Pakistan, yes, sir.

Senator MCCAIN. I know it's a difficult process you're going through. Do you have any idea as to when we would probably get an indication what that strategy is?

Admiral Blair: I can only say, Senator McCain, that the President is more impatient than you are.

Senator MCCAIN. Well, I just would like to say that I believe that a minimalist approach may be the most attractive one. I also think it may be the most dangerous one. I think we proved in Iraq that not only do you need a change in strategy, but you need a robust military capability to first secure areas before you make progress in the other aspects of counterinsurgency.

I hope that we will not view this as simply an exercise in counterterrorism, because it is a counterinsurgency. Many argue that it's the most difficult situation we've ever faced. I don't think it's as difficult as we faced in Iraq at its worst point before the surge. The government was on the verge of collapse. The casualties were incredibly higher than they are today. So I think that it would be a mistake to take a minimalist approach without a strategy designed along the lines of those strategies that have succeeded in other parts of the world, and we should pay attention to those who have succeeded and not repeat the mistakes of those that failed.

I certainly look forward to working with you and to developing a strategy that will succeed. But I think also the American people need to be told that this is going to be a very difficult process, at least in the short term, and we should be prepared for a very difficult time, at least for a period of time in the near future.

Do you have any response to that, Admiral?

Admiral Blair: I couldn't have outlined it better myself, Senator. I think what we're involved with now is trying to think through not just the initial phase, but, as the President clearly said, the brigade deployments were an interim stabilizing action pending the development of the long-term strategy, and that long-term strategy has to look all the way out to an extended period of time in order to achieve success and victory. That kind of thinking is going on now, and I think you captured many of the important elements of it, sir.

Senator MCCAIN. Thank you very much, Admiral.

Again, General, thank you for your outstanding service to the country. We're very proud of you.

General Maples: Thank you, sir.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Welcome, Admiral Blair. Thanks, General Maples. You've been really a straight shooter all the way for us and we value your service and really respect your credibility a great deal.

Admiral, Director Blair, at the beginning of your testimony here today you said something that I think a lot of people will find surprising, but I think we all ought to take it seriously: "The primary

near-term security concern of the United States is the global economic crisis and its geopolitical implications.”

A little further down you say: “Of course, all of us recall the dramatic political consequences wrought by the economic turmoil of the 1920s and 1930s in Europe, the instability and high levels of violent extremism.”

Down a little bit further you say: “Europe and the former Soviet Union have experienced the bulk of the anti-state demonstrations.” I would add, so far.

I wanted to—those are serious words and we ought to take them seriously. I wanted to ask you if you would go from them to what some of your specific concerns are. In other words, are there particular regions of the world, for instance some of the newly independent nations of the former Soviet Union, where you fear that the global economic recession could cause instability, perhaps violent extremism, or in that case a reassertion of Russian dominance over some of those countries?

Admiral Blair: Senator, I think there are at least three important categories of effects of this global recession that will become more dire if it continues. The first are those countries that are just holding on, barely providing economic goods to their people, and they’re quite vulnerable to economic uncertainties undermining the thin progress they have made recently, with all of the bad consequences that can come out of that.

Senator LIEBERMAN. Give us a couple of examples of that?

Admiral Blair: I’d rather save it for closed session, Senator, if I could.

Senator LIEBERMAN. Are they centered in one part of the world?

Admiral Blair: They’re generally in that arc from the eastern Mediterranean across to Southeast Asia, in that area.

The second category I think are the ones that you referred to in your question, are the countries which have fairly recently emerged from authoritarian governments. The former Warsaw Pact now have uneven levels of government in commitment to representative government, and they’re under heavy strain from the Balkans all the way down to the Black Sea. As mentioned in testimony and as you’ve seen, there have been riots there. Governments have actually fallen in the Baltics. Countries with IMF loans like the Ukraine are scrambling to maintain the conditions that gave them those.

With the fairly recent democracies in those, one is worried about the fallout in terms of political gains and extremist groups who promise simple solutions of the type we’ve seen in the past.

Senator LIEBERMAN. From an intelligence perspective, based particularly on what I would at least call some of the economic aggressiveness or even bullying of the Russian government, do we have concerns that this economic vulnerability in some of the newly independent nations of Central and Eastern Europe might provide a further opportunity for the Russian government to extend its influence, this time economically?

Admiral Blair: Absolutely. There is no—it’s quite clear that the Russians have used oil and gas deliveries in the past for that purpose. It’s quite clear that they believe that they have lost—that

they would like greater control of what they call “the Near Abroad.”

Senator LIEBERMAN. Right.

Admiral Blair: This is an opportunity. So yes, sir, that’s definitely a concern there.

Then the third category are our traditional strong partners around the world who are under strain. None of us has any fear that there will be catastrophic consequences in those countries. Democracies change governments and we’ve seen that in places like Iceland most recently. But the economic times make it difficult in countries from Japan to the U.K. to expend resources on overseas development aid. We saw that when the European nations met just 10 days ago that they were reluctant to help the Eastern European and Central European countries right away. They held back there. Japan is somewhat constrained in what it can do.

So in both economic assistance and certainly in helping with deployed military power, we’re soon going to be testing that in the NATO summit concerning Afghanistan. When your budget is under pressure, it makes it even more difficult to pony up to deployable supportable forces overseas.

So I’d say those three categories are what we’re looking at. But what concerns us is we’re not sure if the feet have touched the bottom of the swimming pool yet.

Senator LIEBERMAN. Correct.

Admiral Blair: And that sort of I think makes it a more difficult pattern.

Senator LIEBERMAN. I agree. I appreciate the answer. I share your concerns. I think from a geopolitical, geostrategic point of view, unfortunately we may have to start thinking about threats to our security and to stability in different critical regions of the world which we may have to take action in as a result of the instability caused by the economic recession.

I’m going to leave that there. I’m going to go to a different kind of question, Admiral. As you know, there’s been a lot of controversy about your selection of Ambassador Charles Freeman to be the Chairman of the National Intelligence Council. Seven of our colleagues on the Intelligence Committee wrote yesterday expressing their concern. I’m concerned.

The concern is based, to state it briefly, on two points. One I think is a question about some previous business associations that the ambassador has had that may raise questions about his independence of analysis. The second are statements that he’s made that appear either to be inclined to lean against Israel or too much in favor of China. In fact, I gather yesterday or in the last few days some of the leaders of the 1989 protests that led to the Chinese government’s massacre at Tiananmen Square wrote President Obama to convey “our intense dismay at your selection of Mr. Freeman.”

So I wanted to ask you for the public record this morning, were you aware of these comments and associations by Ambassador Freeman before you chose him for this position? The concern here is that it suggests that he’s more an advocate than an analyst, which is what and we want in that position. Second, are you in any

sense—what are you doing about the concerns that have been expressed by people about the selection?

Admiral Blair: Let me just make a couple of points about my selection of Ambassador Freeman. First, as far as the effects of business associations and the ethics rules, Ambassador Freeman is going through the vetting that is done with anybody joining the Executive Branch in terms of financial and past associations. In addition, because of a letter of some members of Congress, the Inspector General is taking a closer look at those associations than is normally done with a Federal employee. So that's one piece of it.

As far as the statements of Ambassador Freeman that have appeared in the press, I would say that those have all been out of context and I urge everyone to look at the full context of what he was saying.

Two other things, though. A mutual friend said about Ambassador Freeman, who I've known for a number of years: There is no one whose intellect I respect more and with whom I agree less than Ambassador Freeman. Those of us who know him find him to be a person of strong views, of an inventive mind from the analytical point of view. I'm not talking about policy. When we go back and forth with him, a better understanding comes out of those interactions, and that's primarily the value that I think he will bring.

On the effect that he might have on policy, I think that some misunderstand the role of the development of analysis which supports policy. Number one, neither I nor anyone who works for me makes policy. Our job is to inform it. We've found over time that the best way to inform policy is to have strong views held within the Intelligence Community and then out of those we come out with the best ideas. And Ambassador Freeman, with his long experience, his inventive mind, will add to that strongly.

So that is the view that I had when I asked him to serve and that's how I feel about it.

Senator LIEBERMAN. I appreciate your answer. My time is up, but I will say this. Obviously, the Intelligence Community are not policymakers; you're analysts and providers of intelligence information.

The concern about Ambassador Freeman is that he has such strong policy views, and those are not only his right, but his responsibility to express, that this position may not be the best for him because he will have to separate his policy views from the analysis.

I just want to say to you, I don't have a particular course to recommend, but having been around Congress for a while my own sense is that this controversy is not going to go away until you or Ambassador Freeman find a way to resolve it. I'll go back and look at the statements that are on the record. I've read some at length and they are very decisive even in the context. So whether I disagree or agree with him, he's very opinionated, and it's a question of whether—I suppose in the end—and my time is up; I have to end—that this puts a greater burden on you to filter out opinions from analysis to make sure that you're giving the President and the other leaders of our country unfiltered intelligence information, not biased by previous policy points of view.

Admiral Blair: Yes, sir; I think I can do a better job if I'm getting strong analytical viewpoints to sort out and pass on to you and to the President than if I'm getting pre-cooked pablum judgments that don't really challenge.

Senator LIEBERMAN. Okay. I guess I would say, to be continued. Thank you.

Chairman LEVIN. Thank you very much, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Let me first make the comment about General Maples. Of course, I've felt closer to you than an awful lot of the rest of them because of your service at Fort Sill, and you are still talked about at Fort Sill and as soon as you retire you'll become a legend. I suppose that happens. But it's been great working with you and I appreciate all that you have done.

My questions are going to be around the continent of Africa. But before doing that, let me just ask you, probably you, Director Blair. I have often felt for quite some time that our assessment of North Korea has been not quite as strong as I think it should be. I recall back from this meeting right here, from this Committee, in August, it was August 24 of 1998, we were talking about what their capability was in terms of their nuclear capability and their delivery systems.

At that time I asked the question, or we asked the question as a Committee, of the administration at that time, how long it would be before North Korea had a multi-stage capability. The answer was at that time—I think it might have been an intelligence estimate or it may have just been a letter from the administration—somewhere between 8 and 10 years. 7 days later on the 31st of August, 1998, they fired one.

Do you think that our assessment of their capability and their threat is accurate today?

Admiral Blair: Senator Inhofe, I think we've learned since those days—and I was in an active duty role having to do with the Pacific at that time, so I'm familiar with the issues you raise. I think that we have learned that North Korea is willing to field and deploy with less testing than almost any other country in the world would think is required. So I think that our estimates at that time probably gave the Koreans—or thought that the Koreans would go through more of these steps required to verify the weapons than in fact has proved the case. So our time lines are much shorter now.

Senator INHOFE. I was one who had very strong feelings about the AFRICOM. To me, as significant as the continent is, it didn't make any sense to have it in three different commands. I think it's working quite well. General Wald did a great job and General Ward now is doing a tremendous job.

But things are happening there that we don't talk about as much as we do some of the other areas of threat. I have been concerned about it for some time, and I wonder if you feel that adequate resources are—first of all, it seems to me it would make a lot more sense if we had had the command actually located in Africa somewhere. I know the problems that are out there right now. Most of

the presidents would say, yes, we would prefer that; we can't sell that to our people, though.

Do you think that they have the adequate resources now to take care of the real serious problems in terms of transportation and other resources in that command?

Admiral Blair: Senator, I am pretty familiar with the establishment of AFRICOM and the desire to make it an integrated, not only military, but also military-diplomatic construct. I think the problem was that the Africans, with their history of colonialism and so on, did not see it the same way and frankly to this day do not see AFRICOM, which I think was very smart for all the reasons that you state—many African countries are looking for a hidden agenda there in terms of growing American military power. I think that is the biggest problem that we have.

We started out behind the eight ball as we did. We have to sort of win it back an engagement at a time.

Senator INHOFE. Don't you think the successes in ECOWAS are somewhat indicative that parts of certainly West Africa are coming around? My experience is when you talk to the presidents of any of these countries they all agree that it would have been better that way, but, as you point out, the threat of colonialism and all that was an obstacle.

Now, getting to some specific areas, you mentioned in your written statement about Zimbabwe, about Mugabe and some of the problems that are down there. When you go there and you remember that Zimbabwe was the breadbasket of sub-Saharan Africa for so many years, and how this guy has just brought it down to nothing—do you feel that, because of the economic problems and the political problems that are there—and everybody recognizes it. I talked to President Kikwete of Tanzania back when he was the head of the African Union. And they all understand that that's a problem.

But it seems like there is a fear there to get in there and correct the problem. Part of that is the relationship, I guess, with South Africa that Zimbabwe has. What obstacles do you think we can overcome, will be trying to overcome? My feeling is that in Zimbabwe, as bad as their condition is right now, that that's a magnet for terrorist activity. What is your thought?

Admiral Blair: Senator, I think the larger magnet right now is Somalia rather than Zimbabwe. In Somalia, as you know, the governance and law and order problems are even worse than they are in Zimbabwe. There's also terrorist activity up in the Maghreb with the al Qaeda in Maghreb group. So it's really those two areas that we're more worried about from a terrorist point of view than we are—

Senator INHOFE. I'm really thinking about in the future, though. I know right now that that's not the problem. I know Somalia is a problem.

Let's move to Somalia, then. In your statement you talk a little bit about Ethiopia and the fact that they've withdrawn. As I recall, when they first went down there and they were on our side, very helpful at that time and joining forces with us, that it was really there for a limited period of time. They had limited capabilities and they said that, we're going to go down, we're going to help, but we

won't be able to stay for a long period of time. Now, maybe my memory doesn't serve me correctly, but that's why I recall.

The reason I bring this up is that there is a movement in both the House and the Senate that is somewhat punitive in nature in terms of Ethiopia, Prime Minister Meles and others. Most of it's around social programs. Would you evaluate just the willingness of the Ethiopians to help us? Do you consider them to be a real ally?

Admiral Blair: I think in their action in Somalia, Senator, the important thing was that the Somalis didn't consider it, or a large portion of Somalis, didn't consider it to be helpful. As you know, they attacked the Ethiopians, including some Somali Americans who went back and became suicide bombers against Ethiopia. So whatever Ethiopia's own mixture of motives in actually making that intervention, it was not supported by important groups within Somalia.

Senator INHOFE. Well, a lot of that was because of Eritrea and their problems, too.

One last thing I'd like to observe in Africa is the problem of China. As you go through Africa and particularly in the oil states, Nigeria and the rest of them, anything that is new and shiny was given to them by China everywhere you go there. I know a lot of that is their quest for energy, for oil, and they've made their deals. But also, China has not been our friend in Somalia, it has not been—or in Sudan and some of the other areas. I would just hope that our Intelligence Community could be watching very carefully the activities of China on the continent of Africa.

Admiral Blair: Yes, sir. We are doing so and we will continue to.

Senator INHOFE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Bayh.

Senator BAYH. Thank you, Chairman Levin.

Thank you, gentlemen, for your service to our country.

Admiral, I was struck by your opening comments. I've never—I've been on this Committee, been privileged to be here for many years, and I served on the Intelligence Committee even longer, and quite frankly can't recall a presentation from someone in your position that began with words like "trade," "GDP growth," "IMF reports." Then after a discussion of the global economic situation, you used the phrase "turning to terrorism."

I think that showed very clearly how economic and financial matters are inextricably related to national security matters. The same could be said for our energy dependency, our growing fiscal dependency and growing debt to other countries. So I hope this is not just a manifestation of the current economic crisis we face, but represents an integration of our thinking about all aspects of national security. So I commend you for that perspective and I hope one you will continue to share with us on this Committee when you're before us. It was rather—I thought it was rather striking.

You've been asked about North Korea a couple of times. The upcoming—the reports about the upcoming launch that they say is ostensibly for satellite delivery, there have also been indications that that may tell us something about their capability of reaching Alaska, for example, with a missile. What do you expect?

Admiral Blair: If it is a space launch vehicle that North Korea launches, the technology is indistinguishable from an intercontinental ballistic missile. And if a three-stage space launch vehicle works, then that could reach not only Alaska, Hawaii, but also part of the West Coast of the United States, what the Hawaiians call the mainland and what the Alaskans call the Lower 48.

Senator BAYH. Are you expecting that that's what they'll test?

Admiral Blair: I tend to believe that the North Koreans announced that they were going to do a space launch and I believe that that's what they intend. I could be wrong, but that would be my estimate.

Senator BAYH. It could affect the priority we place on missile defenses against such a threat.

I'd like to ask you about Iran, something that Senator Lieberman and I have focused on together, and that is, as you well described, the clock is ticking with regard to their nuclear capabilities. When you look back at the past history of these things, whether it's India or Pakistan or other situations, you have to say that perhaps the clock will chime sooner rather than later.

One of the few leverage points we have on them is their vulnerability to imports into Iran of refined petroleum products. I would appreciate your assessment about that vulnerability and if we had a serious and sustained effort to try and impact that what, if any, impact that could have on their decisionmaking?

Admiral Blair: Senator Bayh, beyond the sort of general discussion of a mixture of pressures and attention to Iran, I'd rather wait for closed session if we could talk about individual things, sir.

Senator BAYH. Okay. Well, the reason for my asking—that's fine, Admiral. The reason for my asking is that time may be of the essence here and so we need to think about what matters might actually impact their calculus, and this seems to be one of the ones at our disposal and something we perhaps should get serious about sooner rather than later.

Admiral Blair: Yes, sir. I agree it's one of them I'd just rather discuss in closed session.

Senator BAYH. That's fine.

Also focused on Iran, Senator McCain mentioned the recent test, I think it was the 70-mile missile. What is the status, if you can tell us—perhaps this has to wait for the closed session as well. But there have been published reports about Russia's intention to deliver even more advanced systems, General, than the one you mentioned that they have deployed around Teheran. Can you give us any update on—you know, the Russians, they signed the contract, but they haven't delivered them. Can you give us any update? Obviously, if they were to receive even more advanced air defense systems that would complicate the situation and might give us some insight into the willingness of the Russians to truly cooperate with us in trying to resolve this effort.

General Maples: Sir, I can give you a specific in the closed session where we think they are. But we believe that Iran still desires to obtain the SA-20s.

Senator BAYH. Well, let me ask you about this. Maybe you can answer this in open session. If they were to deliver such a weapons system, would that give either of you any insight into how coopera-

tive the Russians are really willing to be with us in trying to contain this threat?

General Maples: Yes, sir, I believe it would.

Senator BAYH. And that insight would be that perhaps they are not as willing to be as cooperative as some might like to think?

Admiral Blair: I would tend to say, Senator, that it's going to be a bargain and that's one of the chips, and it's hard to say which chip will be more powerful than the other.

General Maples: I think also that, with respect to Russia and their defense industry, Russia is spending an awful lot of time trying to market their products around the world in order to keep their production lines open. That's a very important factor to Russia right now.

Senator BAYH. They do have commercial interests there.

With regard to Pakistan, Admiral—thank you, General. Back to you. Can you give us—is it still your assessment that the most likely threat to our homeland would emanate from the Tribal Areas there in Pakistan? We'd heard that previously from your predecessor?

Admiral Blair: I would say that the planning for such a mission would most likely emanate from al Qaeda, the leadership of which is there. Which foot soldiers they would use to actually make the delivery I think might widen the area.

Senator BAYH. But the central nervous system for the planning would emanate from that place?

Admiral Blair: Yes, sir.

Senator BAYH. Or perhaps Quetta, which we previously discussed.

Well, with that in mind and with the current political turmoil in Pakistan being all too apparent, how would you assess their capabilities for actually exerting some control in those areas? Are their capabilities improving? Are they static? Are they declining because of the political instability? How would you assess that?

Admiral Blair: Let me start. General Maples has also been studying it closely.

You see in the Pakistani approach to these different areas along their northwest and southern border different approaches. Sometimes it's troops going in to pacify areas. Other times it's deals being cut, as was true recently in the Swat Valley. Other times it's neglect which they hope is benign.

I think that when I talked with the Pakistani leadership their not satisfied with the capability of their armed forces to conduct those sort of operations. But I do sense that they feel that it would be some combination of military, economic, and bargaining that would achieve their goals towards the area. So I don't see a big change of fundamental approach when I talk to them.

General Maples: I believe that there is a change in view, particularly among the senior military leadership, of the importance of military engagement in that region, in the FATA, in the Northwest Provinces. I think we have seen an increase in capability somewhat in terms of the capabilities of the Frontier Corps.

Most of Pakistan's military capabilities, though, remain conventional. They are just starting on the path of developing counterinsurgency kinds of forces and it's going to be quite some

time before those forces are developed and able to make a difference in the area. But I do think that there is a will and I think there is a desire to do the best they can with what they have.

Senator BAYH. Well, let me ask you this, and I'll try and word it in a way that perhaps you can be able to answer it, because there have been numerous published reports about this. But there seems to be some divergence in opinion in between their leadership and ours about direct action against al Qaeda elements, al Qaeda elements in the Tribal Areas. They seem to think that if those kind of activities take place it destabilizes the situation more than it helps, and if those activities take place some others think that it's what we need to do to try and disrupt them operationally.

Do you have an assessment about these published reports?

Admiral Blair: I think they draw distinctions between groups and there are some that they believe have to be hit and that we should cooperate on hitting, and there are others that they think don't constitute as much of a threat to them and that they think are best left alone. So when you discuss it with them, Senator Bayh, it's really almost a tribe by tribe, warlord by warlord by warlord.

Senator BAYH. Thank you again, gentlemen.

Chairman LEVIN. Thank you, Senator Bayh.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

Just to follow up on that, Admiral Blair, that's probably the way—whether we agree or not with Pakistan's specific recommendations, tribe by tribe, area by area, is probably the only way we can deal in that tribal area that's never been controlled by a central government before. Isn't that right?

Admiral Blair: No one I've talked to has come up with a grand strategy for that area that seems to me to be very realistic, yes, sir.

Senator SESSIONS. Secretary Gates here expressed a real commitment to making sure that we have an Afghan face on the difficulties in Afghanistan. Of course, when we add 15,000 troops I think that makes that a bit more difficult. What plans do we have to utilize our forces effectively or to bring along more rapidly the Afghan military and eventually to extract ourselves from that effort? Can you give me any thoughts on where you see we're heading in that direction?

Our ultimate goal, I think, is for a decent government to be in place that stands on its own, that presents no threat to the United States.

Admiral Blair: Senator, I think you express the objectives that we all share quite clearly. From the American point of view, of course, that kind of an Afghanistan would be an Afghanistan that's not a haven for al Qaeda and other groups who use it to come against the United States the way they did in 2001.

I think the difficulties that the current review is wrestling with are how do you do that and what sort of resources and periods of time are needed to do that, although it is the responsibility of Afghanistan, they themselves say, and we feel that they need some help in order to get there. I think one thing that's important is that the intelligence capabilities to support that help are also pretty im-

portant. I know those of you who have visited the region know that the commanders say that the intelligence support provided in Iraq has been an absolute key to being able to make the sort of very precise, almost person by person kinds of operations that have been the key to success in separating a small, relatively small group of these violent extremists from the bulk of the population.

If we are to be able to provide that sort of intelligence to support not only military operations, but also how do you support the political and the social programs that are going to be necessary to root out corruption, to get basic services to Afghanis, which will provide support for the government which is essential to reaching that goal? That's going to be pretty detailed, pretty intense intelligence support.

Senator SESSIONS. Are you suggesting that you believe we could do better in intelligence in Afghanistan—obviously, I'm sure we could anywhere—and that you need additional resources and any other structural changes to do a better job of obtaining intelligence?

Admiral Blair: I think we have to increase our intelligence effort on Afghanistan, yes, sir. Some of that may involve a shift of resources from elsewhere. Some of it may require additional resources. I think it's essential to—

Senator SESSIONS. On a cost effective basis, your analysis would be, and I think most commanders would believe, that good intelligence can reduce the need for manpower?

Admiral Blair: Yes, sir. If you've got to catch them first and sort them out later, it's a lot more expensive than sorting them out first and catching only the ones you need to.

Senator SESSIONS. General Maples?

General Maples: Senator, on the defense intelligence side we're already accelerating additional intelligence personnel into the theater to provide analytic support to General McKiernan on the ground and establish a greater analytic presence, particularly in Kandahar in the southern part of the country. The ISR task force the Department has had in place is already moving on providing additional ISR capability to the theater to support General McKiernan as well. And we've got a very extensive dialogue going on on the structure, the intelligence structure that we're going to have in place with the additional forces that are going into Afghanistan.

It's critically important for us that we have that intelligence because we're into intelligence-driven operations.

Senator SESSIONS. Would you express the tension that I think tends to exist between increasing troop levels and increasing the Iraqi face on the situation—an Afghan face?

General Maples: Senator, there is a tension there simply by a larger presence of U.S. forces. But the intent to have a larger Afghan face is absolutely what we need to do and where we should be going. U.S. forces, as we have done elsewhere, can improve the security situation, just as the latest arrivals into country in the areas to the west and southwest of Kabul are already making a difference in terms of the security of that region. Of course, that's a great line of communications and movement into the Kabul area.

So if we can help in that regard and then free up Afghan National Army forces in order to do other things in the country and put them in the lead, it will help lead to success, I think.

Senator SESSIONS. I once did a calculation on the cost of an Iraqi troop versus an American soldier and it was about 20 to 1. You could field about 20 Iraqi soldiers for the cost of one American soldier in Iraq. I think we learned in al-Anbar that local people motivated and supported can have more effect than American military in many instances.

General Maples: To the point of your question to the Director, a part of what we have got to do—and it is part of the planning process right now—is to increase the number of trainers that we have in country who are dedicated to increasing the capabilities of the Iraqi National Army.

Senator SESSIONS. Well, I thank you for that.

Admiral Blair, you indicated that the support in the Muslim world for terrorism appears to be declining, more hostility to that. Are there things that we can do to evidence a respect for the people in the Muslim world and that could help accelerate that? I don't think we have an ability to direct them in any way, but I think—are there actions that we could take that could help eliminate or reduce the support for terrorism?

Admiral Blair: Yes, sir, there are actions we could take. Partly it has to do with showing respect to the religion itself and distinguishing between the religion and those who misuse it. Partly it has to do with—I guess something we have to keep in mind is that this is something that Islam has to figure out for itself, and you don't sit there on the outside and try to manipulate it, not only because you can't, but also because that very action would probably be counterproductive in terms of the resentment of those looking at it.

So on the overall scale that's important. The other—when we look at polling data and we talk to people, another factor is the Israeli-Palestinian confrontation, which gives support to those who take the more radical view, the insurgent view, versus the peaceful view in that context.

So that's sort of at the overall international level.

Also at the local level, it's extremely important, of course, that by a combination of intelligence and basic training and cultural awareness that we act in the right way on the local level in order to help the people who are trying to live normal lives and make sure that it's clear that we're only going against those who are trying to disrupt that.

Senator SESSIONS. Well, hundreds of millions of Muslims go to the mosque and are faithful, loyal, decent citizens in their country, obey the law, don't participate in terrorism, and we all ought to always remember that.

Briefly, General Maples, very briefly, the status of the elections in Afghanistan? How serious a dispute is that, whether they should be held or delayed some?

General Maples: Sir, I think most everybody has reached the conclusion that the election should be held in August of this year. The real question for us now is what happens to President Karzai when

his term of office ends in May, in that period of time between when his constitutional term in office ends and the elections are held.

Senator SESSIONS. Thank you.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Ben Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

Thank you, gentlemen, for your service.

Senator Sessions was talking about the importance of intelligence, particularly as it relates to Afghanistan. I'm wondering. In Iraq when we were trying to determine how we were doing—we had people saying we're losing, people saying we're winning, looking at the same set of facts at the same point in time. Logically they couldn't both be right. To move beyond the discussion about winning and losing in Iraq, we went to benchmarks to be able to establish a metric as to how we were progressing, to what degree or not progressing on certain things in Iraq. I think we moved to a better dialogue about what was happening and not happening.

I'm wondering if that isn't something—I've suggested this before and I've written to the Secretaries of Defense and State suggesting that we establish benchmarks. But I wonder if actionable intelligence measuring our capabilities to see if we're increasing our capabilities or whether we're at a standstill in establishing actionable intelligence, I wonder if that wouldn't be the kind of a benchmark that would help us to know what we've achieved and what remains to be achieved.

I'll ask either of you to respond.

General Maples: Senator, let me just start on more of an operational level and the fulfillment of the intelligence requirements that were provided from the commander, because I think you're exactly right. As we look at the intelligence requirements from the commanders, we develop our collection, our collection strategies. But we have to have a process at the end of that that is an assessment of how well are we doing, are we actually meeting the need or are we just producing information, and are we producing the right kinds of information that are enabling our commanders to make the right kinds of decisions and our forces on the ground to take the right kinds of action.

So I think that process on the Intelligence Community side is absolutely essential.

We recently had a National Intelligence Board, and I'll mention it for Director Blair, but I think he has already adopted the idea of intelligence metrics. That is, understanding what the objectives are we're trying to achieve and then using the systems that we have and our own assessments to do periodic assessments and see how well we are doing and where we are, and to provide the necessary updates to commanders and to policymakers as well. I think it's very important for us to do that.

Senator BEN NELSON. Director Blair?

Admiral Blair: Yes, sir. I think that the whole business of the role of intelligence and telling truth to power and all of that revolves around two processes within an administration. One is in the initial stages when the administration, like this one, is looking at policies to determine what it's going to go forward, we have to

lay out the situation on the ground so it's clearly understood what we're dealing with.

We're often asked if-then questions. If the United States does this, then what will happen? We use different tools to do that. One that we've used quite well recently was sort of a tabletop seminar of playing out some possible policy options by the United States with members, knowledgeable members of the Intelligence Community playing the roles of both adversaries and friends, and to try to see how this all shakes out. So that's sort of the role we're in now.

Then once a policy is set, then I think the job of intelligence is to tell in a clear-eyed fashion to the policymakers, how is it doing, how is it working? We've talked about Iraq. Iraq was based on a set of intelligence assumptions about things going generally in a secure direction if things happened on the Iraqi side and on the coalition, the American side, and some possible dangers that might trip us up if they developed in a certain way.

So our responsibility is to look at that, and we have a formal process of reporting periodically were the judgments we made correct, are the things that we predicted to happen happening, or have things happened—and we're supposed to be an early warning indicator and certainly a current warning indicator of whether things are working out as they were anticipated. I think that's the big role at the policy level.

Then of course down at the—once you put diplomats, troops, CIA agents, aid workers into the field, then we need to provide the information that they need to get their job done. And your feedback on that one is pretty quick. You have a dissatisfied customer who's saying, I went out to this area, you told me this was going to happen and something else happened.

Senator BEN NELSON. That would be the case with basic services. For example, if your objective is to establish basic services, you could measure to what extent that is accomplished, how much more you have to do. The same thing I think would perhaps be the case in taking over the southern region: how much of it have you taken over, the major population centers, or are there some that remain to be taken over?

Let me switch a little bit and go to cyber, because it's an ever-expanding asymmetric threat to the U.S. In every aspect of our American life and perhaps even in the world, cyber is critically important. Do we have the capabilities of deciding if something is an intrusion into our cyberspace here, whether it's a criminal act or an act of war?

Admiral Blair: We do not have the absolutely unerring capability to determine that. It often takes weeks and sometimes months of subsequent investigation. We call that process attribution, who did it. The attribution process if you're lucky can be quick. Most of the time it's very slow and painstaking, and even at the end of very long investigations you're not quite you're not quite sure. So it's not a we know who done it.

Senator BEN NELSON. Are we working to try to improve the speed with which we can establish that attribution?

Admiral Blair: Absolutely, yes, sir. I think as important as attribution is defense, having defenses up fast. We need to be able to

detect a type of attack coming in and be able instantly to spread that information across a broad number of networks, not just the military and intelligence networks that we use for our business, but wider government, the ones that you all use for your communications here in the Legislative Branch, and then critical infrastructure. That can only be done by some very fast automated systems.

Senator BEN NELSON. So it's better to be a defense against the intrusion than try to deal with it after the fact. But that obviously is a tall order.

Admiral Blair: Yes, sir, but we're working on it.

Senator BEN NELSON. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Martinez.

Senator MARTINEZ. Thank you very much, Mr. Chairman.

General Maples, let me add my word of thanks for your service and wish you the very best in your future endeavors.

I want to shift to another area of the world, Latin America, close to the State of Florida and important to us in many respects. Director Blair, I wanted to ask if you would assess for us Venezuela's current situation given the international crisis, economic crisis, as well as the decline in oil revenues that we have seen to governments like Venezuela as a result of the declining oil prices.

Do you see that dramatic decline in oil revenues to the Venezuelan government as becoming a factor and impacting the politics or the policies internally and externally of Venezuela's government?

Admiral Blair: Yes, sir, externally it certainly affects it. We project that Venezuela will not be able to use, spread around its oil wealth abroad for the various projects that we all know about. Internally it's also having somewhat of an effect since these oil revenues are being used to prop up Chavez's populist approach. At least originally, it doesn't seem to make him any more modest about his goals of trying to become a ruler for longer than his constitution currently allows.

Senator MARTINEZ. Well, along those lines, do you see, as he retrenches in some of his international ambitions—what are his goals really in the region? He was a big purchaser of arms from Russia and others. Obviously—and perhaps, General Maples, you might want to comment on this. Has that curtailed the purchases of arms and his high ambitions, to include submarines, attack jet fighters, all kinds of things, including a facility to build AK-47s?

Anyway, where are we on all of those issues? Has any curtailment occurred?

General Maples: We're starting to see some decisions taken that would delay the purchase of some parts of that equation, and in particular you mentioned the submarines. But larger purchases, we are starting to see decisionmaking that would say they are going to delay that.

The earlier purchases for arms manufacturing, AK-47s, put the plant in place, 200,000 weapons that they were bringing in, the fighters that he was bringing in, we still believe they are on track,

and we believe that he is getting some credits, in particular from his major supplier, from Russia.

Senator MARTINEZ. Now, those arms are obviously not just for internal consumption, but I know that they find their way into other venues. Particularly I know that the Venezuelan government seems to have been complicit for a long time, and made public last year, with the FARC. Do you see any lessening of Venezuela's cooperation in providing sanctuaries as well as Ecuador's participation in providing sanctuaries for the FARC, and how do you assess the FARC's current situation given the major setbacks that they suffered last year?

General Maples: Let me begin with your last point because I think the FARC has suffered some major setbacks. From a military standpoint, that's resulted in a great number of desertions, both of members of the FARC and leaders of the FARC. Nevertheless, they're continuing on in their narcotics effort, which is a part of what they do. But their activities are less than they have been in the past.

President Chavez is still supportive of the FARC, but less so than we saw a year ago. No real response in terms of Ecuador at this point, probably because there's less activity of the FARC crossing the borders to the south.

In terms of the weapons, we have not seen Venezuela supplying weapons. Don't know what the purpose of their purchase is, so they're making investments that we are watching because we don't know exactly what the intent is of President Chavez for the use of those.

Senator MARTINEZ. Now, the Venezuelan government I understand has been complicit in the cocaine flows through its territory both in the direction of West Africa, but also perhaps directly into Europe. Are you able to shed any light on this in terms of the Venezuelan government being complicit in drug trafficking?

General Maples: Sir, I don't have any information on that, on the drug trafficking.

Senator MARTINEZ. The same with you, Director Blair?

Admiral Blair: Yes.

Admiral Blair: We know that Venezuela is pretty much Cuba's benefactor and as a result of their largesse through oil and other assistance provides Cuba with pretty much the ability to remain afloat in what is pretty much an economic basket case I think generally acknowledged. Any change in that relationship in addition to the fact that Cuba appears to have some 40,000 Cubans operating in Venezuela, many of them I've read reports are involved in providing personal protection to Mr. Chavez, as well as obviously providing training to local police? Obviously, Cuba's police is not a democratic police force, but it's more a force of repression.

Any light you can shed on those kinds of activities, both the reciprocal relationship, Venezuela's assistance to Cuba and Cuba's participation in Venezuela's increasingly autocratic government?

Admiral Blair: General Maples mentioned Venezuela pulling back its support a little bit because of the price of oil going the way it is. It seems that its cooperation with Cuba, both its supply of economic support to Cuba and the reciprocal flow of Cubans into Venezuela, is the last thing that would go. It considers it more im-

portant. So we have not seen the effects on that that we've seen on some of these other areas we've talked about.

Senator MARTINEZ. Focusing on Cuba, a week ago today there were some pretty dramatic changes to the Cuban hierarchy. In fact, for the last couple of years many have claimed that Raul Castro in fact wants to present a moderate image and would be a harbinger of significant change. Last week Carlos Lage, who by many has been viewed as the reformer within the system and many viewed as a potential successor to Raul, was not only relieved of his responsibilities, but in a Stalinist kind of action, he and Felipe Perez Roque, the former foreign minister, both signed letters of confession admitting to their mistakes and resigning from all political posts. It's sort of reminiscent to Stalin in the late 30s.

But anyway, can you shed any light on what the Intelligence Community makes of these changes, as well as the perception of Raul Castro as a moderate when in fact over the last 2 years anecdotal reporting of increasing repression within Cuba and absolutely no change in any respect, with this new purge, which has included a bringing into the government now more military and continuing an aging leadership that seems to be essentially closing ranks rather than filtering any new air into the room.

Admiral Blair: I think there are different explanations going back in personal relations and policy positions that the Intelligence Community is debating about those personnel actions that you described. But a move toward political moderation is not one of the explanations that anybody thinks is a reason for it.

Senator MARTINEZ. Thank you. My time is up. Thank you very much.

Chairman LEVIN. Thank you very much, Senator Martinez.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

To set the table for my questions, gentlemen, I assume that in this economic climate internationally the use of our resources in terms of our money flowing to these various nations that are so important to our National security becomes even more important. I assume that there wouldn't be any disagreement about that.

Admiral Blair: I'm sorry? Which kind of money flowing to these countries?

Senator MCCASKILL. Any kind of cash that we're giving to these countries directly from the American Government. I'm assuming that is a pretty strategic, important resource for us to be spreading around right now?

Admiral Blair: It's more important in hard times than it is in other times, yes, ma'am.

Senator MCCASKILL. Right. Relating to that, I know that we have given Pakistan over \$12 billion and I would like to focus my questions on Lashkar-e-Taiba, the home-grown terrorist organization in Pakistan, and find out whatever we can find out in this forum, how confident you are of the cooperation of the Pakistani government with Lashkar-e-Taiba, if in fact they have been obstructionist in terms of our investigations, if you agree that Lashkar-e-Taiba is indicated in terms of involvement with not only Mumbai, but the cricket team deaths, obviously the subway killings on London, the international flights from Europe to the United States, the plots to

blow those up, and your take on how we attack this issue of, while we are giving them billions of dollars, they're refusing to even provide basic cooperation in our investigations to this international terrorist organization, Lashkar-e-Taiba.

Admiral Blair: I think many of the details ought to be saved for closed session, Senator McCaskill. But in general, I don't think the picture with Pakistan's cooperation is quite as bleak as you portrayed. In fact, the action after the Mumbai bombing in particular has been greater from Pakistan's point of view than many previous ones.

As you know, leaders of Lashkar-e-Taiba were arrested and Pakistan has undertaken to prosecute them. It has asked for India to provide the evidence that could be used in such a prosecution. The United States is involved in trying to work with both sides in order to make that happen.

So I think that particular trend is positive. But it has a ways to go and it's not a simple progress.

Senator MCCASKILL. Let me ask about visa-free waivers as it relates to disaffected Pakistanis and their ability to travel, and whether or not there are any concerns about that. Also, if either one of you have any ability to share with us whether or not—I know there is a significantly influential American-Pakistani community. A lot of professionals and leaders in every community in this country are from Pakistan and wonderful, loyal, patriotic American citizens. To what extent have we utilized that resource in trying to identify any cells of disaffected Pakistanis that maybe, unfortunately, have more leeway to travel than someone, for example, that's Iranian?

Admiral Blair: I think we'll have to get back to you on that, Senator McCaskill. I do know that, in working with ethnic-American groups, whether they be Pakistani Americans or others, we get a great deal of cooperation on the very precise issues like the ones you mentioned. But I think on the particulars related to Pakistani-Americans and visa-free waivers we'll have to get back to you.

Senator MCCASKILL. Let me also ask you, where are we in terms of our challenges of our language ability in the Intelligence Community and the ability of our resources to speak fluently and indigenously in terms of gathering the most valuable kind of intelligence that we can get?

General Maples: I can talk from my own perspective there, and I think it's true across the whole community. We have all been focused on recruiting individuals who have native, near-native language skills, cultural understanding, bringing them into the organizations. I know in my organization we have more than doubled the number of individuals what have the kinds of language and cultural skills that we're looking for, and they are being used right now both in our analytic arena to give us the cultural understanding that goes beyond knowledge, so that we really understand events as they're happening on the ground, and then forward in our human intelligence collection as well. Having those individuals who have the right background and have near-native language skills proves to make a huge difference for us in human intelligence-gathering.

Senator MCCASKILL. Is there anything else we can do to be helpful in that regard? As a former prosecutor, I know where we got the best information and it wasn't from tough interrogations. It was from our ability to infiltrate and integrate into certain criminal organizations people who could give us real-time information.

Obviously, in this area, when prevention is so important, I just want to make sure we're doing everything we can to give you everything you need to get that kind of capability that we have been so concerned about.

Admiral Blair: That's a very kind offer, Senator. But I think it's not a lack of resources or effort at this point. It's the difficulty of it. I was just, for instance, last week at a meeting of what's called the Heritage Council, which is the heads of many ethnic American groups—Copt Americans, Iraqi Americans, Afghan Americans, Burmese Americans. This is the third meeting with that group, and I'm told by both my people and the representatives in that group that it's taken almost that long to get the trust of the Intelligence Community, for these leaders to realize that patriotic Burmese or Afghan Americans who went to serve their country and bring invaluable skills, it's okay, you are doing important work and you—you know all of the misperceptions and television-based rumors that are there.

So we are making progress in that area. But I'm not sure we could have speeded up that program with more money or more effort. It's a high focus and I think we're making good inroads.

Senator MCCASKILL. I think that the comment you made, Admiral Blair, about the recognition in our country that it's not the Muslim faith that's the problem, it's terrorists who inappropriately mask their terror in a religious connotation. So many of these leaders in America, wonderful—and it's not just the American Pakistani community I'm referring to. We have, as you say, so many Americans that still have family in Iraq and Iran, so many Americans who have family throughout this region.

I just think they have suffered greatly because they are profiled, they are looked at suspiciously when they travel as American citizens. I think they are anxious to be helpful in so many ways, and I just hope it's a resource we continue to try to expand upon, because I think it could be very, very effective, not just in terms of our diplomatic efforts, but also in our intelligence efforts.

Admiral Blair: I think you're right. In my background—and I'm sure General Maples knows it—the most highly decorated military unit in American history was the 442nd Regimental Combat Team, Asian Americans, many of whose parents and grandparents were in detention camps at the time that they went to Italy, and won more medals than any other unit in action.

Senator MCCASKILL. I think there's some recruiting to be done there.

Admiral Blair: I think there is.

General Maples: You're exactly right, and these are Americans who want to serve our Nation.

Senator MCCASKILL. Absolutely.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

Senator Wicker.

Senator WICKER. Thank you, Mr. Chairman.

Gentlemen, thank you for your testimony. I may be about to ask you to parse words, but I want to follow up on the chairman's question about Iran's nuclear aspirations. Director Blair, in your printed testimony you speak about Iran's pursuit of nuclear weapons as one of the goals that fuels Iran's aspirations for regional pre-eminence. You go on to mention Iran's goal of defending its nuclear ambitions.

Yet in your answer to the chairman's questions, you agree with the rest of the Intelligence Community that Iran has halted its nuclear weaponization program in 2003 and not resumed it. Explain their pursuit of nuclear weapons capability and defense of its nuclear ambitions in light of your answer to the chairman's question?

Then I'd like to ask both of you if you are in complete agreement, if your agencies are in complete agreement with each other on the extent to which Iran has abandoned its nuclear weaponization goals.

Admiral Blair: Senator Wicker, there are three components to Iran's nuclear weapons program. One is the fissionable material, highly enriched uranium—their current supply of low enriched uranium under IAEA supervision, which could be the feedstock to highly enriched uranium, which could result in having enough for a weapon by some time 2010 to 2015, and there's a difference of opinion among the intelligence groups within that range.

Senator WICKER. 2010 to 2015?

Admiral Blair: 2015, yes, sir.

So that's the highly enriched uranium which forms the payload of the bomb. Then there's the weaponization track of it, which has to do with developing the ability to take the highly enriched uranium, put it with high explosives into a weapon that can go on a warhead. It was the work on that, on that track, that suspended in mid-2003 and as of at least mid-2007 had not been resumed. So that's at a pause as far as late 2007.

Then the third track is the delivery capability, which the delivery weapon of choice in that part, in most of the world, is a ballistic missile. Space launch technology is no different from military technology, and the Safir launch last month shows that Iran is mastering the use of ballistic weapons.

So it takes all three of those to build a capability. The overall situation—and the Intelligence Community agrees on this—is that Iran has not decided to press forward on all three tracks, to have a nuclear weapon on top of a ballistic missile.

Senator WICKER. Are they proceeding on the first track?

Admiral Blair: They're proceeding on the first. They're proceeding on the low enriched uranium track. They have not gone to a highly enriched uranium track.

Senator WICKER. It's your assessment that they are not producing highly enriched uranium at this point?

Admiral Blair: Yes, sir, that's the assessment.

Senator WICKER. General Maples, are you and the Director in complete agreement on this assessment?

General Maples: We are in agreement on this. In fact, across the Intelligence Community we're in fundamental agreement on the assessment. I think between the agencies there may be some dif-

ference in the level of confidence, but we're in fundamental agreement on where they are.

Senator WICKER. Is it fair to say that the Israelis disagree with that assessment?

Admiral Blair: The Israelis are far more concerned about it and they take more of a worst case approach to these things from their point of view.

Senator WICKER. Naturally they would be far more concerned. But in their assessment of the facts as they exist, do our friends in Israel assess the facts differently?

Admiral Blair: The facts are the same. The interpretation of what they mean, Israel takes a—

Senator WICKER. So it's a matter of interpretation?

Admiral Blair: Yes, sir.

Senator WICKER. Well, thank you.

Let me move if I might, Mr. Chairman, to Mexico in the remaining time I have. The testimony talks about, the assessment that I have, talks about President Calderon's success leading to the increased violence. How serious of a problem is this for us? To what extent is our success in Colombia causing the drug trade to move to Mexico? Is there a connection there?

Are there lessons we can learn from a Plan Colombia? Is it time for the United States to consider a similar plan for Mexico, Plan Mexico, to fully devote our efforts toward this problem, which appears from these reports to be very, very serious?

Admiral Blair: I think that the violence that we're seeing in Mexico, the drug-related violence which resulted in some 6,000 deaths last year, is directly the result of President Calderon taking on the drug cartel. So in a sense it's the consequence of a positive development. I would emphasize that President Calderon's initiative is not just against drugs per se, as bad as they are, but he is motivated by seeing that the lock that the money and influence of drug cartels have on his country is a fundamental problem, on the judiciary system, on the police system, on the political system in many cases.

So he came to the conclusion that unless he went after the drug cartels he was not attacking fundamental challenges of Mexico, and he's taken them on and it's been an amazing and admirable initiative on his part.

I believe, the President believes, that it is important to support President Calderon on his initiative in many ways as we can, from the Marita Initiative which began under the previous administration and will be carried forward, to the things that we can do on an agency to agency basis, whether it's Justice, FBI within Justice, Homeland Security, or us in the Intelligence Community who can assist the Mexican intelligence authorities on this goal which is in both of our interests.

Senator WICKER. You see President Calderon's program as successful if he stays the course, even though the immediate result has been this huge spike in deaths and violence?

Admiral Blair: Absolutely.

Senator WICKER. Well, I certainly hope so.

Mr. Chairman, I hope we'll be willing to be a teammate with them, with our North American neighbor in this regard, because it

certainly at this point appears to be a sort of surprising and very, very serious problem.

Thank you.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Actually I wasn't going to start here, but let me express my concurrence with what Senator Wicker just said.

When we look at this violence that is going on principally along the border—it's not simply along the border and it's not totally because of what the Mexicans are doing, although I certainly would express my appreciation for their taking that on. These cartels make \$25 billion a year profit. They've got highly sophisticated military people working for them, people in some cases who were trained by our own special operations schools. They use automatic weapons, RPGs, grenades.

And they are already in our country. The Mexican cartels operate, have operations in 230 cities in the United States. There was an article in *The Economist* about a year ago that said that, as I recall, two-thirds of the outdoor marijuana plantations in California are run by the Mexican drug cartels, and marijuana has replaced wine as the number one agricultural product of California.

So I would begin—actually, I wasn't going to begin, but I would begin by requesting that you take a hard look at the threat to our National security that these transnational syndicates are bringing. It's not just the Mexican drug cartels. Fairfax County, Virginia, right across the river here, has several thousand gang members, principally MS-13, who are involved in a lot of violence and a lot of trafficking.

That being said—I wanted to say it before Senator Wicker took off—the first thing I would say, Mr. Chairman, is for the record I'd like to point out that Admiral Blair, Admiral Mullen and I are all from the same Naval Academy class. I've known Admiral Blair since I was 18. I think there are few people in this country who have developed the expertise that he did early on in his career with respect to Russia. In fact, I took Russian with Admiral Blair when I was a plebe. We got to the third class period, I was still trying to figure out the alphabet and he announced that he could now think in Russian. He's a pretty smart guy.

Admiral Blair: Simple thoughts.

[Laughter.]

Senator WEBB. And I welcome him back to serving our country.

I also would like to say that I appreciate the context in which you answered the question with respect to Ambassador Freeman. I was one of those who was very skeptical about the creation of the position that you now hold, as you know, and we corresponded about that. There is an inherent danger when you centralize intelligence, and we saw that with respect to the lack of divergence of opinions in terms of the run-up to Iraq. We simply didn't have enough contrary and meaningful discussion in the Intelligence Community before we went in.

So I think that the idea of having informed divergent views is very vital to how our decision processes work, and I appreciate that point of view.

General, a question was asked to you about the relationship between Iran and Afghanistan. Is it not true that Iran is now also allowing NATO cargo shipments to pass through Iran into Afghanistan?

General Maples: Sir, I'm not familiar with that.

Senator WEBB. We have been briefed to that effect. So you're not aware that that's going on?

General Maples: No, sir. I'll have to get back to you on that, sir.

Senator WEBB. All right.

With respect to the testimony about China, Admiral Blair, you know I've had a long concern about the incrementalism with respect to China. You do mention in your testimony that China over the past several decades has begun a substantially new phase in its military development by beginning to articulate roles and missions that go beyond its immediate territorial interests.

I actually wrote a piece for the New York Times about that in 1995 when they changed their doctrine from pure defense into power projection. I'm very concerned. It ties in with the incident that we saw with the naval ship. They have been expanding their military. In many cases it's understandable as you're expanding your economy, but in other cases it should give us concern, particularly with respect to the South China Sea. They claim Taiwan, obviously. They claim the Shinkaku Islands, which are between Taiwan and Japan. Japan also has sovereignty over those at this moment. They claim the Paracels, which Vietnam claims. They claim the Spratlys, which Vietnam, the Philippines, Brunei, and Malaysia claim. They claim lost territories basically wherever you can find a piece of Chinese porcelain from 500 years ago.

There have been a number of incidents with respect to all of those areas that I just mentioned over the past 4 or 5 years. They have been known to build facilities in Indian Ocean areas. Burma is a good example.

So how are you seeing all this in terms of how that fits together for the position of the United States in that region?

Admiral Blair: Senator, you've been I know following Southeast Asia very closely for a number of years. I think the Chinese trajectory there has changed in a somewhat more aggressive way in the past several years from what we had seen earlier. You will recall that when the code of conduct was agreed to with a lot of ASEAN pressure on China, it seemed that perhaps China was taking a diplomatic approach there. It settled its boundaries with Vietnam, agreed to the code of conduct.

In the past several years they have become more aggressive in asserting the claims for the EEZ which, as you pointed out, sir, are excessive under almost any international code, and this latest incident with fishing vessels and a PLA Navy vessel involved is the most serious that we've seen since 2001, the EP-3 incident.

So I would agree with you that as far as the Southeast Asia, South China Sea activities of China, they seem to be more—they seem to be more military, aggressive, forward- pushing than we saw a couple of years before. The buildup in the South China—in the South Fleet out of Hainan has been larger than other parts of the fleet. So I think that is a trend that we are seeing.

China's overall development—the other big development, of course, is the Somalia deployment of a couple of ships to take part in anti-piracy patrols; on its face seems a good positive use of Chinese military forces as part of a group who are seeking common goods.

So I think the debate is still on in China as to whether as their military power increases it will be used for good or for pushing people around.

Senator WEBB. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator Collins.

Senator COLLINS. Thank you. Thank you, Mr. Chairman.

Director Blair, in your testimony you stated that the primary near-term security concern of the United States is the global economic crisis. That isn't usually how a Director of National Intelligence begins testimony to us, so it has caught all of our attention.

A cyber attack on our financial institutions would obviously greatly exacerbate that crisis. What is your assessment of the capabilities of terrorists to launch a catastrophic cyber attack on our financial system?

Admiral Blair: We know that terrorists are interested in using cyber weapons just the way they're interested in using most any weapon that they can use against us. We know that they believe that our economic strength is one of the targets that they would most like to attack. That's partly why they chose the World Trade Center, in addition to the symbolic reasons.

We currently assess that their capability does not match their ambitions in that area, although that's something we have to work on all the time because as things become more widespread terrorists can find hackers to work with them. So it is a concern. But right now I'd say their capability is low.

In addition, I think the more spectacular attacks that kill a lot of people very publicly is what they are looking for also.

Senator COLLINS. The Federal Government's Director of Cyber Security resigned this week and he cited a lack of support and funding as well as an overreliance on the National Security Agency for combating threats to our Nation's computer systems. I know that you have not been Director of National Intelligence for that long, but what is your assessment of the adequacy of our efforts to combat attacks, cyber attacks?

Admiral Blair: Senator Collins, I'm familiar with the remarks of the Director of the DHS Cyber Center as he left. The National Security Agency is the repository of the most technical skill in the area of cyber defense, based in large measure on its ability to do cyber attack, which gives it an understanding of what the tools are so it knows what can be used against us. So I'm a strong advocate of the National Security Agency making its technical skill available for defending other networks, both in the government and in the country.

I'm also aware that this very much has to be done in a way that those who supervise us here in the Congress and American citizens in general feel that that's being done under strict controls with oversight, so that we are protecting the right information and not

stealing—not gathering information that abridges civil liberties and privacy of Americans.

I think unless we can work out that way to use the capabilities of the intelligence agencies for the right purposes, with confidence from those of you in Congress and the American people that we're not using them for the wrong purposes, we're not going to make the progress we need to on defending the country against those kind of attacks.

I think we can do it technically. We have to do it in a way that everyone has confidence in. There's a review going on right now on that very subject, being led out of the White House, to try to build that structure and to get that support.

Senator COLLINS. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Collins.

Senator REED.

Senator REED. Thank you very much, Mr. Chairman.

Admiral Blair, thank you again for returning to active service. But I particularly want to thank and commend General Maples for his extraordinary service to the Army and to the Nation.

I associate my comments with Chairman Levin and Ranking Member McCain, but I want to make one augmentation to the record. Senator McCain said 38 years of service and I have first-hand evidence that you joined the United States Army on July 3, 1967, which makes it 42. So thank you, General, for your service and your friendship.

General Maples: Thank you, sir.

Chairman LEVIN. You're even older than Senator McCain thought.

[Laughter.]

Senator REED. Well, I can't say anything because he looks younger than me and we're classmates. So I have to be very careful about this.

Let me return to a topic that I think was broached, and that is the terrorist group Lashkar-e-Taiba. It's operating in Pakistan. It was in my recollection essentially a creature of ISI to conduct operations in Kashmir, so its relationship to the Pakistan Intelligence Service is very disturbing. It conducted the operations in Mumbai, but some have suggested that it poses a much, much broader threat because of its ability to operate locally in Pakistan, because of its connections to many Pakistani nationals who reside outside of Pakistan in Europe and even in the United States.

Can you give an assessment, is this the group that is beginning to fill up the operational space being denied to al-Qaeda?

Admiral Blair: Senator Reed, Lashkar-e-Taiba and its affiliate, which I believe is called JUN, J-U-N—this is the widows and orphans humanitarian wing of it. You know this typical arrangement often between extremist groups and—

Senator REED. The Hamas model.

Admiral Blair: Yes, sir, which is well established.

You're quite right, its long ties as being a means to hit India over the Kashmir issue give it strong roots. The ISI—Pakistan government has changed its policy towards Lashkar-e-Taiba partially, but it has not become a force for good in Pakistan or in the region.

I don't assess that it is replacing al-Qaeda as a worldwide terrorist directed against western, American interests or shares the al-Qaeda messianic ideology of a greater pan-Islamic state and driving conservative Muslim governments from power. I think it's much more directed than that. But it certainly has the capability and can still carry out acts which are against American interests.

Senator REED. General Maples, you have comments?

General Maples: I would just comment that Sayyed, who is the leader of LET, does have a belief in the establishment of a fundamentalist Islamic state. And LET has been very involved in Afghanistan with that as an intended purpose. So while there is still the focus on Kashmir, a focus on India, there's also a focus in the other region. And I think that fundamentalism is an issue that makes LET a real concern to us, because I think they do have ambitions beyond that.

I don't know that they have reached the level of another al-Qaeda or a replacement for al-Qaeda, but I think that their beliefs are very similar in nature. I also believe that the Pakistani government, as the Director has said, has distanced themselves from LET and has taken some very significant actions in the recent past towards the organization.

Senator REED. Thank you.

Let me switch to a different topic. We are in the process now if redeploying our forces from Iraq to Afghanistan. One of the key issues that both General Odierno and General McKiernan have is their force multipliers, their intelligence platforms, their special operations forces, those things that allow you to build up the effort in Afghanistan, but also as an economy of force measure in Iraq to continue to keep the pressure.

Can you give me from your perspective, Admiral Blair and then General Maples, sort of, do we have sufficient resources in this area, the intelligence platforms, the analysts, not the BCTs but those things that make the BCTs work well, for the effort that is before us?

Admiral Blair: We had a meeting on that exact topic, Senator Reed, of the executive Committee of the Intelligence Community about 2 weeks ago, in which we went through that analysis. The short answer to your question is that we believe we have the facilities that could be brought to bear. We have it largely, but not entirely. I'm confident that we will be able to put adequate support in to support the level of engagement that we decide on.

The heart of it from the military point of view is the ISR joint task force, which now covers both Afghanistan and Iraq. General Maples is intimately involved in staffing that up.

Senator REED. General Maples?

General Maples: Sir, the answer to your question is yes, I believe we have the resources to do what is necessary from a defense intelligence standpoint in both locations. We are working right now with MNFI on the plan for the intelligence structure that will remain as we go through the drawdown. Our belief is that our intelligence structure, with the exception of those capabilities that are organic to the BCTs, will remain in place. The only adjustments we're going to make is based on demand, capacity and demand for the tasks that we're going to be performing. But we are not de-

pendent on those resources in order to build the capabilities that we need in Afghanistan.

That said, for me as we draw down in Iraq there's still the issue of how do we cover those areas that the BCTs have been operating in from an intelligence standpoint, how do we do the handoff of the sources, how do we provide insight and knowledge of what's going on in those areas. We're working through that plan.

A big part of that, as the Director says, is going to be the plus-up that the Secretary of Defense has directed in terms of ISR capability going into Iraq. In Afghanistan, we are structuring for the buildup of forces and we've already started that process, putting more analysts in place in Afghanistan, more ISR capability that is going into the country now.

The real issue for us is the duration and our ability to sustain the kinds of deployments and the expertise that we need for Afghanistan. We're having to build additional capability so that we can sustain that over time.

Senator REED. Thank you.

My time has expired, but let me once again conclude by thanking you, General, for your service to the countless soldiers you've led and inspired, and thank you so much.

General Maples: Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

General, Admiral, my thanks also to you for your many years of service and for your continued service to our country. We appreciate all that you do to keep our country safe and secure.

Let me, if I might, Admiral Blair, direct a question to you regarding a hearing last month in front of the House

Permanent Select Committee on Intelligence, in which Congressman Miller asked you to address a potential security threat of relocating the Guantanamo Bay detainees to facilities in the United States, specifically the possibility that holding detainees here in facilities stateside may encourage an attack on a facility to free detainees.

As you perhaps know, last year the Senate passed a Senate resolution by a vote of 94 to 3 expressing the Senate's view that detainees at Guantanamo should not be transferred stateside into facilities in American communities and neighborhoods. The President's January 22 executive order, as you know, to close Guantanamo and determine the disposition of individuals detained at Guantanamo Bay within a year requires that those individuals detained at Guantanamo be "returned to their home country, released, transferred to a third country, or transferred to another United States detention facility in a manner consistent with law and the National security and foreign policy interests of the United States," and that's a quote.

That same executive order requires you, Admiral, as the DNI Director, along with other senior administration officials, to identify and consider legal, logistical, and security issues relating to the potential transfer of individuals currently detained at Guantanamo to facilities within the United States, and that you and other partici-

pants in the review work with Congress on any legislation that may be appropriate.

You had told, I think, Congressman Miller at that hearing you'd have to go back and see if the possibility that holding detainees here in facilities statewide warranted a threat. I guess my question has to do with that follow-up. Have you or your staff identified and considered those legal, logistical, and security issues relating to the potential transfer of individuals currently held at Guantanamo to facilities within the United States?

Admiral Blair: Senator Thune, I was at a meeting yesterday in which those—in which at the senior level we reviewed the work that's being done by the working groups on those exact questions. All of the things that you mentioned are very much at the heart of the interlocking set of decisions that have to be made. I can also say, as was specified in the executive order, that there is a commitment to consult with the Congress as these tough decisions are reached.

I can say that if there'd been any neat, tidy ways to handle these conflicting goods that Senator Graham and others are right in the midst of from both a legal and a policy point of view, it would have been found. It's going to be a series of tough decisions and it'll require the Congress as well as the Executive Branch to help make them.

Senator THUNE. Have you made any conclusions or assessments about the threat yet or identified any of the security issues that are associated with that?

Admiral Blair: Sir, I think that it does somewhat raise the threat level when a prison contains foreign terrorists as well as others. I don't think that that threat level rises to the level of the ambitions of al- Qaeda and similar groups to try to conduct a spectacular attack that would be as great as or even greater than 9-11 on the United States or other countries. But it does raise that concern somewhat.

Senator THUNE. My assumption is too that the resolution passed by the Senate last year would figure into those deliberations and send a statement with regard to having some of these detainees in American communities and neighborhoods. It affects the deliberations, my guess is?

Admiral Blair: Yes, sir. It was not passed unnoticed. Several members of the meeting that I was in yesterday as former members of the Senate were very sensitive on that score.

Senator THUNE. Let me shift gears just a minute. There was an article written by Secretary of Defense Gates and published in the Foreign Affairs Journal in January of this year, in which he wrote that: "Both Russia and China have increased their defense spending and modernization programs, to include air defense and fighter capabilities that in some cases approach the United States' own."

He goes on to explain that, with respect to China, improved air defenses, coupled with investments in other asymmetric capabilities such as cyber warfare, anti- satellite warfare, and anti-ship weaponry, all threaten the way that the U.S. projects power. Secretary Gates wrote that "These asymmetric capabilities will require a shift to long-range, over the horizon systems such as the Next Generation Bomber."

My question is, do you agree with the Defense Secretary's assessment that in some aspects Russia and China's air defense and fighter capabilities approach our own, and is it your conclusion that they are proliferating some of these advanced capabilities? General?

General Maples: I do agree with that. In particular, China from the air defense standpoint has developed a very modern, layered air defense capability in depth and is seeking additional air defense capabilities that will project even out to a range of 400 kilometers, that significantly affects potential U.S. operations in that region.

I think—and Russia, quite frankly, is the developer of most of those systems and is exporting those systems both to China and to other countries in the world.

Senator THUNE. What's your general view right now about our capabilities in terms of long-range strike, and does the Next Generation Bomber figure into our ability to project power on a long-range basis, I mean going forward? What's your overall assessment, because that's a big debate, as you know, about whether or not, in terms of procurement and some of the weapons systems that we're developing for the future? The 2006 QDR said we needed a Next Generation Bomber by 2018. There are reports, of course, as you know, that that is being scaled back or perhaps eliminated entirely as a requirement.

What's your overall assessment? Shouldn't we be pursuing upgrades in our long-range strike capabilities?

Admiral Blair: Senator Thune, the question of whether the bomber is the exact right system for the threat is really a Defense Department decision to make. But I would point out that there has to be a balance between your strike capability and your intelligence capability. I am personally as concerned about our ability to find the right thing to hit as I am about the ability to hit it. Advances in cover and deception, advances in potential adversaries' knowledge of how we go about our business, and in understanding have made it much more difficult to be able to feed those target points to the weapons deliverers, whether they're firing missiles or cruiser bombers or, down at a lower level, whether they're a special forces team trying to snatch somebody who's out to hurt us.

So I think that, while you're absolutely right to be worried about long-range strike systems, I really am frankly more concerned about being able to tell them what to strike.

Senator THUNE. General?

General Maples: Sir, with respect to the capabilities, that's the dialogue that's going on in the Department right now as to the capabilities that we'll require for the future. It'll be a part of the QDR process this year.

I agree with the Director, what we've got to clearly explain is how those modernization efforts fit together and the impact that that is going to have on the systems that we field and the systems that we require.

Senator THUNE. Thank you both very much, gentlemen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Senator Burris.

Senator BURRIS. Thank you, Mr. Chairman.

I too want to extend my congratulations and thanks for all the services you gentlemen have given to this country. May God continue to bless you.

Last Wednesday the International Criminal Court issued an arrest warrant for the Sudanese President Al-Bashir for directing the genocide in Darfur. Shortly after the ICC announcement, President Bashir moved to expel foreign aid groups that provided food, water, and medicine and other crucial supports to more than a million displaced people from the Darfur region.

General Maples and Admiral Blair, can you give us an assessment of what is happening on the ground today and what the Intelligence Community is assessing as may happen in the coming weeks and coming months for this region?

Admiral Blair: Senator Burris, we are aware of those actions that you mentioned by the ICC and then President Bashir's reaction. We have moved to try to assess more closely the humanitarian impact of the withdrawal of the food aid and so on. It really is a matter of how long, how long it's sustained, and what the subsequent events are. Those are pretty much based on President Bashir's actions.

The ranges of what might happen could go from another humanitarian crisis because of continued denial of food supplies, continued lawlessness in the camps that would cause great suffering and deaths, down to a relatively mild worsening to what's already a bad situation if they were of a short duration and the relief organizations were back in. So it's something we're looking at and it's hard to make a call right now.

Senator BURRIS. General Maples?

General Maples: Sir, I have nothing to add to that. I agree.

Senator BURRIS. What is the situation then with the UN and whether or not they're going to be able to get some peacekeeping troops in there? Do we have any information on what the United Nations and the Sudan are working on? Chad is in there and they're already up to the border, or Khartoum. I'm wondering whether or not that's going to escalate. What intelligence do we have of what's happening there?

Admiral Blair: Senator, as you know, a United Nations-blessed largely African force has been negotiating with the Khartoum government for the conditions under which it can increase its presence in the area. Certainly the United Nations has intensified its efforts recently. But the indictment and President Bashir's reaction have made him less cooperative than he was before on that score.

Senator BURRIS. Do you think this will extend the UN—the problem with the UN trying to move in?

Admiral Blair: I think it will make it harder, yes, sir.

Senator BURRIS. Let me shift gears, gentlemen, for one moment. You heard Senator Wicker raise a question about the drug cartel—I think it was Senator Wicker—in Mexico. There is a report this morning indicating that a local police chief and a handful of officers in Mexico were killed in a blazing attack by the drug cartels. This seemed to be a reoccurring story in recent weeks and months.

Gentlemen, can you discuss the capability gap of the Mexicans in their fight against the drug cartel? And given the recent statement by Admiral Mullen and Secretary Gates with regard to the

military assistance—I'm particularly interested in the gap within their military—can they be able to handle this situation?

Admiral Blair: Senator, I believe that they can handle the situation, given the determination that President Calderon has showed. The resources that he has put against it, he has increased the number of troops he's committing. He's increased the resources he has made available to those, both to his army forces that are involved in that and to the other law enforcement bodies.

He is moving to remove corrupt officials. He's taken a full range of actions which are necessary to do it. I think he can succeed. I think we have the responsibility as being on the other side of that same border and, as Senator Webb and Senator Wicker and others pointed out, sharing the bad effects of those cartels in our country, to help him.

I believe there's a strong commitment out of President Obama and his Administration, and I sense just from talking on the Hill that there's a very strong commitment here in the Senate and elsewhere to support that. I'm very optimistic we can take these guys if we put the resources in and work together.

General Maples: Sir, one comment on that. As you know, the Chairman just returned from Mexico and a visit to the region. On his return, the Joint Staff has taken his report back and is working up some recommendations on how we could provide some assistance to the Mexican military.

I know that on the intelligence side personally I've had interaction with my counterpart in Mexico, which is pretty significant in terms of the relationship between the militaries, in looking for ways that we can share information. The Navy has recently signed an agreement that will enable a sharing of information, and I think the other services are very close to having that done in the near term as well. So we are looking for ways that we can support the Mexican military in their effort.

Senator BURRIS. Thank you, Mr. Chairman.

Thank you very much, gentlemen.

Chairman LEVIN. Thank you, Senator Burris.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Thank you, gentlemen, both for your service to our country past and present and future.

Along the lines of military assistance to Mexico, it seems to be just from listening to the news that the threats are growing. Would an MRAP assistance program be beneficial, do you think, Admiral, General?

Admiral Blair: Right now we're talking with the Mexican government in many different levels, Senator Graham. I'm not aware of all of the eaches of what we've done, sir, and I hesitate to shoot off the top of my head about something like that.

Senator GRAHAM. Fair enough.

Admiral Blair, a nuclear-armed Iran in terms of destabilizing the Mideast and making the world a more dangerous place. If that event occurred, how would you rate it in terms of one being not so much and ten being very destabilizing?

Admiral Blair: It would be up on the eight to ten, eight to ten scale, Senator Graham. The countries in the region would react.

They would react I think by looking to their own defenses, by looking for more involvement and protection from the United States, and there would be a spin in the region which would not make it any safer than it is now, quite the opposite.

Senator GRAHAM. And potentially terrorist organizations might benefit from that technology? Would that be a concern?

Admiral Blair: The more nuclear material, the more nuclear weapons technology around, the more—the greater the chances of it getting into the wrong hands.

Senator GRAHAM. I read your report about Iraq. Do you think it would be in our long-term national security interest to consider an enduring relationship with the Iraqi government and people after 2011?

Admiral Blair: I hope all of the effort we put on Iraq results in a long-term relationship and not just a [indicating] done that, get out of there.

Senator GRAHAM. I agree.

Admiral Blair: There's been a lot of blood shed by Iraqis and by Americans there, and I'd hate to think that we didn't turn that into something positive for the long term.

Senator GRAHAM. From the strategic point of view, it sits between Syria and Iran. It's pretty good to have a friend right there. It would allow—Turkey's been a good ally, so I think it would have some benefit. I appreciate that answer. I think we need to think in terms of long-term security interests and Iraq could become a very stable partner in the future. That's the hope, and I appreciate that answer.

Pakistan. I just read in the news, so I don't know any details, this deal that was done or being proposed between the Pakistan government and Taliban type organizations in the Swat region about sharia law being applied, what's your take on that and how do you feel about that proposal?

General Maples: Sir, an agreement reached by the governor of the Northwest Provinces with the militants in the Swat Valley has both some plusses and minuses to it. From a judicial standpoint, the application of sharia law in some form—of course, there are many forms of sharia law—provides a more responsive approach to the citizens in the valley, and that's how the Pakistanis see it.

There are some conditions of the Pakistan government that go along with this.

Senator GRAHAM. If you were a woman in Pakistan, would that be unnerving to you?

General Maples: Absolutely, sir, it would. And it is also unnerving to us from the standpoint of what that means to other militants—

Senator GRAHAM. Right.

General Maples: —in the region.

Senator GRAHAM. Exactly.

General Maples: And we're very concerned about that.

Senator GRAHAM. Well, is it just a practical accommodation because of weakness or is this in the mind of the governor of the region a win-win? What would make one engage in such an agreement?

General Maples: I believe it was, at least initially, was a belief that he could reduce violence by giving in to that. The reality is it hasn't changed the activities of the militants.

Senator GRAHAM. As a matter of fact, to me it is a very disturbing event that could really send the wrong signal to the wrong people at the wrong time.

General Maples: Absolutely.

Senator GRAHAM. Now, when it comes to budgets, Admiral Blair, I think you're well positioned to guide this Nation through some very difficult times, both of you gentlemen. The President's budget proposes a decrease in defense spending. We're at 3.6 percent of GDP, I believe is the accurate number in terms of defense spending to gross domestic product, and over time that budget would go down to 3 percent. Is that a wise move? What effect would it have, if any, on the ability to defend our Nation?

Admiral Blair: I haven't sorted out the consequences from that point of view, from an intelligence point of view. I can comment that, at least in the budget negotiations that have to do with the intelligence part of it, the National intelligence program, there seems to be a strong understanding of the importance for intelligence, and I'll be up here testifying about the adequacy of that soon.

Senator GRAHAM. The reason I asked that question is we envision growing the Army and the Marine Corps, which I think is a good move, but the highest cost of the Department of Defense is personnel costs. So if you're going to increase the number of people and that's your highest cost already, something has to give somewhere. I would like if you could look at it and see what would give and does that make us weaker or stronger?

When it comes to Yemen—I saw your evaluation—do you believe it would be a wise idea to release any detainee at Guantanamo Bay back into Yemen?

Admiral Blair: That would have to be decided on a case by case basis. But the initial experience that has been had with detainees that have been released to Saudi Arabia and then have gone to Yemen has been really, really mixed. Some of them have taken part and returned to the fold. Some of them have made a move and then come back again. So it doesn't inspire confidence.

Senator GRAHAM. General Maples, have you reviewed the detainee operations in Afghanistan? And if you have, could you give us a brief assessment of detainee operations? It is my opinion that the number of detainees will likely grow as we engage in more fighting. And what is the disposition plan for foreign fighters held in Bagram Air Base in Afghanistan, or do we know yet?

General Maples: Sir, I don't know yet. We have had discussions about the issue that you just raised, and that is as we introduce more U.S. forces, particularly in southern Afghanistan, that there may be a need to provide for additional detainees that we would expect to come in.

Senator GRAHAM. Thank you both.

Chairman LEVIN. Thank you, Senator Graham.

We're now going to adjourn to Hart 219 for a classified session. We'll meet there in 5 minutes. I expect it will be fairly brief, but let's see if we can all get there in 5 minutes.

We stand adjourned.
[Whereupon, at 12:36 p.m., the committee adjourned.]