

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

THURSDAY, APRIL 18, 2013

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

The committee met, pursuant to notice, at 10:03 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, Blumenthal, Donnelly, King, Inhofe, McCain, Ayotte, Graham, and Cruz.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Jason W. Maroney, Counsel; Thomas K. McConnell, professional staff member; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; and Russell L. Shaffer, counsel.

Minority staff members present: John A. Bonsell, minority staff director; Adam J. Barker, professional staff member; William S. Castle, minority general counsel; Thomas W. Goffus, professional staff member; and Daniel A. Lerner, professional staff member.

Staff assistants present: John L. Principato, Bradley S. Watson, and Lauren M. Gillis.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Mara Boggs, assistant to Senator Manchin; Patrick Hayes, Marta McLellan Ross, assistant to Senator Donnelly; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Paul C. Hutton IV, assistant to Senator McCain; Elizabeth Lopez, assistant to Senator McCain; T. Finch Fulton, assistant to Senator Sessions; Lenwood Landrum, assistant to Senator Sessions; Todd Harmer, assistant to Senator Chambliss; Brad Bowman, assistant to Senator Ayotte; Craig Abele, assistant to Senator Graham; and Brooke Bacak, assistant to Senator Cruz.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets this morning to hear from Director of National Intelligence James Clapper and from Lieutenant General Michael Flynn, Direc-

tor of the Defense Intelligence Agency, on current and future worldwide threats to our National security. The DIA along with the National Security Agency, the National Geospatial Intelligence Agency, the National Reconnaissance Office, and the intelligence components of the military services, are parts of the Department of Defense that are also elements of the Intelligence Community that Director Clapper heads.

Director Clapper, while much of the information that you provide to policymakers, including Members of Congress, cannot be shared with the public because of its sensitivity and classification, the people who elected us to serve deserve the best information that we can publicly provide them. So we're glad that you and General Flynn are with us this morning to do just that.

Among the challenges that we face is a self-inflicted wound, one with effects that Director Clapper has rightly said amplify the other threats that we confront around the world. That challenge is the unprioritized cuts required by sequestration. This committee is interested in hearing from both of you today about the impact of the fiscal year 2013 sequestration and the impact that it is having on the Intelligence Community's ability to provide us with the timely and the accurate information that we need for our national security.

This self-inflicted wound is all the more unfortunate because our national security professionals already have plenty to worry about. As the most open and interconnected society on Earth, the United States is uniquely vulnerable to attacks on computer networks that are critical to our economy, to the provision of public services and to national security. Hostile nations such as Iran and North Korea are clearly trying to acquire offensive capabilities in cyber space and are widely believed already to be responsible for some such attacks.

China and Russia possess formidable capabilities for cyber theft, such as the theft of valuable intellectual property, as well as the more traditional areas of espionage such as spying on our military weapons systems, plans, and capabilities. China in particular appears to observe no limits on the theft of American commercial technology. That cyber theft is a threat that cannot be tolerated, and I hope we'll hear from our witnesses about the extent of the problem and the steps that we can and should take to counter it.

In the Asia-Pacific region, another round of belligerence from the dictatorial regime in North Korea has caused concern here in the United States and among our allies in the Pacific. That regime has announced its intention to resume plutonium production, has tested a nuclear device in February that appears to have had a greater yield than previous tests, and has threatened at any time to launch a missile that could further exacerbate tensions.

We have read about conflicting intelligence assessments of North Korea's ability to put a nuclear warhead on a long-range missile. We hope our witnesses will be able to clear that issue up.

In the Middle East, Iran continues to flout the international community in pursuit of a nuclear program that is a significant challenge to our Nation and to most of the world. While a diplomatic arrangement in which Iran joins, or rejoins, the responsible community of nations remains the preferred outcome, obviously, there

is a consensus in much of the world that a nuclear-armed Iran is not acceptable and that all options must remain on the table to prevent such an outcome. We look forward to our witnesses' assessment of Iran's nuclear program, the impact of international sanctions on Iran, the significance of the upcoming Iranian elections, and related issues.

Yesterday afternoon we received an update from the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on the situation in Syria. That situation continues to grow worse by the day, with an estimated 75,000 dead and a population of refugees and internally displaced Syrians now running in the millions.

Yesterday the Secretary and the Chairman indicated that questions about issues like Syria's use of chemical weapons, the nature and composition of the Syrian opposition, and the extent of the ties between the Al-Nusra Front and al Qaeda in Iraq would be better directed to today's witnesses.

Syria is just one of many Arab or Muslim nations experiencing rapid political change and upheaval. While the rise of long-oppressed citizens of these nations holds promise, we've also seen in Libya, Egypt, Syria, and elsewhere that it can also have undesired effects. Our witnesses' assessment of this phenomenon and the challenges and opportunities that it presents us would be very welcome.

We've been engaged for more than a decade now in Afghanistan and, despite the media's focus on the negative, there are real signs of progress. Afghan forces are increasingly taking the fight to the Taliban on their own and plans to end our major combat presence there by 2014 are on track.

The greatest challenge to Afghanistan's security isn't the Taliban, but the Pakistan-based sanctuaries for militant extremists launching cross-border attacks into Afghanistan. I hope our witnesses can provide us with their assessment of whether there is any evidence of a growing Pakistani willingness to take action against the Afghan Taliban, which has been given sanctuary in Pakistan.

A common thread connecting many troubled areas of the world is illicit trafficking of people, weapons, drugs, and money. From weapons trafficking in North Africa that has helped empower al Qaeda there to Iran's network of terrorist and criminal organizations that enable its reckless pursuit of a nuclear weapons capability, those flows directly threaten our National security and the world's wellbeing. Our government has not yet fully developed an effective range of tools to identify and disrupt such networks, particularly with regard to facilitation and financing mechanisms.

Our witnesses this morning hold vital positions in helping us assess, understand, and counter these and other threats. We are grateful for your service, for your advice, as we consider the President's budget request.

Before I ask Senator Inhofe for his opening remarks, let me remind everyone that if necessary a closed session will be held following the open portion of this hearing.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

One of the reasons my opening remarks are always shorter is because I cross off things that you've already said and that dramatically shortens mine, because I am in total agreement with your comments, Mr. Chairman, and I thank our witnesses for being here.

The hearing comes at a time when our Nation's security is being challenged like never before. When you look around the world today, the inability and violence raging throughout North Africa—and I might also add Central Africa, too—and the Middle East, rising tensions in the Korean Peninsula, Iran's pursuit of nuclear weapons and an ICBM to deliver it, and the growing cyber threats against our infrastructure, it's hard to take seriously the President's claim that the tide of war is receding. I'm greatly concerned that such claims underlie the foundation of this administration's naive view of the world.

It's driving the administration's misguided search for a peace dividend that I don't believe exists. You know, we went through that once before back in the 90s. I always remember that discussion. It's driving drastic cuts to our military that undermine readiness and capabilities, and it's driving reductions to our nuclear arsenal at a time when our adversaries are expanding theirs and we should be expanding ours.

Further, the cuts associated with sequestration are having a significant impact on the capabilities and the reach of our Intelligence Community just at a time when we are really needing it the most. Director Clapper, when asked about the effects of sequestration on the Intelligence Community, you stated—and I will quote now and I've quoted you several times on this; I think it's very profound—quote, "We're cutting real capability and accepting greater risk. For intelligence, this is not quite like shorter hours for public parks or longer lines at the airports. For intelligence, it's insidious. The capability we cut out today, you won't know about that until you notice it. The public won't notice it. You will notice it only when we have a failure."

I think—I believe in that and that's the reason for this hearing today. That's exactly what I'm concerned about. Not only will our military be less prepared to deal with growing threats around the world, we know less and less about the true nature of these threats as our Intelligence Community loses capability. We're going down a foolhardy and dangerous path. It's out of touch with reality and it's making America less safe.

I look to our witnesses to explain how the current budget cuts will impact their ability to understand and accurately assess these threats, particularly in places like Africa that already suffer from a lack of resources. We've talked about the lack of ISR in Africa relative to other continents.

What this all comes down to is risk and risk means lives and we're very much concerned about that. As the challenges to our security and interests around the world are proliferating, we're on track to cut over a trillion dollars from our National security budget. Contrary to the best wishes of some, the threats to our security

are growing, not decreasing. Again, the issue there does affect American lives.

So thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.
Director Clapper.

**STATEMENT OF HON. JAMES R. CLAPPER, JR., DIRECTOR OF
NATIONAL INTELLIGENCE**

Mr. CLAPPER. Chairman Levin, Ranking Member Inhofe, and distinguished members of the committee:

We're here to present the 2013 worldwide threat assessment, although between the two statements much of this I think will be repetitive. I'm joined today by my friend and colleague DIA Director Lieutenant General Mike Flynn. These remarks and our two statements for the record, one from each of us that is unclassified, and a much more detailed classified one, reflect the collective judgments of the extraordinary men and women of the U.S. Intelligence Community.

As you alluded, the topic that's foremost on the minds of the Intelligence Community leadership this year is sequestration. I raise this in this hearing because the effects of sequestration amplify and magnify the threats that face this Nation. You haven't seen a lot of public discourse on the impact of these indiscriminate cuts on intelligence, so let me now be blunt for you and for the American people. Sequestration forces the Intelligence Community to reduce all intelligence activities and functions without regard to impact on our mission. In my considered judgment as the Nation's senior intelligence officer, sequestration jeopardizes our Nation's safety and security and this jeopardy will increase over time.

Now, in response to this we started with the premise that our mission comes first. Therefore our two highest priorities are: One, to protect our most valuable resource, our civilian workforce, so it can focus on the threats we face; and two, to support overseas operations.

Let me emphasize that we're not arguing against taking our share of budget reductions. What I am saying is that we must adjust to this budget crisis and sustain our vital missions, but in doing so accept the inevitable risk that we're incurring.

I must tell you, I've seen this movie before, as Senator Inhofe alluded. 20 years ago I served as Director of DIA, the job Mike Flynn has now, and we were then enjoined to reap the peace dividend occasioned by the end of the Cold War. We reduced the Intelligence Community by about 23 percent. During the mid and late 90s we closed many CIA stations, reduced HUMINT collectors, cut analysts, allowed our overhead architecture to atrophy, neglected basic infrastructure needs such as power, space, and cooling, and let our facilities decay. And most damagingly, we badly distorted the workforce.

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

Just to repeat the quote, unlike more directly observable sequestration impacts like shorter hours in the parks or longer security lines at airports, the degradation to intelligence will be insidious. It'll be gradual and almost invisible, until of course we have an intelligence failure.

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

This year's threat assessment illustrates how dramatically the world and our threat environment is changing. Threats are more interconnected and viral. Events which at first blush seem local and irrelevant can quickly set off transnational disruptions that affect U.S. national interests.

I'd like to turn now to a few of the issues we identify in our statements for the record. Our statements this year lead with cyber. As more and more state and nonstate actors gain cyber expertise, its importance and reach as a global threat cannot be overstated.

This year our discussion of natural resources is also more prominent because shifts in human geography, climate, disease, and competition for natural resources have huge national security implications. Many countries important to the U.S. interests are living with extreme water and food stress that can destabilize governments, force human migrations, and trigger conflicts.

On the issue of terrorism, the threat from al Qaeda and the potential for a massive coordinated attack on the United States may be diminished, but the jihadist movement is more diffuse. As the President stated on Tuesday about the Boston Marathon bombing, we don't know yet whether the attack was planned and executed by a terrorist organization, foreign or domestic, or if it was an individual act. Lone wolves, domestic extremists, and jihad-inspired or affiliated groups are certainly determined to attack.

The turmoil in the Arab world has brought a spike in threats to U.S. interests. The rise of new governments in Egypt, Tunisia, Yemen, and Libya, along with ongoing unrest in Syria and Mali, provide openings for opportunistic individuals and groups. In these and other regions of the world, extremists can take advantage of diminished counterterrorism capabilities, porous borders, easy availability of weapons, and internal stresses, most especially a high proportion of unemployed, frustrated young males who deeply resent our power, wealth, and culture.

Weapons of mass destruction development and proliferation is another persistent threat to U.S. interests. As you alluded, North Korea has already demonstrated capabilities that threaten the United States and the security environment in East Asia. North Korea announced in February that it conducted a third nuclear test and vowed to restart its nuclear reactor at Yongbyon, and last year about this time displayed what appears to be a road-mobile intercontinental ballistic missile.

We believe Pyongyang has already taken initial steps towards fueling this system, although it remains untested. It also used its Taepodong 2 launch vehicle to put a satellite in orbit in December, thus demonstrating its long-range missile technology. These developments have been accompanied with extremely belligerent, aggressive public rhetoric toward the United States and South Korea.

North Korea has not, however, fully developed, tested, or demonstrated the full range of capabilities necessary for a nuclear-armed missile. Characterizing such capabilities for us in intelligence is a complex and nuanced process requiring sophisticated and highly technical analysis. It is indeed rocket science. We're dealing with many shades of grey here, not black and white.

I'll digress here briefly to comment on last week's revelation of a DIA assessment on North Korean nuclear weapons capabilities. The statement in question was one sentence in a seven-page classified report and was mistakenly miscategorized as unclassified. But this revelation is illustrative of the standard dilemma we face in the Intelligence Community in portraying what we know to be fact in contrast to what we attempt to impute from those facts.

We lack uniform agreement on assessing many things in North Korea. Its actual nuclear capabilities are no exception. As DIA or others in the Intelligence Community have similar or differing positions, there can also be varying degrees of confidence in those positions. This is where the subtleties really play havoc with certitude.

For those looking to find infighting within the IC on North Korea, I'm sorry to disappoint. To the contrary, this reflects an integrated, collaborative, and competitive analysis process that's open to all views.

We are, by the way, in the process of generating an Intelligence Community assessment on this matter, which will formally engage all members of the Intelligence Community. If we all agree, great. If we don't, that's healthy, too. We will clearly portray the various views of the community to our consumers, to include Consumer No. 1.

DIA is a crucial part of the Intelligence Community and its views are valued and respected. I say this having proudly served as its Director two decades ago. I have confidence in the agency, its great people, and its current Director, Mike Flynn. And he and I would welcome the opportunity to discuss details of this with you further in closed session.

I make this request in the interest of both protecting the fragile intelligence we do have on North Korea as well as avoiding further advancement of Kim Jung Un's narrative by yet more public discussion and media hyperventilation. As I can attest, another hard-won lesson: Adversaries watch these proceedings, too.

Let me again add some historical perspective. While I served as Director of NGA in the early 2000s, I put my fingerprints on the infamous national intelligence estimate on weapons of mass destruction in Iraq published almost 10 years ago. Afterwards the community was roundly criticized for group-think for not vetting sources, for not questioning assumptions, for suppressing dissent, and for dismissing alternative views. So we've learned some hard lessons from that experience, I can assure you. That all said, the

IC continues to monitor developments in anticipation of North Korea's next provocative step.

Moving elsewhere, Iran continues to develop technical expertise in uranium enrichment, nuclear reactors, weaponization, and ballistic missiles from which it could draw if it decides to build missile-deliverable weapons, nuclear weapons. Clearly, Tehran has the scientific, technical, and industrial capacity to produce them. So the central issue is its political will to do so. Such a decision we believe will be made by the supreme leader and at this point we don't know if he'll eventually decide to build nuclear weapons.

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

We receive many claims of chemical warfare use in Syria each day and we take them all seriously and we do all we can to investigate them. We can't provide additional details on these efforts in this setting, to protect the fragile critical intelligence we need to assess the situation, but we certainly can talk about this in closed session.

Looking at geographic threats around the world, some nations in the Mideast and North Africa are making progress towards democratic rule, but most are experiencing violence and political backsliding. In Iran, leaders are exploiting the unrest in the Arab world to spread influence and undermine the United States and our allies. But Tehran also faces a worsening financial outlook and the fall of the Assad regime in Syria would be a huge strategic loss for Iran.

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

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

After more than two years of conflict in Syria, the erosion of the regime's capabilities is accelerating. We see this in its territorial losses, military manpower shortfalls, and logistics deficiencies. The opposition is slowly but surely gaining the upper hand. Assad's days are numbers. We just don't know the exact number.

The regime's aggressive violence and the deteriorating security conditions have led to increased civilian casualties, now estimated at at least 70,000. The violence and economic dislocation have also led to approximately 3.6 million Syrians being displaced and a further 1.3 million refugees having fled Syria, which intensifies the pressure on its neighbors.

Egyptian elections, originally scheduled for this month, will now probably be pushed to the fall. The longer they are postponed, the

greater the potential for more public dissatisfaction, even violence in the streets, particularly against the backdrop of Egypt's profound economic challenges.

In sub-Saharan Africa, we're monitoring unresolved discord between Sudan and South Sudan, fighting in Somalia, extremist attacks in Nigeria, the collapse of governance in northern Mali, and renewed conflict in the Great Lakes region. Mali's security hinges on France's efforts to undermine terrorist networks in the region, as well as by efforts by the African-led International Support Mission to Mali or by future U.N. peacekeeping operations. West African countries have deployed troops to help stabilize northern Mali.

Moving to Asia, the Taliban-led insurgency has diminished in some areas of Afghanistan, but it is still resilient and capable of challenging U.S. and international goals. The coalition drawdown will have an impact on Afghanistan's economy, which is likely to decline after 2014. In Pakistan, the government has not instituted much-needed policy and tax reforms and the country faces no real prospects for sustainable economic growth. On a somewhat more positive note, this past year the armed forces continued their operations in the Federally Administered Tribal Areas, which have been safe havens for al Qaeda and the Taliban. And Pakistan has established national provincial assembly elections for May 11th that will mark an historical first if they transition to the new government peacefully.

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

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

Closer to home, despite positive trends toward democracy and economic development, Latin America and the Caribbean contend with weak institutions, slow recovery from devastating natural disasters, and drug-related violence and trafficking. In Venezuela, the presidential election occurred 4 days ago to decide a 6-year term in the wake of former President Chavez's death in early March. Officially announced results indicate ruling party candidate Nicolas Maduro won in a narrow victory.

So in sum, given the magnitude and complexity of our global responsibilities, insightful, persistent, and comprehensive intelligence, at least in my mind, has never been more important or more urgent. So I have trouble reconciling this imperative with sequestration.

With that, I thank you for your attention and now turn to General Flynn for his statement.

[The prepared statement of Mr. Clapper follows:]

**STATEMENT OF LTG MICHAEL T. FLYNN, USA, DIRECTOR,
DEFENSE INTELLIGENCE AGENCY**

General FLYNN. Thank you. Good morning, Chairman Levin, Ranking Member Inhofe, and distinguished members of the committee:

Thank you for this opportunity to testify and for your continued support to the dedicated intelligence professionals of the Defense Intelligence Agency and the entire defense intelligence enterprise, many of whom are forward deployed directly supporting U.S. and allied military forces in Afghanistan, as well as in 141 countries in 262 locations around the world. I have been the Director of DIA for nearly eight months now and I cannot overemphasize how proud and privileged I am to serve our Nation in this capacity.

As our defense strategy highlights, our Nation is at a moment of transition. The global security environment, as Director Clapper just stated, presents increasingly complex challenges and a growing list of threats and adversaries. The demands on the U.S. intelligence system have skyrocketed in recent years and these demands are only expected to increase.

The United States faces an uncertain security environment marked by a broad spectrum of dissimilar threats from nation states, non-nation state actors, transnational organized criminal groups, highly adaptive transnational terrorist networks, the proliferation of weapons of mass destruction, and the ever-looming and very dangerous threat of cyber attacks against our defense industrial base as well as against other critical components of our Nation's infrastructure. I view this latter threat as the most dangerous threat we face today.

This opening statement, along with my more thorough statement for the record, reflects DIA's best analysis and it is based on DIA's worldwide human intelligence, technical intelligence, counterintelligence, and measurement and signature intelligence collection, as well as our world-class national-level document and media exploitation capabilities. Additionally, our mission is executed in close collaboration with our Intelligence Community partners, our international coalition partners, and well as utilizing the full range of open sources available in today's information environment.

Our customers run the gamut from the President of the United States on down to our warfighting combatant commanders. But the most important customer we serve are the soldiers, sailors, airmen, marines, and civilians who serve our Nation around the world and who are willing to stand in harm's way to protect our country.

Without restating what Director Clapper has already addressed, I will simply say we face a complex and interconnected global operational environment characterized by a multitude of actors. This unprecedented array of threats and challenges include the continuing threats from the Taliban insurgency in Afghanistan, al Qaeda and affiliated terrorist organizations in the Middle East and Africa, terrorist havens in Pakistan, the popular upheavals and their aftermath in Syria, Egypt, and elsewhere in the Middle East, Iran's sustained nuclear and missile developments, North Korea's continuing nuclear and missile provocations, the growing seriousness of cyber threats to our defense industrial base, our Nation's critical infrastructure, government networks, and the American business community, particularly from China and Iran, and finally the growth in China's economic and military power. All of these factors place significant demands on the Defense Intelligence Agency and the entire defense intelligence enterprise.

As stated above, I believe the most pressing threat facing our country is the threat from cyber attacks. The daily occurrences of attacks are damaging on a variety of levels and they are not only persistent and dangerous; the likelihood of serious damage to our national security is very real.

Potential adversaries are increasingly more capable of conducting cyber operations. Cyber attacks remain an important and increasing transnational threat to the security of the United States, with state actors such as China, Russia, Iran, and North Korea integrating these capabilities into their intelligence-gathering methods and warfare doctrine. Malicious actors, including terrorist organizations, have also demonstrated the willingness, though limited capability, to use cyber as a means to attack U.S. interests.

One final point regarding cyber attacks that we need to keep in mind: Behind these attacks are human beings. Some are non-state individuals, some part of state-sponsored networks, but each with increasing capabilities and harmful intentions doing damage to our national security.

Lastly, since DIA's mission includes providing our Defense Department strategic warning, given the enduring impact of the Arab Spring, the ongoing turmoil in Syria, persistent territorial disputes globally, and emerging transnational threats previously described, all these challenges underscore our need for effective strategic warning and long-range foresight to prevent strategic surprise.

Strategic problems such as proliferation of weapons of mass destruction, state-on-state conflict, instability, resource scarcity, and terrorism remains at the forefront of U.S. warning concerns, however strategic surprise not only as a goal of the deliberate deception efforts by our adversaries, but now also stemming from human and social dynamics. Those small and varied interactions with seemingly no immediate relevance to the Department of Defense can rapidly evolve and radically alter U.S. policy.

To uncover these challenges, DIA in partnership with the Intelligence Community, our combatant commands, and our closest international partners monitors the interactions between military, political, technological, economic, and social developments. We place these events in the context of history, culture, religion, and physical and human geography. Our ability to understand these interactions provides decision advantage in the face of unforeseen events to anticipate surprise.

Technological change has the potential to create surprise. Less developed countries and non-state actors may surge with innovative capabilities that could counter some U.S. military capabilities. Proliferation of advanced technology and the rapid improvements in commercial off-the-shelf technology will aid development of new commercially-enabled asymmetric threats and improvements in communications will speed the proliferation of advanced and commercially available technologies.

In order to meet these challenges, DIA through our strategy and our transformative Vision 2020, Driving Change Through Integration Project, has undertaken several initiatives intended to increase the efficiency and effectiveness of DIA and the defense intelligence enterprise, the single biggest component of which is our need to take the right lessons learned from a decade of war and

more closely integrate our intelligence operations with our uniformed services, our combatant commands, our Intelligence Community teammates, and our allies and coalition partners.

To conclude, today's focus on combat operations in Afghanistan against insurgents and transnational terrorism around the world does not preclude the potential that other threats will come to the fore, including conflicts among major countries that could intersect vital U.S. interests. Defense intelligence must be able to provide timely and actionable intelligence across the entire threat spectrum.

In close collaboration with the Intelligence Community, DIA is strengthening collection and analysis and sharing more information across intelligence disciplines and with our Nation's closest allies.

The men and women of DIA and our entire defense intelligence enterprise know they have a unique responsibility to the American people and take great pride in their work. I am honored and privileged to serve with them and present their analysis to you. On behalf of the men and women of DIA and the entire enterprise, thank you for your continuing confidence. Your support is vital to us as well as our National security, and I look forward to answering your questions. Thank you.

[The prepared statement of General Flynn follows:]

Chairman LEVIN. Thank you very much, General.

We'll start with an 8-minute first round.

Director Clapper, Iran has been and continues, has been enriching, continues to enrich uranium, to stockpile that uranium, currently under IAEA safeguards. The concern, however, is that Iran might be able to stockpile enough uranium to enrich weapons-grade uranium and to produce nuclear weapons in a relatively short period.

Your prepared statement includes an important assessment that Iran could not divert safeguarded material and produce a weapon's worth of uranium before this activity is discovered. Can you tell us about how much warning you believe we would have?

Mr. CLAPPER. Well, clearly if the—we continue to hold the most likely assessment, our assessment is that if they were to move to highly enriched uranium, which would be kind of a dead giveaway—there's no other reason that it would be produced other than for a weapon—the most likely scenario is they would do that covertly, which would actually slow the time—actually lengthen the time in which they could develop a testable single weapon.

Clearly, if they were to do a breakout using the facilities they have now to enrich uranium, which is, as you indicated, under safeguard and under IAEA supervision, that clearly is a real bellwether. That would be a big warning. If they were to do that, which we think is the least likely scenario, it would be a fairly brief time, as we indicated in the statement.

Chairman LEVIN. A fairly brief time?

Mr. CLAPPER. Well, there are imponderables there on how—because there's an industrial process here involved and so there's all kinds of factors that could affect that time. But we're talking probably a period of months, not years.

Chairman LEVIN. All right. Have they made a decision, in your assessment, to produce nuclear weapons?

Mr. CLAPPER. They have not. We continue to hold that they have not yet made that decision, and that decision would be made singly by the supreme leader.

Chairman LEVIN. Can you give us your assessment of the impact of the current sanctions regime against Iran?

Mr. CLAPPER. It is having a huge impact on their economy, there is no question about that. Any measure you use—inflation, unemployment, unavailability of commodities, et cetera, it's having a tremendous impact on their economy by any measure. That said, it has not yet induced a change in their policy.

Chairman LEVIN. General Flynn and Director Clapper both, relative to Pakistan: Has Pakistan changed its strategic calculation with respect to Afghanistan? More specifically, is there any change that we have determined in Pakistan's so far unwillingness to deal with the Afghan Taliban which has been given sanctuary in Pakistan? Is that still their on-the-ground position, that they are not going to take on or deal with or put in jeopardy the Afghan Taliban that is again inside Pakistan?

Mr. CLAPPER. I will say that the tenet to remember here is that the primary strategic interest of Pakistan is India, and so they view whatever they do in Afghanistan through that lens of their preeminent threat and what they are most consumed with is India. So to the extent that they can maintain visibility and influence in Afghanistan, I believe they will continue to do so.

Chairman LEVIN. So there's no change that we've—that we have discerned in Pakistan and so far their unwillingness to take on the Taliban inside Pakistan, the Afghan Taliban?

Mr. CLAPPER. Inside Pakistan, the sect of the Taliban that's in Pakistan certainly poses, does pose a threat to the Pakistanis and they have, when they could—

Chairman LEVIN. The Afghan—

Mr. CLAPPER. They have also, I need to point out, lost thousands of troops in the FATA in pursuit of militants.

Chairman LEVIN. But I'm talking about the Afghan Taliban that they have given sanctuary in Pakistan.

Let me ask General—

Mr. CLAPPER. That's correct, that's correct.

Chairman LEVIN.—Flynn: Is there any change in that?

General FLYNN. Not basically.

Chairman LEVIN. All right. Now, in terms of North Korea, you've indicated, I believe, that the difference that's been publicly stated between the Intelligence Community, writ large, and the DIA on the issue of whether or not there is—whether or not North Korea has a nuclear weapon capable of delivery by a ballistic missile, that is in your judgment a small part of a bigger picture, Director Clapper, and that is a nuanced issue, as you point out.

I would think that because of the public leak here and the description of this that the best way to determine that it's a nuanced difference is to deal with the nuance.

Mr. CLAPPER. Well, the best way to deal with it would be to know about it.

Chairman LEVIN. I understand.

Mr. CLAPPER. And so, as I pointed out, the issue here is what we know in fact, which we've outlined, and what we impute from those

facts, and that's where you get into the differences and confidence levels that people have.

Chairman LEVIN. Can you, just since it's now in the public and to kind of give us an idea as to why you think it's nuanced, give us what that difference is?

Mr. CLAPPER. The difference has to do with the confidence level in the actual ability of the North Koreans to make a weapon that will work in a missile. Neither we nor the North Koreans know whether that will actually work, whether they have such a capability, if they have it whether it will actually work. So DIA has a higher confidence level than the rest of the community on that, on that capability. That's the difference.

Chairman LEVIN. Okay, that's helpful.

In Syria, the President set forth a red line in terms of chemical weapons. Without getting into the question of that you prefer to deal with in a classified setting, can you tell us whether in your judgment, Director, that red line has been crossed?

Mr. CLAPPER. That is a policy question and not one for intelligence to comment on.

Chairman LEVIN. So there is no assessment that you've made—without getting into it in public, have you made an assessment as to whether that red line has been crossed?

Mr. CLAPPER. I have not, and nor will we.

Chairman LEVIN. All right. You talked about the global jihadist movement, Director, in your opening statement. Does the continuing operation of the detention facility at Guantanamo serve as a recruitment tool for a global jihadist movement?

Mr. CLAPPER. I'm sorry?

Chairman LEVIN. Is the continued operation of the facility at Guantanamo a recruiting tool for the global jihadist movement?

Mr. CLAPPER. Well, this has been a long, long subject of debate ever since Guantanamo was established, and there are those who believe that in the past it has been used or cited certainly in jihadist literature and on their websites.

Chairman LEVIN. General Flynn, do you have an opinion on that?

General FLYNN. I agree with what Director Clapper has stated here. I think that we just have to pay attention to not just Guantanamo, but also other places where we have—where individuals are being held by other countries, and pay very close attention to what happens to the disposition of those individuals in those other countries.

Chairman LEVIN. As it might relate to—

General FLYNN. As it might relate to their returning to the battlefield, so to speak.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I wasn't going to mention Guantanamo, but just for the record, I've always observed this is one of the few good deals that we have. It's still only \$4,000 a year and about half the time they don't even bill us for it.

But I'd like for the record for each of you to tell us or to tell me, what do we have—where is an alternative to Guantanamo? Be-

cause I think that's a great resource and it's been used politically in the wrong way in my opinion.

The statement that you made, Director Clapper, we couldn't find in your written statement. So I sent for it and I found it. I'm going to read this real quick here. I was kind of overwhelmed. You said: "In almost 50 years of intelligence, I don't remember when we've had a more diverse array of threats and crisis situations around the world to deal with."

Mr. Chairman, I think that's about as strong a statement as I've heard.

General Flynn, do you agree with that statement?

General FLYNN. I do.

Senator INHOFE. Director Clapper, I was going to bring up this, the last time we went through this thing, because I was in the Senate at the time that we went through the last peace dividend thing. I remember the euphoria that was out there: Well, the Cold War is over, we no longer need all of this. We actually did a lot of cuts in terms of—I have one that, it's somewhere around a 30 percent cut in our capability. At the same time, China during that same decade of the 90s was increasing by about 300 percent.

Do you see—what other similarities—now, you've covered that and I appreciate it. What other similarities do you recall that happened during that peace dividend facade back in the 90s and what we're facing today? Anything else?

Mr. CLAPPER. Well, looking back, because of the cuts we were taking I often wonder whether we failed to fully appreciate the onset of terrorism. I remember I first got religion about terrorism when I did the Khobar Towers investigation in 1996. I had just left DIA as its Director. That occurred in June 1996 and I had left DIA as Director in September 1995, and had occasion to go back and critique myself, and I saw how little my former agency, now General Flynn's, was devoting to terrorism. A lot of it was because of, I think, the cuts and still trying to get over the preoccupation with the Soviet Union.

Senator INHOFE. And you would probably say that we need to remember the lessons of that currently, I'm sure?

Mr. CLAPPER. Absolutely, sir. That's why I said I fear I've seen this movie before.

Senator INHOFE. Yes, sir. That's a good way of putting it.

Director Clapper, I've said sometimes we say things so many times we forget what the original source was. I do remember, though, back in I think it was 2007 that our intelligence did come to the conclusion that Iran was going to have the capability that we're looking at now by 2015. That's the first time that I remember that date, and that really hasn't changed much since then. Am I accurate in my recollection?

Mr. CLAPPER. Specifically, sir, what capability are you referring to?

Senator INHOFE. I'm talking about a nuclear capability and delivery system.

Mr. CLAPPER. Well, that date is good. The Iranians are pursuing the development of two systems that potentially could have intercontinental capability and the belief is that about the first time they'd be ready to do that would be as early as 2015.

Senator INHOFE. For both of you: Recently we had a SASC hearing earlier this year when we asked General Mattis this question. We said: "Do you believe that current economic and diplomatic efforts to stop Iran from acquiring a nuclear weapons capability have been successful?" His answer was: "No." Do you agree with his answer?

Mr. CLAPPER. Well, my answer to that—and I've been asked that, to comment on General Mattis's comment—was that the sanctions are having a huge impact on their economy, but it has not yet induced a change in their policy.

Senator INHOFE. How about you, General Flynn?

General FLYNN. I would agree. Their behavior is to, and their intention, is to achieve that capability.

Senator INHOFE. Okay.

One of the concerns I have, and you did cover it, Director Clapper, briefly anyway, and that is the continent of Africa. We were all concerned back when that was under three commands and now of course it's under one command. But the resources for that command come from EUCOM. We've talked to both Stavridis, the current one, and of course Breedlove is going to become the EUCOM commander, and they're all very much concerned, as I have been for a long time, in the lack of, even currently, without reducing resources due to sequestration, the lack of resources that we have facing the potential threats on that continent.

Now, you talked about—you talked about Mali, some of what's going on now. We remember going through the Somalia problem. Sudan, Southern Sudan—I've been to Southern Sudan twice and I've seen this new country being developed, and I'm very concerned about the fact that we were short of intel in that whole region.

It's not just the countries that you mentioned. You did mention Nigeria. But there's other places in West Africa, all the way from Togo, Ghana, and then down into the gulf, where once they are developing the oil resources down there and that money emerges problems emerge with it. So we're going to, I'm sure, have to expand our intel, our ISR capability, in that area.

Do you have any thoughts about the parts of Africa that you did not mention that are potentially a great threat?

Mr. CLAPPER. Well, sir, I think you covered it very well. I would just comment that if you look at northern Africa, say from Mauritania or Senegal on the west all the way to Sudan on the east, it's about 475 million people, and very porous borders, weak security services, and of course the place is awash in weapons. So all the—and most importantly, most importantly, a very high proportion of the population are young and unemployed males, who are frustrated and are easily attracted to the jihadist causes.

So that whole area I believe is, and the other countries you mentioned, I think is going to be a tremendous challenge, certainly for us in the intelligence business, a big challenge. We don't cover the Earth like Sherwin-Williams paint equally. So we have focused on other areas. So the challenge will be how to bring to bear more, particularly in the ISR arena, capability to Africa.

Senator INHOFE. Well, yes, Africa is unique in another way, too. You can find a place right now where we have adequate intel, there's not a real threat there. But when they change leadership

in these countries—look at Cote d’Ivoire. When the Gbagbos were taken over—I know the State Department doesn’t agree with my assessment of this, but when they were taken over by this Alassane Ouattara, who is actually from Burkina Faso, all of a sudden you have a new threat that’s out there. And to stay ahead of that, while it wasn’t necessary to get a lot of intel prior to that time under the Gbagbo regime in my opinion, now it is because you’re dealing with people who have terrorism in their background.

So I would just hope that we look at some of the problems, potential problems that are there, because they’re very real in that country.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator KING.

Senator KING. Mr. Clapper, Director Clapper, you’ve given us an appalling list of risks today, a long list of threats and problems that we face. You started your testimony talking about the effect of the sequester and I think it’s important to emphasize that the sequester is not a one-year proposition. It is written into law to continue.

Given that list of threats and given the increase in risk that’s occasioned, would it be fair to say that the sequester itself is the most serious security risk this country faces right now?

Mr. CLAPPER. Well, it’s certainly what—as I indicated in my testimony, it is certainly consuming us, the Intelligence Community leadership, for what we see happening to the capability and, importantly, the expectations that people seem to have for our having this global insight. That’s going to be very hard.

If we sustain sequestration through 2021, which is what the law calls for, in fact we go through another year of sequestration, as I said in my testimony to the Senate Intelligence Committee and the day before the House Intelligence Committee, we collectively are going to have to rethink what people expect from the Intelligence Community, because it isn’t going to be the same.

Senator KING. General Flynn?

General FLYNN. Yes, if I could add to that, because I just want to reemphasize this as another senior leader in the IC. Just to reemphasize what Director Clapper talked about, we are about people and we do not want to damage that vital component of our capability. The sequestration, as you all know, provides us almost no flexibility, so not just this year, but over the long haul.

One other thing I’d like to remind everybody is our adversaries won’t take a strategic pause to wait for us to correct ourselves. The real cost—and I think Director Clapper highlighted it very well—is what I would describe as public insecurity and the potential for strategic surprise. We really won’t know what we’ve missed, given the potential damage that sequestration will have on us. So I think his word “insidious” is appropriate.

Senator KING. We won’t know what we’ve missed until something blows up.

Mr. CLAPPER. Yes, sir.

Senator KING. Let me change the subject to a more specific one. I asked General Dempsey this the other day. In Afghanistan, as we are transitioning out it seems to me one of the key questions is who

do the people of Afghanistan support. From an intelligence perspective, are they with the Karzai regime? Are they with the government? Are they with the Taliban? Are they with—what is the status of the sort of on-the-ground public opinion in that country?

Mr. CLAPPER. I think it's very much a mixed bag and I think the forthcoming election, assuming it's held on time, has already generated a great deal of political activity. I think that's going to be a real indicator of where these loyalties lie. In the areas controlled by the Taliban—that's principally in the rural areas—I think they're probably in control and hold sway. In the urban areas, particularly in Kabul, probably the central government under Karzai has more attraction.

But bear in mind, Afghanistan is very much a tribal country, somewhat artificial as a country in the conventional sense that we think about countries. So loyalties I think lie mostly on a tribal basis.

Senator KING. One other sort of more specific question on the sequester and the dollars. As I read the figures that you have supplied, Director Clapper, we're talking about absolute cuts in real dollars, not cuts in growth, is that correct?

Mr. CLAPPER. Absolutely. We had to cut about \$4 billion in seven months and in a classified setting I'd be happy to go through the litany of actual capabilities that we're cutting.

Senator KING. But that continues over time.

Mr. CLAPPER. Absolutely.

Senator KING. It will be some time before you actually reach the number of nominal—the amount of nominal dollars that you were at in 2012, is that not correct?

Mr. CLAPPER. If you start with the base of 2012 and take sequestration and the other actions that have been taken, it is a substantial cut and we don't start to get well until about 2022 or 2023.

Senator KING. Thank you.

One other question on Iran. We've had some discussion. This morning in the New York Times there was an article headlining a report led by former Ambassador Pickering, who is very well respected in the field, who argues that the sanctions in Iran are not affecting the decisionmakers and in fact may be driving them in the other direction.

Could you comment on that thought?

Mr. CLAPPER. Well, that's certainly one thesis. There are those in the Intelligence Community that have pointed that out, that that's a possibility, that you would reach a certain tipping point where maybe that would prompt the supreme leader to go ahead and build a nuclear weapon. That's clearly a possibility. But at the same time, at least right now, we don't think that decision's been made.

Senator KING. It seems to me the problem with sanctions against countries that are essentially autocratic is that the sanctions affect everybody in the street and they don't necessarily affect the decisionmaker. The supreme leader could hang on. He's not going to have any problem getting bread in the marketplace.

Mr. CLAPPER. Right, it won't affect him that way. What they do worry about, though, is sufficient restiveness in the street that

would actually jeopardize the regime. I think they are concerned about that.

Senator KING. That was going to be my follow-on question: Does political pressure in a country like Iran mean anything?

Mr. CLAPPER. Political pressure from outside or—

Senator KING. No, no, no. From within, in the streets.

Mr. CLAPPER. Oh, I think it can. I think it can. I think again perhaps—don't know, but perhaps this will play out in the forthcoming Iranian election. You have sort of the Ahmedinejad faction who will put up a candidate not exactly embraced by the supreme leader. This could create an interesting political dynamic. But I don't know. We'll have to see.

Senator KING. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator King.

Senator McCain.

Senator MCCAIN. I thank the witnesses for their being here and their continued service. I don't want to beat a dead horse here on the sequestration, but I believe both witnesses—is it true that if this continues our ability to provide the necessary intelligence information for the decisionmakers will be jeopardized, thereby jeopardizing our National security? Would you agree with that?

Mr. CLAPPER. I would.

Senator MCCAIN. General Flynn?

General FLYNN. 100 percent.

Senator MCCAIN. We seem to be living in some kind of parallel universe here. We get testimony from you and other military leaders and yet there's nothing from the White House and there's nothing here in Congress, effort to repeal what is clearly a threat to our National security. But some of us will keep on trying.

General Clapper, you and the Secretary of State, as we now know, and then-Secretary of Defense and the Chairman of the Joint Chiefs of Staff some time ago had supported arming the rebels. Why did you take that position?

Mr. CLAPPER. Sir, I have never spoken publicly about the position I took in that regard and I don't think it's appropriate for me to do so. Advice I render the President, that's between him and me, and I don't think it's appropriate to talk publicly about it.

Senator MCCAIN. You don't think it's appropriate to talk to Members of Congress about your views on a situation that's going on where some 80,000 people have been massacred?

Mr. CLAPPER. I'll talk about that. Specifically—

Senator MCCAIN. Well, then the question—

Mr. CLAPPER.—on the advice, the advice I rendered the President on the issue of arming the opposition—

Senator MCCAIN. The question is what advice do you give to Congress as far as arming the rebels?

Mr. CLAPPER. I believe at this point there are lots and lots of weapons in Syria, and if we're going to expend resources in support of the opposition I am not convinced now that arming—our supplying yet additional weaponry to the opposition would have the desired impact, based on cost-benefit.

Senator MCCAIN. Would a no-fly zone do that?

Mr. CLAPPER. That's a possibility. Again, that in the end is a policy thing, not an intelligence question. Certainly if and as the opposition gains control of sufficient geography on the ground, then that's a possibility. But doing a no-fly zone, even a partial one, is not a trivial undertaking. There are, as I mentioned, a tremendous array of weaponry in Syria, to include a very sophisticated air defense capability, depending on who's operating it. So a no-fly zone would not be without cost.

Senator MCCAIN. Even though General Mattis and Admiral Stavridis both testified that we could with cruise missiles and moving the Patriot missiles in the right places, that we could establish a no-fly zone?

Mr. CLAPPER. Well, Patriot missiles, I'm getting out of my league here. It's a better discussion with the Department of Defense. But that's essentially a point weapon. The theory is that you could position Patriot missiles outside of Syria and somehow provide security over a zone. Given the nature of the Patriot weapon, which is a point, it's not an area protector, that would be tough.

Senator MCCAIN. You know what's fascinating here, General, is that now you are saying, and so did the Chairman of the Joint Chiefs of Staff, that the situation has deteriorated so much that you now have questions whether we should supply weapons to the rebels or not, which then argues that we should have supplied them back when you recommended it, according to published reports, as well as the Secretary of State, as well as the Chairman of the Joint Chiefs of Staff.

It's remarkable. So now you and the administration sit here and say: Well, we don't know where the weapons are going. Well, maybe if we had helped the people who were fighting from the beginning, before all these jihadists flowed into the fighting in Israel, we might have been able to have some beneficial effect. Meanwhile, we sit by and watch 80,000, the countries—would you agree that both Lebanon and Jordan have been destabilized?

Mr. CLAPPER. It's had a huge impact on the neighboring countries. Jordan, Lebanon, Turkey, Iraq have absorbed a huge number of refugees, yes, not to mention the humanitarian aspects, but the spillover of the fighting.

Senator MCCAIN. Thank you.

Is support flown into Syria over Iraqi air space?

Mr. CLAPPER. Happy to talk about all that in closed session.

Senator MCCAIN. Okay. Do you believe Iran will seek to keep Assad in power at all costs?

Mr. CLAPPER. Absolutely. His fall would be a huge strategic loss to Iran.

Senator MCCAIN. A huge strategic loss to Iran. But yet we don't seem to know of any real way to assist them. That's quite remarkable commentary on the capability or the commitment of the United States of America.

How would you characterize Russian interests within Syria?

Mr. CLAPPER. Well, that represents their sort of last bastion, I guess, in the Mideast where they have influence. It's been a huge weapons client of theirs. There is the general aversion to just being in opposition to us, and as well I think the Russians have concerns about their own homeland from the standpoint of jihadist influence,

particularly in the Caucasus. So there's a number of factors, I think, that motivate the Russians.

But I also think they are concerned about what would follow Assad, in the "Be careful what you ask for" department.

Senator MCCAIN. Is Iranian support for the Assad regime increasing? We hear reports, for example, they're taking people to Iran and training them and sending them back to Syria.

Mr. CLAPPER. There's some of that that has been going on, yes.

Senator MCCAIN. There was an article in the Wall Street Journal I think yesterday: "U.S. Fears Syria Rebel Victory For Now." Is that your view?

Mr. CLAPPER. I'm sorry, sir. What was the headline?

Senator MCCAIN. It says: "Senior Obama Administration officials have caught some lawmakers and allies by surprise in recent weeks with an amended approach to Syria. They don't want an outright rebel military victory right now because they believe, in the words of one senior official, 'that the good guys may not come out on top.'"

Mr. CLAPPER. Well, that depends on your definition of "good guys." Certainly the jihadists, the Sunni-dominated groups, the fighting groups in the opposition, most notably Al-Nusra, which has been punching way above its weight in terms of its size, who have recently pledged allegiance to al Qaeda, that is a great concern. They are present in 13 of the 14 provinces in Iran and are starting to establish municipal services, provide humanitarian aid, food, hospitals, and sharia law courts.

Senator MCCAIN. And all of this might have been avoided if we hadn't sat by and watched it happen.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Reed.

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

Thank you, gentlemen, for not only your testimony, but for your service.

The issue obviously that you've brought center, front and center, is sequestration. I just have more a procedural question. First of all, as I understand it your appropriation is part of the defense appropriations bill as a classified annex, that we did in fact pass a defense appropriations bill. We didn't do a lot of those. Most agencies have CRs; and that within the context of that bill, were you able to achieve at least flexibility and prioritization in order to cope with what we all recognize as decreased funding?

Mr. CLAPPER. The national intelligence program, which I manage, straddles six Cabinet departments, two independent agencies. The bulk of the program is carried in the Department of Defense budget. So not to get into sequestration arcana here—

Senator REED. Yes, sir.

Mr. CLAPPER.—but the NIP, the program I operate, manage, was divided into 700 PPAs, plan program activities, which covers the entire extent of the NIP. Every one of those 700 PPAs had to be equally taxed. The Congress imposed a more onerous, more restrictive array, rule set, limiting my ability to move money from PPA to PPA. So I have these very small PPAs with not a lot of money in them and many of them are only people, and for whatever rea-

son they decided that there needed to be more control over the National intelligence program.

The effect of the fiscal year 2013 Appropriations Act did help us in that it allowed us to move some money around so that we could move the money into the pots that we were already committed to by virtue of the fact we were 5 months into the fiscal year before we got a bill. So it would have been a disaster without it.

The down side, of course: It kept the PPA structure. It did allow new starts, which was good, but it also for most accounts, with three specific exceptions which I can't discuss here, it was less money at the end of the day with the Appropriations Act. And of course the impact of sequestration was actually doubled because we had to take it in seven months, so the real cut there was about 13 percent, the realistic impact.

Senator REED. That's helpful because I think it provides more of a context of things we might be able to do.

Are there—again, we have a macro issue with the sequestration which everyone I think recognizes has huge and accelerating impacts on your programs. But are there legislative both authorization, not on this committee but on the Intelligence Committee, and appropriations matters that could at least give you flexibility, give you the ability to, whatever the top line is, spend it more wisely?

Mr. CLAPPER. Well, as I said, we will pay our fair share of the tax here and we have, and by the way done it in such a way we can avoid—where we can protect our people, we think, from furloughs.

So I guess if I had to ask, my wish list of one would be some relief on our PPA structure, or just at least treat me like the big DOD, where I'd have larger PPAs.

Senator REED. Yes, sir. And that's something that could be done, not as a macro solution to sequestration, but as a—

Mr. CLAPPER. Right.

Senator REED.—micro—

Mr. CLAPPER. Well, in the bill Senator Feinstein and Senator Chambliss, chair and ranking of the Senate Intelligence Committee, sought to do that, and that failed.

Senator REED. That's valuable insight. Thank you, sir.

I know you've got a range of issues and you've got multiple programs. But in a simplistic approach, there always seems to be two major areas, HUMINT and technical intelligence. Harking back to the 90s, one of the things that seemed to be sacrificed was HUMINT, to our chagrin. Can you balance those programs? Without getting into detail, obviously, in open session, is there one area that's going to suffer more than the other? Again it goes back to this question: Can we give you at least flexibility to manage better?

Mr. CLAPPER. Well, again that's, not to be a Johnny One-Note, but that's—in this environment, the one thing that I would ask for is more latitude on how we take the cuts and allowing us, the IC leadership, to put the money where the most important payoff is.

With respect to the question you raise, sir, it's an age-old one in intelligence. The approach that I've tried to take here in the last 2 years as our budget's gone down is to try to protect and invest in those capabilities that give us the most general coverage. That's

why I'm very strong on sustaining our overhead reconnaissance capability, because that covers the Earth, denied area or not.

Similarly, even when times were thin in the late 90s, HUMINT capabilities was extremely important. That's why I am a huge proponent of what Dr. Vickers and General Flynn are doing with the Defense Clandestine Service, which isn't really an increase as much as it is a reshaping, a recasting of an organization I started when I was Director of DIA in 1992 called the Defense HUMINT Service. Better integration with the FBI and the CIA, more clandestine case officers, who are worth their weight in gold. That's a unique capability that no other part of the Intelligence Community can render.

So as we make these reductions, we are going to have to focus much, much more on quality and the quality of our investments, since we're not going to have safety in numbers.

Senator REED. I want General Flynn to be able to just make a comment, but I have one quick question. Syria has come up a number of times, and there is clear evidence, public evidence, of Iranian involvement. My presumption, though, is that there are regional forces who are operating inside Syria who are supporting the efforts of the rebels, opposing Iranian—

Mr. CLAPPER. Yes.

Senator REED. So this is not a situation where there is only one player, one external player in the field, and that's the Iranians. This is actually a complicated situation where there are conscious and capable people from other countries on the ground assisting the rebels.

Mr. CLAPPER. Yes, that's true. It is a very complex situation there. One of the phenomena that makes it even more difficult for us to assess good guys and bad guys is they will portray a different face depending on whether they're looking westward or some other way. So that makes it even more complicated.

One of the great concerns we have is the magnet that Syria has turned into, particularly for foreign fighters. The Europeans are very concerned about the 400-plus Europeans that have gone to Syria to fight the great fight. So it's a very, very complex situation, and there are bad guys and good guys and a large number of shades of grey in between.

Senator REED. Well, my time has expired. General Flynn, I hope there's a second round and I can come back. I'd just simply say that we in Rhode Island are very proud of you and your brother, almost as proud as your mother. Thank you.

Chairman LEVIN. Thank you very much, Senator Reed.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank the witnesses for being here today and for your service to our country.

I wanted to ask, General Flynn, in your written statement you say that Iran is providing money and funding to the Syrian regime, the Assad regime. We know that Iran also provides funds to Hezbollah. Can you let me know, either Director Clapper or General Flynn, in order to support Hezbollah and the Assad regime is Tehran using the Lebanese banking system or financial sector?

And what access to the financial system do they have in contravention to our sanctions and our international sanctions?

Mr. CLAPPER. And you're speaking specifically of Iranian financial support to Hezbollah?

Senator AYOTTE. Using the Lebanese banking system. Two things: Hezbollah, Assad regime.

Mr. CLAPPER. It'd probably be better to take that for the record.

Senator AYOTTE. Okay.

Mr. CLAPPER. We'll get back. Off the top of my head, I do not know the specifics of that.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator AYOTTE. Okay. I would appreciate that. Thank you very much.

I also wanted to ask both of you: How has Tehran characterized the United States' withdrawal from Iraq without a follow-on force?

Mr. CLAPPER. How would they characterize it?

Senator AYOTTE. How have they previously characterized it? As I understand it, in your written testimony, General Flynn, you said that Supreme Leader Khamenei and senior Iranian military officials view the U.S. military withdrawal from Iraq as a strategic defeat for the United States. Is that true?

General FLYNN. I would say that is correct in their perception, what we assess as their perception, yes.

Senator AYOTTE. So how might Tehran characterize a precipitous U.S. withdrawal from Afghanistan? How do you think that would: (A) be viewed by Iran; and (B) what activities do you believe that would precipitate in Afghanistan by the Iranians?

Mr. CLAPPER. Well, the Iranians have never cared for having us on either of their borders. So just as they welcome our departure from Iraq, so will they from Afghanistan. Their interest, of course, is sustaining their influence in both those neighboring countries, as in Iraq. They make that attempt in Afghanistan. Don't think they'll be as successful or influential in Afghanistan as they might have been—might be in Iraq.

Senator AYOTTE. Although I will say that General Dunford expressed concerns about that in the western part of Afghanistan at our hearing the other day.

What is Iraq—excuse me. What is Iran doing now in Iraq and how is Iran using Iraq, including their air space?

Mr. CLAPPER. Well, the main thing at least I worry about is their supplying of weaponry or explosives to the western part of Iraq, or Iran—Afghanistan, excuse me.

Mike, you want to?

General FLYNN. First, on your first issue, I think we have to understand how you're defining "precipitous" and also the implications, so the perception of the region and clearly Iran. As we continue through our transition, I think we all need to be paying attention to how we are doing that, and we need to do it very smartly, and I think General Dunford laid that out very clearly in his testimony. But the perceptions of that region in all the different players are something that we pay very close attention to.

In specifically Iranian influence, I would add potential training to that as well of some of the kinds of capabilities and weapons sys-

tems that we have seen applied inside of Afghanistan, particularly out in the west.

Senator AYOTTE. When you say training, what do you mean by that, General?

General FLYNN. Just training on small arms, things like that, that we have become aware of over the years, as we saw applied in Iraqi as well.

Senator AYOTTE. Director Clapper, I wanted to ask you about the September 11 attack on our diplomatic facility in Benghazi, and particularly wanted to ask you about the prior attacks on our consulate, both on April 6th and June 6th, that occurred before the September 11th attack, obviously, where four brave Americans were murdered.

I wanted to ask you about the Intelligence Community's assessment of those attacks and whether you or the DNI briefed President Obama or Secretary Clinton about the two preceding attacks and the deteriorating security situation in Benghazi prior to September 11th?

Mr. CLAPPER. I did not personally brief them, but we certainly had reported those in all of our intelligence vehicles.

Senator AYOTTE. Your intelligence vehicles would have included the prior attacks on the consulate?

Mr. CLAPPER. Yes.

Senator AYOTTE. Do you believe that the Intelligence Community had a sufficient picture of the deteriorating security situation in Benghazi?

Mr. CLAPPER. I think we had a general idea of the situation in eastern Libya. We probably didn't have the fidelity on the exact situation in Benghazi, but we certainly knew the lack of control that the central government in Tripoli had over the militias in that part of the country. That's a historical tradition and that continued even after the fall of Qadafi.

Senator AYOTTE. You said that the intelligence briefings that would have been prepared by the DNI talked about the prior attacks I just referenced in April and June prior to the September 11th attack. Would they have also included the assessment of the British closing their facility, as well as the Red Cross?

Mr. CLAPPER. Yes.

Senator AYOTTE. Are those the types of intelligence that's reported up the chain of command, despite not having a specific conversation, would you say, with the President?

Mr. CLAPPER. Yes.

Senator AYOTTE. And just to be clear, you didn't have any specific conversations with Secretary Clinton about this issue?

Mr. CLAPPER. Well, we had many conversations about it. I don't recall specifically a conversation with her prior to the attack on September 11th. I just don't remember. We could have. I just don't remember.

Senator AYOTTE. I thank both of you.

I also wanted to ask, General Flynn, about the Chinese development of a fifth generation fighter and where they are with that. Also, if you could comment on the Russian development of a fifth generation fighter?

General FLYNN. A couple of sort of more technical answers to that would have to go to closed session. But I would just offer that the capabilities that we are seeing being developed and the investments being made by both China and Russia are concerning. We pay very close attention to these investments and to these capabilities and we work very closely with not only our commands that are out in the various theaters, both EUCOM and PACOM, but also our strong partners out in the region, to ensure that we clearly understand how good these capabilities are.

Senator AYOTTE. Thank you. Thank you, General.

Director Clapper, finally, given the assessment of the Intelligence Community regarding eastern Libya, what lessons do you take from the situation that happened in Benghazi?

Mr. CLAPPER. Well, one, don't do unclassified talking points for Members of Congress. That's one of the lessons I learned from that experience.

Well, clearly we've gone to school on that situation, particularly the whole subject of support to both enhancing security and providing intelligence to—more tactical level intelligence for these facilities. That said, we have plans here, but obviously sequestration is going to have an impact on that.

Senator AYOTTE. I know that my time is up, but the lesson can't be not to do talking points for Members of Congress. How about getting the talking points right?

Thank you.

Mr. CLAPPER. They were right.

Chairman LEVIN. Okay. Thank you, Senator Ayotte.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

Director, thank you. General, thank you.

I apologize if some of these questions have been asked. I had to step out for a few minutes.

When you look at North Korea and the decisionmaking chain there, how is that working exactly right now?

Mr. CLAPPER. That's a great question. I think there isn't much of a chain. It's probably vested in the new young leader, Kim Jong Un. So there isn't a lot of upward flow of information or flow of decision options. I think they're all pretty much centered in one person.

Senator DONNELLY. So for want of a better way to put it, are decisions being made basically on a seat of the pants?

Mr. CLAPPER. That's kind of my impression, yes, sir. I think he's driven by the need to prove his position, consolidate his power, and a lot of what he's doing and saying are driven by both messages to a domestic audience and the international audience.

Senator DONNELLY. Do the generals play any role other than to tell him what he wants to hear?

Mr. CLAPPER. Pretty much, that's our impression, that it's "Yes, sir, yes, sir, three bags full" from the military there right now.

Senator DONNELLY. The Chinese, is there a point where they are no longer willing to just let them continue this way?

Mr. CLAPPER. Well, I don't know that the Chinese have reached that point, but we see indications that the Chinese are certainly re-

thinking their relationship, particularly with the new administration in China.

Senator DONNELLY. With North Korea, what is the extent, in however much you can tell us, the extent of North Korea and Iran's collaboration on nuclear missile technology?

Mr. CLAPPER. Not much. The Iranians are a little wary of the North Koreans.

Senator DONNELLY. As to sanctions on both countries, are those sanctions working or are you seeing them having an effect? And are they affecting not only the lives of the people in the country, but are they affecting decisionmaking at all?

Mr. CLAPPER. Well, we discussed this a little bit before, but yes, the sanctions are having impact in Iran. No question they've had huge impact on their economy. By any measure, it's been affected. But has it changed the policy on their nuclear activity? No.

In North Korea, pretty much isolated anyway, the lone benefactor for North Korea is of course China, and China in my view, to the extent that anyone has leverage over North Korea it's China.

Senator DONNELLY. Switching neighborhoods, as we draw down in Afghanistan does the ANSF have the capability to conduct adequate intelligence and counterintelligence operations?

Mr. CLAPPER. That is an enabler that they need continued advice and assistance. Their national organization, the NDS, is pretty good. They've had a long relationship with us. But I think their military intelligence and counterintelligence probably needs more work.

Senator DONNELLY. Is that going to be one of the things that we focus on as we draw down our people who are remaining?

General FLYNN. A couple of things on the Afghan National Security Forces. First, I think it just needs to be stated that we're achieving the numbers that we said we were going to achieve, and I think the number is around 352,000. I was in Afghanistan in June 2002 when we graduated the very first battalion. So to be able to see the growth and the development and certainly the capability to get to this level—what we assess, as you are highlighting, is they still have challenges with what we would call enabling capabilities, and intelligence is clearly one of them, as well as a few others.

But their ability to do kind of on a scale of—on one end would be high-end operations, totally independent, to another scale which would be just being able to run a basic checkpoint, there's a range in the middle there. But they range that full scale. They have certainly some units that have full capability to do completely independent operations, all the way down to where they need a lot of advice and assist, and we'll continue to do that.

Senator DONNELLY. And as to their ability to do intelligence and counterintelligence, how do you see that moving forward? Is that an area that we're going to have to work closely with them on?

General FLYNN. It is, and we do constantly. We have—particularly within the entire defense structure, the defense intel structure, we are all engaged with our counterparts there on a daily basis in helping them develop that capability, teaching them, training them, working with them. And we'll continue to do that as we transition.

Senator DONNELLY. As you look at Afghanistan, in the border areas and just across in Pakistan, and especially in the frontier provinces, those areas, is there any—once the Taliban goes in there, is there any pressure from the Pakistan army or any efforts on the part of the government of Pakistan to try to push back up there? Or is their greatest danger our drones and other methods?

General FLYNN. We were talking about this earlier, but the Pakistan military has been engaged for the last decade conducting operations inside their own territory to help not only themselves with some of these militias and terrorist organizations, insurgent organizations, in their own country, but also to help us out on the Afghan side. There's been a lot of cooperation, border cooperation, between our units in Regional Capital East, South, Southwest, with some of their counterparts in the various corps along the Pakistani border.

So a lot has occurred. A lot of action has taken place. More needs to be done. We need to continue to keep the dialogue open between not only the international community and the region there, Afghanistan and Pakistan particularly, but also between the Afghan military and the Pakistani military. We have to help move that dialogue along.

But as Director Clapper said earlier, he mentioned that Pakistan's sort of number one issue is how they view India, and that's really sort of the bigger, wider regional issue.

Senator DONNELLY. Is the ISI buying into this effort to try to work and clean up the frontier areas as well?

Mr. CLAPPER. I'd be happy to talk to you about that in closed session. John Brennan, the new Director of CIA, was just out there and had a pretty good meeting with the director of ISI. I'd be happy to fill you in on that in closed session.

Senator DONNELLY. That's fair.

Thank you very much.

Chairman LEVIN. Thank you, Senator Donnelly.

Senator CRUZ.

Senator CRUZ. Thank you, Mr. Chairman.

Gentlemen, thank you both for your testimony today and thank you also for your service at a time of great risk throughout the world. I'd like to ask questions focusing on two regions of the world: first of all Benghazi; and then second North Korea.

With respect to Benghazi, during the seven and a half hours of the attack on September 11th in Benghazi did either of you, Director Clapper, General Flynn, during those seven and a half hours have any conversations with the President concerning what was happening there?

Mr. CLAPPER. I did not during that period, no.

General FLYNN. I did not.

Senator CRUZ. Did either of you during those seven and a half hours have any conversations with Secretary Clinton during that attack?

Mr. CLAPPER. I did not.

General FLYNN. No, Senator.

Senator CRUZ. Okay, thank you.

Previously this committee had a hearing with then-Defense Secretary Leon Panetta and General Dempsey in which Benghazi was

discussed at considerable length. General Dempsey at the time expressed his views—and I'm paraphrasing, but—that the nature of the attack, and in particular the fact that multiple mortar shells hit a rooftop, demonstrated to him at the time that it was an organized military attack. And he said something to the effect of that he thought it was obvious that it was an organized military effect.

I would be interested with both of you if you agree with that assessment that it was obvious at the time?

Mr. CLAPPER. No, sir, it was not. The one thing they did—there were really two or three phases of the attack. I would characterize the attack on the Temporary Mission Facility much more of a vandalism and looting thing. The mortar attack which took place, it took about 10 or 11 minutes, demonstrated some operational proficiency.

I would commend to you, which I don't know if you've seen it, sir, a briefing that we put together that visually recreates as best we could what the actual events. I'd be happy to have that brought to you so you could see our best replication of what occurred during the phases of the attacks.

Senator CRUZ. I would be appreciative of that, thank you.

General Flynn, do you have anything to add on that?

General FLYNN. I would just say that, you know, personally my instincts were that what we were watching was, particularly on the specific date, was clearly something that was not what I would call normal activity, based on the strategy assessments that had already been made over the last number of months. And I know that from our perspective there was a sense that this was probably more organized, and we of course judged that over the next few days.

Senator CRUZ. Thank you.

One additional question on Benghazi. Have we made any significant progress in identifying and apprehending the terrorists who carried out those attacks?

Mr. CLAPPER. The FBI is leading that investigation and has made some progress on identifying them. Again, I'm sure they'd be happy to brief you on the state of play with their investigation.

Senator CRUZ. Thank you.

At this point I'd like to shift to North Korea. General Clapper, in your prepared testimony you stated that North Korea's nuclear weapons and missile programs pose a serious threat to the United States. I'd like to invite you to elaborate on that threat, if you might?

Mr. CLAPPER. Well, they've been at the nuclear business for 50 years. They have the technical infrastructure and technical expertise, as we've seen with Yongbyon and their other facilities. They have pursued missiles. They've conducted—developed building missiles and conducted three underground tests. They launched the Taepodong 2.

So they have what appears to be the basic ingredients for nuclear-equipped missiles. At the same time, there's a lot we don't know and that's what gives rise to the debate that is going on in the Intelligence Community and the varying degrees of confidence levels that components in the Intelligence Community have about

the actual technical knowledge of whether they've actually built a weapon that will go in a missile and it'll work.

So if they launch this Musudan missile that'll be of great interest to both them and us, to see if it actually works, because they've never launched one. And the same is true with their long-range ICBM. They've displayed it in a parade, but we've never seen them test it.

Senator CRUZ. Director Clapper, on March 15th the Vice Chairman of the Joint Chiefs said publicly that he believes the North Koreans, quote, "probably"—North Korea, quote, "probably does have the range to reach the United States in particularly the KNO-8." Do you agree with that assessment?

Mr. CLAPPER. Well, that's his assessment. I can't argue with it. We've just never seen that tested or proven.

Senator CRUZ. General Flynn, I'd like to get your views on the same question.

General FLYNN. One of the things that I think is highlighted from the last couple of weeks of what we've been talking about with North Korea—and Director Clapper said it earlier today—and where we are today as a community is we ensure that all views are stated, all views are known. We do challenge each other's assumptions. Those views are presented to every level of customer, to include the President on down to all of our combatant commanders.

I think that the assumptions that we make are the components of which, without going into any details, and of course we can get into much greater detail in another session. But I think the assumptions is where we really need to keep looking at, examining, challenging each other, and ensure that those assumptions are presented. I know, based on the way Director Clapper has encouraged all of us to present our views, we do that.

Senator CRUZ. Now, General Flynn, I guess in the past week a statement was made public from a report that DIA assesses with moderate confidence that the north currently has nuclear weapons capable of delivery by ballistic missiles, however the reliability will be low. What was the timeframe? What was the date of that assessment?

General FLYNN. That was a—first of all, it was a seven-page document. It was a classified document, the date of which was the March timeframe. And to not beat a dead horse, I guess, what we really have is, as I was just saying, a difference in how we judge assumptions in this case. And there's some other components that go into the methodology that we use and I'd rather not discuss that here, and more than welcome to get into excruciating detail in closed session.

Senator CRUZ. I look forward to that.

If I could ask one final question, which is, if I understood your testimony today you currently have a higher level of confidence as to that assessment. Am I understanding you correctly? And if so, could you provide some of the basis for that?

General FLYNN. The differences of levels of assessment within the community are, there's a difference, those differences are known, and the reasons why, the factors that play into that, are known. And the answer to the latter part of your question is yes, in closed session.

Mr. CLAPPER. I'd just say, sir, that the debate for us centers around the facts we know versus what we impute to those facts. That's where there is I think healthy debate and healthy disagreement. So analysts at DIA may have a different confidence level in that judgment than the rest of the community. That's fine. Eliminating those or coming up with a common denominator, I'm not sure that's a good thing, either.

Senator CRUZ. Very good. Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman LEVIN. Just to clarify that: They have a higher level of confidence, is that fair to say?

Mr. CLAPPER. DIA does, yes.

Chairman LEVIN. Thank you.

Senator GRAHAM.

Senator GRAHAM. Thank you, Mr. Chairman.

Let's continue that line of questioning just for a moment. If nothing changes in North Korea, if they continue to be a military, totalitarian state, where they spend most of their money on their military at the expense of their own people, and they continue to develop technology, it's just a matter of time before they have technology to reach us. Do you agree with that?

Mr. CLAPPER. Probably so. I think if they keep working at it—and clearly they are of a single-minded focus on this. Particularly the current leader, even more—perhaps maybe more intensely than his father—I think feels that that is the key to their survival, nuclear weapons.

Senator GRAHAM. I think that's a good honest assessment. Let's put in the bucket of threats that the Nation faces a more nuclearly capable North Korea with larger missiles and probably smaller bombs in the future. Do you think, General Flynn, that's a reasonable threat we should be planning to guard against if nothing changes?

General FLYNN. I do believe that's a reasonable threat.

Senator GRAHAM. Okay, all right.

Syria. Do they have enough chemical weapons in Syria to kill millions of people or thousands of people?

Mr. CLAPPER. Potentially, yes. Of course, that's very dependent on lots of things, the number of casualties that could be incurred if they employ chemical weapons.

Senator GRAHAM. But they have a lot of the stuff?

Mr. CLAPPER. They have a lot of that stuff.

Senator GRAHAM. That could kill lots of people?

Mr. CLAPPER. That's correct.

Senator GRAHAM. So that's another threat that we face.

Mr. CLAPPER. Yes.

Senator GRAHAM. All right. Then the Iranian nuclear program. Over the last 6 months as we've been imposing sanctions and negotiating through the P5 Plus 1 regime, do they have more or less enriched uranium for a nuclear bomb?

Mr. CLAPPER. Sir, we'll get you the exact numbers in a closed context.

Senator GRAHAM. Can I just say it's more? Probably?

Mr. CLAPPER. Not highly enriched, but up to the 20 percent level.

Senator GRAHAM. Well, they're marching in the wrong direction. We talk, they enrich. So let's put that in the bucket.

We've got China. Are they building up their military, General Flynn, or are they reducing their military?

General FLYNN. China is investing money in their military, absolutely.

Senator GRAHAM. Can you give me a good explanation, in light of all this, why Congress would do sequestration?

Mr. CLAPPER. Well, sir, I don't think we want to go there.

We have spoken intensely about the impacts of sequestration on—

Senator GRAHAM. Let's just finish it out, and I'm not going to get you to go there. General Flynn, if sequestration was fully implemented over the next decade, how would it affect your agency's ability to defend us against the threats we know we face today and could come up tomorrow?

General FLYNN. Senator, thanks for asking the question. I think it is part of our mission, probably the single biggest threat for us is our ability to provide strategic warning, not only for the Department of Defense, but for this country. And I think that that would be severely impacted.

Senator GRAHAM. On a scale of 1 to 10 in terms of impact, 10 being terrible and 1 being not so bad, where would you put sequestration over a decade?

General FLYNN. Ten.

Mr. CLAPPER. A 10 over a decade.

General FLYNN. Yes.

Mr. CLAPPER. Of course, the law right now runs through 2021. So if we continue these mindless cuts, as I said to my two authorizing committees Monday and Tuesday, we need to do a serious rethink on just what it is we expect of the U.S. intelligence enterprise, because it would be something much, much less than what we've had.

Senator GRAHAM. Let's get back to Syria. Are you familiar with the opposition council, I think it's the SOC, the Syrian Opposition Council?

Mr. CLAPPER. Well, yes, I know about it and know what it is.

Senator GRAHAM. Have you met with those folks?

Mr. CLAPPER. No.

Senator GRAHAM. I wrote a letter along with four other members of the Senate who recently visited Jordan, Turkey, and Israel, asking the Syrian Opposition Council, which is the political component of the opposition, to allow the Intelligence Community the day after Assad falls to come in and secure the chemical weapons sites and tell the world that they would be okay with the chemical weapons being destroyed. I'm waiting on a response.

Do you think that is a good thing for us to ask of the people who may take over Syria?

Mr. CLAPPER. Yes, sir, I do think it would be a good thing to ask. I think the issue is the extent to which any of these external groups, whether it's the SOC now or others, have sway or insight or influence inside the country. That's been—

Senator GRAHAM. But once Assad falls, someone's going to take over.

Mr. CLAPPER. Well, our assessment is that it will be fractionated. Again, this is a projection. We don't know. But we believe the most likely option when Assad falls—and we think it is a question of time—will be factions controlling various parts of the country.

Senator GRAHAM. The Syrian Opposition Council is a coalition of factions, and my hope is that they will be able to create some governing capacity. But since they're the organ that we're working with, the organization, I will continue to press them to renounce ownership of chemical weapons in the new Syria, and I'd appreciate any help you could give us there.

One of the fears I have after my visit is that radicals have gotten more involved, not less, on the ground in Syria. So I think that observation is correct.

Mr. CLAPPER. It is.

Senator GRAHAM. A big fear is that the casualties of Syria, the list of casualties, could be the king of Jordan. Almost 500,000 refugees have spilled over into Jordan. The king was incredibly concerned and he said the longer this war goes the worse it is for him. Do you agree with that?

Mr. CLAPPER. I do.

Senator GRAHAM. If we'd looked back a year ago, the threats on the ground—is Syria getting better or worse over the last year?

Mr. CLAPPER. There is no good trend I can tell you about in Syria.

Senator GRAHAM. So let's play it out. A year from now, you could have millions of refugees in Jordan and Turkey if something doesn't happen; do you agree with that?

Mr. CLAPPER. I do. I think as the infrastructure and the conditions in Syria continue to deteriorate, there are going to be more and more people—

Senator GRAHAM. I just hope the international community is listening to you and we find a way to end this war. To me, winning now would be having the king survive, controlling the chemical weapons, and the second war between the factions that's surely to come with the radicals would be small in scope and short in duration. I think that's the best we can hope for at this point.

General Flynn, you said 352,000 Afghan security forces under arms. Do you recommend to this committee we continue that level of Afghan security forces through 2018, the 352?

General FLYNN. That's really, that's really a policy issue. I mean, from my standpoint, Senator—

Senator GRAHAM. Would that be wise—

General FLYNN. I think that the—I think that the Afghan National Security Forces, especially the Afghan National Army, is a threat to a resurgent Taliban coming back—

Senator GRAHAM. General Allen thought it was—

General FLYNN.—as well as the Afghan National Police.

Senator GRAHAM. Would you disagree with General Allen when he said he thought it would be wise?

Mr. CLAPPER. Sorry, sir?

Senator GRAHAM. Do you agree with General—do you have any reason the discount what General Allen said when he thought it would be wise to continue the 352, keep them at 352?

Mr. CLAPPER. From an intelligence perspective, no. That's the guy that you should listen to.

Senator GRAHAM. One last question. And I think he's a good guy for us to listen to.

Drones. During the last five years particularly, would you agree with me that the drone program particularly in the FATA, the tribal regions of Pakistan and Afghanistan and, quite frankly, throughout the world in ungoverned areas, has paid dividends to this country in terms of our safety?

Mr. CLAPPER. Absolutely. If I can speak globally so that I can speak publicly, yes.

Senator GRAHAM. Would you like to continue that program to maintain our National security?

Mr. CLAPPER. I think it is a tremendous capability, yes.

Senator GRAHAM. Thank you both for your service.

Chairman LEVIN. Thank you.

We're going to have a 3-minute second round, because I think two votes are scheduled still for noon.

Director, you have said that the sanctions against Iran are having a huge effect on their economy; they've not yet induced a change in their policy. Just very quickly: Do you believe that the combination of keeping those options in place and strengthening them if possible, plus keeping military options on the table, continuing our efforts in multilateral diplomacy, gives us a reasonable chance of convincing Iran they should not build nuclear weapons?

Mr. CLAPPER. Well, that is also a policy question.

Chairman LEVIN. What's your assessment?

Mr. CLAPPER. I'll speak personally and my answer would be yes.

Chairman LEVIN. Now, the issue of Benghazi has come up. I want to just understand exactly what your role was in terms of those points, the point papers. Did you approve, Director, the talking points?

Mr. CLAPPER. I did not. I did not. People below me did, but I did not see them until after the fact.

Chairman LEVIN. You indicated here in your quick back and forth with Senator Ayotte that you thought that those talking points were right.

Mr. CLAPPER. They were the best we could do at the time. And also in light of our concerns from both an intelligence and investigatory standpoint, that is as much as we should say at the time. That is illustrative of the dilemma of speaking in public about intelligence things, which is somewhat—can often be an oxymoron.

Chairman LEVIN. But you believed that they were accurate at the time?

Mr. CLAPPER. It was our—it was—well, it wasn't completely accurate because there were some things, particularly from a source and methods and because of investigatory concerns that the FBI had. No, it wasn't completely accurate. It's the best we could do at the time and still protect those equities.

Chairman LEVIN. Did you believe at the time that it was accurate? Did you believe it was inaccurate?

Mr. CLAPPER. Well, we've since—

Chairman LEVIN. At the time?

Mr. CLAPPER. There's an issue about the spontaneity of the demonstration.

Chairman LEVIN. I know there's an issue now. I'm saying when they were written did you, whoever wrote them, believe they were accurate?

Mr. CLAPPER. We believed them to be, as tempered by our concerns for intelligence and investigatory equities.

Chairman LEVIN. Okay, I understand that. Given all that temperance, at the time that they were produced you believed that they were accurate?

Mr. CLAPPER. That was my response to Senator Ayotte, yes.

Chairman LEVIN. Is that your response?

Mr. CLAPPER. Yes.

Chairman LEVIN. Now, those were the same talking points that Secretary Rice followed, right?

Mr. CLAPPER. Yes.

Chairman LEVIN. And when she was highly criticized for following them, what was your feeling inside, your own personal belief? Did you think it was fair that she be criticized?

Mr. CLAPPER. Well, I thought it was—I thought it was unfair because the hit she took, I didn't think that was appropriate. She was going on what we had given her, and that was our collective best judgment at the time as to what should have been said.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Well, when we had Mr. Brennan before this committee, and I had talked to him in my office before, referring to the annex—that's the second wave of the Benghazi attacks—he said, and then repeated it here: "Unequivocally"—he used that word—"we all knew that that was an organized terrorist attack."

You disagreed with that?

Mr. CLAPPER. No, I don't. That's the one thing that happened that had the earmark of some organization and proficiency, was the 11-minute mortar attack on the annex facility.

Senator INHOFE. Okay. I appreciate that because that's not the—I know that's what you were thinking when you answered the question of someone over here, but it sounded like—well, I'll go back and read the transcript. I appreciate that answer very much.

Now, lastly, and this is the last thing I do have, is: As withdrawal takes place in Afghanistan, number one, will that necessarily withdraw a likely percentage of our ISR capability? And number two, should it?

Mr. CLAPPER. Well, we obviously—I say "we." The intelligence capabilities in Afghanistan will be drawing down as well. That is, though, a function of the footprint, whatever residual footprint that remains for DOD, and then whatever footprint the Department of State has. Then we're kind of—we tuck up underneath those.

So the exact profile that we'll have has not been determined yet. Of course, our main concern is detecting a potential threat to the homeland. By virtue of the fact that we are already drawing down and closing bases and we don't have as many places that gives us access for intelligence purposes, that is certainly going to change the landscape as far as we're concerned.

Senator INHOFE. Well, then the second part of the question was: Should it? It's a hard question to answer because, as we talked before about all the needs that are there, West Africa and other places, it's a matter of resources. But I keep hearing that on a percentage basis the withdrawal is going to also impair to about the same degree your international capability and resources.

Mr. CLAPPER. That's probably a fair statement.

Senator INHOFE. And if that happens, is that proper? Should it?

Mr. CLAPPER. Well, our intent is, as I say, Senator Inhofe, to sustain sufficient presence there to monitor the situation, not to the fidelity and the degree that we have today with the large force footprint.

Senator INHOFE. Thank you.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator King.

Senator KING. One very brief question, Senator. Thank you.

The sequester has come up a lot today and there's a sort of ongoing discussion in the Congress about flexibility and giving you the flexibility to have more ability to move the cuts around. My question is, is giving you flexibility enough to solve the problem or is the sequester still a problem in terms of the absolute dollars no matter how much flexibility you have?

Mr. CLAPPER. Well, that's a great question, sir. And obviously I don't know of any professional intelligence officer when asked, could you use more resources, wouldn't say "Absolutely." At the same time, with the financial cuts that we're absorbing this year, which will have impact, there's no question about it, we're going to do away with capabilities we can't get back. We've discussed that at the hearing on Tuesday.

My great concern is sustaining this, particularly the impact that's going to have on our most valuable resource, which is our people.

General FLYNN. If I can add just to that, Senator. I think the other point, it's not just the Intelligence Community and the requests that we believe we need to be able to do our mission. But it's also all of our customers, not just the Customer No. 1 at the White House, but it's every one of our combatant commanders, every one of our joint task force commanders, every one of our leaders out there that are conducting operations around the world, the demands that they are putting on because of the variety of threats and challenges that we've described today. That's where the demand signal is coming from.

Senator KING. Well, on the issue of your people, Federal employees haven't had a raise in 3 or 4 years. There's the threat of furlough days, which you've indicated you've been able to avoid. But are you seeing an impact in terms of retention and recruitment? Because one of the things you testified in the beginning was one of our grave mistakes in the 90s was the hollowing out of the human capacity. Is that a threat in this situation?

Mr. CLAPPER. It will be. And I have to say that whether or not we're going to have furloughs or not has not been completely resolved yet, particularly with the intel components in the Department of Defense.

Our attrition rate has run the last three or four years around 4.2, 4.4 percent across the entire IC, which is pretty low. We have a number of people who will be eligible to retire that's around 10 percent of the entire IC can retire now and in the next 5 years another 15 percent.

I think if we go to drastically reduce the Intelligence Community, to include its people, we would need, if I may—I'm talking out of school here because I haven't got the permission of OMB, but we basically have the same incentives or inducements for people to retire as we did in the 90s, the same amount of money and all that sort of thing, which isn't much of an incentive these days.

So if we have to do some dramatic reshaping of the workforce, again having the latitude to induce people to leave, to end their careers in government, because it's very important, it's crucial, something that we didn't do very well in the late 90s, that we continue to bring on new people, new blood, and new energy to the Intelligence Community, rather than letting the workforce age out.

General FLYNN. If I could just add just specifically to DIA, in the last ten years we have gone from a roughly 25 percent of workforce, of employees, in their 20s and 30s to 50 percent in the last 10 years. What I'm afraid of is that those young people who have, many of which, over 6,000 from our organization, have deployed to places like Iraq and Afghanistan over the last decade, will feel as though this life that they have decided to dedicate themselves to in defense of our country will—they will walk away from this. I'm really concerned about that, and I think that there's an awful lot of uncertainty, especially as I talk to many of these young people in our organization. And I think it's unfair.

Senator KING. Thank you, General.

Thank you both, gentlemen, for your service and your testimony today.

Chairman LEVIN. Thank you, Senator King.

Now I'm going to call on Senator Blumenthal in a moment. But the vote has begun. I'm going to leave in a few minutes, and if you would, Senator Blumenthal, if you would, when you're done with your questions if you would adjourn the committee, I'd appreciate it.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

Senator BLUMENTHAL [presiding]. And I will be brief because of the vote that we have ongoing right now.

But I wanted to ask generally, in terms of our collaboration with the Israeli Intelligence Community, are you satisfied that there is a complete and cooperative flow of information both ways?

Mr. CLAPPER. Absolutely, sir. I have been associated with Israeli intelligence in one capacity or another for 30, 35 years. It's never been closer or more pervasive.

Senator BLUMENTHAL. Without asking you the specific assessments with respect to the Iranian development of a nuclear capability, would you say that the assessment on your part and the Israelis is the same?

Mr. CLAPPER. Generally speaking, yes. But we have this—and this is I think a commentary on the intimacy of the relationship.

We have the same dialogue, the same debates, the same arguments analytically, but generally speaking we're on the same page.

Senator BLUMENTHAL. The same page based on more or less the same facts and the same kind of availability of information?

Mr. CLAPPER. Generally speaking, yes.

Senator BLUMENTHAL. Shifting—

Mr. CLAPPER. They have unique sources, we have unique sources. But generally, yes.

Senator BLUMENTHAL. And do you share the information coming from those separate unique sources?

Mr. CLAPPER. Pretty much.

Senator BLUMENTHAL. Thank you.

Let me turn now to the Pakistani situation. Are you satisfied that the Pakistani military and its government are taking sufficient steps to safeguard its nuclear arms?

Mr. CLAPPER. I'd much prefer to discuss that in closed session.

Senator BLUMENTHAL. Well, maybe without asking you for information that you would feel uncomfortable disclosing, and I certainly don't want to press you on that score, can you tell us simply whether you believe there is more that can and should be done?

Mr. CLAPPER. I'm sorry, sir?

Senator BLUMENTHAL. More that can and should be done by the Pakistani military to safeguard?

Mr. CLAPPER. I'd prefer to discuss that in closed session, sir.

Senator BLUMENTHAL. I understand. Thank you.

Let me turn to Venezuela. Could you give us some idea of what the current fraud or irregularities that are ongoing in their electoral process?

Mr. CLAPPER. Well, that's unclear that there have been any. There may have been some. I think the issue would be whether they're of sufficient magnitude under their system that would merit a recount, and it at least at this juncture doesn't appear to me to be the case.

Senator BLUMENTHAL. In your view there would be no sufficient requirement for a recount?

Mr. CLAPPER. As far as I know now, no.

Senator BLUMENTHAL. Finally, you spoke a few minutes ago about the challenges of recruiting and keeping the best minds in America, which all of us want, to be available to the American Intelligence Community. Is there anything that we can do to encourage or support that effort?

Mr. CLAPPER. Well, sir, it would be nice if they got a pay raise occasionally, and it would be nice not to be threatened with furloughs.

Senator BLUMENTHAL. I take that to heart and to mind.

With that, sir, let me say thank you to both of you for your service to this Nation, which has been extraordinarily distinguished and able, and I will, if there's no objection, adjourn this hearing. Thank you very much.

[Whereupon, at 12:10 p.m., the committee adjourned.]