

**CURRENT AND FUTURE WORLDWIDE THREATS  
TO THE NATIONAL SECURITY OF THE UNITED  
STATES**

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**HEARING**

BEFORE THE

**COMMITTEE ON ARMED SERVICES**

**UNITED STATES SENATE**

**ONE HUNDRED TENTH CONGRESS**

**FIRST SESSION**

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**FEBRUARY 27, 2007**  
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Printed for the use of the Committee on Armed Services



U.S. GOVERNMENT PRINTING OFFICE

40-703 PDF

WASHINGTON : 2008

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**CURRENT AND FUTURE WORLDWIDE  
THREATS TO THE NATIONAL SECURITY OF  
THE UNITED STATES**

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**TUESDAY, FEBRUARY 27, 2007**

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

The committee met, pursuant to notice, at 9:35 a.m. in room SH-216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Kennedy, Lieberman, Reed, Akaka, Bill Nelson, Bayh, Clinton, Pryor, Webb, Warner, Inhofe, Sessions, Collins, Graham, Cornyn, Thune, and Martinez.

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

Majority staff members present: Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Gerald J. Leeling, counsel; Thomas K. McConnell, professional staff member; William G.P. Monahan, counsel; and Michael J. Noblet, research assistant.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Derek J. Maurer, minority counsel; David M. Morriss, minority counsel; Lynn F. Rusten, professional staff member; and Richard F. Walsh, counsel.

Staff assistants present: Fletcher L. Cork, Micah H. Harris, and Jessica L. Kingston.

Committee members' assistants present: Joseph Axelrad and Sharon L. Waxman, assistants to Senator Kennedy; James Tuite, assistant to Senator Byrd; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Richard Kessler and Darcie Tokioka, assistants to Senator Akaka; Sherry Davich and Caroline Tess, assistants to Senator Bill Nelson; Todd Rosenblum, assistant to Senator Bayh; Andrew Shapiro, assistant to Senator Clinton; Lauren Henry, assistant to Senator Pryor; Gordon I. Peterson, assistant to Senator Webb; John A. Bonsell, assistant to Senator Inhofe; Arch Galloway II, assistant to Senator Sessions; Mark J. Winter, assistant to Senator Collins; Adam G. Brake, assistant to Senator Graham; Lindsey Neas, assistant to Senator Dole; Stuart C. Mallory, assistant to Senator Thune; and Brian W. Walsh, assistant to Senator Martinez.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. First we would like to welcome our witnesses to today's hearing, and congratulate Director McConnell on his confirmation, and note this is the first time that he will be testifying as the Director of National Intelligence (DNI). Of course, we are also glad to have General Maples from the Defense Intelligence Agency (DIA) appearing here again, and also Dr. Tom Fingar, who is the Deputy Director of National Intelligence for Analysis as well as the Chairman of the National Intelligence Council.

We have asked our witnesses to address current and longer-term threats and intelligence challenges around the world. This committee has a special responsibility to the men and women of our Armed Forces to be vigilant on intelligence programs because decisions on whether or not to use military force and the planning for military operations depend so heavily on intelligence.

At the same time the Intelligence Community (IC) bears this heavy responsibility, it is burdened by skepticism about the accuracy of its assessments due to poor performance and manipulation of intelligence on Iraq prior to the invasion.

The conflict in Iraq is consuming a large share of our intelligence capabilities, diminishing the ability of the IC to support diplomacy, monitor threats, and prepare for other contingencies. Regarding Iraq, we need a thorough understanding of the extent to which the Iraqi government is living up to its commitments to support the President's surge plan, including achieving political reconciliation, and the IC's assessments of the prospects for success in Iraq.

We also need to know what are the IC's assessments concerning sources of outside support for the contending parties in Iraq, for the Sunni insurgents as well as the Shiite militias; what countries are providing weapons, funding, and personnel to the insurgency; who is organizing, receiving, and using this assistance; and on the Shiite side what is the nature and extent of Iranian al-Quds Force involvement in Iraq.

Administration officials have stated that coalition forces have taken some al-Quds Force officers into custody. What were these people doing in Iraq? If they were engaged in threatening activities, have they nonetheless been released? Who do we believe is approving the transfer of weapons to Iraqi Shiite militia forces?

Turning to Iran's nuclear program, we need to know the IC's current estimate for when Iran could acquire a nuclear weapons capability and its assessment of the circumstances under which Iran might give up its weapons program.

In Afghanistan, the resurgence of the Taliban, the deteriorating security situation, and the flourishing sanctuary across the border in Pakistan drive home the fragile hold that we have in this volatile region. In the short-term, the Afghan government and coalition forces must steel themselves for a Taliban spring offensive. Long-term prospects for eliminating the Taliban threat appear dim so long as the sanctuary remains in Pakistan and there are no encouraging signs that Pakistan is eliminating it.

Pakistan is an ally in the war on terrorism, but, as Director McConnell's prepared statement emphasizes, it is a major source of Islamic extremism, it is a sanctuary for al Qaeda, the Taliban, and

extremists operating against India over Kashmir, and a past and potential future source of dangerous nuclear proliferation.

We are pleased with the progress of the Six-Party Talks on North Korea's nuclear disarmament, although it is equally clear that there is a long way still to go before we can be confident that we are even on the road to a real resolution of this longstanding crisis. Just one illustration of the distance not yet traveled: the Department of State acknowledges that nothing has been conceded by North Korea about the uranium enrichment program that was the immediate cause for the Bush administration's abandonment of the Clinton administration's Agreed Framework, which successfully froze North Korea's plutonium-based weapons program for an extended period.

Secretary of State Powell declared at the beginning of the Bush presidency that North Korean nuclear policy would build on the foundation left by President Clinton, only to be famously rebuked by the White House. The return to diplomacy is welcome, but the ideologically-driven interlude resulted in a dramatic expansion of North Korea's nuclear potential.

I want to remind all of my colleagues that we have arranged for a closed session in S-407 of the Capitol following this open session, if that is necessary. I would also note that our committee will be holding a hearing a week from today on the conditions at Walter Reed Army Medical Center.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I think it is very important that this committee address the situation at Walter Reed. I was privileged to go out there on Friday, at which time the Secretary of Defense, Secretary Gates, addressed the situation. I felt that he did that with unusual candor and was quite open to not only congressional oversight, but to correct these tragic situations very quickly. So I compliment the chair and the ranking member for arranging that hearing.

Chairman LEVIN. I join you, Senator Warner, in your compliment of Secretary Gates. I thought he was very direct and nondefensive.

Senator WARNER. Now, Mr. Chairman, on behalf of Senator McCain, I join you in welcoming our witnesses today. I would particularly like to welcome Admiral McConnell, whom I have known for many years, as far back as when I was privileged to be Secretary of the Navy and you were a young officer staying as far away from the Navy Secretary as you possibly could.

Admiral McConnell, I also want to recognize your return to government service and your willingness to take on one of the most important and difficult positions in the entire Federal Government. I wish you and your lovely family good luck.

I would like to thank the other witnesses for their long and distinguished service to our Nation and to convey to you my personal commendation and deep admiration for the dedicated men and women of your intelligence services. Yesterday I had the privilege to have a meeting with General Maples and his top team surveying the situation in Iraq and to some extent Afghanistan, and I thank you, General, for that opportunity.

Their efforts are vital to our homeland defense, to the protection of our national interest, and to the men and women in uniform who

are deployed the world over in harm's way. Our Nation has never asked more from its intelligence agency than it does today. Our witnesses and all members of the IC know this clearly and understand that they are truly the first line of our Nation's defense.

The attacks on September 11 were a massive intelligence failure, which remind us all too clearly of the significance intelligence can and should play. The IC has come a long way since September 11 and we are all aware of the work it takes to strengthen and reform the IC while in the midst of one of the most challenging chapters in the national security history of our Nation and indeed the entire world.

These intelligence reforms require, among other changes, greater collaboration between the various agencies and their subordinates, not only within the IC but with our foreign partners as well. In addition, we will need more and better human intelligence (HUMINT) capacity, improved language abilities and cultural awareness—underline “cultural awareness.” How clearly that has come to the forefront in our struggle to understand the situations in Iraq and Afghanistan.

We are not at war with the Muslim community. It is only a minor fraction of that community who have abandoned all their precedents, all of the teachings of the Koran, and are promulgating terror in many places in the world.

In addition, we need more and better cooperation, as I say, with our allies, and I hope that that can be strengthened.

As the fight continues in Iraq and Afghanistan, one understands the role that rapid, accurate, and detailed intelligence plays in combat operations. Intelligence is essential to the conduct of any form of warfare. It is the force multiplier that can make the difference.

We will ask our witnesses to give us their estimate of the threats our forces face in Iraq and Afghanistan, and their assessment of the progress in those two countries and elsewhere in the world. In addition, the witnesses should be prepared to discuss the adequacy of our intelligence capabilities in Iraq and Afghanistan and the aspects of today's global struggle that extend beyond the borders of these two countries.

We must not, however, lose sight of other threats to our Homeland and national interests. These symmetric and asymmetric threats include: rising regional hegemonies; emerging peer competitors; the proliferation and use of weapons of mass destruction (WMD); new missile technologies; threats to our space-based systems; humanitarian crises; natural disasters; and the activities of violent extremists around the world.

While vigilance is imperative and excellence in terms of results is vital, so too is your candor, not only to Congress but to the executive branch and the American people. You must speak the truth to decisionmakers and policymakers. Tell them what you know and what you do not know, so long as we do not compromise sources and other means of collection. President Reagan accurately said, “The goal of our intelligence analysts can be nothing short of the truth, even when that truth is unpleasant and unpopular.”

I wish you luck. Thank you very much.

Chairman LEVIN. Thank you, Senator Warner.

Admiral McConnell.

**STATEMENT OF VADM JOHN M. McCONNELL, USN (RET.), DIRECTOR, NATIONAL INTELLIGENCE; ACCOMPANIED BY THOMAS FINGAR, PH.D., DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE FOR ANALYSIS, AND CHAIRMAN, NATIONAL INTELLIGENCE COUNCIL**

Admiral McCONNELL. Thank you, sir. Chairman Levin, Senator Warner, and distinguished members of the committee: It is an honor to appear before you today and I appreciate the opportunity to offer my assessment of the threats facing our Nation in my first testimony as the DNI. In my confirmation hearing I committed to consulting with Congress often, seeking your counsel when appropriate, and taking your advice seriously. I am pleased to begin that dialogue today.

This morning I am joined by Lieutenant General Michael Maples, Director of the DIA, and Dr. Tom Fingar, the Deputy DNI for Analysis.

We come here in a week rich with history for the United States IC. 60 years ago today, or 60 years ago yesterday, President Truman submitted to Congress legislation that would become the 1947 National Security Act, the foundation for today's American intelligence structure. Then, like now, our leaders were face-to-face with historic challenges. Recovering from World War II while the Cold War loomed, our Nation established an infrastructure to guard against catastrophic surprise. Those leaders knew, as we know today, the necessity of putting accurate intelligence in the right hands at the right time.

We are a community shaped by our past, proud of the work done by our brave men and women, and mindful of the continued and developing threats that we face today. I will briefly highlight the principal threats facing our Nation and I have submitted a detailed statement for the record that addresses more of the issues at greater depth.

Terrorism remains the preeminent threat to the Homeland, to our security interests globally, and to our allies. Al Qaeda continues to be the terrorist organization that poses the greatest threat. Nevertheless, in the last year we have developed a deeper understanding of the enemy that we face. Our community has worked hard to discover and to disrupt terrorist intentions and, while many of al Qaeda's senior leadership have been killed or captured, its core elements are resilient. They continue to plot attacks against the Homeland and other targets with the aim of inflicting mass casualties. Indeed, al Qaeda along with other terrorist groups continues to seek chemical, biological, radiological, and nuclear weapons or materials.

Al Qaeda also is forging stronger operational connections that radiate outward from their camps in Pakistan to affiliated groups and networks throughout the Middle East, North Africa, and Europe.

In addition to al Qaeda and other Sunni jihadists, Hezbollah, the Shiite-based organization backed by Iran and Syria, remains a source of serious concern. Last summer's hostilities between Israel and Hezbollah have increased Hezbollah's self-confidence.

We know particularly since September 11 that countering terrorist threats depends on good intelligence and broad and effective international cooperation. Our success to date against al Qaeda and other terrorists, along with our ability to prevent attacks abroad and at home, have been aided considerably by cooperation from many foreign governments, among them Iraq, United Kingdom, Australia, Saudi Arabia, Turkey, Afghanistan, and Pakistan.

In Iraq and Afghanistan, where the United States military is engaged in combat, we face challenges that are exacerbated by terrorism. Earlier this month, the IC delivered to Congress a national intelligence estimate (NIE) on Iraq. It is a thorough and detailed assessment of a complex, dynamic situation, but here I will summarize the four principal judgments presented in the NIE.

First, the current security and political trends in Iraq are moving in a negative direction. Particularly after the February 2006 bombing of the mosque at Samarra, sectarian violence has become self-sustaining. Unless efforts to reverse these conditions gain real traction during the 12- to 18-month timeframe of this estimate, we assess that the security situation will continue to deteriorate at a rate comparable to the latter half of 2006.

Second, success by the stronger and more loyal Iraqi security forces, supported by the coalition, in reducing violence could give Iraqi political leaders breathing space to pursue political compromise needed for progress and stability. But even if the violence declines, the current level of sectarian animosity will make political reconciliation difficult over the next 12 to 18 months.

Third, if coalition forces were withdrawn rapidly during the timeframe of this estimate, we judge that this almost certainly would lead to a significant increase in the scale and scope of sectarian conflict, intensify Sunni resistance to the Iraqi government, and have adverse consequences for national reconciliation. In addition, al Qaeda would be likely to use Anbar Province to plan for increased attacks.

Fourth, while outside actors are not likely to be a major driver of violence or the prospects of stability, Iranian lethal support for select groups of Iraqi Shiite militants clearly intensifies the conflict in Iraq. Additionally, Syria continues to provide safe haven for expatriate Iraqi Baathists and to take less than adequate measures to stop the flow of foreign jihadists into Iraq.

As in Iraq, Afghanistan's leaders face a pivotal year ahead. They must build central and provincial government capacity, confront perverse drug cultivation and trafficking, and, with North Atlantic Treaty Organization (NATO) and the United States, arrest the resurgence of the Taliban. The Taliban was successful in increasing the level of violence in 2006. Progress in Afghanistan will not come easily. There is a chronic shortage of resources and of qualified, motivated government officials. Once more, although the insurgency probably does not now directly threaten the government, it is deterring economic development and undermining popular support for President Karzai.

The drug trade contributes to endemic corruption and undercuts public confidence. In addition, a dangerous nexus exists between drugs, the insurgents, and warlords, who derive funds from cultivation and trafficking.

Terrorism is not the only threat we face. The IC judges the efforts by both state and non-state actors to develop or acquire dangerous weapons and delivery systems constitute the second greatest threat to our Nation and to our allies. Iran and North Korea are of particular concern and these regimes have pursued nuclear programs in defiance of United Nations Security Council restrictions.

We assess that Tehran seeks to develop nuclear weapons and has shown greater interest in drawing out the negotiations rather than in reaching an acceptable diplomatic solution. This is a very dangerous situation as a nuclear Iran could prompt destabilizing countermoves by other states in this volatile region. While our information is incomplete, we estimate Iran could produce a nuclear weapon by early to mid next decade.

Regarding North Korea, the February 13 Six-Party Talks in Beijing resulted in an agreement intended to lead to a declaration of all North Korean nuclear programs and disabling all existing nuclear facilities. The agreement is in the initial step in the denuclearization process and will be closely observed as we watch for its implementation.

As we assess threats to U.S. security interests, Iran is of concern beyond the reasons of nuclear aspirations. The fall of the Taliban and Saddam, increased oil revenues, Hamas's electoral victory, and Hezbollah's perceived success in fighting against Israel all extend Iran's influence in the Middle East. This disturbs our Arab allies, who are concerned about worsening tensions between Shiite and Sunni Islam.

Iran's growing influence has coincided with a generational change in Tehran's leadership. Under the Ahmadinejad government, staffed largely by hardliners who are deeply distrustful of the United States, Iran is growing its ability to project military power, with the goal of dominating the Gulf region.

Iran is also working to disrupt the operations and reinforcement of United States forces in the region, thereby raising the political, financial, and human cost of our presence. To this end, Tehran views its mounting inventory of ballistic missiles as an integral part of its strategy to deter and, if necessary, retaliate against forces in the region, to include United States forces.

Tehran believes its capability to project power abroad, including through terrorist operations, helps safeguard its regime by deterring U.S. or Israeli attacks, distracting and weakening Israel, enhancing Iran's regional influence through intimidation, and helps to drive the United States from the region.

Central to Iran's terrorism strategy is the Lebanese Hezbollah. This group shares Iran's world view and receives budgetary support, military equipment, and specialized training from Tehran. While Hezbollah is focused on its agenda in Lebanon and supporting anti-Israeli Palestinian terrorists, it could decide to conduct attacks against U.S. interests if in the event it feels its survival is threatened or if Iran, its sponsor, is threatened.

Syria has also reinforced its ties with Iran, while growing more confident in its regional policies. This stems primarily from what Syria sees as vindication of its support to Hezbollah and Hamas, coupled with the perception of success in overcoming international

attempts to isolate the regime. Damascus has failed to stem militant infiltration into Iraq and continues to interfere inside Lebanon. Indeed, Lebanon remains in a politically perilous situation while Damascus, as well as Hezbollah and other pro-Syrian groups, endeavor to topple the government of Prime Minister Siniora.

The situation in the Palestinian territories is equally delicate. Since the establishment in March 2006 of the Hamas-led Palestinian Authority government, inter-factional violence has intensified in the Gaza Strip and the West Bank. Absent success in implementing a national unity government, this violence threatens to escalate further. Hamas continues to reject recognition of Israel, renunciation of armed resistance in Israel, and acceptance of Palestinian Liberation Organizations and international agreements. Hamas continues to maintain that Israel should not exist.

I turn next to the world's fastest growing humanitarian crisis, the situation in Darfur, where more than 200,000 people have been killed, 1.85 million have been internally displaced, and another 234,000 have taken refuge in neighboring Chad. Multiple rebel groups who feel that the existing peace agreement does not meet their security, power-sharing, or compensation concerns are continuing to fight against the government. The Sudanese military, unable to force the rebels to sign the peace accord and with the help of local militia, is attacking civilian villages suspected of harboring the rebels. Chadian and Central African Republic rebel groups have also become entangled in the Darfur crisis. The spillover of violence in the past 10 months threatens to destabilize an already weak regime in both of those countries.

In Somalia, the rapid collapse of the Council of Islamic Courts and the arrival of the Trans-Federal Government (TFG); in Mogadishu has shifted the political landscape. The obstacles confronting the TFG are many of the same problems that have kept any one group from forging a viable government in Somalia since the country's collapse in 1991. Somali society is divided into numerous clans and sub-clans and none want to see one group rise above the others. If the TFG is to be successful in winning the support of the population and restoring order, it will need to be more inclusive and make some successful strides toward governance.

Without mechanisms to replace the temporary Ethiopian presence with an internationally supported Somali solution, more turmoil could enable extremists to regain their footing. At the same time, al Qaeda remains determined to exploit the situation in Somalia.

In Latin America, the gradual consolidation of democracy has remained the prevailing tendency. While some have spoken of a lurch to the left in the region, last year's numerous elections reveal no dominant ideological bent. Moderate leftists who promote macroeconomic stability, poverty alleviation, and the building of democratic institutions fared well. So did able right-of-center leaders.

At the same time, individuals critical of free markets won the presidency in two of Latin America's poorest countries, Ecuador and Nicaragua. In Venezuela, Chavez is using his popularity to undercut the opposition and eliminate checks on his authority. He is among the most strident anti-American leaders anywhere in the

world and will continue to try to undercut U.S. influence in Latin America and internationally.

In Mexico, President Calderon of the ruling National Action Party was inaugurated on December 1 after a razor-thin victory over his closest opponent, the leftist populist Obrador. The July election illustrated the country's polarization along socioeconomic lines, but the new government has initiated steps to address the problems that affect both Mexican and U.S. security interests, including drug smuggling, human trafficking, and associated violence.

In Cuba, this year will mark the end of the long domination of that country by Fidel Castro. Significant positive change immediately following Castro's death is unlikely. The long period of transition following Fidel's operation in July 2006 has given his brother Raoul the opportunity to solidify his position as Fidel's successor.

In 2006, Chinese leaders moved to align Beijing's foreign policy with the needs of domestic development. In doing so, they are identifying opportunities to strengthen economic growth, gain access to new sources of energy and markets, and mitigate what they see as potential external threats to social stability. At the same time, China places a great priority on positive relations with the United States while also strengthening ties outside the region, to include the European Union, Russia, Africa, and Latin America.

The People's Republic of China leaders continue to emphasize development of friendly relations with the states on China's periphery, in hopes of assuring peaceful borders and to avoid perceived containment by any other power. In the past year, China achieved notable success in improving relations with Japan under newly elected Prime Minister Abe. Additionally, prospects for cross-straits conflict with Taiwan diminished. In addition to establishing strong bilateral ties, Beijing actively engages with many multilateral organizations, including the Association of Southeast Asian Nations.

As Beijing continues its rapid rate of military modernization, which began in 1999, we assess that its aspirations for great power status and its security strategy will drive the modernization effort even if the Taiwan problem were resolved. The Chinese are developing more capable long-range conventional strike systems and short- and medium-range ballistic missiles with terminally guided maneuverable warheads able to attack land targets and U.S. carriers at sea.

China faces an array of domestic and economic problems. Some prospects for its financial system are unhealthy, with state-owned banks maintaining large balances of nonperforming loans. Nonetheless, we see low risk of severe financial crisis over the next 5 years. China is introducing market measures to its financial sector and has massive foreign exchange reserves, current and capital account surpluses, and low exposure to short-term foreign currency debt.

We have entered a new era in which energy security will become an increasing priority for the United States, the West, and the fast-developing major energy consumers, like China and India. Oil prices have fallen by more than 25 percent since their peak last July, while spare production capacity has grown to more than 2 million barrels per day. But escalating demand for oil and gas has

resulted in windfall profits for some producer nations that are openly hostile to our interests. Iran and Venezuela fall into that category.

Russia now sees itself as an energy superpower, a status with broad ramifications that include strong-arm tactics in its relations with neighboring states.

Today in my remarks I have summarized some of the challenges that we face. In a world marked by ever more rapidly changing and more widely reverberating events, and while events anywhere can and often do affect us, it is the responsibility of the IC to sort through this swirl of emerging trends. Indeed, we sort and as needed we shift to focus on the events which most affect this Nation and our allies and our safety.

Senators, that concludes my opening remarks. I look forward to your questions and I thank you for your attention.

[The prepared statement of Admiral McConnell follows:]

PREPARED STATEMENT BY VADM J. MICHAEL MCCONNELL, USN (RET.)

#### INTRODUCTION

Chairman Levin, Ranking Member McCain, and members of the committee, thank you for the invitation to offer my assessment of threats to our Nation.

I am joined today by LTG Mike Maples, the Director of the Defense Intelligence Agency and Dr. Tom Fingar, the Chairman of the National Intelligence Council.

#### REFORMS PROMOTE INFORMATION SHARING, SENSE OF COMMUNITY

The judgments I will offer the committee are based on the efforts of thousands of patriotic, highly skilled professionals, many of whom serve in harm's way. I am proud to lead the world's best Intelligence Community and pleased to report that it is even better than it was last year as a result of reforms mandated by the President and Congress. These reforms promote better information sharing, the highest standards of analytic rigor, the most innovative techniques of acquiring information, and a stronger sense of community across our 16 agencies.

#### DIVERSITY OF THREATS/GLOBALIZATION MANDATE GLOBAL COVERAGE

We know that the Nation requires more from our Intelligence Community than ever before because America confronts a greater diversity of threats and challenges than ever before. Globalization, the defining characteristic of our age, mandates global intelligence coverage. Globalization is not a threat in and of itself; it has more positive than negative characteristics. But globalization does facilitate the terrorist threat, increases the danger of weapons of mass destruction proliferation, and contributes to regional instability and reconfigurations of power and influence—especially through competition for energy. Globalization also exposes the United States to mounting counterintelligence challenges. Our comparative advantage in some areas of technical intelligence, where we have been dominant in the past, is being eroded. Several nonstate actors, including international terrorist groups, conduct intelligence activities as effectively as capable state intelligence services. A significant number of states also conduct economic espionage. China and Russia's foreign intelligence services are among the most aggressive in collecting against sensitive and protected U.S. targets.

This array of challenges to our national security is shaped by dramatic advances in telecommunications, technology, new centers of economic growth, and the consequences of crises within traditional cultures.

#### NON-STATE ACTORS AND HOSTILE STATES ASSAULT INTERNATIONAL ORDER

As a result of these and other challenges exacerbated by globalization, many nation states are unable to provide good governance and sustain the rule of law within their borders. This enables non-state actors and hostile states to assault these fundamental building blocks of international order, creating failed states, proxy states, terrorist safehavens, and ungoverned regions that endanger the international community and its citizens. More to the point, it threatens our national security and support for freedom and democracy, notably in Iraq and Afghanistan, where our

troops and those of our allies are helping to defend freely elected governments and sovereign peoples against determined insurgents and terrorists.

#### TERRORIST THREATS—THE PRE-EMINENT CHALLENGE

Terrorist threats to the homeland, to our national security interests, and to our allies remain the pre-eminent challenge to the Intelligence Community, operationally and analytically. Working closely with our international partners, we have scored remarkable successes and disrupted terrorist plots aimed at murdering thousands of U.S. and allied citizens. Despite these successes, we must maintain maximum vigilance, flexibility, and operational aggressiveness to counter the constant evolution and adaptive capability of our enemies. To support these efforts, we must understand the enemy, his intentions, and his capabilities. Much of what the Intelligence Community has learned in the past year underscores its previous judgments; but we now have a deeper understanding of the enemy we face.

#### AL QAEDA—THE GREATEST THREAT

Al Qaeda is the terrorist organization that poses the greatest threat to U.S. interests, including to the homeland. We have captured or killed numerous senior al Qaeda operatives, but we also have seen that al Qaeda's core elements are resilient. They continue to plot attacks against our homeland and other targets with the objective of inflicting mass casualties. They continue to maintain active connections and relationships that radiate outward from their leaders' hideout in Pakistan to affiliates throughout the Middle East, northern Africa, and Europe.

#### CONVENTIONAL EXPLOSIVES MOST PROBABLE AL QAEDA ATTACK

Use of conventional explosives continues to be the most probable al Qaeda attack scenario. The thwarted U.K. aviation plot last summer and the other major threat reports that we have been tracking all involve conventional bombs. Nevertheless, we receive reports indicating that al Qaeda and other groups are attempting to acquire chemical, biological, radiological, and nuclear weapons or materials.

#### HIZBALLAH THREAT

In addition to al Qaeda, its networks and affiliates, I mention the terrorist threat from Hizballah, which is backed by Iran and Syria. As a result of last summer's hostilities, Hizballah's self-confidence and hostility toward the U.S. as a supporter of Israel could cause the group to increase its contingency planning against U.S. interests.

#### INTERNATIONAL COOPERATION

We know from experience since September 11 that countering terrorism depends on unprecedented levels of international cooperation. Our successes so far against al Qaeda and other jihadists—and our ability to prevent attacks abroad and at home—have been aided considerably by the cooperation of foreign governments, among them Iraq, the U.K., Saudi Arabia, Turkey, Pakistan, Afghanistan, and many others. They, too, are targets of terror. As illustrated by al Qaeda's plots in the U.K., Kurdish separatist attacks in Turkey, and the recent bombings in Algeria, terror is a worldwide scourge.

#### MAJOR ACCOMPLISHMENTS

It is important to note our shared successes, with a focus, not on taking credit, but on demonstrating results. I will highlight four major accomplishments.

- In the U.K., as noted earlier, a plot to perpetrate the worst terrorist slaughter of innocent civilians since September 11 was thwarted.
- And in Pakistan Abd al-Rahman al-Muhajir and Abu Bakr al-Suri, two of al Qaeda's top bomb makers were killed last April.
- We eliminated al Qaeda in Iraq's (AQI) murderous leader, Abu Musab al-Zarqawi.
- Also in Iraq, we have severely damaged Ansar al Sunna's leadership and operational capacity.

Again, let us emphasize that we, the United States, do not and could not accomplish our counterterrorism mission unilaterally. Our role varies from situation to situation. What does not vary is our requirement for good intelligence and committed partners, which we have in all parts of the world—because terrorists have killed far more non-Americans than Americans and far more Muslims than non-Muslims.

## IRAQ, AFGHANISTAN, AND PAKISTAN

The two countries where the United States military is engaged in combat—Iraq and Afghanistan—face challenges that are significantly exacerbated by terrorism but not exclusively attributable to it. And Pakistan, despite its ongoing efforts, continues to face terrorism’s many challenges, while that country also raises other concerns for us.

## IRAQ—SECTARIAN DIVISIONS, SECURITY FORCES

In Iraq, sectarian divisions are widening but the multiparty government of Nuri al-Maliki continues to seek ways to bridge the divisions and restore commitment to a unified country. The effort to build a “moderate front” of major parties from the country’s three ethno-sectarian groups has underscored moderates’ interest in bridging the gaps between Iraq’s communities by appealing to non-violent actors. Iraqi security forces have become more numerous and more capable since last year. Six division headquarters, 30 brigades, and more than 90 battalions have taken the lead in their operational areas, have battled insurgents on their own, and have stood up to the militias in some cases.

## IRAQ AT A PRECARIOUS JUNCTURE

Despite these positive developments, Iraq is at a precarious juncture. Communal violence—accelerated by AQI’s attack on the Samarra mosque in February 2006—and scant common ground between Shias, Sunnis, and Kurds have polarized politics. Indeed, the term “civil war” accurately describes key elements of the Iraqi conflict, including the hardening of ethno-sectarian identities, a sea change in the character of the violence, ethno-sectarian mobilization, and population displacements.

Prime Minister Maliki’s national reconciliation agenda is still at its initial stages. The Iraqi security forces are struggling to complete preparations for Operation Peace and Security in Baghdad. The various parties have not yet shown the ability to compromise effectively on the thorny issues of de-Baathification, constitutional reform, federalism, and central versus regional control over hydrocarbon revenues. Provision of essential public services is inadequate; oil output remains below prewar levels; hours of electrical power available have declined and remain far below demand; and inflationary pressures have grown since last year.

With political reconciliation stalled, Iraqis increasingly resort to violence. The struggle among and within Iraqi communities over national identity and the distribution of power has eclipsed attacks by Iraqis against the coalition forces as the greatest impediment to Iraq’s future as a peaceful, democratic, and unified state.

## IRAQ—PROSPECTS FOR STABILITY AND KEY ISSUES

As the Intelligence Community states in the recent National Intelligence Estimate, the current security and political trends in Iraq are moving in a negative direction. Particularly after the February 2006 bombing of the mosque in Samarra, sectarian violence has become self-sustaining.

Unless efforts to reverse these conditions gain real traction during the 12–18 month timeframe of the estimate, we assess that the security situation will continue to deteriorate at rates comparable to the latter half of 2006.

But with reduced violence and a window created for political compromises, increased stability in Iraq would then depend on how several issues evolve. Among them:

- The ability of the Iraqi government to establish and nurture effective national institutions that are based on national rather than religious or ethnic interests; and within this context, the willingness of the security forces to pursue extremist elements of all kinds.
- The extent to which the Shiite feel sufficiently secure in their political position: despite their recent electoral victories and overall political ascendancy, the Shiite at present remain deeply insecure about their hold on power. This insecurity is manifested in the Shiites refusal to make real concessions to the Sunnis on a range of issues, such as easing of de-Baathification and clamping down on radical Shiite militias.
- The extent to which Arab Sunnis develop trust and participate in the new political order: now, many remain unwilling to accept their minority status, continue to resist violently this new political order, and distrust the Shiited government and its commitment to their security.
- The extent to divisions within the Shiite and the Sunni are addressed: profound intra-group divisions among the Shiite and Sunnis complicate the

situation, because no single leader can speak for or exert control over these groups.

- The extent to which extremists—most notably AQI—are suppressed: these groups continue to conduct high-profile, often mass casualty attacks that are effective accelerants for the self-sustaining sectarian struggle between Shiite and Sunnis.
- Lastly, the extent to which Iraq's neighbors can be persuaded to stop the flow of militants and munitions across their borders: Iran's lethal support for select groups of Iraqi Shiite militants clearly exacerbates the conflict in Iraq, as does Syria's continued provision of safehaven for expatriate Iraqi Ba'athists and less-than-adequate measures to stop the flow of foreign jihadists into Iraq.

#### REGIONAL CONCERNS

Indeed, our friends in the region are concerned about the consequences of growing instability in Iraq. Many are increasingly apprehensive about ethno-sectarian strife spilling out of Iraq and infecting their minority populations and all in the region are nervous about the growing role of radical Islamists.

#### AFGHANISTAN—RESURGENCE OF THE TALIBAN

As in Iraq, 2007 will be a pivotal year for Afghanistan. Afghan leaders must build central and provincial government capacity, confront pervasive drug cultivation and trafficking, and, with the North Atlantic Treaty Organization and the United States, arrest the resurgence of the Taliban. At present, the insurgency probably does not directly threaten the government, but it is deterring economic development and undermining popular support for President Karzai.

#### DRUG TRADE AND CORRUPTION

Afghan leaders also face critical challenges in building central and provincial government capacity and in confronting pervasive drug cultivation and trafficking. Neither task will be easy. The country faces a chronic shortage of resources and of qualified and motivated government officials. Further, the drug trade contributes to endemic corruption at all levels of government, undercutting public confidence. A dangerous nexus exists between drugs and the insurgents and warlords who derive funds from cultivation and trafficking.

Many of our most important interests intersect in Pakistan, where the Taliban and al Qaeda maintain critical sanctuaries. As I noted earlier, Pakistan is our partner in the war on terror and has captured several al Qaeda leaders. However, it is also a major source of Islamic extremism.

#### PAKISTAN—ELIMINATING THE TALIBAN SAFEHAVEN

Eliminating the safehaven that the Taliban and other extremists have found in Pakistan's tribal areas is not sufficient to end the insurgency in Afghanistan but it is necessary. We recognize that aggressive military action, however, has been costly for Pakistani security forces and appreciate concerns over the potential for sparking tribal rebellion and a backlash by sympathetic Islamic political parties. There is widespread opposition among these parties to the U.S. military presence in Afghanistan and Iraq. With elections expected later this year, the situation will become even more challenging—for President Musharraf and for the U.S.

#### PROLIFERATION: STATES OF KEY CONCERN

After terrorism, the ongoing efforts of nation-states and terrorists to develop and/or acquire dangerous weapons and delivery systems constitute the second major threat to the safety of our Nation, our deployed troops, and our friends.

#### TRACKING DANGEROUS TECHNOLOGIES

The time when only a few states had access to the most dangerous technologies has been over for many years. Dual-use technologies circulate easily in our globalized economy, as do the scientific personnel who design and use them. As a consequence, it is more difficult for us to track efforts to acquire, for nefarious purposes, these widely available components and technologies.

#### IRAN ASSESSED AS DETERMINED TO DEVELOP NUCLEAR WEAPONS

Iran and North Korea are the states of most concern to us. The United States' concerns about Iran are shared by many nations, including Iran's neighbors. We as-

sess that Tehran is determined to develop nuclear weapons—despite its international obligations and international pressure. It is continuing to pursue uranium enrichment and has shown more interest in protracting negotiations than reaching an acceptable diplomatic solution. This is a grave concern to the other countries in the region whose security would be threatened by Iranian nuclear weapons.

#### NORTH KOREAN THREAT

North Korea's threat to international security is also grave. In July, Pyongyang flight-tested missiles and in October it tested a nuclear device. We remain concerned it could proliferate these weapons abroad. Indeed, it has a long history of selling ballistic missiles, including to several Middle Eastern countries. If its nuclear weapon and missile programs continue, North Korea threatens to destabilize a region that has known several great power conflicts over the last 100 years and now includes some of the world's largest economies.

On 13 February, the Six-Party Talks in Beijing resulted in an agreement on steps intended to lead to a declaration of all Democratic People's Republic of Korea nuclear programs and a disablement of all existing nuclear facilities. The agreement is the initial step in the denuclearization process, and we will be looking closely at implementation.

Should additional countries in Northeast Asia or the Middle East seek nuclear weapons in reaction to Iran's or North Korea's nuclear programs, the global non-proliferation regime could unravel. We are watching several states for signs of nuclear weapons aspirations, in part because of reporting of past contact with A.Q. Khan and his network when it was active. We also are concerned about rogue or criminal elements willing to supply materials and technology—alone or with a network—without their government's knowledge.

#### REGIONAL CONFLICTS, INSTABILITY, AND RECONFIGURATIONS OF POWER AND INFLUENCE

As noted at the outset of this statement, globalization is contributing to conflicts, instability, and reconfigurations of power and influence. These consequences of globalization manifest themselves most clearly at the regional level, although at times we can see the effects across regions. Again, the attempt by states or non-state actors to co-opt, dominate, turn into proxies, or destroy other nation states is our primary concern. This is the explicitly stated goal of al Qaeda's leadership vis-à-vis Iraq and the Levant, and it is an accurate appraisal of the foreign policy aims of states like Iran. However they occur, violent conflicts in a given state—as we see in Africa today—can swiftly lead to massive humanitarian tragedies and, potentially, regional wars.

#### THE MIDDLE EAST—AN EMBOLDENED IRAN

In the Middle East, Iran and its neighbors see a strategic shift: Iran's influence is rising in ways that go beyond the menace of its nuclear program. The fall of the Taliban and Saddam, increased oil revenues, HAMAS's electoral victory, and Hizballah's perceived recent success in fighting against Israel all extend Iran's shadow in the region. Our Arab allies fear Iran's increasing influence, are concerned about worsening tensions between Shiite and Sunni Islam, and face heightened domestic criticism for maintaining their decades-old strategic partnerships with Washington.

Iran's growing influence has coincided with a generational change in Tehran's leadership. Iranian President Ahmadinejad's administration—staffed in large part by second-generation hardliners imbued with revolutionary ideology and deeply distrustful of the U.S.—has stepped up the use of more assertive and offensive tactics to achieve Iran's longstanding goals.

#### IRAN—ETHNIC UNREST

However, Ahmadinejad's supporters suffered setbacks in the recent Assembly of Experts and local council elections. Moreover, ethnic tensions in Iran's Baloch, Kurdish, and, to a lesser extent, Arab and Azeri areas continue to fester, creating concern in Tehran about the potential for broader ethnic unrest to generate large-scale anti-regime activity. While record oil revenues and manageable debt suggest that Iran is capable, for now, of weathering shocks to the economy, inflationary pressures, exacerbated by Ahmadinejad's expansionary fiscal and monetary policies, are harming Iran's consumer and investment climates and causing employment opportunities to decline.

## IRAN—ACTIVE IN IRAQ

Regarding Tehran's regional policies, Iran continues to be active in Iraq, seeking to influence political, economic, religious, and cultural developments to ensure a nonthreatening, cooperative, and Shiite-dominated regime to its west.

- Iran uses radio, television, and print media to influence Iraqi public opinion and help promote pro-Iranian individuals in the Iraqi government at all levels. It has offered financial and other support to its political allies in the United Iraqi Alliance, but its electoral impact appears to have been marginal, given the likelihood that Shiite voters would have voted for the unified Shiite ticket anyway.

## IRANIAN MILITARY POWER

Iranian conventional military power threatens Persian Gulf states and challenges U.S. interests. Iran is enhancing its ability to project its military power—primarily with ballistic missiles and naval power—with the goal of dominating the Gulf region and deterring potential adversaries. It seeks a capacity to disrupt the operations and reinforcement of U.S. forces based in the region—potentially intimidating regional allies into withholding support for U.S. policy—and raising the political, financial, and human costs to the U.S. and our allies of our presence in Iraq. Tehran views its growing inventory of ballistic missiles (it already has the largest inventory of these missiles in the Middle East), as an integral part of its strategy to deter—and if necessary retaliate against—forces in the region, including U.S. forces.

## IRAN—TERRORISM AND HIZBALLAH

We assess that Iran regards its ability to conduct terrorist operations abroad as a key element of its national security strategy: it considers this capability as helping to safeguard the regime by deterring U.S. or Israeli attacks, distracting and weakening Israel, as enhancing Iran's regional influence through intimidation, and as helping to drive the U.S. from the region.

At the center of Iran's terrorism strategy is Lebanese Hizballah, which relies on Tehran for a substantial portion of its annual budget, military equipment, and specialized training. Hizballah is focused on its agenda in Lebanon and supporting anti-Israeli Palestinian terrorists, but, as I indicated earlier, it has in the past made contingency plans to conduct attacks against U.S. interests in the event it feels its survival—or that of Iran—is threatened.

## SYRIA'S REGIONAL POLICIES

Syria has strengthened ties with Iran and grown more confident about its regional policies, largely due to what it sees as vindication of its support to Hizballah and HAMAS and its perceptions of its success in overcoming international attempts to isolate the regime. Damascus has failed to crack down consistently on militant infiltration into Iraq and continues to meddle in Lebanon. Lebanon remains in a politically dangerous situation as Damascus, Hizballah, and other pro-Syrian groups attempt to topple the government of Prime Minister Siniora.

## PALESTINIAN TERRITORIES/HAMAS

In the Palestinian territories, inter-factional violence, which has intensified in the Gaza Strip and the West Bank since the establishment of the HAMAS-led Palestinian Authority (PA) government in March, threatens to escalate further absent success in forming a national unity government. HAMAS has continued to reject Quartet and Israeli demands for explicit recognition of Israel, renunciation of armed resistance to Israeli occupation, and acceptance of previous Palestinian Liberation Organization and international agreements.

## TURMOIL IN MAJOR AFRICAN STATES

In sub-Saharan Africa, the picture is mixed. We see the consolidation of democracy in some countries and the persistence of political crises and violent conflict in others. Many of Africa's past and present crises have occurred in countries run by entrenched regimes with little to no real democratic foundations and weak control of areas outside the capital. Sudan and Somalia are cases in point. Turmoil and conflict threaten large portions of the sub-Saharan region, stretching from the Horn of Africa in the east to Nigeria in the west.

## DARFUR CONFLICT

The Darfur conflict is the world's fastest-growing humanitarian crisis, with more than 200,000 people killed, 1.85 million internally displaced and another 234,000 refugees in neighboring Chad. Internally divided rebel groups continue to fight against the government because the existing peace agreement fails to provide security and power sharing. The Sudanese military has been unable to force the rebels to sign the peace accord and, with assistance from local militia, is conducting a dry season campaign against civilian villages suspected of harboring the rebels.

## SUDANESE FEARS

Already facing the prospect that its southern region will choose to secede in a referendum scheduled for 2011, the Sudanese government fears that additional concessions to the Darfur rebels and the deployment of U.N. peacekeepers to the region would lead to further disintegration of Sudan. Chadian and Central African Republic (CAR) rebel groups have become entangled in the Darfur crisis, and the spillover of violence in the past 10 months threatens to destabilize already weak regimes in both countries.

## SOMALIA TURMOIL

The rapid collapse of the Council of Islamic Courts and arrival in Mogadishu of the Transitional Federal Government (TFG) has altered the political dynamics in southern Somalia. The TFG faces many of the same obstacles that have kept any single group from establishing a viable government in Somalia since the country collapsed in 1991. Somali society is divided into numerous clans and sub-clans that are reluctant to see one group rise above the others. To win the confidence and support of the population and have any chance of restoring order, the TFG will need to be more inclusive and demonstrate effective governance. More turmoil could enable extremists to regain their footing absent mechanisms to replace the temporary Ethiopian presence with an internationally-supported Somali solution. Al Qaeda remains determined to exploit turmoil in Somalia.

## NIGERIA—DANGER OF DEMOCRATIC COLLAPSE

Nigeria's fragile democratic transition is in danger of collapsing in the coming months due to a lack of preparations for elections scheduled for April. Tensions are rising over concerns that President Obasanjo is manipulating the process to maintain his political influence after his term officially ends. The government's institutional foundations are hollow from decades of neglect and corruption and will continue to make the country susceptible to recurring crises in the coming years. Abuja has been unable to stem rising lawlessness and insecurity in its oil-producing region, and the Nigerian population is increasingly demoralized from worsening living conditions in the face of much publicized improvements in the country's macroeconomic indicators. Major political unrest in Nigeria would threaten other countries in the region.

## LATIN AMERICA—GRADUAL CONSOLIDATION OF DEMOCRACY

Gradual consolidation of democracy remained the prevailing tendency in Latin America over the election-packed year that concluded in December, despite the challenge to core democratic tenets in a few countries. Although some commentators spoke of a "lurch to the left" in the region, the election results point to no dominant ideological trend. Moderate leftists who promote macroeconomic stability, poverty alleviation, and the building of democratic institutions fared well, as did able right of center leaders. Indeed, the overall health of Latin American democracy is reflected in the results of a recent survey by a reputable Latin America polling organization: 58 percent of the respondents said that democracy is the best system of government. This number is up 5 percentage points, compared to results from the same poll in 2005.

At the same time, individuals who are critical of free market economics and have friendly relations with Venezuela's President Chavez won the presidency in two of Latin America's poorest countries, Ecuador and Nicaragua—both after Evo Morales' victory in Bolivia in December 2005.

## STRONG SHOWING OF LEFTIST CANDIDATES

The strong showing of presidential candidates with leftist populist views in several other countries speaks to the growing impatience of national electorates with the failure of incumbent governments to improve the living standards of large ele-

ments of the population. Public dissatisfaction with the way democracy is working is especially troubling in the Andes, most notably in Ecuador and Peru.

#### VENEZUELA—STRUGGLE AGAINST U.S. “IMPERIALISM”

Democracy is most at risk in Venezuela and Bolivia. In both countries, the elected presidents, Chavez and Morales, are taking advantage of their popularity to undercut the opposition and eliminate checks on their authority.

In Venezuela, Chavez has reacted to his sweeping victory on December 3 by increasing efforts to deepen his self-described Bolivarian Revolution while maintaining the struggle against U.S. “imperialism.” He has announced plans to prevent a leading opposition television station from continuing to broadcast and moved to nationalize the country’s main telecommunications enterprise and largest private electric power company. Chavez is among the most stridently anti-American leaders anywhere in the world, and will continue to try to undercut U.S. influence in Venezuela, in the rest of Latin America, and elsewhere internationally.

#### CHAVEZ’S WEAPONS PURCHASES

Chavez’s effort to politicize the Venezuelan Armed Forces and to create a large and well-armed Territorial Guard and military Reserves is another sign that he is breaking with the trend in the region toward more professional and apolitical militaries. His purchase of modern military equipment from Russia, including 24 SU-30 advanced fighter-bombers, and moves toward developing his own weapons production capability are increasingly worrisome to his neighbors. These weapons purchases could fuel an arms race in the region.

Fidel Castro’s Cuba continues to be Venezuela’s closest ally. Castro’s physical debilitation will deprive Chavez of a valued mentor and strategic adviser. The post-Castro transition in Cuba has begun. Key drivers in influencing events in post-Fidel Cuba will be how cohesive the governing elite will remain in the absence of Cuba’s iconic leader, how astute Raul Castro proves to be as his brother’s successor, and how much pressure the population will exert on the government in seeking economic and political reforms. This year is likely to mark the end of Fidel Castro’s domination of Cuba; but significant, positive change is unlikely immediately following his death: the period following his July 2006 operation afforded Raul Castro the opportunity to solidify his own position as successor.

#### MEXICO—NEW PRESIDENT

In Mexico, President Felipe Calderon of the ruling National Action Party (PAN) was inaugurated on December 1 after a razor-thin margin of victory over his closest opponent, leftist populist Andres Manuel Lopez Obrador of the Party of the Democratic Revolution. The July election illustrated the country’s polarization along socioeconomic lines. The new government has initiated steps to address problems that affect both Mexican and U.S. security concerns, including drug smuggling, human trafficking, and associated violence.

#### CROSSCURRENTS IN ASIA

The rise of China and economic prosperity more generally—except for North Korea—are changing Northeast Asia in unprecedented ways. Trade and investment, driven by China’s successful integration into the world economy through the World Trade Organization framework, is rapidly bringing the countries of this region closer together; but it still lacks mature, integrating security mechanisms, beyond the U.S. security treaties with Japan and South Korea.

#### CHINA—BEIJING’S FOREIGN POLICY

In 2006, Chinese leaders increasingly moved to align Beijing’s foreign policy with the needs of domestic development, identifying opportunities to strengthen economic growth, gain access to new sources of energy, and mitigate what they see as potential external threats to social stability. At one and the same time, China places a priority on positive relations with the United States while strengthening ties to the other major powers, especially the European Union and Russia.

The Peoples Republic of China leaders continue to emphasize development of friendly relations with the states on China’s periphery to assure peaceful borders. In the past year, China achieved notable success in improving relations with Japan under newly elected Prime Minister Abe and prospects for cross-straits conflict with Taiwan diminished. In addition to establishing strong bilateral ties, Beijing actively engages with many multilateral organizations, including ASEAN.

## CHINA—RAPID MILITARY MODERNIZATION

Beijing continues its rapid rate of military modernization, initiated in 1999. We assess that China's aspirations for great power status, threat perceptions, and security strategy would drive this modernization effort even if the Taiwan problem were resolved. The Chinese are developing more capable long-range conventional strike systems and short- and medium-range ballistic missiles with terminally guided maneuverable warheads able to attack U.S. carriers and airbases.

## CHINA—MAINTAINING DOMESTIC STABILITY AND ECONOMIC GROWTH

Maintaining domestic social stability remains one of Beijing's top priorities. Rural discontent, which has erupted in an increasing number of local demonstrations and riots, could undermine continued rapid economic growth if not addressed. Hu Jintao's "harmonious society" program is an attempt to address these concerns by enhancing environmental protection, social service, and rule of law, while strengthening the Communist Party's position. The 11th 5-Year Plan enacted in 2006 seeks to put economic growth on a more secure footing by attempting to address rural complaints and extending economic prosperity to more disadvantaged segments of Chinese society. Implementation of this program would require a major shift of resources to the countryside, greater accountability of provincial leaders to Beijing, and stronger efforts to root out local corruption.

Lastly, some aspects of China's financial system are unhealthy, with state-owned banks maintaining large balances of non-performing loans. We nevertheless see a low risk of severe financial crisis over the next 5 years; China is introducing market measures to the financial sector, and has massive foreign exchange reserves, current and capital account surpluses and low exposure to short-term foreign currency debt.

## INDIA—ECONOMIC GROWTH AND REGIONAL ROLE

We expect that India's growing confidence on the world stage as a result of its sustained high rates of economic growth will make New Delhi a more effective partner for the United States but also a more formidable interlocutor in areas of disagreement, particularly in the WTO.

New Delhi seeks to play a role in fostering democracy in the region, especially in Nepal and Bangladesh, and will continue to be a reliable ally against global terrorism, given the fact that India is a major target for jihadists in part because of the insurgency in Kashmir.

## INDIA—PAKISTANI RELATIONS

The 3-year peace process between India and Pakistan has lessened tensions in the region and both sides appear committed to improving the bilateral relationship. New Delhi's threshold for responding militarily to terrorist attacks has apparently increased since the two countries last approached the brink of war in 2002. The Mumbai train bombings last year disrupted but ultimately did not derail the composite dialogue and a mechanism for exchanging information on terrorist attacks has been established. Yet, the prospect of renewed tensions between the two remains despite these improved relations, and we are mindful that Pakistan was a major source of nuclear proliferation until our efforts disrupted A.Q. Khan's network.

Nonetheless, New Delhi's concerns about Pakistan's tolerance, at a minimum, of terrorist attacks on Indian soil remains a dominant theme in relations, and risks derailing rapprochement. An attack on a high-profile target might lead New Delhi to take action to curtail militant capabilities in Pakistan or Pakistani Kashmir and punish Islamabad for its continued support to Pakistan-based militants. We remain concerned about the potential that such a conflict could escalate.

Although both New Delhi and Islamabad are fielding a more mature strategic nuclear capability, they do not appear to be engaged in a Cold War-style arms race based on a quest for numerical superiority.

## PAKISTAN—TERRORISM AND LEADERSHIP ISSUES

For its part, as noted previously, Pakistan is a frontline partner in the war on terror. Nevertheless, it remains a major source of Islamic extremism and the home for some top terrorist leaders. The prospect of renewed tensions with nuclear-armed India remains despite improved relations, and Pakistan had been a major source of nuclear proliferation until the disruption of the A.Q. Khan's network. Meanwhile, democracy has not been fully restored since the Army took power in 1999. With elections expected later this year, Musharraf continues to be criticized for remaining both the President and Chief of the Army Staff, but there are no political leaders

inside the country able to challenge his continued leadership. Musharraf's secular opponents are in disarray, and the main Islamic parties continue to suffer from internal divisions and an inability to expand their support base.

#### EURASIA IN FLUX

Fifteen years after the dissolution of the U.S.S.R., post-Soviet Eurasia remains in a state of flux—more so than even a year ago—but increasingly subject to Russian assertiveness.

#### RUSSIA—SUCCESSION MANEUVERING

As Russia moves toward a presidential election in March 2008, succession maneuvering has intensified and increasingly dominates Russian domestic and foreign policy. Against that backdrop, the last year has seen expanded Kremlin efforts to stifle political opposition and widen state control over strategic sectors of the economy. Those trends are likely to deepen as the succession draws closer.

Meanwhile, high energy prices and abundant oil and gas Reserves continue to fan Kremlin aspirations for Russia to become an energy super-power. A flush economy and perceived policy successes at home and abroad have bolstered Russian confidence, enabled increased defense spending, and emboldened the Kremlin to pursue foreign policy goals that are not always consistent with those of Western institutions. Indeed, Russia is attempting to exploit the leverage that high energy prices has afforded it, increasingly using strong-arm tactics against neighboring countries.

#### RELATIONSHIP WITH U.S. AND THE WORLD

Russian assertiveness will continue to inject elements of rivalry and antagonism into U.S. dealings with Moscow, particularly our interactions in the former Soviet Union, and will dampen our ability to cooperate with Russia on issues ranging from counterterrorism and nonproliferation to energy and democracy promotion in the Middle East. As the Litvinenko murder demonstrates, the steady accumulation of problems and irritants threatens to harm Russia's relations with the west more broadly.

#### OTHER EURASIAN STATES AND BALKANS

Ukraine's political situation is also unsettled. The power struggle between President Yushchenko and recently re-installed Prime Minister Yanukovich continues to buffet Ukrainian politics and national policy.

#### UKRAINE'S ORANGE REVOLUTION

- Ukraine's Orange Revolution brought lasting changes, including greater media freedom and a strengthened role for civil society. Improvements to the political process resulted in free and fair parliamentary elections in March 2006. However, Yanukovich's re-emergence after his party won that election increased cynicism in the region about the promise of "colored" revolutions, bolstered Russia's position in the region and leaves Georgia isolated as virtually the only former Soviet republic fully-committed to Euro-Atlantic integration.

The future development of the Caucasus is likely to be intertwined with what may happen outside the region in Kosovo. If Kosovo gains independence this year—as seems likely—Russia has signaled that it might respond by recognizing breakaway regions in Georgia, a risky step.

#### CENTRAL ASIA—AMERICAN INTERESTS

American interests in Central Asia also face increasing challenges. Of the five countries in the region, three—Kazakhstan, Tajikistan, and especially Uzbekistan—are authoritarian; another, Kyrgyzstan, is semi-authoritarian and increasingly fearful of losing control; and the last, Turkmenistan, a dictatorship whose new leader is still consolidating power. All view our democratization agenda with suspicion. The repression, leadership stasis, and corruption that tend to characterize these regimes provide fertile soil for the development of radical Islamic sentiment and movements, and raise questions about the Central Asian states' reliability as energy and counterterrorism partners.

- There is no guarantee that elite and societal turmoil across Central Asia will stay within the confines of existing autocratic systems. In the worst, but not implausible case, central authority in one or more of these states could evaporate as rival political factions, clans, or regions vie for power—

opening the door to a dramatic expansion of terrorist and criminal activity along the lines of a failed state.

#### ENERGY SECURITY AND COMPETITION FOR SUPPLIES

Energy resources have long been a critical element of national security but globalization, unprecedented increases in demand, and the interactive effects of energy and other issues have both magnified and broadened the significance of developments in the global energy system. Oil prices have fallen by more than 25 percent since their peak last July and spare production capacity has grown to more than 2 million barrels per day. Nevertheless, we have entered a new era in which energy security has become an increasing priority not only for the U.S. and the West, but also rapidly developing economies like China and India that are becoming major energy consumers.

This means that developments in the energy arena, narrowly defined, have significant and often multiple consequences in other areas. For example, high and surging demand for oil and gas fueled by 5 years of unusually robust world economic growth have resulted in higher prices and windfall profits for producers. Producer nations benefiting from higher prices, and the potential political, economic, and even military advantages include several countries that are hostile to U.S. interests.

#### INTELLIGENCE READINESS AND GLOBAL COVERAGE

Each of these national security challenges is affected by the accelerating change and transnational interplay that are the hallmarks of 21st century globalization. Globalization has transformed the way we communicate and conduct business, but it has also transformed the way we think about challenges and opportunities and in the way we define and confront our foes. Indeed, it is not too much of a stretch to say that events anywhere can—and often do—affect our interests and the security of our Nation and our people. As a result, the Intelligence Community must maintain global coverage and the highest level of readiness to anticipate challenges and respond to them.

#### INTELLIGENCE TRANSFORMATION EXAMPLES

Therefore, I offer a few examples that demonstrate the extent to which the Intelligence Community is transforming the way we work with one another and are achieving a higher level of intelligence readiness than was the case before September 11.

#### NATIONAL COUNTERTERRORISM CENTER

The first example is a strengthened National Counterterrorism Center (NCTC), which in last 2 years has fully assumed its central role in our Nation's efforts against global terrorism worldwide.

- The key agencies involved are physically present and integrated into NCTC's work.
- NCTC draws on 30 different networks in performing its analytic and information-sharing functions.
- NCTC convenes all the key players in our counterterrorism intelligence mission three times a day to ensure complete coordination and face-to-face communication.

#### INFORMATION SHARING

The second improved readiness example is the impact of our information sharing reform initiatives. Nothing improves intelligence readiness faster than information sharing with the right authorities, friends, and allies. Under the new Senate-confirmed Chief Information Officer and the Program Manager for the Information Sharing Environment, we have:

- Implemented a classified information sharing initiative with key U.S. allies.
- Established the Unified Cross Domain Management office with the Department of Defense to oversee development and implementation of common technologies that enable highly classified networks to share information with users and systems that have lower or no clearances;
- Developed and rolled out "blue pages" that provide contact information for all agencies with counterterrorism responsibilities in the U.S. Government;

- Released the Information Sharing Environment Implementation Plan and Privacy Guidelines, which provide the vision and road map for better information sharing within the Intelligence Community and with our fellow Federal, State, local, and tribal counterparts, as well as with the private sector; and
- We are nearing completion of a significant simplification of “Sensitive but Unclassified” rules for the U.S. Government, which should further improve information sharing with State and local partners.

#### COVERAGE OF SUDDEN FLARE-UPS, EMERGING CRISES

A third example of our intelligence readiness addresses the critical question of global coverage and dealing with sudden flare-ups. We have developed a new model for assessing and then tasking Intelligence Community organizations to “lift and shift” collection resources in response to emerging crises.

- Application of this process in support of intelligence efforts against the summer 2006 Lebanon/Hizballah/Israel crisis proved very effective in focusing community efforts.
- The same model is being used against the ongoing Darfur crisis and in Somalia.

#### MISSION MANAGERS

Finally, we have established Mission Managers for Terrorism, Iran, North Korea, Counterproliferation, Counterintelligence, Cuba and Venezuela. These are senior executives, empowered to act across the Intelligence Community, to achieve full coordination, synergy, and cooperation. In two cases cited earlier—Iraq and China—where the United States has, justifiably, the largest intelligence investment, and where I will join the most senior Intelligence Community members in being deeply and directly engaged as a team.

#### CONCLUSION

This requirement for readiness and global coverage does not mean that all places and problems are equally important at a given point in time. We must and do accord greater attention to those that are most dangerous, most difficult, and most important to the policymakers, warfighters, and first responders who depend on information and insights from the Intelligence Community. The challenge we face is not catching up to globalization or getting ahead of globalization—it is recognizing the degree to which our national security is inextricably woven into the fabric of globalization.

In intelligence, our focus on the military, foreign, counterintelligence, and domestic dimensions of the threat must be all of a piece, seamlessly integrated to thwart attacks, prevent surprises, and provide policymakers with the time and insight they need to make decisions that will keep Americans safe. Thank you very much.

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

#### **STATEMENT OF LTG MICHAEL D. MAPLES, USA, DIRECTOR, DEFENSE INTELLIGENCE AGENCY**

General MAPLES. Thank you, Chairman Levin, Senator Warner, and members of the committee. Thank you for this opportunity to testify today and for your continued support to our Armed Forces and to the DIA. My testimony, which I have submitted for the record, outlines our assessments of the state of the insurgencies in Iraq and Afghanistan, the current threat from global terrorism, and proliferation of WMD. It also addresses defense-related developments in states and regions of concern and other transnational issues. As you requested, I will summarize a few of these issues.

The situation in Iraq will remain an extremely complex and challenging security environment, as the conflict remains fundamentally a sectarian struggle for power and the right to define Iraq’s future identity. We have seen recent positive developments, including continued development and increased capability of Iraq security

forces, efforts to address problems associated with de-Baathification, and increased cooperation between the Sunni Arab tribes and the government in al-Anbar Province.

Prime Minister Maliki has made gestures to the Sunni minority such as offers to reinstall some Saddam-era military leaders and the issuance of arrest warrants for Ministry of Interior personnel accused of abuses. Sadrist members of the Council of Representatives ended their boycott of the Council and the Council passed a national budget. The Government of Iraq seems committed and is making initial efforts to move forward with the Baghdad security plan.

Despite these developments, significant challenges to U.S. and coalition forces remain. The Sunni Arab-based insurgency remains fundamentally strong, adaptable, and capable despite ongoing security operations, some limited progress in the political arena, and some improvements in the Iraqi security forces.

We have noted a change in the character and the dynamics of the conflict. The perception of unchecked violence is creating an atmosphere of fear, hardening sectarianism, empowering militias and vigilante groups, and undermining confidence in government and security forces. Conflict in Iraq is in a self-sustaining cycle in which violent acts increasingly generate retaliation. Insecurity rationalizes and justifies militias, in particular Shiite militias, which increases fears in the Sunni Arab community. The result is additional support or at least acquiescence to insurgents and terrorists such as al Qaeda in Iraq (AQI). Shiite militants, most notably Jaysh al-Mahdi, also are responsible for the increase in violence.

Attacks by terrorist groups account for only a limited portion of insurgent violence. Yet the high profile nature of their operations and tactics have a disproportionate impact. AQI is the largest and most active of the Iraq-based terrorist groups. AQI's attacks against Iraqi government targets and coalition forces continue with a particular intent to accelerate sectarian violence and to destabilize Baghdad. AQI will continue to attempt to dominate the news cycle with sensational attacks.

The situation in Iraq is complex and difficult, involving counter-insurgency operations, counterterrorism, stability operations, and nation-building. In this tenuous environment, DIA judges that continued coalition presence is the primary counter to a breakdown in central authority. Such a breakdown would have grave consequences for the people of Iraq, stability in the region, and U.S. strategic interests. No major political figure in Iraq has endorsed the notion of civil war or partition and most political and religious leaders continue to restrain their communities.

In Afghanistan, the Taliban-led insurgency is a capable and resilient threat to stability, particularly in the Pashtun south and east. Despite absorbing heavy combat losses in 2006, the insurgency has strengthened its military capabilities and influence with its core base of rural Pashtuns. Overall attacks doubled in 2006 from the previous year and suicide attacks quadrupled from 2005. Large-scale operations increased significantly as well.

DIA assesses that the Taliban-led insurgency will remain a threat in 2007 and its attacks will increase this spring. Al Qaeda

remains the most dominant terrorist organization and the most significant threat to U.S. interests worldwide. Despite being forced to decentralize its network, al Qaeda retains the ability to organize complex mass casualty attacks and to inspire others. Al Qaeda's increasing cooperation with like-minded groups has improved its ability to facilitate, support, and direct its objectives.

AQI is the largest and the most deadly of the Iraq-based terrorist groups. It conducts the most provocative anti-Shiite attacks in Iraq, a hallmark of its strategy since 2003. It has instigated cycles of sectarian violence by characterizing its operations as defending Sunni interests. AQI continues to pose a regional threat and aspires to become a global threat.

Pakistan's direct assistance has led to the elimination or capture of numerous al Qaeda terrorists. Nevertheless, the Afghanistan-Pakistan border area remains a haven for al Qaeda's leadership and other extremists.

After global terrorism, the proliferation of WMD remains the most significant threat to our Homeland, deployed forces, allies, and interests. Increased availability of information together with technical advances have the potential to allow additional countries to develop nuclear, biological, and chemical weapons, and this is an area of increasing concern.

North Korea's October 2006 detonation of a nuclear device marked its first nuclear test and an attempt to win international recognition as a nuclear power after a decades-long program to develop these weapons. Iran also continues to develop WMD capabilities. Although Iran claims its program is focused on producing commercial capabilities, DIA assesses with high confidence that Iran remains determined to develop nuclear weapons.

DIA expects China's nuclear weapons stockpile to grow over the next 10 years as new ballistic missile systems reach operational status. We also believe China has produced sufficient weapon-grade fissile material to meet its military nuclear weapons requirements for the immediate future.

We expect Russia to meet strategic nuclear warhead limits mandated by the 2002 Strategic Offensive Reduction Treaty. Russia's nuclear warhead and material security programs have improved. However, we continue to be concerned with internal threats, potential of terrorist attack, and a commitment to maintaining security improvements.

Ballistic missiles remain a threat to U.S. interests. North Korea has an ambitious ballistic missile development program and has exported missiles and missile technology to other countries. On July 4 and 5, 2006, North Korea conducted seven missile launches. The Taepodong 2 space launch vehicle and intercontinental ballistic missile (ICBM) was flight tested for the first time and failed shortly after launch. Despite the failure of the Taepodong 2, North Korea successfully tested six theater ballistic missiles.

Iran's ballistic missile forces continue to train extensively in highly publicized exercises. These exercises enable Iranian ballistic missile forces to hone wartime operations skills and test new tactics. Iran is fielding increased numbers of theater ballistic missiles.

In conventional military forces, North Korea's military continues to suffer the consequences of the North's economic decline. Never-

theless, they remain capable of initiating an attack on South Korea. North Korea's large force provides the regime with an effective deterrent and a basis to employ threats to further its national security goals.

Iran's armed forces intend to rely on asymmetric tactics, using ballistic missiles, naval attacks in the restricted waters along its coasts, and possibly a strategic terror campaign.

The Peoples Republic of China is in the midst of a more than decade-long military modernization program. China's leaders remain focused on improving the quality of military personnel and developing or acquiring long-range precision strike missiles, modern fighter aircraft, a blue-water navy, and improved amphibious forces.

Russian leaders view a strong military as a necessary component to return their country to great power status. In general purpose forces, training activity within units of the permanently ready force which form the backbone of Russia's conventional capability is at the highest post-Soviet level. Modernizing the country's outdated equipment and planning conversion to all-contract manning remain significant challenges despite increased defense spending.

Non-U.S. global defense spending grew in real terms by 2.5 percent in 2006, amounting to an estimated \$738 billion. China ranked first with estimated spending of \$80 to \$115 billion and Russia was second at about \$90 billion. Russia is a leading arms exporter, with major sales of advanced weapons and military-related technology to China, India, Iran, and Venezuela.

Russia and China continue to be the primary states of concern regarding developing military space and counter-space programs. However, as the availability of space technology and services continue to increase, other nations can be expected to acquire military and commercial space-based assets.

Over the past few years the DIA, like the rest of the IC, has made major strides to improve our capabilities in intelligence collection, all-source analysis, and information management. Much has been accomplished. However, much more needs to be done. With your continued support, I am confident we will achieve greater levels of security for our citizens and for our national interests.

Thank you.

[The prepared statement of General Maples follows:]

PREPARED STATEMENT BY LTG MICHAEL D. MAPLES, USA

#### INTRODUCTION

Good afternoon Chairman Levin, Senator McCain, and members of the committee. Thank you for this opportunity to testify today and your continued support to the dedicated men and women of the Defense Intelligence Agency (DIA). Our Nation faces a variety of complex national and transnational threats and challenges. My testimony will outline the state of the insurgencies in Iraq and Afghanistan, the current threat from global terrorism and proliferation of weapons of mass destruction (WMD). Finally, I will discuss defense related developments in states and regions of concern and other transnational issues.

#### CONFLICT IN IRAQ

The situation in Iraq will remain an extremely complex and challenging security environment as the conflict remains fundamentally a sectarian struggle for power and the right to define Iraq's future identity. We have seen recent developments that give hope for progress. These include efforts to address problems associated

with de-Baathification and increased cooperation between Sunni Arab tribes and the government in al Anbar Province. Prime Minister Maliki has made gestures to the Sunni minority such as offers to reinstall some Saddam-era military leaders and the issuance of arrest warrants for Ministry of Interior personnel accused of abuses. Sadrist members of the Council of Representatives ended their boycott of the council and the council passed a national budget. Some rogue elements from Muqtada al-Sadr's movement have also been expelled from his organization. Finally, the Government of Iraq seems committed and is making initial efforts to move forward with the Baghdad Security Plan.

We note the continued development and increased capability of the Iraqi security forces (ISF) and police. The ISF will meet initial manning, training, and equipment milestones, improving unit capabilities. Nevertheless, the ISF will remain dependent on coalition support. ISF units continue to struggle with sectarian militia influence and instilling discipline in their formations to gain legitimacy with the population.

Despite these positive developments, significant challenges to U.S. and coalition forces remain. As the recent Iraq National Intelligence Estimate noted, Iraqi society's growing polarization, the persistent weakness of the security forces—and the state in general—and all sides' ready recourse to violence are collectively driving an increase in violence. Unless efforts at reversing these conditions show measurable progress in the next 12 to 18 months, the security situation will continue to deteriorate at rates comparable to late 2006.

The Sunni Arab-based insurgency remains fundamentally strong, adaptable, and capable despite ongoing security operations, some limited progress in the political arena and some improvements in the ISF. Improvised Explosive Devices (IED) use increased in 2006 and was responsible for roughly 60 percent of coalition casualties. Greater insurgent emphasis on anti-helicopter tactics is responsible for downing approximately eight coalition and contractor helicopters in the past month. Insurgents also began combining toxic industrial chemicals, such as chlorine gas, with their IEDs. Overall attacks averaged approximately 180 per day in January 2007, equal to the previous high in October 2006. The daily average of attacks against ISFs in January remained consistent with recent months averaging approximately 30 per day. Daily attacks on civilians in January averaged almost 50 per day, up from the previous high in October 2006 of approximately 40 per day.

We have noted a change in the character and dynamics of the conflict. The perception of unchecked violence is creating an atmosphere of fear, hardening sectarianism, empowering militias and vigilante groups, hastening a middle-class exodus, and shaking confidence in government and security forces. The sectarian violence, an inexperienced and weak central government, immature institutions, problems in providing basic services, and high unemployment are encouraging more Iraqis to turn toward sectarian groups, militias, and insurgents for basic needs, threatening the unity of Iraq. Moreover, robust criminal networks act as insurgent and terrorist force multipliers. Many Sunni Arabs, motivated by fear, financial incentive, perceptions of marginalization, and exclusion from Iraqi government and security institutions, act as insurgent sympathizers, capable of supporting the insurgency.

Since 2003, the fight to define post-Saddam Iraq has been primarily an intra-Arab conflict to determine how power and authority will be distributed. We note that conditions for the further deterioration of security and stability exist within this ongoing struggle. Although a significant breakdown of central authority has not occurred, Iraq has moved closer to this possibility because of weak governance, increasing security challenges, and the lack of a national compact.

Conflict in Iraq is in a self-sustaining cycle in which violent acts increasingly generate retaliation. Insecurity rationalizes and justifies militias, in particular Shiite militias and increases fears in the Sunni Arab community. The result is additional support, or at least acquiescence, to insurgents and terrorists such as al Qaeda in Iraq (AQI). Shiite militants, most notable Jaysh al-Mahdi, account for some of the increases in violence.

Baghdad is the center of the Shiite and Sunni Arab conflict as both groups fight for territory and political influence. Sectarian attacks constitute most of the violence in mixed-ethnic areas in and around the capital, while coalition forces remain the primary target in the Shiite south and Sunni west.

ISF, particularly the Ministry of Interior forces, are infiltrated and influenced by members of the Supreme Council for Islamic Revolution in Iraq's Badr organization and Muqtada al-Sadr's Jaysh al-Mahdi. The Jaysh al-Mahdi often operates under the protection or approval of Iraqi police. Many Sunnis view the ISF as a Shiite led tool of oppression. Some Jaysh al-Mahdi cells may operate outside Sadr's direct guidance and conduct independent operations.

Attacks by terrorist groups account for only a fraction of insurgent violence, yet the high-profile nature of their operations and tactics have a disproportionate impact. AQI is the largest and most active of the Iraq-based terrorist groups. AQI's attacks against Iraqi government targets and coalition forces continue with a particular intent to accelerate sectarian violence and destabilize Baghdad. AQI is one of the most visible perpetrators of anti-Shiite attacks in Iraq and has capitalized on the current cycle of sectarian violence by increasing perceptions its operations are in defense of Sunni interests. AQI will continue to attempt to dominate the news cycle with sensational attacks. Ansar al-Sunna, the second most prominent terrorist group in Iraq, also poses a threat to stability in Iraq; however its longstanding ties to AQI are increasingly strained. Hard numbers for foreign fighters in the Iraq insurgency are unavailable. DIA judges less than 10 percent of insurgents are foreign fighters. The majority of these individuals are used as suicide bombers.

The building, training, and deploying of ISF and police is progressing, although politicization of the security ministries remains a challenge. The ISF are meeting the initial manned, trained, and equipped milestones, have improved unit capabilities, and are increasingly taking the lead in security operations. They remain generally dependent on coalition support. We judge the ISF are presently unable to stand alone against Sunni insurgents, AQI and Shiite militias.

Iraqi government officials continue attempts to achieve national reconciliation, but attacks against civilians, a key driver of ethno-sectarian conflict, also continue. Political leaders' inability to resolve key issues such as federalism, de-Baathfication, amnesty for insurgents, and militia integration also contribute to continued Sunni Arab discontent, fueling support for terrorist and insurgent groups. Sectarian differences limit the effectiveness of government as groups maintain hard-line stances on contentious issues.

The Iraqi economy has experienced moderate growth despite the security situation, which continues to impede and increase overall costs of reconstruction. However, the inability to realize significant improvements in the oil and fuels sector and in electricity production and distribution creates drag on the economy while undermining the average Iraqi citizen's support for the central government and coalition.

The situation in Iraq is complex and difficult, involving counterinsurgency operations, counterterrorism, stability operations, and nation building. In this tenuous environment, DIA judges that continued coalition presence is the primary counter to a breakdown in central authority. Such a breakdown would have grave consequences for the people of Iraq, stability in the region, and U.S. strategic interests. No major political figure in Iraq has endorsed the notion of civil war or partition, and most political and religious leaders continue to restrain their communities. Although leaders across the political spectrum who are participating in the government continue to talk and search for a positive way forward, the challenges to bringing stability and security with a cohesive, unified, and effective government remain significant.

#### CONFLICT IN AFGHANISTAN

The Taliban-led insurgency is a capable and resilient threat to stability in Afghanistan, particularly in the Pashtun south and east. Despite absorbing heavy combat losses in 2006, the insurgency strengthened its military capabilities and influence with its core base of rural Pashtuns. Overall attacks doubled in 2006 from the previous year. Suicide attacks quadrupled from 2005 levels and large-scale operations—those involving 50 or more fighters—increased significantly as well. A sustained international military and Afghan security presence in the volatile Pashtun south and east alongside credible civil administration is essential for solidifying central government control. Otherwise, the Afghan government may find itself in a stalemate with insurgents where it maintains control over cities and insurgents retain freedom of movement in the Pashtun dominated countryside.

Al Qaeda's strategic objectives—re-establishing the Islamic caliphate, unified by a common ideology rooted in a violent rejection of apostasy and characterized by fervent opposition to Western influence in traditionally Islamic countries—compel al Qaeda's commitment to the Afghan jihad, help shape its strategy there, and help to recast Afghanistan as a critical battleground in a broader battle against the West and apostate regimes. In a July 2005 letter, Ayman al-Zawahiri framed the jihad in Afghanistan as a vanguard for ultimately establishing an Islamic state in the Levant, Egypt and neighboring states in the Arabian Peninsula and Iraq; multiple public statements by Zawahiri have since repeated this point.

The Afghan government is maintaining generally favorable and stable relations with most, but not all, of its neighbors. Afghanistan's relations with Pakistan are strained due to continued Taliban reliance on safe-haven in Pakistan.

In 2006, efforts by the government and provincial governors resulted in the greatest poppy eradication in 4 years. However, the Afghan drug trade remains a major source of revenue for insurgents and is a corrupting influence over government officials. Poppy cultivation will continue unless improved alternative livelihood programs, law enforcement, and judicial reform are implemented.

President Karzai's administration has been struggling to improve its performance and expand its presence. Although the Afghan government has established national-level political institutions by drafting a new constitution, holding a legitimate presidential election, and creating a democratically elected National Assembly, local governments receive limited resources from Kabul and struggle to provide effective governance. Additionally, the Afghan National Army and Police have been unable to effectively promote security, particularly in the volatile south and east. They remain hindered by a shortage of skilled personnel, tribal and ethnic rivalries, and corruption.

Nearly 5 years after the Taliban's fall, many Afghans expected the situation to be better by now and are beginning to blame President Karzai for the lack of greater progress. These unrealized expectations contributed to an erosion of support for his administration. Nevertheless, President Karzai is still the most powerful political figure in Afghanistan. President Karzai will need to secure successes in the months ahead to convince Afghans that his administration can counter and eventually defeat the Taliban. DIA assesses the Taliban led insurgency will remain a threat in 2007 and its attacks will increase this spring.

#### WAR ON TERRORISM

##### *Al Qaeda and Sunni Extremists*

Developments over the last year have highlighted the continuing threat posed by terrorism to the security of the United States. The United States and its allies achieved major successes against al Qaeda and its associated movement, including the elimination or capture of key leaders and the disruption of major plots. These achievements unfortunately highlight the resiliency of these groups and resonance of their message. In June 2006, Canadian authorities detained 17 individuals who were planning a series of attacks in Ontario province to include bombings, seizing Canadian Parliamentary buildings and a broadcast center, and taking hostages. Also, documents captured in a raid on an AQI safehouse in Iraq revealed AQI was planning terrorist operations in the U.S. The disrupted plots underscore both the accomplishments achieved in union with our partners in the war on terrorism and the continuing danger posed by al Qaeda. Despite being forced to decentralize its network, al Qaeda retains the ability to organize complex, mass-casualty attacks and inspire others.

Al Qaeda remains the most dominant terrorist organization and the most significant threat to U.S. interests worldwide. In 2006, al Qaeda remained a loose network, broadly defined by the strategic objective of re-establishing their version of an Islamic caliphate, and unified by a common ideology rooted in the violent rejection of Western influence, especially in traditionally Islamic countries. Al Qaeda has consistently recovered from losses of senior leadership. Despite the deaths and capture of key operatives, new but less experienced leaders step forward and remain committed to transnational terrorist operations, including in the United States. Additionally, al Qaeda's increasing cooperation with like-minded groups has improved its ability to facilitate, support, and direct its objectives. For example, in his 2006 September 11 anniversary video, Zawahiri announced that the Algerian Group for Salafist Preaching and Combat formally aligned itself with al Qaeda.

Al Qaeda senior leadership in Afghanistan and Pakistan remain under pressure from U.S. and our global war on terrorism partners' military and intelligence efforts, hindering their ability to direct global operations. The increased number of statements issued last year by al Qaeda leadership, in particular Ayman al-Zawahiri, indicate the continuing strategic role Osama bin Ladin and al-Zawahiri seek to play despite their isolation. This rhetoric is designed primarily to provoke Arab and Islamic audiences to undertake militant activities, regardless of locale or affiliation, in order to broaden and deepen their perceived global struggle; it is also designed to maintain influence over that struggle, to maintain recruitment and morale, and to place local insurgencies into the context of the wider global struggle.

AQI is the largest and most deadly of the Iraq-based terrorist groups. It continues to target Iraqi government interests and coalition forces. AQI conducts the most provocative anti-Shiite attacks in Iraq—a hallmark of its strategy since 2003. It has instigated cycles of sectarian violence by characterizing its operations as defending Sunni interests. Furthermore, AQI continues to pose a regional and a desire to be-

come a global threat. Seized documents and interrogations reveal AQI's intent to continue external attack planning.

*Chemical, Biological, Radiological, and Nuclear Terrorism*

Some terrorist groups see employing chemical, biological, or radiological materials as low-cost, high-impact options for achieving their goals. Even an inefficient dissemination of these materials, or a hoax incident, could have a substantial psychological and economic impact. Reporting continues to indicate that non-state actors, specifically al Qaeda, continue to pursue chemical, biological, radiological, and nuclear (CBRN) options. Osama bin Laden has openly declared his interest in such materials since the 1990s. The recent press claim made by the AQI leader asking for nuclear scientists to make 'germ' and 'dirty' weapons reinforces al Qaeda's interest and desire to acquire CBRN materials. CBRN-related information is widely available, and if terrorists were to use unconventional materials in an attack, we believe they likely would use low-level biochemical agents such as ricin, botulinum toxin or toxic industrial chemicals such as cyanide. In addition to these low-level biochemical agents, al Qaeda exhibited an interest in anthrax, mustard, and sarin prior to Operation Enduring Freedom. We also judge that al Qaeda and other terrorist groups have the capability and intent to develop and employ a radiological dispersal device. At this time, we do not believe that al Qaeda has a nuclear weapon capability, although acquisition remains a goal; the acquisition of sufficient weapons usable nuclear material remains al Qaeda's key obstacle to an improvised nuclear capability.

*Other Terrorist Groups*

Lebanese Hizballah continues training Iraqi Shiite militias. Hizballah also continues to provide support to Palestinian terrorist elements to facilitate attacks in Israel. Iran's Islamic Revolutionary Guard Corps-Qods Force has the lead for its transnational terrorist activities, in conjunction with Lebanese Hizballah and Iran's Ministry of Intelligence and Security.

The Revolutionary Armed Forces of Colombia (FARC) continues to view U.S. Government and DOD personnel as legitimate targets in Latin America. The FARC has held three U.S. DOD contractors hostage since 2003. The possibility of the FARC targeting U.S. interests and persons will remain as long as we are directly involved in Colombian counterdrug and counterterrorism efforts.

*Islamic World*

Favorable opinion of Sunni extremists is waning among Muslims worldwide. Muslim casualties in the 2005 Amman bombings accelerated the decline that began in response to al Qaeda's attacks against Iraqi civilians. In a summer 2006 multi-country poll conducted by a U.S. nongovernmental organization, approximately 25 percent of Jordanians expressed a lot or some confidence in Osama bin Laden compared to 60 percent the year before. In Pakistan, approximately 38 percent of respondents stated they had some level of confidence in Osama bin Laden, compared to 51 percent in May 2005.

Opinions of the west remain low in many Muslim countries. The caricatures of the Prophet Muhammad eroded the good will gleaned from U.S. relief efforts. Many Muslims believe the cartoons were deliberate insults and part of a western besiegement of Islam. Muslim public opinion will continue to be sensitive to perceived affronts to Muslim values.

The Sunni-Shiite divide remains largely a vehicle for Muslim power politics. Sunni and Shiite governments will continue cooperation through their surrogates when presented with a common enemy, such as the coalition in Iraq or Israel. Where the sponsors' interests diverge—as with their spheres of influence in Iraq or on the African periphery of the Islamic world—conflict will increase as competition for influence intensifies.

Islamic extremist groups will continue to attempt to gain popular support by exploiting governments' shortcomings in governance, corruption, economic development, and provision of critical services.

Extremism in Europe remains more a secular issue than a religious one. Many within Europe's burgeoning Muslim population increasingly voice discontent through extremism and violence with Europe's integration attempts. Extremism throughout the West will continue to be spread primarily through radical clerics, the Internet, and in prisons.

*Egypt*

Egypt is generally supportive of U.S. goals and objectives. Most recently, President Mubarak's government has tried to mediate between HAMAS and Israel to secure the release of a captured Israeli soldier. Egypt's overall security environment

is generally stable although susceptible to terrorist attacks as demonstrated by the April attacks on the Multinational Forces and Observers mission and on civilian targets in the Sinai Peninsula.

#### *Other Persian Gulf States*

Gulf Cooperation Council (GCC) states are stable, but leaders are concerned that instability in Iraq, the threat of terrorism, and a more aggressive Iran will directly affect them. Counterterrorism cooperation is improving, with pledges being made to increase regional effectiveness in the war on terrorism. There has also been progress in developing legal frameworks for the prosecution of terror planners and facilitators, although prosecution in the courts remains difficult. Despite GCC-wide acknowledgement of the Sunni extremist threat, two Sunni regimes with substantial Shiite minorities—Saudi Arabia and Kuwait—and one with a Shiite majority—Bahrain—have a fear of their Shiite population's ability to threaten internal stability; a concern likely related to their fear of Iranian hegemony.

#### *Pakistan*

Pakistan's direct assistance has led to the death or capture of numerous al Qaeda terrorists. A series of counterterrorism successes earlier this year delayed al Qaeda attack planning and temporarily diminished leadership resources. Nevertheless, the Afghanistan Pakistan border area remains a haven for al Qaeda's leadership and other extremists. In a September accord with the Pakistan government, North Waziristan tribes agreed to curtail attacks into Afghanistan, cease attacks on Pakistani forces, and expel foreign fighters. However, the tribes have not abided by most terms of the agreement. Al Qaeda's network may exploit the agreement for increased freedom of movement and operation.

The Pakistan government remains at odds with Afghanistan over the Taliban's presence in Pakistan. Additionally, Pakistan-based militants continued attacks against India undermine Pakistan's ability to make lasting peace with its neighbor.

#### *Southeast Asia*

Thailand continues to struggle with entrenched Muslim separatist unrest in its southern-most provinces. Approximately 400 individuals were killed in shootings, arson attacks, and bombings in 2006—approximately the same number as 2005—although we cannot confirm that all such incidents were insurgency related. The insurgency is home grown, although local Muslim extremists have sought to emphasize solidarity with “oppressed” Muslims worldwide in order to incite hatred against Thailand's Buddhist majority. The government, installed following the September coup, has adopted a conciliatory approach that it hopes will ease tensions; but the insurgency is a decentralized movement and many younger militants appear intent to continue the struggle.

Separatist unrest elsewhere in Southeast Asia has been largely contained, in part, through government reconciliation efforts. Indonesia continues to successfully advance last year's historic peace accord that ended the 29-year conflict in the Aceh province, with elections on December 11. Sporadic separatist violence in Indonesia's Papua province poses no serious security threat. The Philippines also achieved success sustaining a ceasefire in its Muslim south with the Moro Islamic Liberation Front, although a risk of resumed fighting persists in the absence of an agreement. Elsewhere in the south, Philippine military operations since August have increased pressure on the terrorist Abu Sayyaf Group and Jemaah Islamiyah operatives on Jolo Island. These groups nonetheless are intent on continuing attacks, posing a persistent threat to American interests.

### WEAPONS OF MASS DESTRUCTION

#### *NBC Weapons*

After global terrorism, the proliferation of WMD remains the most significant threat to our Homeland, deployed forces, allies, and interests. Increased availability of information together with technical advances has the potential to allow many new countries to develop nuclear, biological, and chemical weapons. This is an area of increasing concern.

North Korea continued to develop its WMD capability in 2006. North Korea's October detonation of a nuclear device marked its first nuclear test and an attempt to win international recognition as a nuclear power after a decades-long program to develop these weapons. North Korea could have produced several nuclear weapons from plutonium produced at its Yongbyon facilities. While North Korea may agree to give up plutonium production, major uncertainties surround the conditions under which the North would entirely abandon its nuclear weapons capability or of the likelihood of the North transferring nuclear weapons-related technology abroad.

North Korea's resources include a biotechnical infrastructure that could support the production of various biological warfare agents. DIA believes North Korea has had a longstanding chemical weapons stockpile of nerve, blister, blood, and choking agents.

Iran also continues to develop its WMD capabilities. Although Iran claims its program is focused on producing commercial electric power, DIA assesses with high confidence Iran remains determined to develop nuclear weapons. In 2007, DIA expects further progress including completion of a nuclear reactor Fuel Manufacturing Plant and installation of additional centrifuges at Natanz. Iran has a growing biotechnology industry, significant pharmaceutical experience, and the overall infrastructure that could be used to support a biological warfare program. DIA believes Iran is pursuing development of biological weapons. Iran has a large and growing commercial chemical industry that could be used to support a chemical agent mobilization capability.

DIA expects China's nuclear weapons stockpile to grow over the next 10 years as new ballistic missile systems reach operational status. DIA also believes China has produced sufficient weapon-grade fissile material to meet its military nuclear weapons requirements for the immediate future. DIA believes China continues to maintain some elements of an offensive biological weapons program. China possesses a sufficiently advanced biotechnology infrastructure to allow it to develop and produce biological agents.

Russia maintains a full complement of nuclear weapons. Although thousands of warheads have been dismantled, Russia relies on nuclear weapons as its primary means of deterrence and will continue to maintain and improve its forces and warheads. While we expect Russia to meet strategic nuclear warhead limits mandated by the 2002 Strategic Offensive Reduction Treaty (Moscow Treaty), we also believe they will continue to maintain a relatively large stockpile of non-strategic nuclear warheads. Russia's nuclear warhead and material security programs have improved. However, we continue to be concerned with the insider threat, terrorist attacks, and Russia's commitment to maintaining security improvements. We judge Russia also continues research and development that could support its chemical and biological warfare programs.

India and Pakistan are building larger stockpiles of fission weapons and are likely to work on advanced warhead and delivery system designs to increase the effectiveness of these weapons. Both nations have the infrastructure to support biological and some aspects of their chemical warfare programs.

Syria has pursued development of a strategic deterrent principally based on ballistic missile, chemical, and, to a limited extent, biological warfare programs, as a means of countering Israel's conventional force superiority. Syria's biotechnical infrastructure is capable of supporting limited biological agent development. DIA assesses Syria has a program to develop select biological agents. Syria has had a chemical weapons program for many years and already has a stockpile of the nerve agent sarin, which can be delivered by aircraft or ballistic missiles.

#### *Ballistic Missiles*

North Korea has an ambitious ballistic missile development program and has exported missiles and missile technology to other countries, including Iran and Pakistan. North Korea continues to develop the Taepo Dong 2, which could reach parts of the United States and is capable of carrying a nuclear payload. On 4–5 July 2006, North Korea conducted seven widely-published launches. The Taepo Dong 2 space launch vehicle/intercontinental ballistic missile was flight-tested for the first time and failed shortly after launch. Despite the failure of the Taepo Dong 2, North Korea successfully tested six theater ballistic missiles, demonstrating the capability to target U.S. forces and our allies in South Korea and Japan. North Korea is also developing a new intermediate-range ballistic missile and a new short-range, solid-propellant ballistic missile. Export of North Korea ballistic missiles will continue to be a concern.

Iran's ballistic missile forces continue to train extensively in highly publicized exercises. These exercises enable Iranian ballistic missile forces to hone wartime operations skills and new tactics. Iran continues its efforts to develop and acquire ballistic missiles capable of striking Israel and central Europe. It is fielding increased numbers of theater ballistic missile, and claimed it has incorporated anti-missile defense tactics and capabilities into its ballistic missile forces.

China continues to modernize and expand its ballistic missile forces to improve survivability and conventional war-fighting capabilities. It also continues to field a large number of conventional short-range ballistic missiles opposite Taiwan and is currently developing a number of new mobile conventional medium range systems. Beyond increasing the capabilities of its theater ballistic missile force, China con-

tinues to develop and test three strategic long-range missile systems—the DF-31 and DF-31A road-mobile Intercontinental Ballistic Missiles (ICBMs) and the JL-2 Submarine-Launched Ballistic Missile (SLBM). China remains committed to developing conventional ballistic missiles capable of targeting U.S. and allied military assets in the region to deter intervention in a Taiwan crisis.

Russia remains committed to maintaining formidable strategic nuclear forces as a credible nuclear deterrent and symbol of great power status. Russia began fielding its new road-mobile SS-27 intercontinental ballistic missile in 2006 and fielding silo-based variants is ongoing.

#### *Cruise Missiles*

Advances in anti-ship cruise missiles, land-attack cruise missiles, and armed unmanned aerial vehicles will continue to threaten deployed U.S. forces and our allies. The number of systems achieving operational status, exports, and the sale of dual-use technology continues to fuel this threat. Advancements in anti-ship cruise missiles including the capability for land-attack will present a challenge in countering these missiles.

China's development of a Tomahawk-class ground-launched land-attack cruise missile continues and will enable it to execute strikes in the Asian theater. Iran continues to pursue development and production of improved anti-ship cruise missiles. During the conflict with Israel, Lebanese Hizballah became the first non-state actor to launch an anti-ship cruise missile. In several unsuccessful attacks, Hizballah also launched probable Iranian-supplied unmanned aerial vehicles; at least one was armed with explosives. Pakistan continues flight-testing indigenous land-attack cruise missiles. The Indian Navy has begun taking delivery of the ship-launched version of the Russian/Indian Brahmos supersonic anti-ship cruise missile.

#### *Major Exporters*

North Korea and entities in Russia and China continue to sell technologies applicable to WMD and missiles for revenue and diplomatic influence. Russian entities continue to support missile programs and civil nuclear and biotechnology projects in other countries. Some of these projects can have weapons applications.

Chinese entities continue to supply key technologies to countries with WMD and missile programs, though it appears to be living up to its 1997 pledge to limit nuclear cooperation with Iran.

North Korea remains committed to selling missiles and related technologies. Although sales have declined to most customers due to its increasing international isolation, North Korea's relationship with Iran and Syria remain strong and of principal concern.

Nongovernmental entities and individual entrepreneurs remain a concern. Past revelations regarding the A.Q. Khan nuclear proliferation network demonstrate how a complex network of suppliers with the requisite expertise and access to the technology, middlemen, and front companies can successfully circumvent international controls and support multiple nuclear weapons programs. Other examples of WMD-related supplier networks include those headed by Chinese national Q.C. Chen, which operated various supplier organizations over the past several years. Chen has been subjected to U.S. sanctions in violation of the Iran Non-Proliferation Act.

### OTHER STATES AND REGIONS OF CONCERN

#### *North Korea*

North Korean military forces continue to suffer the consequences of the North's economic decline. Nevertheless, they remain capable of initiating an attack on South Korea. Its large force provides the regime with an effective deterrent against the prosperous and modern South and the self-perceived option of employing threats to further North Korean national security goals.

No immediate prospect of regime collapse is evident. Kim Jong Il continues to maintain tight control over the military, government, and communist party. North Korea's pervasive ideological indoctrination has helped foster extreme nationalism which contributes to the strength of the regime.

#### *Levant Conflict*

The Israel Defense Forces damaged some of Hizballah's arsenal and many of its buildings, but Hizballah's leadership remains unscathed and probably has already replenished its weapons stockpiles with Iranian and Syrian assistance. Lebanon was compelled to deploy the Lebanese Armed Forces (LAF) to the south, though the LAF has not moved to disarm Hizballah. Additionally, the Lebanese government has now been told it is accountable for what occurs on all Lebanese territory as a result of U.N. Security Council Resolution 1701.

Hizballah leaders claimed victory and grew more assertive in their political demands as demonstrated by opposition demonstrations in Beirut. Hizballah is currently focused on asserting political dominance in Lebanon. Iran and Syria remain committed to Hizballah's survival. Israeli defense officials have publicly opined that due to the fluid situation, the conflict could reignite during the summer of 2007.

#### *Iran*

Iran continues to push for a reduced U.S. military presence in the Persian Gulf and Central Asia and weakened ties between the U.S. and its key Arab allies. Iran does not expect to militarily defeat any US-led coalition in the event of a conflict. Rather, it seems intent on imposing greater costs than western leaders and publics are willing to bear. As shown in its highly publicized Noble Prophet exercises, Iran intends to rely on asymmetric tactics, using its ballistic missiles, naval attacks in the restricted waters along its coast against U.S. forces, and possibly a strategic terror campaign to disrupt U.S. war plans. Iran has sought to improve its capabilities through equipment upgrades, procurement, and exercises. Iran may be in the process of receiving the SA-15 air defense system from Russia, adding to its short-range air defense capability. Iran may also eventually acquire other advanced defense systems. Anti-ship cruise missiles, a small boat fleet, sea mines, and submarines comprise Iran's efforts to contest access to the Persian Gulf.

Meanwhile, Iran is attempting to expand its own regional influence. Iran seeks to bring Iraq into its sphere of influence and is providing economic aid to both win Iraqi hearts and minds and to gain an economic foothold. Iran is assisting Iraq's infrastructure needs; it recently agreed to supply kerosene to Kurdish areas, and intends to build a gas pipeline and rail lines between the two countries. Iran is also providing lethal aid to some Shiite elements.

Iran probably is pursuing a dual-track policy in Afghanistan of publicly promoting Afghan stability, while possibly supporting some insurgent groups. This approach reflects Iran's intent to maximize political influence, hedge against uncertainty in Afghanistan by building relationships with several groups, and maintain pressure on U.S. forces.

Iran also continues to support Hizballah for countering Israeli and U.S. efforts in the region, especially after Hizballah's perceived success against Israel during clashes in July 2006.

#### *Syria*

Syria continues to support and help arm Hizballah to protect Syrian interests in Lebanon and provide leverage against Israel, which it continues to view as its greatest threat. Syrian interference in Lebanon is likely to continue, aimed at influencing Lebanon's policies on Hizballah, Israel, and the U.N. investigation of the assassination of former Lebanese Prime Minister Hariri.

The Syrian leadership is trying to balance a complex mix of objectives in Iraq. These include preventing U.S. success in Iraq and encouraging our eventual withdrawal, while at the same time improving relations with the Baghdad government, supporting a unified Iraq, and avoiding a full-blown Iraqi civil war. Syria remains the primary insurgent gateway into Iraq due to corruption, smuggling networks, and cross-border tribal ties.

Syria continues to make minor improvements to its conventional forces. It did not make any major weapons acquisitions in 2006, continuing a trend begun in the mid-1990s. Instead, the Syrian military has focused its limited defense procurement dollars on low cost-high impact weapons such as anti-tank guided missiles, advanced tactical surface-to-air missiles like the SA-24, and upgrades to existing platforms. Syria also maintains an active chemical weapons program.

We judge the regime is generally stable with no cohesively organized opposition supported by a domestic constituency. The regime considers Islamic extremism its greatest internal threat.

#### *China*

The People's Republic of China (PRC) is in the midst of a more-than-decade-long military modernization program. The program's announced defense budget in 2006 was approximately \$35 billion—a 14 percent increase from 2005—but we assess actual spending to be higher. PRC leaders remain focused on improving the quality of military personnel and developing or acquiring long-range, precision-strike missiles, modern fighter aircraft, a blue-water navy, and improved amphibious forces. China took delivery of the final three SS-N-27B-capable *Kilo*-class submarines over the past year, completing its contract with Russia for eight of these submarines. China continued fielding its first indigenously built fourth-generation F-10 fighters. In addition, China remains focused on counterterrorism, domestic security, and mar-

itime deployments, which hone its ability to respond to domestic instability and tensions in the East China or South China Seas.

China's strategic course appears to focus primarily on internal issues, and its foreign policy is driven by several related internal concerns: continuing economic development, maintaining communist party control, and safeguarding internal stability. Recent PRC publications assert China's commitment to peaceful development. However, a major driver of Chinese foreign policy is the acquisition of adequate supplies of resources and materials for its development. China's energy demands, particularly petroleum, have risen sharply. China is the world's second largest consumer and third largest importer of oil, importing over 40 percent of its needs. China's continued search for energy may become a point of contention between itself and the West, potentially affecting its policy towards Iran, a key Chinese energy supplier.

Unification with Taiwan remains a long-term national goal. China's cross-strait policy through the Taiwan Presidential Elections in 2008 is to "prevent Taiwan independence." As long as Taiwan takes no further action toward independence, we judge China—assessing long-term military, economic, and diplomatic trends favors its interests—will not try to force unification. Also, recent political difficulties by Taiwan's President Chen Shui-bian probably reassured China's leaders over the course of its present policy.

China remains committed to resolving North Korea's nuclear issue through the Six-Party Talks and voted in the UN Security Council to support international sanctions on the Kim Jong Il regime after North Korea's provocative nuclear weapons test and multiple missile launches. The talks produced an agreement in February 2007 on initial actions to implement the September 2005 Joint Statement on denuclearizing the Korean Peninsula.

#### *Russia*

Presidential succession politics will preoccupy Russia over the next 2 years. As the end of President Putin's second term draws near in 2008, the battle for power and property will take increasing precedence over policymaking. We judge defense policy will not be a significant issue in the campaign and, whichever candidate is elected, it will not likely result in significant changes in Russian defense policy the first year in office.

Russian leaders view a strong military as a necessary component to return their country to great power status. They believe Russian strategic and non-strategic nuclear capabilities are key factors in deterring aggression. To meet future mission requirements, modernization initiatives are ongoing, with primary emphasis on the SS-27 ICBM and Bulava SLBM strategic systems. In the general purpose forces, training activity within units of the Permanently Ready Force (PRF), which form the backbone of Russia's conventional capability, is at their highest post-Soviet level. In 2006, Russian military participation in exercises with foreign militaries increased by over 50 percent over the 2005 level. No 2006 exercise rose to the significance of the 2005 Russo-Chinese exercise, although additional Russian naval exercises in the Black Sea and an increased number of air/ground exercises with Central Asian and European countries were notable. Modernizing the country's outdated equipment and planning conversion to all-contract manning remain significant challenges despite increased defense spending. Converting the PRF to an All-Volunteer Force is likely to take longer than planned, since Russia is having significant problems in both attracting new and retaining already-signed contractees. Dissatisfaction comes primarily from perceived low pay, hostile service conditions, inadequate housing, poor family support, and other unfulfilled government promises.

Russia has made progress in suppressing North Caucasus separatists by employing more effective counterinsurgency operations and co-opting insurgents to fight former compatriots. Although weakened, small insurgent groups continue attacks on Russian targets in the region.

Russia opposes closer integration of former Soviet countries with the west. It has been especially adamant that Georgia abandon its western-leanings and has condemned the Georgian government for its "anti-Russian" policies. Russia remains steadfast in its peacekeeping commitments in the Georgian separatist area of Abkhazia and South Ossetia, although its presence there is a source of contention between Russia and Georgia.

Russia opposes comprehensive sanctions on Iran, in part to protect its own economic interests with Iran. Russia continues to press Iran to cease uranium enrichment activities, if only temporarily, and tone down its inflammatory rhetoric.

Russia's primary focus on the North Korean nuclear issue is to prevent an escalation to war. It stresses the necessity of the Six-Party Talks to resolve the conflict in a peaceful way. Russia viewed North Korea's October 2006 nuclear test as a blow to the nonproliferation regime.

*Latin America*

Nearly a dozen presidential elections in 2006 produced winners ranging from pro-business center-right to market-friendly social democrats and radical populists. Venezuela's President Chavez won re-election and is following his mentor, Cuban President Fidel Castro, and President Chavez's vision for the continent. Venezuela cooperates with Cuban projects abroad. Key to this ideology is President Chavez's agenda to neutralize U.S. influence throughout the hemisphere. Regional military spending is increasing, Venezuelan purchased weapons and services from Russia, Iran, and China. Since 2005, Venezuela signed contracts with Russia for 24 Su-30MK2 advanced fighter aircraft, 50 transport and attack helicopters, and 100,000 assault rifles. President Chavez found allies in the newly-elected presidents of Bolivia and, to a lesser extent, Ecuador and Nicaragua.

In Cuba, Raul Castro is firmly in control as Cuba's acting president and will likely maintain power and stability after Fidel Castro dies, at least for the short-term. Raul Castro has widespread respect and support among Cuban military leaders who will be crucial in permanent government succession.

*Africa*

While there has been progress towards democracy and the diplomatic resolution of conflict in much of Africa, such advances remain fragile. In Sudan, despite a peace agreement that ended a 21-year long civil war between the north and south, violence and human insecurity in Darfur, Sudan are the worst since 2003–2004. Sudan is pursuing a military solution, using Arab "Janjaweed" militias to attack rebels and civilians. The African Union Mission in Sudan (AMIS) lacks the capacity to contain the violence, but the Sudanese government continues to oppose converting AMIS into a U.N. force. Since 2003, fighting has displaced over 2.2 million people, resulted in over 200,000 deaths, and contributed to instability in neighboring Chad and Central African Republic. Finally, statements from senior al Qaeda leaders have advocated attacks against U.N. or North Atlantic Treaty Organization peacekeepers if deployed to Darfur, creating an additional threat to Western forces.

In Nigeria, upcoming presidential elections will test the strength of the fledgling democracy as the public prepares for the first civilian-to-civilian transfer of power since independence. The potential for violence remains high as candidates from the predominantly Muslim north and Christian south compete for office. Among the leading issues is administration of Nigeria's oil wealth. Violence over control and access to oil in the Niger Delta has resulted in the kidnapping of oil workers, destruction of oil facilities, and a 25-percent reduction in oil production over the past year. Nigerian security forces have been unable to secure the vast oil infrastructure from militant attacks. Some oil companies warn that continued violence may prompt them to curtail future operations.

Somalia's Transitional Federal Government (TFG) is attempting to establish its legitimacy, and provide security and governance in Mogadishu. Somali nationalists and reorganizing remnants of the former Council of Islamic Courts (CIC) are initiating insurgent-style attacks to undermine the TFG and drive Ethiopian forces out of Somalia. We assess members of East Africa al Qaeda (EAAQ) and former CIC forces fled south to Kismayo and Ras Kamboni on the Kenyan border with Ethiopian forces in pursuit, intending to eliminate senior EAAQ leaders and their training camps before withdrawing. In January, the Ethiopian government announced it achieved its goals in Somalia and began redeploying a major portion of its combat forces to Ethiopia.

## TRANSNATIONAL ISSUES

*Insurgencies*

Insurgencies continue in other parts of the world. The only major insurgency in Latin America is the FARC. Its power and scope has waned under President Uribe's counterinsurgency efforts and that trend is expected to continue in 2007. Additionally, President Uribe may reach a peace agreement with the National Liberation Army, Colombia's second largest insurgent group. Colombia will also continue efforts to complete the complex paramilitary demobilization. In Sri Lanka, fighting between government forces and the Liberation Tigers of Tamil Eelam (LTTE) intensified since last summer. The situation is likely to remain unstable, marked by flare-ups of fighting and LTTE bombings and assassinations. Clashes between government and rebel forces in Eastern Chad continue. The looting of the U.N. humanitarian key supply point in Abeché during the most recent attacks has impeded international humanitarian efforts in eastern Chad. Recent government successes against rebels have diminished insurgent violence in eastern Chad and reduced the prospects of an imminent rebel attack toward N'djamena. Inter-tribal violence be-

tween black African and Arab tribes continues fueling tensions along the Chadian-Sudanese border.

#### *Global Defense Spending*

Non-U.S. global defense spending grew in real terms by 2.5 percent in 2006, amounting to an estimated \$738 billion. China ranked first with spending of \$80–115 billion, according to DIA estimates. Russia was second at about \$90 billion. The top 10 countries account for almost two-thirds of total spending, or \$480 billion. Of the top ten spenders, China and South Korea increased spending in real terms the most, by 9.6 percent and 9.9 percent respectively. Surging economies allowed Russian defense spending to grow an estimated 6.4 percent and Indian by 4.2 percent. Defense spending by oil exporters, Iran and Venezuela, grew 6.7 percent and 12.5 percent respectively. We judge these trends will continue in 2007.

China and India are major buyers of advanced weapons systems and military technology, with acquisitions for the past 2 years of \$3.4 billion and almost \$12 billion, respectively. When combined with joint doctrine, increased training, and supported by adequate logistics, these advanced systems have the ability to significantly improve military capabilities. Venezuela emerged as a major arms buyer with acquisitions valued at \$4.3 billion for the past 2 years. Venezuela has turned to Russia for hi-tech weaponry, including multi-role fighters with advanced air-launched missiles. Pakistani and Iranian purchases also have grown in the past 2 years, with Pakistan signing arms contracts worth almost \$3 billion and Iran almost \$1.7 billion.

Russia and China are of particular note as proliferators of conventional weapons. Russia is a leading arms exporter, with major sales of advanced weapons and military-related technology to China, India, Iran, and Venezuela. Items include multi-role fighter aircraft, ground equipment, major surface combatants and submarines, advanced air defense systems, and sophisticated communication and radar systems. Chinese sales declined to approximately \$500 million in 2006 after surging to over \$2 billion in 2005. China is a leading supplier to sub-Saharan Africa.

#### *International Crime*

Some terrorist organizations, primarily the FARC and the Taliban, derive income from opiates and stimulants in drug-producing regions, like Afghanistan, South America, and Asia. In addition to direct profits from drug sales and the distribution of opiates and narcotics, some groups, like the Taliban, derive income from taxation along the drug trafficking route. For the FARC, the drug-trade is an integral source of revenue. Some South American based supporters of Lebanese Hizballah are suspected of sending a portion of their profits from narcotics trade to the group in Lebanon.

#### *Space and Space-Denial Capabilities*

Russia and China continue to be the primary states of concern regarding military space and counterspace programs. As the availability of space technology and services continues to increase, other nations already possessing capabilities in key areas will acquire military and commercial space-based assets. Increasing levels of international cooperation, along with the growing number of commercial space consortia, is allowing the proliferation of advanced satellite technologies and knowledge of space systems operations to become available to nations lacking a domestic space capability. These developments provide some countries new or more capable communications, reconnaissance, and targeting capabilities as most space systems have dual-use, military-civilian applications.

Several countries continue to develop capabilities that have the potential to threaten U.S. space assets, and some have already deployed systems with inherent anti-satellite capabilities, such as satellite-tracking laser range-finding devices and nuclear-armed ballistic missiles. A few countries are seeking improved space object tracking and kinetic or directed energy weapons capabilities. Earlier this year China successfully tested an anti-satellite (ASAT) weapon system that destroyed an old Chinese weather satellite in orbit. This successful test demonstrates China's capability, should it choose, to eventually deploy an ASAT system that could threaten U.S. satellites. However, developing these technologies is financially taxing, and most countries other than China assessed to be pursuing these capabilities are not expected to acquire them within the next few years. Other states and non-state entities are pursuing more limited and asymmetric approaches that do not require excessive financial resources or a high-tech industrial base. These efforts include denial and deception, electronic warfare or signal jamming, and ground segment physical attack.

*Information Operations (IO)*

Information technology (IT) is integral to virtually all aspects of U.S. national and economic security. IT also is a truly global industry, and the U.S. is growing ever more dependent on foreign suppliers in order to maintain our political, military, and economic position. The increasing role of international companies and foreign individuals in information technologies and services used by U.S. critical infrastructures raises the specter of persistent, stealthy subversion, particularly by hostile foreign intelligence and military services with computer network operations (CNO) capabilities, but also by international terrorist or criminal organizations. The exclusion of foreign-origin products from sensitive networks or applications will become increasingly difficult to implement or verify.

Russia has the most highly developed, capable, and well-resourced IO capability among potential foreign adversaries. Russian foreign and military intelligence, as well as the Russian Security Service, have active offensive and defensive CNO programs. Assessed capabilities include insider recruitment, cryptology, viruses, software and hardware attacks, and remote penetration.

China has developed an apparent large scale CNO program, including military exercises to refine and implement concepts. China's robust presence in the global IT hardware and software supply chain enhances its technical expertise and IO capability. China is the number one IT hardware provider for U.S. consumers, accounting for 42 percent of U.S. IT hardware imports in 2005. As such, U.S. dependence on China for certain items critical to the U.S. defense industry and the waning of U.S. global IT dominance are valid concerns that demand vigilance.

*Public Health Security*

The uncontrolled spread of disease remains a significant international health concern. A nation's inability to control or contain diseases within its borders can have a negative impact worldwide. Conversely, rapid and effective responses enhance international safety. Thailand recently limited the spread of the H5N1 avian influenza by rapidly controlling outbreaks among poultry. Indonesia's continued struggle to control H5N1 raises the risk for an international pandemic. H5N1 remains a serious threat, with approximately 110 human infections and 80 deaths in 2006. H5N1 is only one of many potential infectious threats.

Damage to industrial or hazardous material storage facilities during armed conflict also poses catastrophic health risks. During Hizballah missile attacks in July 2006, Israel moved significant amounts of potentially hazardous materials from the Haifa area to prevent the potential release of toxic industrial chemicals. Trans-boundary environmental issues also pose health and security threats. In 2006, in Cote d'Ivoire, the illegal dumping of hazardous waste shipped from other countries resulted in 10 deaths and triggered mass demonstrations.

*Underground Facilities*

The rising importance of hardened or deeply buried facilities to potential adversarial nations and non-national organizations is becoming more apparent each year. Whether those nations and non-government organizations are classified as rogue, major, or emerging powers, or terrorist groups, their critical military, leadership and national security assets are increasingly protected by these facilities. The growth and sophistication of hard and deeply buried targets is especially significant among countries whose support for terrorism and potential possession of WMD constitute threats to world peace and U.S. security. Of concern is what these countries have learned from U.S. military successes over the last decade in the Balkans, Afghanistan, and Iraq. Their new and modified facilities incorporate features that make them more survivable against known U.S. weapons. Moreover, these countries are exporting underground construction techniques, and construction equipment.

## CONCLUSION

Our Nation is engaged in a long war against terrorism and violent extremism. We are faced with a multitude of issues and events that affect our national security. The intelligence professionals of the DIA will continue to provide critical information to our warfighters, defense planners, and national security policymakers. In concert with our fellow Intelligence Community members and allies, we are supporting our soldiers, sailors, airmen, and marines engaged in combating insurgents in Iraq and Afghanistan and terrorists globally. This effort remains our first priority. We are also focusing considerable resources to prevent or counter the proliferation of WMD. Finally, we are carefully monitoring states of concern and other transnational issues.

Over the past few years, the DIA, like the rest of the Intelligence Community, has made major strides to improve our core business processes of intelligence collec-

tion, all-source analysis, and information management. With your support, the DIA has expanded our human and technical collection. Our human intelligence collectors are better trained, supported, and integrated with their Intelligence Community counterparts and our own military forces across the globe. In all-source analysis, we have increased the number of analysts with advanced and technical degrees. Those analysts are equipped with better IT systems and more rigorously trained in the use of cutting edge analytic techniques. Improvements in our information management systems and procedures are critical to achieving the information sharing environment mandated by the Intelligence Reform and Terrorism Prevention Act. Today analysts, collectors, and our customers, to include national security policymakers, warfighters, the weapons acquisition community, law enforcement agencies, and our coalition partners, are better connected and have greater access to our information and all-source analysis. Much has been accomplished; however, more needs to be done. With your continued support, I am confident we will achieve greater levels of security for our citizens, our national interests, and those of our allies. Thank you.

Chairman LEVIN. Thank you, General.

Dr. Fingar, do you have a statement?

Dr. FINGAR. I do not, Senator. I contributed to Mr. McConnell's statement.

Chairman LEVIN. Thank you so much.

Why don't we try a 6-minute round for our first round.

Director McConnell, let me first note that in your opening statement you made the following point, that, "as the IC states in the recent NIE, the current security and political trends in Iraq are moving in a negative direction." I am wondering, General Maples, whether you agree with that assessment.

General MAPLES. Sir, I do agree with that assessment.

Chairman LEVIN. Director, there has been a number of statements made by just about every one of our military leaders, our civilian leaders, that without a political settlement in Iraq there will not be an end to the violence in Iraq. Do you agree with that assessment?

Admiral MCCONNELL. Yes, sir, I do agree with that.

Chairman LEVIN. The Prime Minister of Iraq has said that the failure of political leaders in Iraq to reach a political settlement is the main cause for the continuance of the bloodletting in Iraq. Is that something you agree with?

Admiral MCCONNELL. I would agree that the failure to reach national reconciliation is a major cause and the sectarian nature of the various parties causes such deep distrust that it will make it very difficult to achieve that reconciliation over the next year or so.

Chairman LEVIN. General Maples, the testimony of the Director is that the "term 'civil war' accurately describes—key elements of the Iraqi conflict, including the hardening of ethno-sectarian identities, a sea change in the character of the violence, ethno-sectarian mobilization, and population displacements." Do you agree with that assessment?

General MAPLES. Yes, sir.

Chairman LEVIN. I would like to ask you next, Director, about the Iraqi view of what our commitment is. The President of Iraq has said following his meeting with our President that President Bush assured him that we will remain in Iraq until the Iraqis ask us to leave. President Bush indeed himself has said that we will remain in Iraq until or as long as needed or until the Iraqis ask us to leave, words to that effect.

Does that continue to be the Iraqi appraisal of what our commitment is? Does it continue to be that open-ended in their mind?

Admiral MCCONNELL. I would believe that that continues to be their understanding. However, I would highlight that we are seeing now some questions and some comments about various players. I think publicly, officially that is their announced policy, but we do see questions.

Chairman LEVIN. Questions in their minds?

Admiral MCCONNELL. Yes, sir.

Chairman LEVIN. Now, the New York Times reported on February 23 that in the first few days of the operation 2,500 American troops took part, but only about 300 Iraqi forces participated. That is very different from what the expectation was when the surge was announced. My question is, is it your understanding, Director, that Iraqi troops are taking the lead yet or is it still U.S. forces that are acting as the tip of the spear?

Admiral MCCONNELL. Sir, my understanding is that they are in the process of taking the lead. One of the problems was having fully manned units when they arrived in Baghdad to take up defensive positions. So it is a work in progress is how best to describe it.

Chairman LEVIN. As of this point, have they taken the lead yet?

Admiral MCCONNELL. In some places, yes, sir.

Chairman LEVIN. In Baghdad?

Admiral MCCONNELL. In some places in Baghdad, yes, sir.

Chairman LEVIN. Would you let us know for the record what those places are where the Iraqis have taken the lead in Baghdad?

Admiral MCCONNELL. All right.

[The information referred to follows:]

[Deleted.]

Chairman LEVIN. What is Sadr's position on the surge? We have read different things in the past 2 days actually as to whether he opposes the surge, whether he opposes the United States' increased number of troops, which is what was in the press yesterday. Today in the media it suggests that maybe he does not oppose it. What is Sadr's position?

Admiral MCCONNELL. Sir, the answer to the question is I do not know what Sadr's position is. We have seen a variety of reporting in one direction or the other, so I would be guessing if I gave you a definite answer. We have seen it both ways.

Chairman LEVIN. I would like to ask you about the weapons that are coming into Iraq. What terms would you use to characterize the IC's confidence that the weapons that are going to the Shiite militias, which are the most deadly type of explosive weapons, are coming with the knowledge of the top Iranian government officials?

Admiral MCCONNELL. I would answer it at three levels, Senator. First of all, we know there are Iranian weapons manufactured in Iraq. We know that Quds Forces are bringing them into Iran. Now, if the question is, is there a direct link from Quds Forces delivering weapons to the most senior leadership in Iran, we do not have evidence that there is or there is not. My assessment would be that that would be the awareness, with the awareness, of the knowledge. But there is not a direct link that we can point to.

Chairman LEVIN. Without a direct link, would it be not your assessment that it is probable that the top leaders in Iran would know of that activity?

Admiral MCCONNELL. Yes, sir, exactly. I would phrase it as probable, but again no direct link.

Chairman LEVIN. Because that is very different from what the White House was saying the other day, where they were just simply saying we do not have a direct link, but without being apparently willing to characterize the likelihood of leadership knowledge in Iran of those deliveries as probable. But you do not have reluctance to do that, and I, by the way, must tell you I am not surprised by your assessment. But you apparently do not have a reluctance. You are confident or you are comfortable saying it is probable?

Admiral MCCONNELL. Yes, sir, I am comfortable saying it is probable, and I took part in some of those discussions and so we looked at the evidence, did we have a clear direct link that we could point to, and high-confidence intelligence was not there. So that the sense was we could conclude, since these are Iranian weapons, this is an official Iranian body, it would be unlikely that they would be coming in without senior awareness.

Chairman LEVIN. Has Iran's influence in Iraq grown since the fall of Saddam?

Admiral MCCONNELL. Yes, sir, it has.

Chairman LEVIN. Would you say it has increased significantly?

Admiral MCCONNELL. I would agree with the word "significantly," yes, sir.

Chairman LEVIN. Now, what assistance is flowing from Iraq's neighbors to the Sunni insurgents, including funding, weapons, and recruits?

Admiral MCCONNELL. Less defined. The information is less clear. But I would say in all those areas there is some flow to the Sunni side in terms of funding and weapons and recruits.

Chairman LEVIN. What countries are those weapons coming from?

Admiral MCCONNELL. Weapons could come from a variety of countries. Syria probably is one of the major places. There is very close cooperation between Iran and Syria with regard to providing arms to Hezbollah. So there are a number of channels that it could come from around Iraq.

Chairman LEVIN. What countries other than Syria could either weapons or funding for the Sunni insurgents come from?

Admiral MCCONNELL. I do not have any direct information to tell you that we have clear evidence that it is definitely coming from any one particular government. But there are indications that it could be a variety of countries around Iraq, and also from private donors, as opposed to—

Chairman LEVIN. What other countries besides Syria?

Admiral MCCONNELL. Sir, I do not have—

Chairman LEVIN. You said a number of countries.

Admiral MCCONNELL. Private donors that live—

Chairman LEVIN. Oh, no, not donors; countries. You said that there is evidence that weapons or money for weapons is coming

from a number of countries. The one you singled out was Syria, but what other countries?

Admiral MCCONNELL. Maybe I misspoke, Senator. What I was attempting to say is donors from countries around the area. One would be inside Saudi Arabia, as an example.

Chairman LEVIN. What is your assessment as to the likelihood that Iraq will make the political compromises that are essential in everybody's mind on the sharing of power, particularly on de-Baathification, on a militia law, and on the provincial election law, those four items? There has apparently been progress now on the petroleum revenue divisions, that has now been cabinet-approved. But on those other four critical political issues, what is your assessment as to the likelihood that those political issues will be resolved this year?

Admiral MCCONNELL. Senator, I think it would be a very difficult challenge to get them all closed out with a reconciliation that would meet the compromise interests of each party. If I could expand on that just for a second, the Shiites in my view are not confident of their position and their majority, and are worried that the Sunnis may come back and dominate the country. The Sunnis in fact are not yet willing to admit that they are no longer in charge and are going to be hard-pressed to meet an agreement in a government of reconciliation.

My view is the Kurds are participating and biding their time to protect Kurdish interests, and it could happen, but it will be fraught with difficulty.

Chairman LEVIN. Is it your assessment that pressure is useful to be placed on the Iraqi political leaders in order to achieve those political compromises?

Admiral MCCONNELL. I think the Iraqi political leaders have close to impossible tasks. One, the sectarian violence on the one hand; and two, pressure to make progress. The question is will leadership emerge and be capable of taking the country to the next level.

Chairman LEVIN. Is it useful that there be pressure placed on them to make compromises?

Admiral MCCONNELL. Pressure in any situation is always useful, sir, to keep people focused on the objective and moving forward.

Chairman LEVIN. I am going to call on Senator Warner. Although I do not have my blue card, I think I must be way over because I have a sense of the clock usually.

Senator WARNER. Do not forget you are now chairman. I would not worry about it. [Laughter.]

Chairman LEVIN. I am going to follow your lead, Senator Warner, and worry about my colleagues the way you always did.

Senator WARNER. I want to pick up on the chairman's observation with regard to the active participation now or the nonparticipation now of the Iraqi forces in this Baghdad campaign referred to as the surge. Some of us have expressed concerns about the addition of 21,500 new American forces in this campaign. I speak for myself. My concerns are that the American GI does not have the experience to understand the cultural differences between the Shiite and the Sunni; and why some individuals go forth with their wanton killing activities after we have, as a Nation together with

our partners, sacrificed so much life, blood, and treasure to give that nation sovereignty. It is highly perplexing.

So my question goes back to the President's statement on January 10 in which he said: "Now let me explain the main elements of this effort. The Iraqi government will appoint a military commander and two deputy commanders for their capital. The Iraqi government will deploy Iraqi army and national police brigades across nine districts. When these forces are fully deployed, there will be 18 Iraqi army and national police brigades committed to this effort, along with the local police. These Iraqi forces will operate from local police stations—conducting patrols and setting up checkpoints, and going door-to-door to gain the trust of the Baghdad residents."

Next paragraph. Now he refers to the American troops: "Our troops will work alongside the Iraqi units and be embedded in their formations. Our troops will have a well-defined mission: to help Iraqis clear and secure neighborhoods, to help"—I repeat, "to help them protect the local population, and to help ensure that the Iraqi forces left behind are capable of providing the security Baghdad needs."

Now, I have been working as hard as I know how to get a better picture of this situation since this program is well under way. I hope I am wrong, and that the operation will succeed, but I do not see strong evidence that the Iraqi forces are measuring up in any amount to what the President laid down on January 10, and then subsequently the President as Commander in Chief ordered our troops to go in.

There are brave, very brave journalists embedded with our troops who are a good source of information. The New York Times on February 23 reported as follows: "For the first few days of the operation, 2,500 American troops took part, compared with about 300 Iraqi forces and a mix of police and army personnel. The original plan called for Iraqis to work with the United States troops throughout the night to enforce curfews and otherwise ensure that gains of the previous day were not lost. But the Iraqis were shifted to buttress a day force."

Then on February 26, the Washington Post reported: "Obviously, the soldiers lacked the necessary information about where to look and whom to look for, said the government engineer," talking about our troops there. "But U.S. troops, Iraqi soldiers, and officials in Baghdad say the plan is hampered because security forces cannot identify, let alone apprehend, the elusive perpetrators of the violence. Shiite militiamen in the capital say they are keeping a low profile to wait out the security plan. U.S. commanders have noted increased insurgent violence in the Sunni-dominated belt around Baghdad and are concerned the fighters are shifting their focus outside the city."

One of our officers called up the Iraqi commander and he would not even answer the telephone. I do not see that level of participation as going forward.

Again, another quote from the Washington Post: "U.S. troops, Iraqi soldiers, and officials in Baghdad say the plan is hampered because security forces cannot identify, let alone apprehend, the

perpetrators. U.S. commanders have noted increased insurgent violence,” and so forth.

I do not find where the plan as laid down by the President, clearly delineating what the Iraqi forces should be doing, is carrying forward. I hope you can correct this, General Maples. You should have a good understanding of what the Iraqis are doing and not doing as a part of this surge plan today, tomorrow, in the immediate future. General?

General MAPLES. Senator, I believe we are in the early stages of the implementation of the Baghdad security plan, and we are in transition right now. The first thing that you mentioned was the appointment of a commander, and in fact General Abboud has been appointed as the commander. He is taking charge. He has been very active, and he apparently is demonstrating a very level approach to his command. That is, he is not showing a sectarian bias in his approach to the command.

His subordinate commanders have been appointed. His command post has been established and the command and control architecture is starting to be put into place.

Senator WARNER. Why didn't we start the program after these components were in place, before we put U.S. forces in harm's way? That is my question. Do you have any further facts to share with this committee and Congress about the participation today of the Iraqi forces?

General MAPLES. Sir, the Iraqis have moved two of the three brigades they said they would move into Baghdad.

Chairman LEVIN. But they showed up with half force levels, did they not?

Admiral MCCONNELL. Sir, the range that I have seen in the battalion manning is between 43 and 82 percent of manning in those battalions.

Chairman LEVIN. I will ask you to amplify this question for the record, because I think it is extremely important.

[The information referred to follows:]

[Deleted.]

Chairman LEVIN. Admiral McConnell, do you see any linkage in the Iranian activities in the Iraqi arena? First we have this information about weapons that seem to be manufactured in Iraq coming in, and they are among the most lethal weapons, rendering the utilization of some of our heaviest and most vital equipment somewhat precarious, and other activities. Is there any linkage between that and our effort jointly with the security council partners to bring about a cessation of Iran's capability to manufacture nuclear weapons?

In other words, are these two actions related in any way?

Admiral MCCONNELL. First of all, Senator, I do not see any direct linkage from Iran dictating events inside Iraq. Now, that said, the fact that Iran could contribute weapons, particularly weapons that can penetrate armored vehicles and so on, raises the cost to the United States. So I do believe there is a connection. I believe Iran because of a variety of reasons—the potential for nuclear weapons, increased oil revenues, pain for the United States—is seeing itself in a different light.

So I think there is a connection in that the weapons inflict pain on U.S. forces and potentially Iraqi forces, but not directly tied to nuclear weapons.

Senator WARNER. I read carefully the testimony of both witnesses on North Korea. You recognize that on February 13 the Six-Party Talks resulted in an agreement. What does our intelligence show that the North Koreans will likely carry out this agreement? Do you have any consensus at this time that this first step—which I applaud the administration for taking and I think it is a concrete first step—that the successive steps will take place?

General Maples?

General MAPLES. Sir, we are seeing the North Koreans take the initial steps to comply with the agreement, particularly with respect to the inspection of the Yongbyon reactor. There are a number of successive steps, as you have noted, that we are going to pay very close attention to. As the chairman mentioned, there are parts of this nuclear program that we have to pay a lot of attention to to see if we have the kind of disclosure and the inspection capabilities that we are looking for.

Senator WARNER. Do we have in place the intelligence infrastructure to deliver on this information, Admiral McConnell, in North Korea?

Admiral MCCONNELL. Not at the level we would like, sir. We can verify many of the conditions from external observation, but not at the level you are asking about in terms of detail. There are some open questions, but so far the indications are in the positive direction.

Senator WARNER. Remember the old phrase, "Trust but verify."

Admiral MCCONNELL. Yes, sir.

Senator WARNER. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Warner.

Senator Bill Nelson.

Senator BILL NELSON. I am stunned by the candor of the Admiral and the General and want to thank you for this candor, the likes of which has been lacking enormously in the past by previous witnesses.

I am enormously gratified to the chairman and Senator Warner for the directness of their questions. It has led this Senator to the conclusions which you have corroborated, that these additional troops are not going to work until there is a political settlement. Now, as a follow-up to questions that you have already postured, let me ask you about Iran. Do we know how many Iranian agents are operating in Iraq?

Admiral MCCONNELL. Sir, I have some information in a general sense. Let me ask Dr. Fingar, who would have more of the details and may have a more precise number than I do.

Dr. FINGAR. Senator, unfortunately we do not have a good number. The Iranians have been active in Iraq since the Saddam era. They have supported members of the Shiite coalition, Supreme Council for the Islamic Revolution in Iraq, and now support the Sadrists. We know they have many channels of influence. We do not have a good estimate on how many and precisely where they are.

Senator BILL NELSON. Let us go back to Iran. Admiral, General, give us a sense of President Ahmadinejad's power base in Iran. Is he likely to lose power to some of the moderate forces, and what is the prospect that those moderate voices would start to be heard in the Iranian government?

Admiral MCCONNELL. Sir, I took a look at this question just recently because of interest as I am coming up to speed as the new DNI. Unfortunately, I did not like what I found. He remains popular. He has staffed the cabinet and those around him with hardliners.

The economy is strong because of the oil revenues. There are inherent systemic problems in the economy, but oil revenues are making the programs work at some level.

He is promising in a populist way to alleviate poverty and do training and so on. The long-range plan he cannot execute, but in the short-range he is currently popular and those around him have the reins of power.

I would ask General Maples if he has additional information.

General MAPLES. I agree with that assessment.

Senator BILL NELSON. Back to Iraq. In response to the leaders' questions, you mention that the Iraqi units reporting in Baghdad are manned at the rates from 43 to 82 percent. That of course is quite to the contrary of what we had been told, not only on this committee but in the Senate Select Committee on Intelligence (SSCI) and in the Senate Foreign Relations Committee, that indeed they were going to be fully manned and that the ratio was going to be much more Iraqis, some 60 to 65 percent, to 40, to 35 percent of American forces going in to a particular area.

Now, given your testimony that they are only manned somewhere between 43 and 82 percent, the question is the quality of that capability, the reliability of that capability, would the two of you please give your assessment to that question?

General MAPLES. Sir, the first comment I would make is there is another piece of this, of course, in the security plan and that is the national police, the Iraqi national police, and the Iraqi police, who are also a part of the equation in the Baghdad security plan and will be counted in the overall numbers, because they will be involved in the security process.

Back to your specific question, the units that were chosen to move to Baghdad were based on the leadership of the units, the cohesion of those units, and the loyalty of those units. So the assessment by those who are embedded with the units and our commanders on the ground is that the units that are moving into Baghdad are in fact capable units. There are some limitations associated with that and in fact two of the three brigades are Kurdish brigades and so you have some issues associated with language, with cultural understanding, and with serving in an area in which the individuals were not recruited, and that will be an issue that has to be worked through.

Senator BILL NELSON. Admiral?

Admiral MCCONNELL. Sir, what I would add is, having watched it from afar, I had an interest, an inside interest, in the problem years ago when I served on the Joint Staff during the First Gulf War, so I had some awareness. As I attempted to come up to speed

now, the way I would assess it is they are better today than they were a year ago, but they are still not where we need them to be. So I would expect in time they will get better.

But it is not unusual for an Iraqi force to be normally manned at about 75 percent. They would plan for having 25 percent on leave or away or something else. So the numbers can be a little bit confusing. I have seen in a couple of cases where they planned for one brigade, they just put two, just to get closer to the manning levels that we would be familiar with.

Senator BILL NELSON. There is a report out that there are 14,000 U.S.-provided small arms that are missing in Iraq. What do you know about where these weapons are going and who is using them?

General MAPLES. Sir, I do not have any knowledge of that.

Admiral MCCONNELL. I have no knowledge of it. I can take the question and see if we can get something.

[The information referred to follows:]

[Deleted.]

Senator BILL NELSON. Would you, please?

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Let me first of all just ask a couple of things. I have had occasion to be in the area of responsibility I believe 12 times now and so I have watched it as the years have gone by and the months have gone by. One of the things most recently that I heard when I was over there from some of our people and the Iraqis is that they are starting to come up with more usable intelligence about the insurgency than they were before. Do you see a trend in this direction, the Iraqis' capability in gathering intelligence?

General MAPLES. Yes, sir, I think both on the national basis and on a military basis their intelligence capabilities are growing.

Senator INHOFE. Then also, Senator Warner was talking about getting a lot of his information from some of the embedded journalists. Frankly, I get most of mine from our embedded troops that are working with the Iraqis. All the way from the marines up in Fallujah down through Baghdad and elsewhere, up until the time of the bombing of the Golden Mosque, which was about a year ago, I guess now, I was on regular trips getting better and better information in terms of the amount of the burden that is being assumed by the Iraqis and their capabilities, not—I think we all tend to try to compare them to our troop capabilities and they are not there and they will not be there. But they were improving.

I can remember talking to Mr. Jassim and Dr. Rubae the first week that they were in office and they gave stories about how, yes, we are offering the support, but they are on the tip of the spear and they are growing.

Did you see that up until I believe it was February 2006, the bombing of the Golden Mosque, that we were making a lot more progress and that we took a real hit in terms of utilizing their capability at that time?

General MAPLES. Sir, I think they have continued to grow in capability, in particular in organizational capability. It is different

when you train individuals and when you train an organization, a battalion or a company, to conduct operations and you get that kind of cohesion in the organization. Our trainers who are working with the Iraqi security forces on a regular basis are coaching and mentoring and training those organizations to be more effective, and when we gave them more responsibility they began to develop in a much greater way in the last year.

Senator INHOFE. That is what I have gotten consistently from our troops working with them.

Let me ask you another thing and, General Maples, I have talked to you about this in my office many times. My concern has always been, my great concern has been China. During our drawdown of the 1990s of our military, China increased its military procurement by about 1,000 percent. We have problems with not just their nuclear capability and the potential WMD capability, but also their conventional forces.

It is my understanding that al Qaeda is attempting to get biological, radiological, chemical, and nuclear capability. Do you think that China is aiding them or is helping in our efforts against it? Where is China in all of this?

General MAPLES. I do not see any evidence that China is supporting al Qaeda in developing WMD capabilities. China has their own issues in terms of terrorists, particularly with the Uighars within China, that is of concern to them.

Senator INHOFE. I know that is true. Admiral, I think we also know that China is competing with us out there. I spend quite a bit of time in Africa in these oil nations. They are our chief competitor there and I have been very much concerned about that.

Each one of you was in a position and will remember my predecessor, David Boren. I promised David I would ask this question. When I took over his seat in 1994 when I came from the House to the Senate, we had a long visit. We had been good friends for a long time. He was chairman of the SSCI when he left. He said: "We have an area where I have really failed and I would like to have you become aware of it." He was talking about the various intelligence groups that are not communicating to each other and all of this.

We saw that an attempt was made to correct that. I would like to know—and I think, Admiral, in your opening statement you addressed this, that our increased capability of working with each other, all the different intelligence organizations—could the three of you assess where you think we are right now and are we making a lot of progress in that? Can I report back to former Senator Boren that we are making some progress after all these years?

Admiral McCONNELL. Sir, I would start off by saying we are making progress. Quite frankly, one of the reasons I agreed to come back into government was to focus on that issue, to see if we could make more and better progress. I have a game plan for attempting to change the culture. We grew up in a time of legitimate reason for need to know and protecting and not sharing information in the context of the Cold War and that came to be known as "need to know." What I want to try to do is transform this culture so that we think of it in terms of responsibility to provide.

Now so if you think about it, if you have a customer, you have capability, you have a responsibility to provide, then by definition you have to collaborate with those who are collecting information and so on. So I think we are making progress. I think the things that have been done have started us and positioned us in the right way. But I think we need to stay the course and bear down very hard to get the transformation.

I would make a comparison. What the Goldwater-Nichols bill did for the Department of Defense (DOD), we need to have a similar transformation in this community.

Senator INHOFE. I saw an improvement, going all the way back to Bosnia and seeing up in Tuzla, working together that I had not seen before.

When you were talking about Central America, Mexico, South America, you mentioned Chavez and Castro. You did not say anything about Ortega. Where do you think he figures into this? He was out of office for 15 years. He is back now, they say, and a lot of people think that he is a different person now, he has gone through a conversion. What do you think?

Admiral MCCONNELL. Sir, I think the jury is still out. We know where he came from and knew what he stood for, so watch him closely. But he is making some of the right statements. The jury is still out is probably the best way to answer that one.

Senator INHOFE. I hope it comes in.

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

Chairman LEVIN. Thank you, Senator Inhofe.

[Whereupon, at 11:55 a.m., the hearing was recessed and the committee proceeded to other business, then reconvened at 11:56 a.m.]

Chairman LEVIN. Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman. I want to join you in welcoming General Maples and Dr. Fingar, and I want to thank you for your service to our country, for your leadership as well, and for being here today with us. We know with you that strong and reliable intelligence information is one of our most important weapons in both protecting and securing our country and fighting the global war on terror.

Admiral McConnell, in your testimony you mention that there are growing threats to American forces in the Middle East by Iran's increasing military capability. Could you please comment on Iran's missile development. Specifically, the 2002 unclassified intelligence assessment stated that Iran is unlikely to achieve a successful test of an ICBM before 2015. Is that still the IC's judgment?

Admiral MCCONNELL. Sir, let me give a general statement on it and then my colleagues will probably have better details than I have because, as I mentioned, I am still coming up to speed.

Let me speak to their ability to restrict movement of forces into the area. They put a great deal of concentration into things like submarines and cruise missile-equipped patrol boats that could go out to sea to be able to attack naval forces that might be approaching. They have also recently acquired surface to air missiles in the country to be able to repel an attack on the country.

Ballistic missile development has been a focus. I am aware of missiles that can reach as far as Israel, but an ICBM, my aware-

ness, I do not know of one. Let me turn to my colleagues if they have better, more complete information.

General MAPLES. Sir, that is our assessment still, that they are continuing to develop an ICBM. 2015 is still our target date that we would expect to see that. We are seeing them develop some space launch capability and you have heard that recently. They recently did launch a sounding, what we believe was a sounding rocket, that reached sub-orbit. So they have not gone to the space level yet.

But as they continue to develop that technology, it could change our assessment on their ability to deliver the ICBM. They are investing very heavily in ballistic missile capabilities that pose a regional threat and, as Director McConnell mentioned to you, a capability to reach Israel is well within their means.

Senator AKAKA. Dr. Fingar, do you have any comments?

Dr. FINGAR. No. That is still our assessment. There is an estimate in process looking at this question, but our current assessment is the same.

Senator AKAKA. Admiral McConnell, I share your concern that Iraq's internal conflict may adversely impact the Middle East. As you noted, many of our Arab allies are concerned about Iran's increasing influence in the region as a result of the support of Iraqi Shiites. My question to you, is there any indication that our allies, specifically Saudi Arabia, have been providing financial support for some of the Sunni militias in Iraq, including the militias that American forces are fighting?

Admiral MCCONNELL. Sir, I have no awareness at this point that there is any direct flow. Now again, I do not know everything that I need to know yet, so I am still coming up to speed. But let me turn to my colleagues to see if there is something that they are aware of which I am not.

Senator AKAKA. General Maples?

General MAPLES. Sir, Director McConnell mentioned earlier that there are charitable organizations that appear to be providing financial support. Do not know about the linkage of those organizations to governments in the area, in particular within Saudi Arabia. But there are charitable organizations that we do see funding coming from.

Senator AKAKA. Dr. Fingar?

Dr. FINGAR. Yes. It is important to distinguish between national governments and people resident in them, Saudi Arabia and some of the other Gulf states. We judge that Saudi Arabia as a government is not providing funding, that the Saudis are doing more and are better at stopping the flow of funding through charitable private means, but they still do flow to some extent.

Sir, I would add just as an awareness, there has been dialogue about increasing that pressure and from what I have been able to observe, the Saudis, for example, are stepping up their efforts to prevent that sort of thing from happening.

Senator AKAKA. Let me turn to chemical weapons. Admiral McConnell, recent media reports discuss the use of chlorine gas in attacks in Iraq. While these incidents were only partially successful, they demonstrate an enemy capable of experimenting and learning from their mistakes. I am very concerned about this issue,

especially since we know that there were a number of Iraqi scientists experienced in WMD.

Admiral, do we know who these scientists are and where they are now? Have any of these scientists disappeared or have some of them joined al Qaeda or militia groups?

Admiral MCCONNELL. Sir, I am unaware if any have joined al Qaeda. I knew at one time we had good tracking and understanding of—again, let me turn to my colleagues to see if they have any more precise information to answer your question.

Senator AKAKA. Dr. Fingar?

Dr. FINGAR. This is one, Senator, I think is best discussed in the closed session.

Admiral MCCONNELL. I think what Dr. Fingar is saying is he knows something I do not know yet, so we will take it in closed session.

Senator AKAKA. Thank you very much. We will wait for that.

Thank you, Mr. Chairman.

Chairman LEVIN. Senator Akaka, thank you.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Admiral, in your testimony you describe Iran and North Korea as the states of most concern to us. Both are determined, it appears, to pursue nuclear capability. We hope that the recent agreement with North Korea will help in that regard. You have described Iran as, “determined to develop nuclear weapons.” Do you have evidence that North Korea is assisting Iran in developing its nuclear capabilities?

Admiral MCCONNELL. No, ma’am, I am not aware of anything. Let me turn to my colleagues if they are. I do not know of any connection between the two.

Senator COLLINS. General?

General MAPLES. No, Senator.

Dr. FINGAR. No, ma’am.

Senator COLLINS. The reason I ask is there was a Congressional Research Service report that was issued back in October of last year that says the evidence suggests that North Korea has had extensive dealings with Iran on missiles and other weapons. General?

General MAPLES. That is correct, they have had extensive interaction on the development of missile systems and Iran in fact has purchased missiles from North Korea.

Senator COLLINS. But there is no concern that North Korea may be helping Iran develop nuclear capabilities?

General MAPLES. There is a concern, but we have not seen that.

Senator COLLINS. But no evidence to support it?

Dr. FINGAR. No, that is correct, Senator.

Senator COLLINS. Thank you.

Admiral, your predecessor described President Chavez as “among the most stridently anti-American leaders anywhere in the world.” You talked in your testimony that Chavez purchased a large amount of modern military equipment from Russia, and there is evidence that he is developing his own weapons production capability. What is the IC’s assessment of Chavez’s intentions in going forward with this sizable military purchase?

Admiral MCCONNELL. First of all, his intentions with regard to positioning and so on, I think he sees himself as potentially the replacement for Castro in terms of leading a block that would be opposed to the United States. That said, his power base is oil revenue and from having looked at that question fairly close, the current path he is on is starting to degrade and denigrate the ability to extract oil inside Venezuela. So on a long-term basis he is going to have difficulty sustaining the current path he is on.

With regard to his military buildup, I think it is a show of force and flexing muscles. I am not aware of any specific threat to countries around him, but I think he wants to build up a large inventory. Now, years ago we used to talk about building up such an inventory in a place like Venezuela; once they would build it, they would not be competent in maintaining it and operating it, so it would tend to be imported, shown, and then just sit.

Dr. FINGAR. I would add, Senator, that one objective is to free himself of dependence on American-supplied weaponry and systems by buying one that is self-standing and can obtain the parts, the maintenance, the training, without U.S. approval.

A second would be to arm the militia, the Bolivarian Circles within Venezuela, the idea of a citizen militia, some similarities to what Tito did in former Yugoslavia.

The third I would judge is to have them available in some numbers on the shelf should they become useful in assisting allies elsewhere in the hemisphere, sort of trading material, a means of exerting influence.

Senator COLLINS. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Collins.

Senator Webb is next.

Senator WEBB. I am surprised, Mr. Chairman, being all the way down here at the end of the pipeline.

Chairman LEVIN. The early bird.

Senator WEBB. Gentlemen, I am struck actually listening to the testimony and the questions that have come out of it, with how much of it is unfortunately being focused on the situation in Iraq, unavoidably but unfortunately. I was among a number of people who were saying before we went into Iraq that in terms of the actual threat to the United States it was probably at best maybe fifth on the priority list. North Korea, Pakistan, Afghanistan, Iran, al Qaeda come to mind in no particular order.

But here we are in basically a strategic mousetrap, where we have had so much of our resources and national energy tied into one situation that we are going to have to find a way to get out of it.

I will join the parade here. What is your evaluation of the scope of influence of the current Iraqi government? What I mean by that is how much control do you really believe it has in terms of implementing the requirements that we are attempting to put on it?

Admiral MCCONNELL. Senator, I do not think they yet have the kind of scope and influence that we would hope they would have or that they could be successful in the short-term.

Senator WEBB. Would you compare the situation to, say, the situation in Lebanon?

Admiral MCCONNELL. Going back in time, I would compare it to Lebanon, yes, sir, primarily because of such deep divisions within the country with regard to the sectarianism and one force, Sunni on Shiite, Shiite on Sunni. I tried to go back after I had worked this problem years ago to understand it a little bit better and I did have the opportunity to live in that region for a couple years, so I got to know a number of the Sunni and Shiite population to understand how they were thinking about it and so on.

The biggest fear on the part of the Shiite is they are not sure of their position and they feel like they must dominate, and the Sunnis are so concerned that they will be overwhelmed and not a part of the government. So when you set up a condition like that, there is suspicion and strife.

Senator WEBB. As in the NIE, it breaks down even further than that in terms of competition among the different sectarian groups. To me it is very similar to what I saw in Lebanon in 1983 as a journalist over there, with a weak central government and factions that had military power all around them, and it is not even realistic to assume in the short-term you are going to be able to disarm these militias, as people keep talking about, because there is no trust factor with the central government. That seems to me to be the reality.

Would you agree with that?

Admiral MCCONNELL. Sir, I would agree with that and I think that is the objective of the current effort, is to see if we cannot allow them to rise to the next level so that they would have enough confidence to in fact have a central government that would govern across the whole state of Iraq.

Senator WEBB. I am curious, having been in Afghanistan as a journalist embedded—I was in nine different places. You get a different look than, obviously, I am going to be able to get as a Senator going on one of these trips over there. I was struck in the different places I went with the extent of the opium production. This was in 2004. I am wondering to what extent you believe the insurgency in Afghanistan right now is being fueled by the drug lords, not simply by the Taliban, or how you view their connection.

Admiral MCCONNELL. Sir, let me turn to my colleagues for that first. I have a point of view, but I think they probably have better information.

Dr. FINGAR. Despite the Taliban having cracked down quite far on opium production when they were in control of the country, they now are enmeshed with opium producers with local—your term—warlords, local power brokers. The production and the sale of opium is a major source of revenue. Some of that is going to the Taliban for its purposes. It goes to regions that cannot be reached by the central government in Kabul, so it may be less important as a direct source of support to Kabul than it is filling a vacuum where the writ of the central government simply does not reach.

The extent of opium production, as you noted, in 2004 was a very, very wide area. This year's production, although a smaller area, is higher.

Senator WEBB. Like my colleague from Oklahoma, I had a great concern about China over the years. I have written about it many, many times. I have two questions I hope I can get out today.

The first is, I am always struck when we start comparing the United States military budget with other countries, that we do not do a better job of breaking down things like manpower costs in the United States budget compared to these other countries. I do not know how we could realistically do that, but when you talk about China's 2006 budget being \$35 billion, there is a huge portion of their manpower costs that do not directly correlate when we are trying to compare what they are doing to what we are doing.

Do you have a way to level that or help people understand that this disparity is not as great as it appears?

General MAPLES. Sir, we would have to go back and work that piece, but I think you are exactly right, because the investment in our Armed Forces in manpower is a very high cost, and we see very direct investments on the part of the Chinese military in hardware and capability.

Senator WEBB. The way we account our manpower budget is different. Retirement costs, we pay in advance and on an accrual basis on our retirement in the programs, where these other systems, those are totally separate from the way they compile their military costs and the wages that they pay for their military people, et cetera.

There ought to be a better way to break that out so that people in this country can understand that these disparities are not as great as they appear on paper. I would encourage you to do that.

The other question I have, and I am not sure how this relates to your function, is when we are defining strategic threat, we should be also taking into account the vulnerability that we have when we have the inequality of economic systems in terms of balance of payments and trade deficits and the ability of countries such as China to take the trade deficits that are in place, take the trade surplus in place, and invest in places like Africa and in our own continent.

Do you take these things into account when you are judging a strategic assessment?

Dr. FINGAR. Yes, sir, we do. As you indicate, this is both very important and very tricky. Using your China example, a very large trade surplus that they have, the largest way in which they are investing it is in our own country, in U.S. Treasury bonds and so forth. That makes it of course very tricky to assess mutual hostage, mutual vulnerabilities. Investments in Latin America to buy raw materials, the profits of which are then used to buy products from the United States—it is both highly important and very difficult to make the kind of net assessment, but it is necessary to try.

Senator WEBB. Just to finish the thought, we are in my view squandering our national wealth in Iraq, while they are taking this trade surplus and these sorts of things and increasing their leverage around the world in trade deals.

My time has expired, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Director McConnell, if the United States decides to adopt the policy of withdrawing troops from Iraq before it is secure, do you believe that Iraq will become a failed state?

Admiral MCCONNELL. I think that is a very, very likely possibility, at least the way we think of Iraq today, yes, sir.

Senator THUNE. Has the IC wargamed the possibility of Iraq as a failed state, the opportunity that that will create for Islamic extremists, the role other Middle Eastern states will have to play, given the rising tension between the Sunni and the Shiite, Iranian nuclear ambitions, and the increasing legitimacy of sub-national groups like Hamas and Hezbollah?

Admiral MCCONNELL. Sir, we have not wargamed it the way you described it, but the analytical process is ongoing to address just those kinds of questions; yes, we are.

Senator THUNE. What is being done to increase tactical intelligence collection to benefit individual units that are operating at that neighborhood level in Baghdad? Are there steps being taken to improve that or increase that?

Admiral MCCONNELL. Let me provide an overview and I will turn to General Maples to get more specific detail because he would know more of the details.

There was an effort several years ago to put more focus into tactical intelligence. It used to be handled by the Services, spread across the various Services, and there was an attempt inside the DOD to create a unified program called the Military Intelligence Program. It was to get more focus and attention to the tactical systems that you would need to provide support.

In addition to that, the program I am responsible for, the national intelligence program, is looking at ways that we harness national sensors in support of tactical operations. I am very pleased to report to you that there are many situations now where from Washington with national sensors we are in contact with, talking to, forces on the ground, and sometimes actually helping them as they proceed through a neighborhood or a compound to complete their actions.

So let me turn it over to General Maples for more details.

General MAPLES. Actually, exactly right. At the lower tactical level, tactical HUMINT is critically important. One of the approaches the Army has taken, every soldier is a sensor, and so everything that is observed, everything that is learned, has to be a part of our intelligence process. In addition to that, we have pushed tactical HUMINT teams down to the lowest tactical level to try to enable obtaining the information that will make our units successful at that level.

We are also looking for tools that will help them at that lower tactical level, whether they are translation tools that will enable them to get by the language issue, biometric tools that we can put into their hands so they can identify individuals and record those individuals. We have tools that we can get in the hands of our soldiers to help enable them.

Senator THUNE. It seems like for the success of this mission that is going to be critically important.

Congress is likely later this year to take up the issue once again of immigration and border control. I think that immigration has arguably moved from being simply a domestic issue to a national security issue. Can you share with the committee the threat posed to the United States by our southern border and is there any intel-

ligence to verify that Islamic extremists are going to try and capitalize on that border issue and get people into the country that way.

Admiral MCCONNELL. Sir, we know that they are aware of it and we know that they talk about it. There is not any specific evidence that I am aware of now—and I will turn to my colleagues if they are aware of something that I am not. But it is something that is in their planning. So as I come up to speed looking at the various organizations doing their planning, they are looking to any avenue into the United States and the southern border would be one that would be a potential for them.

Dr. FINGAR. I would agree on both the desire of the terrorists to consider all avenues of entrance into the United States, including illegal entry through our southern border or through the northern border with Canada; that there of course is good reason for concern. If drugs can be smuggled across, weapons can be smuggled across. The number of illegal aliens that come through, it is not hard to imagine terrorists or others who would do more than seek economic opportunity coming through.

As Director McConnell noted, the important development of the new government in Mexico working on problems in the border area that affect Mexican security as well as our own is a very, very welcome development.

Senator THUNE. I appreciate that and look forward to working with you. I think homeland security and national security and this border issue are all very closely related.

Last year I had the opportunity to travel to Latin America and, while I know that many Americans are aware of the threat that militant Islam poses in the Middle East, I think that they are probably less aware of the increasing activities undertaken by Hezbollah and Hamas in the triborder area of Argentina, Paraguay, and Brazil. I guess I am wondering in open session if you might be able to comment on what the IC is observing in the triborder area?

Dr. FINGAR. Very briefly because it is in open session, the triborder area has a certain ungoverned character to it—smuggling and lack of controls. A number of those involved in grey area or illicit activities are of Middle East extraction. Some of them have relations with Hezbollah. It is a base that we watch carefully and with concern.

Senator THUNE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Senator Reed.

Senator REED. Thank you, Mr. Chairman.

Admiral McConnell, the NIE did not evaluate the effect in Iraq of a phased redeployment of American forces, is that accurate?

Admiral MCCONNELL. Yes, sir, I am sure that is accurate, and Dr. Fingar was the coordinator for that, so we can go specifically to your question.

Senator REED. Why was that not done, Dr. Fingar?

Dr. FINGAR. The estimates, Senator, do not look at U.S. policy or military options. We were looking for those factors, those drivers, that would have to be taken into consideration in the development of any policy or any military strategy, and we bounded that with

the military presence, the coalition presence, as it existed when we were doing the estimate. Because it had been hypothesized that the presence of coalition troops was in itself a major cause of violence in an effort to expel the occupying nation and so forth, the estimate said, what if we take them out of the equation.

When we tested that hypothesis, we came to the conclusion that if they were not there the level of violence would actually go up.

Senator REED. Taking them out precipitously, as you injected into the NIE, is different than taking them out in a phased manner, leaving residual forces to do missions.

Dr. FINGAR. I will ask General Maples to correct me if I am wrong, but the rapid withdrawal within the period of the estimate, which was 12 to 18 months, to move that number of troops and equipment safely out of Iraq we estimated would take the entire period of the estimate.

Senator REED. So that approach was driven, not by any sort of strategic sense, but simply by the time limits that you self-imposed on the estimate?

Dr. FINGAR. Correct.

Senator REED. Thank you.

Some recent reports suggest, Admiral McConnell—and if anyone has insights, please feel free—that al Qaeda is reconstituting itself in Pakistan, beginning to show enhanced operational capability, not only within Pakistan but outside the region. Most disturbing is that there are indications that the recent operations in Europe had some linkage back into Pakistan, which seems to be, as in the immortal words of Yogi Berra, “deja vu all over again.” It is not Afghanistan, now it is Pakistan.

It was there, not Iraq, that the attack on September 11 was originated or at least encouraged. Are we in danger of repeating the mistakes that led to September 11?

Admiral MCCONNELL. Sir, I have taken a hard look at what we know and what we believe with regard to al Qaeda in Pakistan, because I was trying to come up to speed to understand the various issues. Let me summarize it this way. I was asking myself the question, are they more capable or powerful today than they were before September 11? I sat down with some of the analysts and tried to work through this to understand the facts and then where could we go from the fact base that we had.

First of all, just let me say that al Qaeda leadership as it existed prior to September 11 and prior to going into Afghanistan, somewhere in the neighborhood of three-quarters of the leadership have been killed or captured. Now, does that mean that those members have not been replaced? Yes, they have been replaced.

The down side from the terrorists’ point of view is they have been replaced, but they do not have the experience. That said, they are no less committed to the kind of heinous acts that were carried out on September 11. The camps that have been established in Pakistan are in an area that has never been governed by any power, a state, or outside power in that region, because it is such rugged country and fierce individual tribal interests. So to the best of our knowledge, the senior leadership, number one are there and number two, they are attempting to reestablish and rebuild and to establish training camps.

Now, when I looked at—prior to going into Afghanistan there were literally thousands of those forces in training, with multiple camps. That is gone. They are attempting to rebuild in the north-west frontier of Pakistan. The numbers are not the same, but there are volunteers who are attempting to reestablish it. So it is something we are very worried about and very concerned about.

Senator REED. It seems that the scale of possible operations that would confront us here in the Homeland does not involve the thousands of potential trainees that they had in Afghanistan, just small groups. In fact, there is increasing concern of individual operatives coming in, being able to use the Internet for instructions and coordination, and coming in, and likely not coming from Iraq or places where they would be—obviously have cultural difference there, but from Great Britain, from other countries.

So it seems, unfortunately, that this capability still exists, and it might have taken on an even more sinister aspect with the use of individual operatives and sophisticated communications. Is that a concern?

Admiral MCCONNELL. Yes, sir, it is a concern. I would say first and foremost these are very committed individuals and they are very smart and adaptive. I think what we are seeing is we inflicted a major blow, they retreated to another area, and they are going through a process to reestablish and rebuild, adapting to the seams or the weak spots as they might perceive them.

I am aware in our effort to focus on this with great intensity there are a number of plans and activities that have been shut down or disrupted or interrupted, and the intent on our part, of course, is to do that more and more and better and better, and hopefully at some point either killing or capturing the senior leadership.

Senator REED. This of course raises the question that the huge efforts that are undertaken today in Iraq, 140,000 American troops, billions of dollars a year, are tangential to these operations or this activity in Pakistan. Is that a fair comment?

Admiral MCCONNELL. Sir, that is a fair comment, and a variety of the members of the panel would have perhaps a different point of view on that.

Senator REED. What is your point of view, Admiral?

Admiral MCCONNELL. What is the question, sir?

Senator REED. The question would be, if you had to establish the probability of a successful attack being organized and directed against the United States, would it emanate from Pakistan with this newly revised al Qaeda leadership or would it come out of Iraq?

Admiral MCCONNELL. Two ways, two lines of reasoning to answer that. First of all, Iraq is a cause celebre for the jihadists in creating forces. My belief is the attack most likely would be planned and come out of the leadership in Pakistan.

However, that said, there are al Qaeda elements in Iraq and in Syria and other places, and even in Europe, and our information tells us they also are planning. Many would think of this as a command and control, global net controlled from Pakistan. It is not. There is some central planning and control and funding and so on,

but individual home-grown elements that are inspired by that vision are also a big problem for us.

Senator REED. Thank you, Admiral.

My time has expired.

Chairman LEVIN. Thank you, Senator Reed.

Senator Martinez.

Senator MARTINEZ. Director McConnell, just following on that line of questioning, I guess the common denominator to al Qaeda's opportunity is ungovernable areas.

Admiral MCCONNELL. Yes, sir, that is in fact true.

Senator MARTINEZ. Sir, you earlier discussed the issue of Venezuela and their activities of weaponry and the capacity to manufacture weapons. I was wondering if you viewed it as an offensive capability as opposed to what they would need for their own national defense?

Admiral MCCONNELL. It goes significantly beyond what they would need for their own national defense, yes, sir, that is in fact true.

Senator MARTINEZ. So it is clearly an effort on the Venezuelan government's part to project into the region, particularly militarily?

Admiral MCCONNELL. Yes, sir, I would agree with that.

Senator MARTINEZ. One of the things that—and I believe this may have been Dr. Fingar—I just want to clarify is that my understanding is that the Venezuelans do provide sanctuary to the Revolutionary Armed Forces Colombia (FARC) as they cross from the border between Colombia and Venezuela, and that they do find sanctuary in Venezuela, from where they then regroup, resupply, and go back into Colombia.

Dr. FINGAR. Yes, sir.

Senator MARTINEZ. So in that way, Venezuela is already projecting their presence and in fact meddling in their neighbor's affairs in a very direct and military way.

Dr. FINGAR. I do not disagree with that assessment, Senator. But the nature of border areas in many parts of the world in the area around Colombia, FARC, National Liberation Army, the paramilitaries that have spread over into Ecuador, sometimes into Brazil, into Venezuela—I do not disagree with the point that the Chavez government appears to have turned a blind eye more so than others. But there is a difficult situation along all of these border areas.

General MAPLES. Sir, could I comment?

Senator MARTINEZ. Yes.

General MAPLES. I think we do see Venezuela projecting military capability in terms of trainers and advisers in the region, and influencing other countries in that way. The arms that they are purchasing, the multi-role aircraft, utility helicopters, attack helicopters, patrol boats, largely—

Senator MARTINEZ. Rifles.

General MAPLES. Yes, sir, and I will get to the rifles in a second.

Senator MARTINEZ. Okay.

General MAPLES. But largely, those kinds of capabilities could be seen largely as self-defense or immediate area, not offensive in a larger sense, I do not think. However, the assault rifles and the ability to produce assault rifles in large numbers provides a very

difficult capability that could affect other nations in the region, as Director McConnell mentioned, could be used to affect other nations and other causes in the region.

Admiral MCCONNELL. Sir, if I could just add to that, one of the things that struck me since I have come back and had more focus on this is the rhetoric from Chavez, which you can read in the press, but then the activities where he is using his influence and money to control or influence events in other countries, attempting to land more allies for his vision of anti-Americanism.

Senator MARTINEZ. I would agree with you completely, and also suggest that perhaps while Mr. Ortega's rhetoric may have implied some of the right things, I do believe that there is a great deal of influence both emanating from Cuba, Venezuela, and to Nicaragua as well. So I do believe that that is of some concern.

The other area in which there seems to be cooperation is between Iran, Venezuela, and Cuba; for some time there has been some political alliance. I am wondering if that in your mind or in anything that you can see through our intelligence also translates into a budding military alliance, beyond the political? To any one of you.

Dr. FINGAR. If so, it is at a very, very nascent stage. One of the characteristics of the three countries that you mentioned is that rhetoric is often somewhat excessive in comparison to the reality, and Hugo Chavez has depicted, in my view, the military and political and other dimensions of the relationship with Iran, with North Korea, as if it had more content than it yet does.

On the military dimension, though, there appears to be a very concrete reason in turning to the Iranians for help in maintaining U.S.-provided weaponry, which would increase the capability of the Venezuelan forces. I think at this stage we are watching it, we are concerned about it, but it has not moved very far.

General MAPLES. I agree.

Senator MARTINEZ. Thank you.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks, Admiral McConnell, General Maples, Dr. Fingar. I wanted to make a statement at the beginning which in some sense, I think, Admiral McConnell, is directed towards you, in welcoming you to this new position. I do not think I am telling you anything you do not know. It seems to me that the reaction that our intelligence—the credibility of our IC has been affected both by the disputes about pre-Iraq war intelligence and about the excessive partisanship in the conduct of and debate of our foreign policy.

It leads to events that are recurring in our history, such as when the NIE on Iraq came out, each side on the war, whether you are for it or against it, chose the part of the report that they would like to embrace and the part that argued against their position to debunk. That will happen, and the result of that really depends on the strength of the report. I thought that was an excellent report.

I thought that the reaction to the briefing first given in Baghdad and then later here about Iranian involvement in Iraq showed two danger points. The first was that a lot of people responded, both in government, in Congress, and in the media, with a suspicion to the intelligence that came out, that I thought was unwarranted.

We give a lot of money to the IC, taxpayer money, every year. You are on our side. It does not mean you are flawless. We make mistakes. We have seen that over our history. But I would not start with suspicion toward what you are recommending, and I thought we had that there.

The other part of it was also troubling, which was what Senator Levin referred to before, the reluctance of people in the administration to draw a conclusion that I would call highly probable, in other words a kind of defensiveness—I dare not call it timidity—based on previous criticism of conclusions drawn from intelligence.

So what I am saying more specifically is that the intelligence, our intelligence, has shown, at least to the extent that I have read about it in the paper, but I have been briefed on it, with a high certainty that at least 170 Americans in uniform in Iraq have been killed as a result of weapons that we know with a reasonable certainty have been supplied by the al Quds Force of Iran and those weapons have an Iranian origin.

Then the question is, does Ayatollah Khomeini know about it. That is where there was reluctance. That is why I greatly appreciated Senator Levin's question when he said, you do not have, I gather, direct intelligence in which you see Ayatollah Khomeini, the Supreme Leader of Iran, saying to the al Quds Force: "Bring these weapons into Iraq to kill American soldiers." But when Senator Levin asked you, "is it not probable that he knew about it," you said yes, and to me it is highly probable, because do we not know that the Quds Force reports to Ayatollah Khomeini? Is that not right, General Maples?

General MAPLES. That is correct.

Senator LIEBERMAN. So it would be to me shocking if the Quds Force was carrying out this mission in Iraq without Ayatollah Khomeini knowing it. I just think we have to count on you at moments like that to tell us what may not be certain, but is highly probable based on everything we know.

Having made that statement, I would ask one more question if you are able to answer this in open session, which is, do we have evidence that the Iranians are training Iraqi militia or extremists or terrorists in the use of these weapons outside of Iraq? General Maples?

General MAPLES. Yes, sir, we do.

Senator LIEBERMAN. We do, and some of that training is occurring in Iran?

General MAPLES. Yes, sir.

Senator LIEBERMAN. Am I right, because I have heard reports, that some may be occurring in Lebanon in Hezbollah training camps?

General MAPLES. We believe that Hezbollah is involved in the training as well.

Senator LIEBERMAN. To me that is very important evidence. No one wants to see another major military involvement by the U.S. against Iran, but if Iran is training Iraqi militants in the use of Iranian weapons, which are then being used to kill Americans in Iraq, I think that is a very serious act and one that we ought to consider taking steps to stop in defense of our soldiers who are there.

I am not going to invite any response, but I thank you for your answers.

I want to go to another point. General Maples, I want to read from your testimony on page 5: "AQI's attacks against Iraqi government targets and coalition forces continue, with a particular intent to accelerate sectarian violence and destabilize Baghdad." That is on page 5. On page 9 you say: "AQI is the largest and most deadly of the Iraq-based terrorist groups that continues to target Iraqi government interests and coalition forces. AQI conducts the most provocative anti-Shiite attacks in Iraq, a hallmark of its strategy since 2003. It has instigated cycles of sectarian violence."

So my question is, is it not correct that we have concluded that one of the major goals of AQI is to stimulate the sectarian violence that some describe as a civil war? Is that correct?

General MAPLES. Yes, sir, that is correct.

Senator LIEBERMAN. Admiral McConnell?

Admiral MCCONNELL. Yes, sir, I would agree with that. There has been some evidence that those in Pakistan and those in Iraq had some disagreements, but I would agree with exactly the way you described it, that the major effort is to prompt sectarian violence, to keep the violence at an increasing level going forward.

Senator LIEBERMAN. I appreciate it.

My time is up. I would say that I asked the question because I know some of our colleagues are contemplating attempting to limit the American mission in Iraq to counterterrorism, to get us out of the middle of the civil war. I am quoting there, and I understand. I think the motivations are well-intentioned, but in my opinion, based on your testimony, the answers you have given, it is impossible to separate counterterrorism from the civil war because one of the main motives of the terrorists, AQI, is to stimulate the sectarian violence that some call civil war. Is that correct?

General MAPLES. Yes, sir.

Admiral MCCONNELL. That is correct.

Senator LIEBERMAN. I thank you.

I thank the chair.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator SESSIONS.

Senator SESSIONS. I just want to thank the panelists and thank Senator Lieberman for noting that you are on our side. When I have traveled around and had the opportunity to meet our intelligence officers, and you think about they are at personal risk, they are out meeting with people that could provide danger to themselves, they are out there because we ask them to be. They never credit themselves and they are never mentioned in the paper unless something were to go wrong. Then when something is not found, you are always criticized for not telling us.

So I think we need to affirm those men and women, thousands of them, that are all over the globe right now, at great risk often times, serving our country in a way that could avoid war and help us achieve legitimate goals for the United States and the world without war.

Admiral MCCONNELL. Thank you, sir.

Senator SESSIONS. Admiral McConnell, with regard to al Qaeda, I just want to mention a couple questions, just briefly. Is it not true

that for over a decade they have plotted and overtly talked about a declaration of war against the United States and have set about long before September 11 in their efforts to attack the United States?

Admiral MCCONNELL. Yes, sir, that is true.

Senator SESSIONS. So this is not something new, that they would attempt to reconstitute themselves after we have destroyed their bases in Afghanistan, captured what, two-thirds or three-fourths of their leadership, and put them on the run. But they certainly have not reconstituted a training base, I do not think, in this border area that would compare with what they had in Afghanistan before September 11, is it?

Admiral MCCONNELL. That is correct, sir.

Senator SESSIONS. Is it not true that the American people need to be aware that for decades this entity is going to be there or something like it, that poses a threat to our country, and every day we have to figure out what they are doing and how they are doing it and try to work to counter it?

Admiral MCCONNELL. Yes, sir, that is in fact true, and the current leadership goes back to observations of the bombing of the Marine barracks in 1983 as a way to inflict mass casualties, and if you track it over time that has been consistent in attacking embassies, attacking the U.S.S. *Cole*, and so on. So it goes back over an extended period of time.

Senator SESSIONS. There is some suggestion that if we had not invaded Iraq that we would not have al Qaeda. This group is out there and they are serious.

Let me ask this, and I do not want any overly optimistic views. I really want the truth. Senators Warner, Levin, Pryor, and I were in al-Anbar in October, early October of last year. The Marines gave us an honest and realistic briefing that was very troubling, frankly. General Conway a few weeks ago indicated that this area where al Qaeda is most active, where the Sunni base is and so much of the violence has occurred, has made some progress.

General Maples, would you share with us, is that true and what can we say about what has happened in al-Anbar?

General MAPLES. Sir, it is true that we have made progress in al-Anbar. We see levels of violence that are going down. Most importantly, we see cooperation out of the Sunni tribal leaders, the sheiks, who have taken an opposite stance to al Qaeda in al-Anbar, largely for tribal reasons, but also to our benefit. In doing that, they have encouraged young men to join the Iraqi police forces, the national police, and to come on board as a part of the security elements there.

So I think there are some very positive developments in that regard in al-Anbar. Now, I say that, and in the last week I have started to see some trends that start to trouble me now, that some things are starting to move in the other direction, because for that action there is a counter-action. So I am starting to see some things happen that give me a little cause for concern. But I do think we have made progress in al-Anbar.

Senator SESSIONS. Now we have a new strategy, a substantially increased number of United States and Iraqi forces in Baghdad. They are striving to have a much higher degree of coordination and

effectiveness in the overall strategy for the city, an enhanced partnership and embedding relationship among those units. Would you say we ought to give that new strategy a chance before we precipitously discuss some withdrawal?

General MAPLES. Sir, I think we are in the very early stages of the implementation of that strategy and the transition to the kind of force structure that is envisioned in the Baghdad security plan. We are seeing some successes. We are seeing some other things that are not going according to the plan. But the structure is just now going into place. The forces are just now arriving. So it is going to take time for the Baghdad security plan to be implemented.

I have been looking at statistics also, both in Iraq and in Baghdad, and I am not seeing any trends yet. Too soon to see any trends. In some areas I see a reduction in the ethnosectarian violence. On the other hand, the number of attacks are at the same level that are going on. So it is too soon to really understand what is happening, I think.

Senator SESSIONS. You would not have expected a significant change this early in the operation at any rate, would you?

General MAPLES. No, sir, not at this point.

Senator SESSIONS. I thought after this—I got somewhat troubled, frankly, with that Marine briefing, and now that things have made some progress I thought, why would I want to bet against the American soldier? Why would I want to doubt their capability? I believe General Petraeus and his team does have a realistic chance to change the dynamics in Baghdad and that can be a critical event in the stabilization of Iraq.

I will submit some written questions to you about Iran and North Korea and the missile systems, the potential threat to Europe, the need for a European site, which I think the Europeans are indicating they are more amenable to or it seems good. I believe that we need to think about a national missile defense site in Europe. I think it would be important for them as well as to the United States.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Sessions. We will have an executive session following this session. We are not sure where it is going to be yet. We are trying to arrange for it to be in Hart, but it may have to be in S-407 of the Capitol.

Senator Bayh.

Senator BAYH. Thank you, Mr. Chairman.

Gentlemen, thank you for your service to our country. I would like to begin with a comment and then a question. Dr. Fingar, I think it would be for you. Nothing is more important to our Nation's security than the credibility of our intelligence services. It is not helpful, to say the least, when the motivation of our analyses are questioned or suggestions of political motivations creep into the public dialogue. It is just not very helpful.

Dr. Fingar, I think you know that some of that has surrounded at least part of the NIE. I refer to the question that Senator Reed asked you. There are several members of the SSCI that are upset about the fact that the hypothetical of a precipitous withdrawal was posited in the NIE, but other hypotheses which in fact were

more likely were not considered in the NIE. There are Central Intelligence Agency (CIA) analysts who participated in authoring the draft who will say that they were ordered to include that hypothesis even though they felt it to be very unlikely.

Now, I understood your answer to Senator Reed to be that it was included because it was out there that the presence of our troops was perhaps contributing to the problem, so you had to entertain the thought of, what if the American troops were not there. But that does not get to the way in which they are withdrawn. There are a lot of options other than "precipitous withdrawal": partial withdrawal, gradual withdrawal, withdrawal to other parts of the country, things along those lines.

So I would like to ask you to respond to that, and I would encourage you strongly that in the future if you are going to consider hypotheticals you at least consider those that are more likely than less likely. No one is to my knowledge, at least very few people suggesting a "precipitous withdrawal."

Dr. FINGAR. "Precipitous withdrawal" is not the terminology used in the estimate, Senator. It was "rapid withdrawal."

Senator BAYH. We will not argue about the distinction there.

Dr. FINGAR. Let me begin by repeating the answer to a question I had in the open SSCI hearing, questions about were we under political pressure to shape this estimate, were we advised to have a certain outcome. The answer is unquestionably and categorically we were not. This estimate is the product of the IC.

As I responded to Senator Reed, the purpose of the estimate is not, has not been, to evaluate options for United States policy or for—

Senator BAYH. Then why did you consider rapid withdrawal?

Dr. FINGAR. As I explained, the effort was to both bound the problem and situation, with the coalition presence and what happens if the coalition is not there. Since, again, when the estimate was undertaken there was the argument that violence in Iraq was substantially a function of the presence of coalition targets, if the targets were not there—

Senator BAYH. I heard your answer to Senator Reed. I am just telling you the way in which the estimate was done has opened you up to this kind of critique.

Dr. FINGAR. It was unanticipated that we would be subjected to that critique. Again, I will invite General Maples to correct me if he thinks I am wrong, that in choosing the term of a "rapid withdrawal" over the period of this estimate, which was 12 to 18 months, that under General Landry's guidance, who was working this part of the estimate, that to remove entirely the coalition presence within the period of this estimate would by definition be rapid.

Senator BAYH. Look, I do not want to just devote all my time to this, but I am—very few people are suggesting that the entire coalition presence be removed in that timeframe. Perhaps our combat role, that sort of thing, changing our role to training troops and a variety of other things, hunting al Qaeda operatives, that sort of thing.

But my point simply is that if your position is you do not consider policy options, you put one policy option on the table, and I

think in fairness to avoid these kinds of critiques you ought to put other policy options on the table, particularly those that more people are espousing than fewer. So that is just my observation.

I am concerned about—I want to be fair about this. I am not criticizing your bona fides, but I do care about the credibility of your work product. I know you do, too. When you start down that slippery slope you just get into these kind of arguments. So enough said about that.

Admiral, I would like to ask you about our situation in the world today compared to a year or 2 ago. As I understand your testimony, I think the words that you used were we are moving “in a negative direction.” You said this in response to a question—in Iraq, I am talking about Iraq now. We are moving in a negative direction.

I think you also said—I think all of you indicated that Iraqi political developments were ultimately the key for a positive resolution in that country; is that correct?

Admiral MCCONNELL. That is correct.

Senator BAYH. I think the direct quote you used is that the Iraqi leader faced a “close to impossible task.” I wrote those words down when you spoke them. Is that a correct transcript?

Admiral MCCONNELL. With 20–20 hindsight, I probably would have said very difficult task. But difficult nonetheless.

Senator BAYH. I think “very difficult” was the wording of the NIE. So my question is, if the political situation in Iraq is the key, if the Iraqi leaders face a “close to impossible task” or “very difficult task,” how then do you characterize our task?

Admiral MCCONNELL. Our task with regard to—

Senator BAYH. Iraq.

Admiral MCCONNELL.—stability? My reading of this, Senator—and I talked with Ambassador Negroponte as I relieved him in this process, and I was trying to understand the timing and why did we choose the options you were just asking Dr. Fingar about. When we started that estimate we had a set of conditions and as we worked through the estimate our strategy in fact changed and the options considered by this body started to change. So we were at a point in time where we were trying to do an estimate.

Now, that said, your question to me is our task.

Senator BAYH. You have been very candid here and I would associate myself with Senator Nelson’s remarks and compliment you for your openness and your forthrightness. It just seems to me that if the Iraqi political situation is the key to this and they face either a “very difficult task” or a “close to impossible task,” we need to be honest with the American people and say that our task then logically it must follow is somewhat similar.

Admiral MCCONNELL. Our task is similar in that it is very, very difficult. The key to the situation now is stability because we could not make progress without some level of stability, and that is the question.

Senator BAYH. But this difficulty that we are experiencing in Iraq I would assume has not occurred overnight. It has been in the process for some time now, the better part of a year or maybe longer. Is that a fair assessment?

Admiral MCCONNELL. I would agree with that, yes, sir.

Senator BAYH. So if someone indicated in the last 4 months or so, let us say, that we were absolutely winning in Iraq, that is a mistaken assessment?

Admiral MCCONNELL. I would not agree that we were winning. I think the conditions in 2006 were where it became most dramatically evident that the strategy was not being successful and my sense is that is why there were adjustments made to the strategy.

Senator BAYH. Based upon your understanding today, if in the last couple of months someone came to me and said that we had absolutely had enormous successes in Iraq, what would your response to that be?

Admiral MCCONNELL. Enormous successes in previous years?

Senator BAYH. That the bottom line in Iraq was that we had had enormous successes.

Admiral MCCONNELL. Sir, as we said in the estimate, it was going in a negative direction and sectarian violence was increasing. My view is that is why the policy changed.

Senator BAYH. I would encourage you to communicate, and I am sure you will, forthrightly with the higher reaches of our government. Those statements were made by both the President and the Vice President of the United States in the last 4 months.

Chairman LEVIN. Senator Bayh, thank you very much.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

For the record, I would like to acknowledge Admiral McConnell's South Carolina roots. We are very proud of you.

Admiral MCCONNELL. Thank you, sir.

Senator GRAHAM. To build upon Senator Bayh's questions here, what would winning be in Iraq? What is winning?

Admiral MCCONNELL. In my view, sir, winning would be a stable situation that would allow the government to mature to the point where they could have a national reconciliation to have a nation.

Senator GRAHAM. They would be an ally in the war on terror?

Admiral MCCONNELL. If that came to pass the way I described it, yes, sir, I believe that.

Senator GRAHAM. The biggest impediment to political reconciliation is the violence, do you agree with that statement?

Admiral MCCONNELL. I agree with that.

Senator GRAHAM. Political will has to be mustered, but with the level of violence it is very difficult to put political coalitions together?

Admiral MCCONNELL. That is correct.

Senator GRAHAM. In terms of the surge, General, are the Iraqis meeting their end of the bargain more or less?

General MAPLES. Yes, sir, they are.

Senator GRAHAM. So your comment regarding the Iraqi participation militarily, politically, and economically is that they are meeting their end of the bargain?

General MAPLES. At this point, yes, sir.

Senator GRAHAM. Do you agree with that, Admiral?

Admiral MCCONNELL. I do, sir. It is early in the stage, but trends are going in the right direction.

Senator GRAHAM. I believe you were asked by Senator Thune that there had been no wargaming of a failed state in Iraq; is that correct?

Admiral MCCONNELL. Not that I am aware of, sir. There may have been.

Senator GRAHAM. Can I suggest that we do one?

Admiral MCCONNELL. Yes, sir. We would be happy to do that.

Senator GRAHAM. Thanks.

Would Turkey stand on the sidelines and watch an independent Kurdistan be formed in the north without going to war?

Admiral MCCONNELL. In my opinion, no, sir.

Senator GRAHAM. Would the Sunni Arab states sit on the sidelines and watch an all-out slaughter of the Sunni minority in Iraq without getting involved?

Admiral MCCONNELL. I think they would be involved.

Senator GRAHAM. So we are beginning to war plan here.

Now, Iran. What is the Iranian goal when it comes to Iraq?

Admiral MCCONNELL. Ultimately Iran, in my view, would like to have a Shiite state dominate in Iraq.

Senator GRAHAM. So it is not the Iranian goal to have a functioning democracy on their border, would you agree with that, where all groups live in peace?

Admiral MCCONNELL. Absolutely not their goal to have a functioning democracy.

Senator GRAHAM. The reason it is not their goal, it would be a threat to their own theocracy; is that correct?

Admiral MCCONNELL. That is correct, sir.

Senator GRAHAM. So can we say with a degree of certainty, as long as we are trying to create a functioning democracy where different religious groups can live in peace, Iran will be a problem?

Admiral MCCONNELL. I would agree with that statement.

Senator GRAHAM. Syria. Is it Syria's goal to see a functioning democracy emerge in Iraq?

Admiral MCCONNELL. It is not Syria's goal to see a functioning democracy in Iraq.

Senator GRAHAM. One of the biggest nightmares for the Syrian regime, which is a police state, is to have a representative government on their border, whether it be Lebanon or Iraq; do you agree with that?

Admiral MCCONNELL. I would agree with that.

Senator GRAHAM. Do you think it is an accident that Syria is trying to interfere with Lebanese democratic efforts?

Admiral MCCONNELL. Not an accident.

Senator GRAHAM. Do you believe Iran wants a nuclear weapon?

Admiral MCCONNELL. Yes.

Senator GRAHAM. Do you think they are lying when they say they do not?

Admiral MCCONNELL. I do believe they lied.

Senator GRAHAM. Is it true that the leader of Iran, the president, has denied the Holocaust exists?

Admiral MCCONNELL. It is true that he denied that.

Senator GRAHAM. So the world has this dilemma: Should we allow a person who denies the Holocaust exists have nuclear materials? Is that the dilemma the world faces?

Admiral MCCONNELL. Indeed.

Senator GRAHAM. So if someone came to the United Nations requesting a nuclear program and the application said, does your leader deny the existence of the Holocaust, should we go to the next question?

Admiral MCCONNELL. I think we should.

Senator GRAHAM. So my statement is that anybody that wants a nuclear program, for whatever purpose, if the leader of your nation denies the Holocaust exists, you do not get it. Is that an unreasonable request?

Admiral MCCONNELL. It sounds reasonable to me, Senator.

Senator GRAHAM. Good.

Economically, could we affect—if the world came together and put sanctions on Iran, could it work to change their behavior?

Admiral MCCONNELL. It could have significant impact. I think it might have dramatic impact.

Senator GRAHAM. Has that been done yet?

Admiral MCCONNELL. It has not been done.

Senator GRAHAM. The Iranians depend on gasoline coming outside their country because they do not have refining capacity?

Admiral MCCONNELL. Yes, sir, that is correct.

Senator GRAHAM. So to the world, if you would like to change the behavior of the Iranian regime, you believe economic sanctions properly applied could work?

Admiral MCCONNELL. Would have a very dramatic impact.

Senator GRAHAM. If Iran developed a nuclear weapon, what is the likelihood they would use it against Israel?

Admiral MCCONNELL. They have stated that they would consider that, that Israel should not exist, should be wiped off the map. I do not know that I would conclude that they would use it in a prescribed period of time, but certainly the risk would be there.

Senator GRAHAM. Can you tell me they would not?

Admiral MCCONNELL. No.

Senator GRAHAM. Can you tell the state of Israel they would not?

Admiral MCCONNELL. No.

Senator GRAHAM. If you were the Israeli prime minister, what would you do?

Admiral MCCONNELL. I would react in a way to protect my country.

Senator GRAHAM. Thank you.

Chairman LEVIN. Thank you, Senator Graham.

Senator Pryor.

Senator PRYOR. Thank you, Mr. Chairman.

I want to thank Senator Graham for those great questions, excellent as always, great content.

Senator Graham has touched on a lot of extremely important issues, as other Senators have. So let me change gears and change the focus just for a moment. I would like to ask about the greater Horn of Africa. There has been a lot of discussion about this. It is lower level in terms of visibility, but it may be just as great of a challenge as we see in other parts of the world. We all know the history in Somalia. We can look at countries like Ethiopia and Eritrea and other nations there that have had either involvement in other countries, proxy wars, et cetera, funding various things, and

maybe even some of these nations being involved in attacking other countries in one way or another.

Anyway, we do not have to go through all that today. But I would like to get the panel's thoughts if I could on the region. Some of the news, when you read it, it sounds pretty bleak out of Africa, especially the greater Horn of Africa. My sense is that instability means opportunity for terrorists and terrorism.

So if I could, I would just like to ask, how can we more effectively address the growing threat that is coming out of the greater Horn of Africa? Whoever wants to go first, go ahead.

Admiral MCCONNELL. Sir, let me start. I lived in that region for a period of my life and visited a number of those countries. My view is both stability and cultural—let me just use Somalia as an example—tribal, clans, sub-clans. As I mentioned in my remarks, one group would rather suffer than see another group prevail. So there are inherent difficulties in the Horn of Africa.

But the current level of stability and strife and poverty and so on just foments additional problems for us. So in my view, if we have a way to establish a level of stability there may be a path then to rebuild the nation.

Senator PRYOR. Anybody else want to comment?

General MAPLES. I think it remains an area of concern, in particular in the sense that we talked earlier about ungoverned spaces, and the fact that there is no control just provides the opportunity for al Qaeda or al Qaeda affiliates and East African al Qaeda to operate from there, to plan from there, and to create instability in the rest of Africa.

Dr. FINGAR. I would echo that. The region as a whole, even those areas that are not currently affected by the kind of violence we see in Somalia and Sudan, are fragile. The tribal character spilling across the borders, the ungoverned spaces, the fragility; the danger of the instability and therefore the ungoverned spaces expanding is very high. As General Maples said, we know that al Qaeda has been involved with the Islamic Courts. We judge that some of those responsible for the attacks on the American embassies were present in Somalia, had a degree of safe haven.

It is very easy to make a long list of the maladies, the dangers in the region. It is much more difficult analytically to say precisely what would be most effective in redressing those difficulties.

Senator PRYOR. Let me follow up on that if I may. General Maples, you mentioned that this area remains an area of concern. How high a priority, though, is it in the IC? Are we allocating enough resources on the intelligence side for that region of the world?

General MAPLES. I believe from a military standpoint that we are, and in those times when we need to increase that we are taking the appropriate actions to support the commander, who has a focus on this area right now, the Central Command commander.

Senator PRYOR. Admiral McConnell, do you agree with that?

Admiral MCCONNELL. Sir, what I was going to observe from long years of experience in this, there have been times when we tried to be clairvoyant, to pick the places to focus our attention, and more often than not we focused in one area and we had a problem somewhere else. We have a new process now called our national in-

telligence priorities framework. What we do with that is engage with the policymakers on a regular basis to get them to validate where we focus and so on.

So I think we are better than we were. We have reasonable focus on the area, but in all candor, given the focus on Iraq and al Qaeda and other places, it probably is not as robust as we would all like it.

Dr. FINGAR. I would actually go a little further than that, the area that we, the Office of the DNI, have chosen to focus on for rebuilding capability is Africa, where the drawdown of capability occurred in order to shift analysts to higher priorities, counterterrorism, counterproliferation, later Iran and Iraq. We really have a rebuilding challenge here, because the level of expertise required to get arms around the religious, tribal, ethnic, and economic cleavages in the region, to understand and identify the more capable leaders with whom one might work, to devise strategies, we do not have the analytic expertise that we need.

We have launched an effort to rebuild it. So we are able, as General Maples indicated, to move short-term stopgap, to answer very immediate questions, but this is an area that as a function of higher priorities over a decade or more has the fewest analysts, the most junior analysts, and the ones with, the nature of it, the least experience on the ground.

Senator PRYOR. That is very concerning, what you are saying. I would just encourage you to work with us to try to get the proper amount, the proper level of resources and attention on that area, because I think, not right now, but in the future, this is going to be a major problem for the United States.

Dr. FINGAR. Senator, I would be happy to meet with you with my Africa staff to explain the initiative we have and seek your help.

Senator PRYOR. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Senator Clinton.

Senator CLINTON. Thank you, Mr. Chairman.

Admiral McConnell, the annual threat estimate characterizes Iran as determined to obtain nuclear weapons. In response to the series of questions from my colleague, Senator Graham, you obviously agree with that assessment. I want to ask it a little bit differently. What is the best estimate of the U.S. IC for how long it would take for Iran to develop nuclear weapons and the capacity to deliver them, and what degree of confidence do you have in that estimate?

Admiral MCCONNELL. The earliest they could produce a nuclear weapon would be early next decade, more likely mid-next decade.

Senator CLINTON. By mid-next decade, are we talking 2015?

Admiral MCCONNELL. We would be talking 2015.

Senator CLINTON. When that date is reached, 2015, which is the earliest that they could produce a nuclear weapon, would they then have the capacity to deliver that nuclear weapon?

Admiral MCCONNELL. It depends on how they develop their program. If they were to start the program for delivery consistent with the development of a nuclear weapon, they could match and marry up in the same timeframe. Normally it would take a little longer to have a delivery capability.

Senator CLINTON. Thank you, Admiral McConnell.

General Maples, in 2005 Admiral Jacoby told me in testimony before this committee that North Korea had the ability to arm a missile with a nuclear device. I think it was the first time that testimony had ever been given in public. Last year, General Maples, you told me that North Korea is “in the process of developing an ICBM capable of delivering a nuclear warhead, but they have not done so yet, nor have they tested it.”

Given the July 2006 missile test, would you revise your assessment of whether North Korea has developed an ICBM capable of delivering a nuclear warhead to the United States? If not, how many more years before North Korea has this capability?

General MAPLES. I believe they have the technical capability, as we saw by the Taepodong, but they have not successfully tested it yet.

Senator CLINTON. I just want to be clear that when we are talking about the technical capability we are talking about a missile launched from North Korea that could reach California.

General MAPLES. That is correct.

Senator CLINTON. With your assessment, do you have any best estimates as to how many more years before they would have a deliverable capability?

General MAPLES. I would probably estimate it is not a matter of years, but in fact they will have learned from the Taepodong launch of this last summer and gone back to try to make corrections to whatever the failure was and apply that to the missile systems that they already have.

Senator CLINTON. I would like to ask Dr. Fingar, because I understand you are an expert in China, and also General Maples. In your written statement that was submitted to the committee regarding China’s military modernization, you state that you assess “China’s aspirations for great power status, threat perceptions, and security strategy would drive China’s modernization efforts even if the Taiwan problem were resolved.” is that correct?

Dr. FINGAR. That is correct.

Senator CLINTON. Your written statement, however, fails to mention China’s January 11 anti-satellite test. So perhaps this goes more to General Maples, but obviously I would be pleased to hear from anyone on the panel. Given China’s recent anti-satellite test and the Chinese government’s professed opposition to the weaponization of space, what explains, in the opinion of any of you, the government’s decision to permit the military to conduct such a test? Do you believe that the leadership, either civilian or military, was aware of the potential negative implications in terms of U.S. diplomatic and potential military response? Or was there some other motive at work?

General Maples, Dr. Fingar?

General MAPLES. I would just start. I believe the Chinese and the Russians to some extent will continue to pursue space and counterspace capabilities, as they demonstrated by the launch of the SC-19.

Senator CLINTON. Do you see that as fitting into your assessment that they are going to continue to modernize regardless of any other factor that is going on, including the status of Taiwan?

General MAPLES. I believe they will continue to modernize, yes, ma'am.

Senator CLINTON. Let me ask each of you to briefly respond. In your opinion, under what circumstances would China become a military threat to the United States?

Admiral MCCONNELL. China today could be a military threat. They have ICBMs, nuclear warheads, and so on. So it is a matter of their building their military, in my view, to reach some state of parity with the United States. So in a threat sense, it becomes intentions. So they are a threat today. They would become an increasing threat over time.

Senator CLINTON. Dr. Fingar?

Dr. FINGAR. They've certainly had the capability for decades. But they have appeared to have decided that we are not an enemy, that they require a peaceful international environment in order to proceed with their own efforts for economic modernization in order to address their very severe social problems. But they are a country with a history of, in their view, having been victimized by stronger external powers and they take national defense, including lessons learned out of Operations Desert Shield and Desert Storm, to heart.

Senator CLINTON. I appreciate your comments and perhaps this is an issue that we can explore further, because obviously both within their government as well as within ours there is a debate occurring as to how to view each other. I personally think it is one of the most important debates for us to get right.

Finally, Dr. Fingar, in response to a series of questions about the NIE on Iraq, do you have an opinion about the impact on Iraq's potential for stability and security of a phased redeployment versus a rapid withdrawal?

Dr. FINGAR. Senator, I do not. It is not a question that I have looked at or that we have looked at.

Senator CLINTON. I think that is important, and I appreciate your candor on that issue, because clearly the conclusion some are drawing from the NIE would suggest that there was an opinion and that you had such an opinion, and I appreciate your response to my question.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Clinton.

Just a very brief second round, perhaps a couple minutes each.

Admiral, I think that your statement that China will be an increasing threat is not really what you intend, but if it is, so be it. Did you not really mean that they will have an increasing capability?

Admiral MCCONNELL. Yes, sir, better stated. What I was attempting to say was they will improve their capability over time. My view, the greater threat to us as a Nation is internal issues in China. They have a growth plan that they have to meet or they will have internal strife. So capability growing. Threat is more internal; it could be a problem for us.

Chairman LEVIN. Could be, but you did not——

Admiral MCCONNELL. I misstated it.

Chairman LEVIN. Thank you.

Now, in terms of the weapons coming in from Syria, those weapons which you have described as coming in from Syria and perhaps other Sunni neighbors are killing our troops. Do we have a plan to address the Syrian weapon source of killings of our troops?

Admiral MCCONNELL. Sir, I know the military is working that border area to close it down from not only weapons but jihadists coming in.

Chairman LEVIN. That is more than just—we are trying to close down the Iranian border area, too.

Admiral MCCONNELL. Yes.

Chairman LEVIN. The problem is that these weapons are coming from a state which does not recognize Israel either, just like Iran does not. We have to try to stop weapons coming into Iraq from any source that are killing our troops. I agree with the comments about trying to stop them coming in from Iran, but I think we have to try to stop them that are going to the Sunni insurgents as well as to the Shiite. I am just wondering, does the military have a plan to, if necessary, go into Syria to go to the source of any weapons coming from Syria that are going to Sunni insurgents, that are killing our troops? General or Admiral, either one?

Admiral MCCONNELL. There is an attempt to stop the flow of any traffic across that border, but most of the weapons that are being used inside Iraq are there now. It is not a matter of resupply. It is just the stocks that were there from the Saddam era are huge.

Chairman LEVIN. I understand that, but there also are weapons, you have testified, coming in now from Syria. Is that true?

Admiral MCCONNELL. Some, yes, sir.

Chairman LEVIN. I think we ought to take action on all fronts, including Syria and any other source of weapons coming in. Obviously, Iran is the focus, but it should not be the sole focus.

The economic sanctions answer that you gave is a very significant answer, as to whether or not economic sanctions, if applied against Iran, could stop them from pursuing any nuclear program. Your answer was, as I understand it, yes, that strong economic sanctions could have an effect. Is that what your testimony is?

Admiral MCCONNELL. My answer was that strong economic sanctions would have dramatic impact. Now, whether it would change or not, that is to be determined.

Chairman LEVIN. Unless their policy might change, their direction might change, what is the relevance of the impact? That is the source of it.

Admiral MCCONNELL. It would make them be more mindful of continuing a policy that causes sanctions, because international economic sanctions that were significant would cause them stress and pain.

Chairman LEVIN. Might that have an impact on whether they continue to pursue a nuclear program?

Admiral MCCONNELL. It could have impact, yes, sir.

Chairman LEVIN. Thank you.

Senator Warner.

Senator WARNER. I will defer to my colleague from South Carolina since I am going to stay for the entire second round.

Chairman LEVIN. We are going to meet in S-407 of the Capitol, by the way, immediately after this second round.

Senator WARNER. I just have one question.

Chairman LEVIN. Senator Graham.

Senator GRAHAM. Thank you. Thank you, Mr. Chairman.

The point about economic sanctions I think—I do not think anyone here wants to have another engagement with another country in the Middle East unless we have to. The point is, at what point do we have to? It goes back to Senator Clinton's question: What time period do we have left reasonably speaking before Iran procures a nuclear weapon, if we all agree they are trying? To me, the first thing we have to come to grips with, is it the intent of the regime to develop a nuclear weapons program in your opinion, not a nuclear power program?

Admiral MCCONNELL. My opinion is they are pursuing a nuclear weapon, yes, sir.

Senator GRAHAM. So the intent is there for this country to have a nuclear weapon, we believe?

Admiral MCCONNELL. In my judgment.

Senator GRAHAM. So we have several alternatives to stop that. Do you believe it is in the world's best interest for Iran not to have a nuclear weapon?

Admiral MCCONNELL. I would agree with that.

Senator GRAHAM. It would be one of the most destabilizing events in modern times, is that correct?

Admiral MCCONNELL. Particularly in this part of the world.

Senator GRAHAM. It could create potentially an arms race in the Mideast?

Admiral MCCONNELL. Could be.

Senator GRAHAM. So we have a window of time left here. Now, you answered Senator Clinton's question some time between now and 2015 is our best guess as to when they would have a nuclear weapon?

Admiral MCCONNELL. Early to mid next decade.

Senator GRAHAM. Now, the Israelis have a different view of that. Do you know why?

Admiral MCCONNELL. I do not know why, sir. I know they think it may be a little earlier.

Senator GRAHAM. Can you go down and talk?

Admiral MCCONNELL. We do.

Senator GRAHAM. Good, because to be wrong here is to be wrong big time.

Now, getting back to the economic sanctions. I do believe they could work. I just do not believe they have been tried yet. Do you agree with that statement?

Admiral MCCONNELL. The United Nations and the IC have not applied the kind of economic sanctions you are describing, sir, no.

Senator GRAHAM. So would you agree that economic sanctions are the last best hope short of military action to prevent a nuclear weapons program from occurring in Iran?

Admiral MCCONNELL. Sir, that goes to a policy level question. I am making the judgment based on what I have observed in other situations that it would have a dramatic impact.

Senator GRAHAM. Fair enough, okay.

Redeploying. Regardless of the timeframe, if it is perceived by the militants of the region and al Qaeda in particular that we left

Iraq because we were driven out, what effect would that have on the overall war on terror?

Admiral MCCONNELL. It would certainly encourage those that are inside Iraq who are stimulating sectarian violence.

Senator GRAHAM. Do you believe the outcome in Iraq is part of the overall war on terror?

Admiral MCCONNELL. A stabilized Iraq would be in our interest in terms of fighting the overall global war on terror.

Senator GRAHAM. Do you believe that Iraq is a central battlefield in the overall war on terror?

Admiral MCCONNELL. The outcome of Iraq makes it so today, based on where we are today.

Senator GRAHAM. Does al Qaeda believe that the outcome in Iraq is part of their overall strategy?

Admiral MCCONNELL. I would not go so far as to say al Qaeda would necessarily believe that. Al Qaeda may have designs—

Senator GRAHAM. Have they not said that?

Admiral MCCONNELL. They want to reestablish their base and their objective could be in Afghanistan.

Senator GRAHAM. Okay, so you do not think al Qaeda sees democracy in Iraq as a threat to their agenda?

Admiral MCCONNELL. You described al Qaeda as one large organization. There are elements of AQI and—

Senator GRAHAM. I do not want to use any more. The bottom line is if we withdraw to Kuwait what is the likelihood that al Qaeda-type elements would follow us to Kuwait?

Admiral MCCONNELL. Unlikely.

Senator GRAHAM. Unlikely? Is it not the stated policy as an organization to drive us out of the region and to destroy Israel?

Admiral MCCONNELL. It is.

Senator GRAHAM. Why would they not likely follow us to Kuwait?

Admiral MCCONNELL. In time they would try to do that. But the way you were framing your question, if we withdrew to Kuwait would they just follow right on, I do not—

Senator GRAHAM. No, I am saying that—

Admiral MCCONNELL. In time.

Senator GRAHAM. I guess, General Maples, maybe just end it with this: The big picture is, I believe if we withdraw from Iraq, whether it is a year, 6 months, 2 years, whatever number you want to pick, that if it is seen by the militant groups within the Mideast, no matter where we go in the Middle East, they are coming after us. Am I wrong?

General MAPLES. It is our presence in the Middle East that they are concerned about.

Admiral MCCONNELL. They have already attacked inside Saudi Arabia, as an example. So, yes, they will come wherever we are.

Senator GRAHAM. Is there any safe place for us to go in the Mideast without being attacked?

Admiral MCCONNELL. I cannot think of one.

Senator GRAHAM. Thank you.

Chairman LEVIN. Thank you.

Senator REED.

Senator REED. Admiral McConnell, we all recall about 6 years ago when the administration essentially took apart the Agreed

Framework with North Korea. The major rationale at the time was the discovery of a highly enriched uranium (HEU) program beyond the plutonium that had been capped, was being inspected by the IAEA. Now we have another agreement, looks somewhat like the Framework, maybe not entirely correct. But the question remains what of the HEU program?

Several possibilities exist. One, it was never really a real program. Or something has happened in the interim to change the program. Can you shed any light on the HEU program and why now we can enter into an agreement with the North Koreans?

Admiral MCCONNELL. No, sir, I cannot personally shed any light. But perhaps my colleagues can. I know that the primary focus in the current timeframe was on the plutonium in the reactor. I do not personally know and have not yet caught up to that intelligence if it exists with regard to the HEU.

Senator REED. I would be happy to have you defer to someone.

Dr. DiTRANI. Sir, I would only—I would add on that, sir—

Chairman LEVIN. Would you identify yourself, please?

Dr. DiTRANI. Joseph DiTrani. I am the mission manager for North Korea with the Office of the DNI.

Chairman LEVIN. If you could stand up and talk real loud.

Senator REED. Or take the mike from Dr. Fingar.

Dr. DiTRANI. If I might, sir, on the uranium enrichment program, in October 2002 we confronted the North Koreans in Pyongyang with information that they were acquiring material sufficient for a production-scale capability of enriching uranium, which was in violation of the North-South Denuclearization, the Non-Proliferation Treaty (NPT), and also the spirit of the Agreed Framework.

They were confronted with that information in October 2002 and at that time they admitted to having such a program, and immediately thereafter that is when they pulled out of the NPT, they asked the IAEA to leave, and so forth. The United States persists in our negotiations with them saying that we need a declaration that speaks to acquisitions, that addresses a production-scale uranium enrichment capability.

My understanding is of the February 13 agreement, this agreement speaks of all nuclear programs. Indeed, the North Koreans are very aware that when we speak of all nuclear programs we are also including their acquisitions of materials necessary for production-scale uranium enrichment program, and indeed which they were making in the late 1990s through the early 2000s. We still see elements of that program.

So the short answer to your question, sir, is that is still on the table and North Korea still must address the issue of their acquisitions of materials, to include centrifuges, that even President Musharraf in his book speaks to a few dozen centrifuges, P1s and P2s, that were in violation of all those agreements. They need to address that issue as part of the denuclearization process.

Senator REED. How different is that from 2002, when we confronted them and asked them to detail their experiments, their acquisition of centrifuges? It seems to be equivalent.

Dr. DiTRANI. We have never walked away from that issue, sir. We are still looking for them to—

Senator REED. But we walked away from the Agreed Framework. Dr. DiTRANI. They pulled out of the NPT, they asked the IAEA to leave, after admitting to having made those acquisitions, sir. That is why the Six-Party Talks kicked in after the three parties met in April 2003.

Senator REED. Do you have any further indication of whether that program has progressed in the last 6 years, 1, or 2, the evidence, the credibility of the evidence that we had initially suggesting they had a program rather than aspirations?

Dr. DiTRANI. Sir, we had high confidence. The assessment was with high confidence that indeed they were making acquisitions necessary for, if you will, a production-scale program, and we still have confidence that the program is in existence at the mid-confidence level, yes, sir, absolutely.

Senator REED. Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator Warner.

Senator WARNER. Thank you very much.

Mr. Chairman, that was a very impressive bit of testimony. Do we have in our record the gentleman's name and his portfolio?

Chairman LEVIN. We have his name and his portfolio.

Senator WARNER. All right, fine. Let's make sure the record reflects it.

Chairman LEVIN. We asked him to state that for the record.

Senator WARNER. Thank you very much.

Admiral McConnell, you were asked a question by my colleague from South Carolina, whether if the initiatives of the Security Council with regard to trying to restrain Iran from moving towards a nuclear weapon failed, then the next step would be a military action. I think you very carefully answered that that was a policy question.

I have over the past year or 2, tried to draw the attention, both here and abroad, of those dealing with this problem, to the success that we had in containing the Soviet Union with NATO and indeed the concept of deterrence. I think there is another step between, say, the failure of this round of Security Council efforts, which I suggest at this time hopefully will be fruitful and that there will be a body of sanctions that will bring about the end result we desire. But failing that and if Iran continues to doggedly persist, then I would suggest we begin to think about the model of how we dealt with the Soviet Union, the NATO concept, that we would ask other nations to join us in a consortium of nations, since it is in their interest not to have this happen, and put offshore, primarily in naval platforms and others, such power as can be brought to bear at any time the region or indeed other parts of the world felt threatened by Iraq's nuclear program. So I just bring that forward as a suggestion.

Chairman LEVIN. It is such an important question. I wonder if we could not ask the Admiral to respond. I happen to agree with what you said. I think it is very significant, that there is a deterrence possibility if economic sanctions fail. I think the question is so properly and strongly phrased, I would hope, Admiral, that you would respond in agreement. But nonetheless, I think it is important that you respond.

Admiral MCCONNELL. Sir, I promised to speak with all candor when I am appearing before you, but you have taken me now to a policy question. It is a fundamental policy issue of difference of opinion. Might it work? It could. It worked with the Soviets. But it is a policy question of whether we would pursue that goal or not.

Senator WARNER. Fair enough. But you will be sitting around the policy roundtable if we have the misfortune of having to be cast into that posture, where all efforts of the United Nations and the Security Council and indeed free nations fail, Germany has taken quite an active and strong role in this, in addition to the Permanent 5, and it is an option I think that not only the United States, but indeed the United Nations and others, should consider. We would just set up a separate framework, not to call it NATO, just some other framework.

I want to turn to Russia. It is interesting, Mr. Chairman, when you and I came to the Senate some 29 years ago, we were always consumed with the Soviet Union and Russia. I would like to get the Admiral's views with regard to what President Putin had to say the other day.

In your testimony, you said "Russian assertiveness will continue to inject elements of rivalry and antagonism in U.S. dealings with Moscow, particularly our interactions in the former Soviet Union, and will dampen our ability to cooperate with Russia on issues ranging from counterterrorism and nonproliferation to energy and democracy promotion in the Middle East."

We had all been hopeful that Russia, as opposed to the former Soviet Union, would begin to bring itself into a stronger partnership with the free world to pursue these things like nonproliferation and the questions before the world with regard to Iran. It is not in Russia's interest in my judgment to see that Iran becomes a nation with a certain measure of capability utilizing nuclear WMDs.

President Putin went to the Wehrkunde Conference this year. I have been to Wehrkunde in years past, but I cannot remember a more astonishing performance at Wehrkunde. We all know of one of the Russian presidents who came over and banged his shoe on the table before the United Nations and the world. Putin's performance was sort of a second cousin to banging the shoe.

Admiral MCCONNELL. Yes, sir. Sir, quite frankly, it surprised a number of us that have been observers of the old Soviet Union and the current Russia. When we looked at the speech, there was not anything dramatically new in the speech. It was just the first time it was put together that way and stated that way. So we were admittedly surprised.

One of the lines of thought was Putin was leaving there to go to the Middle East to visit places he had never been before, and perhaps he was setting himself up for that particular visit. I have noticed that since that speech a number of public statements in Russia have walked away from it a bit, to back it back off just a bit.

But that said, it stimulated me, because I used to focus on this area so much, to understand a little bit more about it. What I have learned so far is the march to democracy has taken a back step and now there are—

Senator WARNER. In Russia?

Admiral MCCONNELL. In Russia.

Senator WARNER. Regrettably.

Admiral MCCONNELL.—arrangements to control the process and the populace and the parties and so on, to the point of picking the next leader of Russia. I do not know that that has been done with 100 percent surety, but in fact we are seeing behavior that would take them down that path.

They are doing a few things—

Senator WARNER. In other words, they may depart from their structure of laws with regard to the succession of Putin, which is to take place in the next 6 or 8 months?

Admiral MCCONNELL. Yes, sir, I think it is this year. I think it is this calendar year.

Senator WARNER. That is correct, and that they might just deviate and crown someone?

Admiral MCCONNELL. One way to think about it would be if you select your successor and put him in position and work the arrangements, might that successor be beholding to you? So that is my worry, is the march toward democracy the way we understood it now being controlled in a way that is less of a democratic process.

They are doing some things to alleviate pressure. They set up a body that takes a look at extreme cases where the government had overreacted or it had conducted some activity that would not stand public opinion, and that allows a little bit of pressure relief. But by and large it is still a very controlled state.

Senator WARNER. We have this issue before us, which is a first cousin to this problem of our plans to put a missile defense system in Poland. Now you hear all these bellicose statements coming out of various areas of the Russian hierarchy on this. Do you think that is part of this problem?

Admiral MCCONNELL. Yes, sir. What I tried to do was get a little better understanding of the advice and counsel going to Putin. What I have been able to figure out so far is that those that he is listening to are extremely conservative and very suspicious of the United States and interpret things through a lens that portrays Russia as the downtrodden, or we are trying to hold them back, to the advantage of the United States. My reading of that is they are not interpreting the lens correctly. But they have renewed energy and vigor because of the high price of oil.

Senator WARNER. They are using that almost as a tool of their diplomacy now.

Admiral MCCONNELL. Exactly.

Senator WARNER. Thank you, Admiral. Bringing to the table your vast experience in this area will be very helpful.

Admiral MCCONNELL. Thank you, sir.

Chairman LEVIN. Thank you, Senator Warner.

Senator Clinton.

Senator CLINTON. Thank you, Mr. Chairman.

Mr. Chairman, I think it would be useful to have the committee staff look into the chronology of the activities surrounding our statement back in 2002 about North Korea's HEU program. My recollection was that we stopped sending fuel oil before North Korea pulled out of the NPT and dismissed the IAEA inspectors.

But I think this is very important because we have learned some lessons. I think we have learned some lessons about what not to do in dealing with serious threats such as that posed by a nation like North Korea and others obtaining nuclear weapons.

But if we could get that chronology. Thank you.

Chairman LEVIN. The committee staff will do that. By the way, my recollection is the same as yours, that we did stop sending the heavy fuel oil to North Korea before they withdrew from the Framework and left the IAEA. But we will have the staff doublecheck that.

Senator CLINTON. Thank you.

Vice President Cheney was in Pakistan yesterday and from the news reports it appears that he delivered what is referred to as a stiff message, a stiff private message, to the Pakistani government to crack down more effectively on the Taliban and al Qaeda inside Pakistan. I assume, Admiral McConnell, that Vice President Cheney was briefed in an up-to-date way about whatever intelligence assessments were attributed to our understanding of Pakistan before he went; is that correct?

Admiral MCCONNELL. That is correct, and in fact he was accompanied by the Deputy Director of CIA to ensure he had all the current information.

Senator CLINTON. So I just want to ask you therefore, based on that and based on Vice President Cheney's apparent mission there, is it the assessment of our IC, number one, that Pakistan is capable of doing more with respect to Taliban and al Qaeda than they currently have done; and number two, that President Musharraf's hold on power within Pakistan is firm enough for him to take such additional steps?

Admiral MCCONNELL. One, we believe they could do more. The issue of being elected for the next term is the issue that in my view the president of Pakistan is wrestling with. He signed the agreement with the tribal leaders in the frontier area, as you are aware, last fall. The question was, he was taking casualties for going into those areas attempting to chase al Qaeda. The President of Pakistan believed that he could be more effective by signing this peace agreement. From our point of view, capabilities of al Qaeda for training and so on increased. Therefore, the Vice President's visit and others' visit to make the case that we have to be more aggressive in going after al Qaeda in Pakistan.

The balancing act, of course, is the president's standing in that country with an election coming up this fall.

Senator CLINTON. Thank you.

Chairman LEVIN. Thank you, Senator Clinton.

We will now adjourn to S-407 of the Capitol. We are not sure how long that will last. It should be fairly brief, but we will go immediately, those of us who are able to go, to S-407 of the Capitol.

Thank you all very much for your testimony. We stand adjourned.

[Questions for the record with answers supplied follow:]

## QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

## STABILITY IN IRAQ

1. Senator LEVIN. Admiral McConnell, Senator Thune asked you the following question: “If the United States decided to adopt the policy of withdrawing troops from Iraq before it is secure, do you believe that Iraq will become a failed state?” You answered Senator Thune as follows: “I think that’s a very likely possibility, at least the way we think of Iraq today—yes, sir.” I have a number of follow-up questions.

President Bush’s plan is for the surge of U.S. forces to be temporary, followed by a withdrawal of forces. If, during the surge, the violence subsides, and then the planned withdrawal begins, would you also expect the result to be a failed state?  
Admiral MCCONNELL. [Deleted.]

2. Senator LEVIN. Admiral McConnell, suppose the United States begins a phased redeployment of its troops as a way of pressuring the Iraqis to reach a political settlement, since there is a consensus that the sectarian violence won’t end and the insurgency won’t be defeated without a political settlement, and the Iraqis achieve a political settlement which results in major progress in ending the violence, do you also expect the result to be a failed state?  
Admiral MCCONNELL. [Deleted.]

3. Senator LEVIN. Admiral McConnell, suppose Iraq begins to make progress on political reconciliation without the pressure of a U.S.-phased redeployment and starts to become more secure as a result. If the United States begins a phased withdrawal of forces, would your answer be the same?  
Admiral MCCONNELL. [Deleted.]

4. Senator LEVIN. Admiral McConnell, is there a difference between Iraq as a “failed state” and Iraq in a condition of civil war? If so, what is the difference? If the main difference is that in the case of a failed state, terrorist groups like al Qaeda in Iraq would have an uncontested sanctuary, would it not be possible to address that problem by keeping a sufficient force in the area to conduct operations against terrorists like al Qaeda in Iraq?  
Admiral MCCONNELL. [Deleted.]

5. Senator LEVIN. Admiral McConnell, what do you mean by “the way we think of Iraq today?”  
Admiral MCCONNELL. [Deleted.]

## QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

## REPORTS TO CONGRESS

6. Senator BYRD. Admiral McConnell, the National Defense Authorization Act for Fiscal Year 2007 (P.L. 109–364) called for two key reports on Iran: an updated, comprehensive National Intelligence Estimate (NIE) on Iran, and a report on the objectives of U.S. policy on Iran and the strategy for achieving those objectives. The deadline for those reports has already been passed—they were due to Congress by mid-January. As administration officials continue to make public claims about Iran’s interference in Iraq, its contribution to attacks on our soldiers, and its progress toward a nuclear weapons capability, it is all the more critical that Congress be given the information required in these reports. Why has there been a delay in delivering them, and what date will they be transmitted?  
Admiral MCCONNELL. [Deleted.]

## AL QAEDA IN IRAQ

7. Senator BYRD. Admiral McConnell, during your testimony you noted that the preeminent challenge facing the United States is terrorism, and al Qaeda is the greatest threat. Does the Intelligence Community (IC) believe that the U.S. invasion of Iraq has diminished the capacity of al Qaeda to conduct terrorist attacks against U.S. interests?  
Admiral MCCONNELL. [Deleted.]

8. Senator BYRD. Admiral McConnell, does the IC believe that continued U.S. occupation of Iraq is constraining the strength of terrorist and extremist groups like

al Qaeda, or contributing to it? Please respond in unclassified form to the extent possible.

Admiral McCONNELL. The IC views the war in Iraq as one of several factors fueling the spread of the global jihad movement, which includes al Qaeda and numerous like-minded groups. The Iraq conflict has become a rallying point for the movement, breeding resentment of U.S. involvement in the Islamic world and feeding into fears of Western domination—sentiments that jihadists exploit to broaden their appeal and spur recruitment. Like previous jihads such as the one against the Soviets in Afghanistan, the war in Iraq is shaping a new generation of terrorists, providing rank-and-file operatives with indoctrination, training, and combat experience, and giving new leaders an opportunity to prove themselves. Although fewer foreign jihadists appear to be participating in the Iraq war than in the Afghan-Soviet conflict, the nature of their experience in Iraq—in particular, a greater emphasis on urban warfare, terrorist techniques, and anti-U.S. targeting than in Afghanistan—could make them a greater threat over the years to come.

The ultimate impact of the war in Iraq on the terrorist threat will depend on the conflict's resolution. Should jihadists leave Iraq after concluding they failed to defeat the coalition, while Iraqis move toward establishing a stable political and security environment, we judge that fewer fighters will be motivated to continue the struggle elsewhere. However, if they perceive success in expelling the coalition from Iraq, many will be inspired to carry on the fight and will attempt to transform portions of the country into bases for training and attack plotting. In a letter captured in 2005 and subsequently released by the U.S. Government, Osama bin Ladin's deputy, Ayman al-Zawahiri, told AQI leader Abu Mus'ab al-Zarqawi that once coalition forces withdrew from Iraq, al Qaeda intended to use the country as a base to destabilize neighboring governments and launch attacks against U.S. interests further abroad.

#### NUCLEAR PROLIFERATION

9. Senator BYRD. Admiral McConnell, you noted that the second-greatest threat facing us is nuclear proliferation and the possibility that nuclear weapons could be used against us. We have focused a great deal on Iraq, and I am concerned that other threats have been neglected as a result. Do you believe that we are adequately responding to the risk of nuclear materials being smuggled from the former Soviet Union and elsewhere?

Admiral McCONNELL. [Deleted.]

10. Senator BYRD. Admiral McConnell, do you believe that India is prepared to increase its production of fissile material, and if so, could that constitute a greater risk of proliferation or lead to a nuclear arms race?

Admiral McCONNELL. [Deleted.]

#### INTELLIGENCE SHARING

11. Senator BYRD. Admiral McConnell, you have discussed the need for the IC to move from a "need to know" to a "responsibility to provide" culture. Beyond the improvements already achieved, which you noted in your testimony, do you have further plans for operationally accomplishing that fundamental change of mind-set? Are you supportive of the intelligence-sharing directives in S.4, the "Improving America's Security Act" of 2007?

Admiral McCONNELL. The February 27, 2007, testimony reflected my initial plans for intelligence sharing; ODNI also recently notified the committee of reorganization plans, which include transferring responsibility for Strategy, Plans, and Policy to the Deputy Director of National Intelligence (Customer Outcomes). The reorganization is designed, in part, to improve communications and information sharing between elements of the IC.

As noted in the Statement of Administration Position on S.4, the administration opposes the bill's State, local, and regional Fusion Center provisions. These provisions do not recognize or capitalize on the substantial progress that the administration has made in creating the government-wide information sharing environment established by the Intelligence Reform and Terrorism Prevention Act of 2004. These provisions would upset the coordinated government-wide approach to information sharing mandated by Congress and currently being implemented by the executive branch at the President's direction. By eschewing government-wide responsibility for information sharing, the proposed provisions would undermine the fundamental

premise of information sharing reform—coordination among all Federal entities with counterterrorism responsibilities.

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QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

THREATS TO THE UNITED STATES

12. Senator AKAKA. Admiral McConnell, General Maples, and Dr. Fingar, there are many different threats against our security in the world today, and you have discussed quite a number of them in your statements. These threats come at us from a number of different sources and from different angles of attack. There are threats from different nations, different terrorist organizations, and threats to our economic security. Some threats may even be indirect, in that they may be caused by actions taken by our allies. Please list what you believe are the top five threats to our national security today, and why you believe that your choices are the most important threats plaguing our Nation.

Admiral MCCONNELL. [Deleted.]

General MAPLES. My testimony outlined the most critical threats and challenges to our Nation's security. These can be broken down into both near-term focus as well as long-term concern. The insurgencies in Iraq and Afghanistan will remain our first priority and both situations reflect, to varying degrees, the threats and challenges listed below.

a. Global Terrorism. Developments in this decade have highlighted the continuing threat terrorism poses to the security of the United States. Many of the root causes remain in place, and the trend lines most likely will continue beyond 2010. Despite our best efforts at mitigation, the resiliency of these groups and resonance of their extremist message foster conditions that promote and sustain terrorist activity. The failure of governments to adequately address key economic and social issues such as systemic corruption and repression, quality of life and economic security, perceptions of injustice, and opposition to perceived apostate regimes and Western-dominated globalization remain the key drivers in global terrorism.

b. Weapons of Mass Destruction. After global terrorism, the proliferation of weapons of mass destruction (WMD) remains the most significant threat to our Homeland, deployed forces, allies, and interests. Increased availability of information together with technical advances has the potential to allow many new countries to develop nuclear, biological, and chemical weapons. States such as North Korea and Iran remain convinced of the perceived deterrent capabilities and international stature that come with WMD programs and proliferation. Individuals and groups can exploit this increased availability, and the nexus of terrorism and WMD is a growing concern. Acquisition of precursor chemicals, starter cultures, and weapons-grade nuclear material remains the chief inhibitor to this threat, though false flag or hoax operations could achieve desired psychological results in targeted populations.

c. Regional Instability. In my testimony, I express our concern over the situation in a number of states and regions. In part this is driven by systemic destabilizing factors. The long-term net effect of this instability provides a drain on economic resources and increasingly taxes local and regional security. The Middle East, Africa, and South Asia will remain the most prone to these conditions. Poor or inadequate government management of demographic stress, access to goods and services, and the political process will continue to undermine states in these regions. Over the next decade, the speed and pervasive influence of globalization will continue to overrun the capacity of some states to transform or stabilize.

d. Technology Advancements and Surprise. Selected applications of evolving technologies and in some cases existent technology most likely will emerge as threats and challenges to the United States. As with WMD, the increased availability of information together with technical advances is promoting future enhancements to weapons characteristics and performance such as I described in ballistic missiles. In my testimony, I also addressed our judgments on foreign improvements in space capabilities and information operations. This trend is largely driven by rapid advancements in technology. China, in particular, continues to improve its ability to acquire, adapt, and develop new technologies supported by its rapid economic development. The capabilities of terrorist and international criminals also

have been significantly improved by the availability of advanced technologies.

e. Cultural and Religious Conflict. Globalization is the most important driver of cultural and religious conflict. Political, ethnic, and cultural groups with limited means to adapt are increasingly left disenfranchised. The increased movement of people—largely seeking labor—has caused a collision of economics and culture. Tensions can and will result in conflict. Oppressive governments and the persecution of minority groups also remain key drivers, particularly in key regions such as the Middle East. Although cultural and religious violence and conflict often work in tandem with regional instability, they have manifested themselves in relatively stable states. This violence and conflict increasingly are proving to be a drain on local and regional security resources.

Dr. FINGAR. [Deleted.]

13. Senator AKAKA. Admiral McConnell, General Maples, and Dr. Fingar, of those threats, which are challenges that you feel are best addressed by our military?

Admiral MCCONNELL. [Deleted.]

General MAPLES. From a Defense Intelligence Agency (DIA) viewpoint all of these threats are of concern and will remain a focus of our collectors and analysts. The application of national power is best addressed from a policy perspective.

Dr. FINGAR. [Deleted.]

14. Senator AKAKA. Admiral McConnell, General Maples, and Dr. Fingar, which should be addressed by diplomatic methods?

Admiral MCCONNELL. [Deleted.]

General MAPLES. From a DIA viewpoint all of these threats are of concern and will remain a focus of our collectors and analysts. The application of national power is best addressed from a policy perspective.

Dr. FINGAR. [Deleted.]

15. Senator AKAKA. Admiral McConnell, General Maples, and Dr. Fingar, which should be addressed by other means such as through improved security measures here in the United States, or through economic sanctions?

Admiral MCCONNELL. [Deleted.]

General MAPLES. From a DIA viewpoint all of these threats are of concern and will remain a focus of our collectors and analysts. The application of national power is best addressed from a policy perspective.

Dr. FINGAR. [Deleted.]

#### FOREIGN NUCLEAR FACILITIES

16. Senator AKAKA. Admiral McConnell, General Maples, and Dr. Fingar, an article in the Sydney Morning Herald last week stated that “Intelligence on Iran’s nuclear facilities provided to United Nations inspectors by U.S. spy agencies has mostly turned out to be unfounded, diplomatic sources in Vienna say.” The article says that most of the tip-offs have led to dead ends when investigated by the International Atomic Energy Agency (IAEA) inspectors, and that there has been no sign of “banned” nuclear activities being conducted by Iran. Can you please comment on the accuracy of these statements?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

Dr. FINGAR. [Deleted.]

17. Senator AKAKA. Admiral McConnell, General Maples, and Dr. Fingar, the administration recently announced a breakthrough agreement with North Korea concerning its nuclear program in which the North Koreans agreed to disable its plutonium-producing nuclear program in return for heavy fuel oil. Our chief negotiator—Chris Hill—in his statements seems to indicate that the North Koreans may not be as far advanced as the administration previously indicated in its covert uranium enrichment program. Please clarify for the record what your assessment is concerning the North Korean uranium enrichment program, and how advanced is it?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

Dr. FINGAR. [Deleted.]

## U.S. STRATEGY IN IRAQ

18. Senator AKAKA. Admiral McConnell and General Maples, the war in Iraq has cost the U.S. taxpayers over \$350 billion to date. Congress is currently considering a \$100 billion supplemental funding package for fiscal year 2007. We have had over 3,000 American troops killed, and tens of thousands more have been seriously wounded or injured. The families of our deployed troops have suffered great hardship during the war. All of this to attack a nation that had nothing to do with September 11, and that the 9/11 Commission has told us had no operational ties with al Qaeda. Last year's NIE for Iraq included a key finding that said that "The Iraq conflict has become the "cause celebre" for jihadists, breeding a deep resentment of U.S. involvement in the Muslim world and cultivating supporters for the global jihadist movement." You are both military officers and intelligence experts. You are, therefore, uniquely qualified to talk about the strategy for fighting the war on terror. For the moment, please forget about the debate on whether we should stay in Iraq or leave. My question to you is this: Looking forward, is the Iraq war really the model we want to use for fighting the global war on terror?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

19. Senator AKAKA. Admiral McConnell and General Maples, could we use our resources more efficiently? Please give us your thoughts on the Iraq conflict as a model for the war on terror.

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

20. Senator AKAKA. Admiral McConnell and General Maples, is it fair, in your opinion, that intelligence analysis be used as the basis for pre-emptive wars against other nations, especially since the data may be subject to different interpretations? Would it be more efficient to utilize intelligence to focus our resources on selective strikes to disrupt specific terrorist operations?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

## U.S. INTERPRETERS IN IRAQ

21. Senator AKAKA. Admiral McConnell and General Maples, it is my understanding that part of our difficulties in Iraq stems from the fact that we do not have enough U.S. military personnel who are proficient in the different dialects in the Middle East. In all of the different military conflicts that the United States has been involved in, the use of interpreters has been a vital piece to success. Given the fact that the United States does not have sufficient numbers of interpreters, do you believe that our efforts in Iraq are somewhat compromised? What efforts are underway to address this deficiency?

Admiral MCCONNELL. I respectfully recommend that you submit your question to the Department of the Army, United States Central Command, or the Department of Defense senior leadership for discussions on this operational issue.

General MAPLES. DIA does not have information concerning interpreter support to U.S. forces in Iraq. This is an operational matter. The DIA has sufficient interpreters to conduct our intelligence collection operations in Iraq.

## CHINESE ANTI-SATELLITE WEAPONS

22. Senator AKAKA. Dr. Fingar, on a visit to Australia last week, the Vice President said that China's recent anti-satellite weapons test and rapid military buildup were "not consistent" with its stated aim of a peaceful rise as a global power. The Vice President raises an interesting point, and his remarks raise the question as to why they are doing it. In your opinion, what is behind the Chinese test and do you expect them to continue improving their capability?

Dr. FINGAR. [Deleted.]

## WEAPONS OF MASS DESTRUCTION

23. Senator AKAKA. Admiral McConnell, on February 13, North Korea reached an agreement with China, Japan, Russia, South Korea, and the United States on initial steps towards North Korea abandoning all nuclear weapons and existing nuclear programs and returning to the Treaty on the Non-Proliferation of Nuclear Weapons

and to IAEA safeguards. This is an important agreement that probably could have been reached much earlier if the administration had been willing to negotiate rather than dictate conditions for talks. Have you been asked to make an intelligence assessment as to what negotiating strategy we could use if we were to engage Iran and Syria in order to convince them to, first, end their interference in Iraq and, second, to end their weapons of mass destruction (WMD) programs?

Admiral McCONNELL. [Deleted.]

24. Senator AKAKA. Admiral McConnell, what do you believe these countries would want from the United States in order to get them to shut down the programs or activities that are of concern to our Nation?

Admiral McCONNELL. [Deleted.]

25. Senator AKAKA. Admiral McConnell, in your statement to this committee, you stated that the IC continues to “receive reports indicating that al Qaeda and other groups are attempting to obtain chemical, biological, radiological, and nuclear weapons or materials.” Who are these “other groups”? From where are these groups attempting to obtain these weapons? What can we do to further reduce the possibility that these weapons fall into the wrong hands?

Admiral McCONNELL. [Deleted.]

26. Senator AKAKA. Admiral McConnell, recent media reports discuss the use of chlorine gas in attacks in Iraq. While these incidents were only partially successful, they demonstrate an enemy capable of experimenting and learning from their mistakes. I am very concerned about this issue especially since we know that there were a number of Iraqi scientists experienced in WMD. Do we know who these scientists are and where they are now?

Admiral McCONNELL. [Deleted.]

27. Senator AKAKA. Admiral McConnell, have any of these scientists disappeared or have some of them joined al Qaeda or militia groups?

Admiral McCONNELL. [Deleted.]

#### NATIONAL COUNTERTERRORISM CENTER

28. Senator AKAKA. Admiral McConnell, I chair the Oversight of Government Management, the Federal Workforce, and the District of Columbia Subcommittee in the Homeland Security and Governmental Affairs Committee. One of my major concerns has been workforce recruitment, retention, and training. In your testimony you cite as a success a strengthened National Counterterrorism Center (NCTC). I am concerned about staffing shortages not only at the NCTC but throughout the IC. Since September 11, we have experienced a significant increase in demand for intelligence professionals and a shortage of trained personnel. Do you have any suggestions or recommendations on how we can do a better job of recruiting, training, and retaining these professionals?

Admiral McCONNELL. The business of intelligence is all about people. The DNI's June 2006 Strategic Human Capital Plan outlines a comprehensive strategy to fulfill the DNI's statutory responsibility under the Intelligence Reform and Terrorism Prevention Act of 2004, which charged the DNI with recruiting, developing, and retaining an IC workforce sufficiently talented, trained, diverse, and “joint” to accomplish our critical national security mission. My 100-Day Integration and Collaboration Plan also includes human capital initiatives; both the Strategic Plan and the 100-Day Plan include initiatives specifically designed to make the IC an “employer of choice,” and recruit, train, and retain the professionals needed to execute the IC's national security mission.

ODNI will develop a strategy to recruit and retain more first- and second-generation Americans from heritage communities—individuals whose native language skills and cultural experiences are indispensable to current and future national security challenges. We have already established a centrally-funded IC “corporate” recruiting strategy, executed annually by multi-agency recruiting teams that travel to target campuses and professional conferences; we have deployed an IC recruiting Web site; and we have established an IC-wide resume-sharing database that allows all IC elements to share and consider highly qualified applicants.

Furthermore, we have more than doubled the number of minority-serving institutions participating in the innovative Centers for Academic Excellence program, which provides financial and technical assistance to these institutions, with the objective of attracting those who complete a course of study under the program to

high-demand IC positions. We also have expanded IC-wide diversity recruiting and outreach initiatives directly through campus visits with recruiting teams visiting 45 historically black colleges and universities. ODNI plans to publish the IC Equal Employment Opportunity and Diversity Cross Cutting Emphasis Area Plan during the 100-Day Plan to give these efforts further impetus.

ODNI believes strongly a modern performance management and compensation system is key to recognizing, rewarding, and retaining the best and brightest employees. ODNI is on track to complete the final, detailed design of a common pay-for-performance system for IC civilians by mid-2007. The system eventually will replace the General Schedule with a more market- and performance-sensitive pay system to recruit and retain mission-critical IC talent. The foundation for that system—a new, IC-wide performance management system—is in final agency coordination, and represents a critical milestone in the 100-Day Plan. It will include a 360-degree assessment process that, beginning with senior executives, will dramatically strengthen IC collaboration and teamwork.

Competitive benefits also are an important part of the IC's recruiting and retention equation. We must provide our employees with benefit options that address our unique requirements and build a sense of community. Last year, the DNI extended the CIA's health insurance program to all IC civilian employees, as well as access to its complementary life, accident, income replacement, and long-term care coverage plans. This year, we extended the FBI's health care plan for special agents to all IC employees. We have also approved a plan to give IC employees access to insurance and investment options now offered only to NSA employees under its Government Employee Benefit Association plan.

The IC's groundbreaking civilian Joint Duty program will be a critical training and professional development opportunity for the IC's future leaders. The 100-Day Plan makes the Joint Duty program one of my top priorities. ODNI recently issued the implementing instructions and an aggressive timetable for the program. In so doing, civilian joint duty is an essential part of becoming (and being) a senior leader in the IC. Joint duty assignments are strictly voluntary, but some form of "joint" experience will be mandatory for promotion to almost all senior IC positions. A directive establishes policies and procedures for identifying, applying for, serving in, and receiving credit for, joint duty assignments. The requirement for joint duty experience will be phased in over time, starting with the top echelons of our organizations. In addition, ODNI is completing an inventory of all senior IC positions, as well as "feeder" positions outside of the ODNI, that provide such experience, so that we can then develop appropriate career paths and leadership succession plans for employees who seek such experience.

We have also established a National Intelligence Reserve Corps (NERC) to re-employ retired IC professionals with critical skills to augment the workforce. We are hoping to draw retirees back to the workforce where they will be able to mentor and train new employees.

These programs and initiatives are indicative of the high importance that the ODNI places on recruiting, training, and retaining IC professionals, and we will build the future IC workforce on these programs.

29. Senator AKAKA. Admiral McConnell, could you provide for the record your current staffing levels at the Directorate of National Intelligence (DNI) and NCTC, and your anticipated needs in those areas?

Admiral MCCONNELL. The attached document provides a detailed outline, by ODNI component, of the current staffing levels of the Office of the Director of National Intelligence (ODNI). In summary:

Full Time Permanent Staff* .....	565
Part Time Staff (non-count) .....	18
Detailees (reimbursable)* .....	604
Detailees (non-reimbursable) .....	54
Assignees (non-reimbursable) .....	89
<hr/>	
Total Employees .....	1,330
<hr/>	
Authorized Ceiling .....	1,539
Total Count Employees (sum of * above) .....	1,169
Total Vacant Positions .....	370

Each of the directorates, centers, and mission managers continue to aggressively recruit and hire staff to meet mission requirements. The NCTC is anticipating receipt of 117 new positions from the CIA effective fiscal year 2008 to enhance their analytic efforts.

**ODNI WORKFORCE DATA**  
(on board effective 31 March 2007)

ORGANIZATION	STAFF (FT employees)	STAFF (PT employees)	DETAILEES (reimbursable)	DETAILEES (non-reimbursable)	ASSIGNEES (non-reimbursable)	TOTAL EMPLOYEE S	FY07 AUTHORIZE D CEILING	TOTAL FT Employees & Reimbursable Detailees	VACANT POSITIONS / ANTICIPATED NEEDS
ODNI*	164	1	61	6	0	232	276	225	51
ANALYSIS (DNA)	56	2	84	14	0	156	161	140	21
COLLECTION (DNC)	30	1	20	8	0	59	55	50	5
REQUIREMENTS (DNR)	29	0	28	3	0	60	52	57	-5^
MANAGEMENT (DNM)**	175	4	49	4	0	232	327	224	103
NCTC	40	6	258	89	0	393	420	298	122
NCIX	42	1	20	12	0	75	102	62	40
NCPC	9	0	39	1	0	49	69	48	21
CSE	3	3	30	0	0	36	42	33	9
ISE	8	0	7	2	0	17	20	15	5
CYMM	2	0	2	0	0	4	5	4	1
IMM	3	0	3	1	0	7	5	6	-1^
NKMM	4	0	3	3	0	10	5	7	-2^
<b>TOTALS</b>	<b>565</b>	<b>18</b>	<b>604</b>	<b>54</b>	<b>89</b>	<b>1330</b>	<b>1539</b>	<b>1169</b>	<b>370</b>

\*DNI Directorate includes ODIR, COS, IG, OGC, CLP, EEO, S&T, CIO

\*\*DNM Directorate includes ADMIN, CFO, CHCO, CETO, SAE, SPP, SSC

^ No anticipated requirements. Negative numbers offset total number of requirements - across the ODNI.

Office Acronyms	
DNI - Office of the Director of National Intelligence	NCIX - National Counterintelligence Executive
DNA - Directorate of National Intelligence for Analysis	NCPC - National Counterproliferation Center
DNC - Directorate of National Intelligence for Collection	CSE - Center for Security Evaluation
DNR - Directorate of National Intelligence for Requirements	ISE - Information Sharing Environment
DNM - Directorate of National Intelligence for Management	CYMM - Cuba/Venezuela Mission Manager
NCTC - National Counterterrorism Center	IMM - Iran Mission Manager
	NKMM - North Korea Mission Manager

ODNI Data Reports: ODNI pos, pers contractor data Oct05 for SSCI hearing

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IRAQI SECURITY

30. Senator AKAKA. General Maples, in your testimony you state that “recent developments [in Iraq] give hope for progress” and you note that attacks against Iraqi security forces and civilians have gone down recently. How would you characterize attacks against coalition forces, mainly American forces? Have those attacks shown any decline?

General MAPLES. [Deleted.]

31. Senator AKAKA. General Maples, you also characterize the conflict as a “sectarian struggle for power” while Admiral McConnell more clearly suggests it is a “civil war.” Please elaborate on this matter.

General MAPLES. The term “civil war” is not a recognized U.S. military or U.S. Government term with a fixed definition and set of necessary criteria, and the Joint Staff Dictionary of Military Terminology does not mention the term. Accordingly, what constitutes a civil war is subjective, and that lack of precision is why I have tried to avoid using it. Moreover, no consensus exists on when ethno-sectarian violence reaches a threshold that crosses into a civil war.

I concur with the IC assessment in the recent Iraq NIE that although the term “civil war” could describe key elements of the Iraqi conflict, it does not adequately capture the complexity of the conflict.

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QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

CHINESE ANTI-SATELLITE TEST

32. Senator MCCAIN. Admiral McConnell and General Maples, when China destroyed one of its own satellites in January 2007, it demonstrated the growing prowess of its space program as well as a capability to defend against satellite observation. What is the IC’s assessment of this anti-satellite missile test?

Admiral McCONNELL. [Deleted.]

General MAPLES. [Deleted.]

33. Senator MCCAIN. Admiral McConnell and General Maples, what was China’s rationale for conducting this test and what are the implications for U.S. satellite capabilities?

Admiral McCONNELL. [Deleted.]

General MAPLES. [Deleted.]

34. Senator MCCAIN. Admiral McConnell and General Maples, what other space capabilities does China have?

Admiral McCONNELL. [Deleted.]

General MAPLES. [Deleted.]

35. Senator MCCAIN. Admiral McConnell and General Maples, how concerned are you about this action by the Chinese?

Admiral McCONNELL. [Deleted.]

General MAPLES. [Deleted.]

36. Senator MCCAIN. Admiral McConnell and General Maples, are we headed for an arms race in space?

Admiral McCONNELL. [Deleted.]

General MAPLES. [Deleted.]

37. Senator MCCAIN. Admiral McConnell and General Maples, what other countries are developing capabilities that have the potential to threaten U.S. space assets?

Admiral McCONNELL. [Deleted.]

General MAPLES. [Deleted.]

IRAQ WITHDRAWAL

38. Senator MCCAIN. Admiral McConnell and General Maples, there have been proposals to withdraw our forces from Iraq by a specific date, as a way to force the Iraqis to take responsibility for their own governance and security. What is your assessment of what would happen if we completely pulled out our forces over the next 6 months?

Admiral McCONNELL. [Deleted.]

General MAPLES. [Deleted.]

VENEZUELA

39. Senator MCCAIN. Admiral McConnell and General Maples, Venezuela’s arms spending has risen to \$4.3 billion in the last 2 years. It spends more on arms than Pakistan (\$3 billion) or Iran (\$1.7 billion). Venezuela’s purchases include 24 Russian

fighter jets, 50 helicopters, and 100,000 Kalashnikov assault rifles. What are the implications of Chavez's military buildup?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

40. Senator MCCAIN. Admiral McConnell and General Maples, how would you rate Venezuela's military power in the region?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

#### SADR

41. Senator MCCAIN. Admiral McConnell and General Maples, on February 25, a New York Times headline read "Iraq Rebel Cleric Reins in Militia; Motives at Issue" and yesterday the New York Times headline was "Militant Iraqi Shiite Cleric Denounces Security Push." How would you characterize Sadr's activities in recent weeks?

Admiral MCCONNELL and General MAPLES. The answer to this question was returned to the National Intelligence Council and the DIA for revision based on recent events. They will respond to this question under separate correspondence. [Deleted.]

42. Senator MCCAIN. Admiral McConnell and General Maples, has Sadr repudiated the security plan or has he allowed the arrest of his own militiamen?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

43. Senator MCCAIN. Admiral McConnell and General Maples, what reporting do we have about the activities of Sadr's militia?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

44. Senator MCCAIN. Admiral McConnell and General Maples, is Sadr in Iran? Can you describe Sadr's relationship with the regime in Tehran?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

45. Senator MCCAIN. Admiral McConnell and General Maples, how much support does Sadr receive from Iran?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

46. Senator MCCAIN. Admiral McConnell and General Maples, what position, if any, has the Grand Ayatollah Sistani taken on the new Baghdad security plan?

Admiral MCCONNELL. [Deleted.]

General MAPLES. [Deleted.]

#### INSURGENCY TACTICS AND AL QAEDA IN IRAQ

47. Senator MCCAIN. General Maples, there was recently an attack by foreign jihadists and Sunni militants against a U.S. combat outpost north of Baghdad. There also appears to be a more coordinated effort to shoot down U.S. helicopters. Insurgents have also equipped car bombs with chlorine canisters which disperse toxic gas when exploded. Do you see this as part of an evolutionary tactical change?

General MAPLES. [Deleted.]

48. Senator MCCAIN. General Maples, how has al Qaeda in Iraq changed since the death of Zarqawi in June 2006?

General MAPLES. [Deleted.]

49. Senator MCCAIN. General Maples, how many al Qaeda associated operatives are part of the insurgency in Iraq?

General MAPLES. [Deleted.]

50. Senator MCCAIN. General Maples, do Osama bin Ladin and Ayman al-Zawahiri continue to play a crucial role in inspiring jihadists to go to Iraq?

General MAPLES. [Deleted.]

51. Senator MCCAIN. General Maples, how much influence do bin Laden and Zawahiri play in operations in Iraq?  
General MAPLES. [Deleted.]

52. Senator MCCAIN. General Maples, is there any recent evidence that al Qaeda in Iraq intends to use Iraq to launch attacks outside of Iraq's territorial borders?  
General MAPLES. [Deleted.]

AFGHANISTAN

53. Senator MCCAIN. General Maples, there has been speculation in the press that the Taliban is positioning itself for a large offensive in the spring. What is the IC's assessment of the Taliban's plans in the near-term?  
General MAPLES. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR JEFF SESSIONS

IRANIAN BALLISTIC MISSILE AND SPACE CAPABILITIES

54. Senator SESSIONS. Admiral McConnell and General Maples, both of you note in your written testimony that Iran continues its efforts to develop and acquire ballistic missiles capable of striking Israel and Central Europe. You also note that Tehran views its growing inventory of ballistic missiles as an integral part of its strategy to deter, and if necessary retaliate, against forces in the region—including U.S. forces. What is your assessment of current and future Iranian capabilities to strike European countries with intermediate-range ballistic missiles?  
Admiral MCCONNELL. [Deleted.]  
General MAPLES. [Deleted.]

55. Senator SESSIONS. Admiral McConnell and General Maples, when does the IC estimate Iran will test a ballistic missile capable of reaching the United States?  
Admiral MCCONNELL. [Deleted.]  
General MAPLES. [Deleted.]

56. Senator SESSIONS. Admiral McConnell and General Maples, when does the IC estimate Iran will develop a space launch capability and the ability to target U.S. satellites in low earth orbit?  
Admiral MCCONNELL. [Deleted.]  
General MAPLES. [Deleted.]

[Whereupon, at 12:40 p.m., the committee adjourned.]

