

**CURRENT AND PROJECTED NATIONAL SECURITY
THREATS TO THE UNITED STATES**

HEARING
BEFORE THE
SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE
ONE HUNDRED NINTH CONGRESS
SECOND SESSION

—————
FEBRUARY 2, 2006
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**HEARING ON CURRENT AND PROJECTED
NATIONAL SECURITY THREATS TO THE
UNITED STATES**

THURSDAY, FEBRUARY 2, 2006

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Committee met, pursuant to notice, at 10:10 a.m., in room SH-216, Hart Senate Office Building, the Honorable Pat Roberts (Chairman of the Committee) presiding.

Present: Senators Roberts, Hatch, DeWine, Bond, Lott, Snowe, Hagel, Chambliss, Warner, Rockefeller, Levin, Feinstein, Wyden, Bayh, Mikulski, and Feingold.

**OPENING STATEMENT OF HON. PAT ROBERTS, CHAIRMAN,
A U.S. SENATOR FROM KANSAS**

Chairman ROBERTS. The Committee will come to order. The first order of business is to welcome Senator Feingold as a new Member of the Committee. Senator Feingold is a very conscientious Member, very hard-working Member, and we're very pleased to have him. And I would yield to him at this time, if he would like to make a very short statement.

Senator FEINGOLD. Thank you, Mr. Chairman. I'll just say what an honor it is to be on this Committee at any time, but particularly in this time in our history with the challenges that we face. And I thank you and everybody for their courtesies in getting me used to the practices of the Committee.

Thank you, Mr. Chairman.

Chairman ROBERTS. I thank the Senator.

Today the Senate Select Committee on Intelligence meets in open session to conduct its annual worldwide threat hearing. The Committee always begins the legislative year with an open hearing—it's a tradition—so that the public will have the benefit of knowing the intelligence community's best assessments of the current and projected national security threats to the United States.

Our witness is Mr. John Negroponte, the director of national intelligence. Mr. Director, thank you for taking your valuable time to come here today. It's a pleasure to have you here.

To assist in fielding the Committee's questions, the director is joined at the witness table by: General Michael Hayden, the Principal Deputy Director of National Intelligence; Mr. Robert Mueller, the Director of the Federal Bureau of Investigation; Mr. Porter Goss, the Director of the Central Intelligence Agency; and Lieuten-

ant General Michael Maples, the Director of the Defense Intelligence Agency; Mr. Charles Allen—no stranger to the Committee—the Chief Intelligence Officer for the Department of Homeland Security; and Ms. Carol Rodley, the Acting Assistant Secretary of State for Intelligence and Research.

And on behalf of the Committee, we thank all of you for being here today. Thank you for your perseverance and thank you for the job that you're doing.

Mr. Director, this is your first appearance at the Committee's worldwide threat hearing as the head of the U.S. intelligence community. I look forward, as do the rest of the Members, to your presentation on the community's views concerning the many threats our Nation must confront. The threat of terrorism is my most immediate concern, as I know it is yours.

The Nation does remain at war with Islamic terrorists who, as we all know, on September 11, 2001, murdered 3,000 innocent people here on American soil. We must never forget that fact.

Thankfully, since that day, we have not suffered another major attack on our soil. That is due at least in some part—I think large part—to the brave and very dedicated men and women of our intelligence community, the armed forces and our law enforcement agencies who are executing an aggressive and forward-leaning counterterrorism policy.

We should not, however, be lulled in to a false sense of security. The terrorists are a patient and determined enemy. As Usama bin Ladin's recent audiotape demonstrates, he and his terrorist network, while damaged, are still a very real threat to America. So when Usama bin Ladin or his No. 2, Zawahiri, or Zarqawi in Iraq, does issue a threat, I take it seriously, as should we all.

These are terrorists who have a track record for following through on threats no matter how long it takes. Remember, the first attack on the World Trade Center was 1993. Eight years later came 9/11. Had the terrorists put the bombs that were put in the World Trade Center back in 1993 where the grid was, 6,000 people wouldn't have come out suffering from smoke inhalation; they would have not actually have come out.

So, they do have patience. Our enemies are continually probing our defenses and adjusting their tactics in an attempt to launch a successful mass casualty attack. We continually see the evidence of the training and the commitment and the sheer brutality of al-Qa'ida and other terrorist groups. Every American should understand our terrorist adversaries. They think of us—everybody in this room, all of the people who are going to testify, all of the Committee Members—as dust. Now, think about that. In their extremist absolutism, our lives and the lives of those we hold dear have no value.

Ladies and gentlemen, to counter this evil, we must remain vigilant and forward leaning as we prosecute this war. That means we must not only use every lawful means at our disposal to protect the American people from another attack, we must support the men and women sitting before us here today as they lead their respective agencies in a conflict which is often fought in the shadows of some of the most dangerous places on Earth.

Along with terrorism, our Nation faces a variety of other threats. Last year, I identified North Korea and Iran and Communist China and proliferation as primary threats worthy of Committee attention. The threat of proliferation and the threats posed by Iran and North Korea really go hand in hand. The intelligence community assesses that North Korea already has nuclear weapons, and Iran, if it continues on its current path—and we hope we could see some action by the Security Council and others working on this, but they will likely have the capability to produce a nuclear weapon within the next decade. In addition, there are indications that both Iran and North Korea are continuing work on numerous weapon programs, including long—range ballistic missiles and advanced conventional weapon systems.

On our side of the world, Latin America continues to present a number of challenges, including a trend toward socialist anti-American governments, including, most notably, Venezuela.

I'm going to deviate from my remarks, and I apologize to my membership, but there are 360 million people in 31 nations that comprise the Southern Command, and I must say it is not neglect, but maybe benign neglect and in terms of the fact that we're stretched so thin. Other than energy, other than immigration, other than trade, other than drugs, that part of the world really has no affect on the United States, and so consequently, I think we must refocus, at least to some degree, on the threats that are really threats in the Southern Command.

For our part, the Committee will continue to examine the intelligence community's capabilities against Iran, North Korea and other areas of interest. We try to challenge the community to think of new ways to penetrate those hard collection targets, and they try as well.

I do not believe the intelligence community is where it needs to be. I think most of the people at the table will agree with that, but we have made impressive strides in the past few years. The threat from communist China is also one which we must closely monitor. China has not so quietly emerged as a regional power both militarily and also economically. China's not the next big thing. They are the big thing.

While the United States, in general, enjoys good relations with China—and we must do that; we must endeavor to do that—we and our regional allies are given pause by China's often-aggressive statements in regards to Taiwan, its very dramatic investment in offensive military capabilities in a blue-water Navy and its questionable counterproliferation record. Additionally, China maintains a determined espionage effort within the United States, which is aimed at stealing our most sensitive weapons' secrets. Harsh words, I intend them to be.

China's increasing influence in our global affairs is undeniable. It is my hope that Beijing will use this increasing influence to actually promote stability, curb the nuclear ambitions of North Korea and provide greater support to counterproliferation and counterterrorism initiatives.

Now, Mr. Director, I look forward to hearing from you about these and the many other threats which face us across the globe.

I also look forward to the input of the Intelligence Agency directors during the question and answer period.

Once again, it is important to remember that the Nation is at war. It is a war which requires aggressive intelligence collection and close combat with the enemy. The success of the latter often depends entirely on the success of the former.

Our witnesses today and the men and women whom they lead are on the front lines of that war. Unlike us, they are doing the fighting and the dying, and they do so to keep us and our families safe.

Although we will never be able to repay them the debt we owe, it seems to me that we must provide them with every possible advantage, which includes not only adequate resources, but also the capabilities and the authorities that they require.

It is also our responsibility to conduct oversight, and the Committee meets that responsibility in a number of different ways. We receive briefings, we conduct hearings at a rate far exceeding any other previous Congress. As a Member of this Committee, we will tell you we are very demanding of their time. We read and review intelligence reporting and analysis. We interview intelligence officials. We travel around the world. We meet with people on the front lines in what is truly a global conflict. We also, when the Committee so decides, conduct investigations and inquiries into specific matters.

For example, we are presently engaged in the final stages—let me repeat, the final stages—of our examination of issues that are related to prewar intelligence on Iraq. And I hope we have that concluded at the earliest possible date. My hope is to complete that effort as soon as practical.

There has also been a great deal of discussion in regard to the issue of terrorist surveillance. Senator Rockefeller and I have been intimately involved with this issue since we assumed our respective positions. We have been conducting oversight over this critical capability for almost 3 years now. Nonetheless, the minority Members and some in the majority of this Committee have requested an opportunity to meet and discuss whether the Vice Chairman and my efforts on their behalf have been sufficient. I have scheduled such a business meeting for February 16. I have assured the Vice Chairman twice that the Committee will have an opportunity to express its will on this matter, and we will.

Yesterday, Members had the opportunity to meet with various officials of the Justice Department to discuss the legal issues associated with terrorist surveillance. I've also scheduled a hearing for February 9—I want all Members to note that—when we will meet in executive session to hear from Attorney General Gonzales and also General Hayden. I hope my actions and my words are sufficient to assuage any lingering concerns about what we may or may not be doing.

If any Member wishes to discuss further the Committee activities, I'm happy to make arrangements to do so at an appropriate time. For now, the Committee turns its attention to our annual worldwide threat hearing. Our witnesses are some of the Nation's premiere experts on national security matters. During this open hearing, I am hopeful that Members will take the opportunity to

engage this uniquely qualified panel in a manner which will educate the American people to the maximum extent possible on the global threats faced by our Nation.

I ask that Members do reserve questions for the closed session that will require a discussion of classified or sensitive material.

Before I turn to our Director, I recognize the distinguished Vice Chairman for any remarks that he may wish to make.

**OPENING STATEMENT OF HON. JOHN D. ROCKELLER IV,
VICE CHAIRMAN, A U.S. SENATOR FROM WEST VIRGINIA**

Vice Chairman ROCKEFELLER. Thank you, Mr. Chairman.

Welcome, Director Negroponte. This is not just your first visit at a world threat meeting, but it's your first visit with the Committee, and we're happy to see you here, and everybody else.

Americans are presented with sobering information about the threats facing our country on a daily basis. They are continually reminded that the passage of time since the attacks of 9/11 has done little to lower the security threat both here and abroad. In the immediate aftermath of 9/11, America moved swiftly and decisively against al-Qa'ida in Afghanistan and the surrounding region.

However, at the same time, we were destroying the terrorist safe haven in Afghanistan. Our military invasion of Iraq, in turn, created a dangerous terrorist environment that did not exist prior to the war—a place where Islam's jihadists can train on the front line and carry out attacks against American and allied troops.

Our military action in Afghanistan forced bin Ladin and the al-Qa'ida leadership to run and hide. We isolated them and disrupted their terrorist networks and plots. By invading Iraq, however, we gave them not only a target-rich terrorist environment, but an effective propaganda tool for fostering anti-American, anti-Western sentiment throughout the Muslim world. As a result, we are now faced with the disturbing trend of autonomous terrorist organizations and groups with little or no operational or organizational link to al-Qa'ida carrying out murderous attacks against civilians in Spain, Britain, Southeast Asia and elsewhere.

I'm afraid that the gains in Afghanistan have been offset by the unintended consequences of our actions in Iraq. We now face a more decentralized, but equally lethal terrorist threat which cannot be decapitated by the capture of a single individual or any specific target. This metastasized threat presents a number of operational and political challenges to our counterterrorist program, and I'd like to take a moment just to speak about one of them.

The 2004 intelligence reform bill creating the Director of National Intelligence position requires the Director to be responsible for providing national intelligence to the Congress. That's the law. The law requires that the intelligence provided by the Director should be timely, should be objective and independent of political consideration.

Now, many of us on this Committee fought hard for the inclusion of that phrase "independent of political consideration," to have that in the law, because we were troubled by what we had found in the Committee's investigation into the handling of intelligence on Iraq prior to the war. Of specific concern to me was the disturbing pattern by the Administration of selectively releasing or declassifying

intelligence that supported the case to go to war, while dismissing or downplaying or simply not acknowledging intelligence that undercut claims that Iraq had an active nuclear weapons program, that Iraq was assisting al-Qa'ida with chemical and biological weapons, or, as the Vice President continued publicly assert, that Iraq had a role in the 9/11 attacks against America.

To be blunt, Director Negroponte, I have these same concerns today.

I am deeply troubled by what I see as the Administration's continued effort to selectively release intelligence information that supports its policy or political agenda while withholding equally pertinent information that does not do that. The question I am wrestling with is whether the very independence of the U.S. Intelligence Community has been co-opted, to be quite honest about it, by the strong, controlling hand of the White House.

Now, let me be specific. The recent revelation that the National Security Agency, at the direction of the President, has been intercepting phone calls and e-mails within the United States without a warrant and in contravention of the Foreign Intelligence Surveillance Act for the past 4 years has led Members of this Committee to ask some difficult but, frankly, necessary questions about the program.

As you know, this Committee, as the body that oversees and annually authorizes our nation's intelligence programs, is entrusted with the most sensitive secrets. There are statutory requirements placed on you and the heads of the intelligence agencies to keep our Committee Members fully informed on these matters and activities, including efforts taken to counter the terrorist threat facing our nation.

And yet the White House has laid down the edict to you and your principal deputy, Director Negroponte and former NSA Director General Hayden, that no one on this Committee other than the Chairman and myself can be briefed on the NSA domestic spying program. The reasons, we are told, is that the 13 other Members of this Committee cannot be trusted to know the details of the program.

This rationale for withholding information from Congress is flat-out unacceptable and nothing more than political smoke, in this Senator's view. As you, sir, and General Hayden know well, every Member of this Committee is given access to operational details about each and every signals intelligence collection program carried out by the NSA against targets overseas. We're all getting it. Much of the staff gets it. We are briefed in closed session about ultra-sensitive NSA programs that produce unique and invaluable intelligence and, if divulged, literally could get people killed. The NSA briefs the Committee on these programs not just because the law requires them to do so, but because we, as the authorizers of the intelligence budget, need to understand the value and risk of what we do to keep America safe.

How can this Committee reconcile this ongoing intimate understanding and evaluation of the NSA's overseas activities with the wall that the White House has constructed around the NSA's warrantless collection of phone calls and e-mails inside of the United States? What is unique about this one particular program

among all the other sensitive NSA programs that justifies keeping Congress in the dark?

It certainly is not that the program is cloaked in heavy secrecy. On the contrary, it's become one of the more public programs. Since the existence of this program was leaked to the press in a most unfortunate fashion in mid-December, the President has not only confirmed the existence of the program, but has spoken at length about it, repeatedly, characterizing not only the target of the intelligence collection, but the method employed to collect that information.

In recent weeks, every senior Administration official, from the Vice President to the White House press secretary, has voluntarily approached the cameras and microphones to talk about this NSA domestic surveillance program. I assume that they were not only authorized to discuss the details of this classified program, but were in fact directed to do so.

Last week, the White House carried out a 4-day press strategy to saturate the media with speeches and events designed to sway public opinions, in my judgment, in support of the spying program.

The second act of this 4-day White House push was a speech given by General Hayden before the National Press Club on January 23rd, so that he could, in his own words, "Tell the American people what NSA has done and why, and perhaps more importantly, what it has not been doing."

The General's unusual appearance before the press corps and other related public statements give the disturbing impression to some that the intelligence community has become a public relations arm of the White House in recent weeks on this matter.

Even more troubling are the actions of the intelligence community to sidestep our Committee—this is something about which we feel very strongly on—with the matter of the NSA program. To paraphrase General Hayden's statement before the National Press Club, why he has not been before our Committee to tell all Members what NSA has been doing and why, I just can't justify, balance, or even understand this rationale.

The NSA's domestic surveillance program is the most openly discussed program in the agency's history. Administration officials have publicly described in unprecedented fashion and detail the scope of the program, who is targeted by the program, what type of communications are intercepted, and how the information collected has allegedly been used to foil plots.

Director Negroonte, consider this fact. The only NSA program the White House has authorized senior intelligence officials to discuss publicly is the only NSA program all Members of the congressional Intelligence Committees are prohibited from knowing about.

I hope you are struck by this paradox and troubled by its implication. You in the intelligence community serve the President, to be sure, but Congress, according to the law, is an important customer of the intelligence community as well. The expectation is that you and all officials of the intelligence community are to carry out your duties in a manner that is independent of political influences from either end of Pennsylvania Avenue. The selective declassification of intelligence reform, which has undeniably occurred in recent weeks in support of the Administration's defense of the

NSA programs, hark in fact to the troubling runup to the war in Iraq.

A decision has been made by the White House to overly restrict congressional access to key information about the NSA program, while at the same time it opens the floodgates of this public relations campaign to the American people in support of the program.

I have heard that hundreds, if not thousands, of people at NSA, the White House, the Department of Justice and the CIA have a working knowledge of the NSA domestic surveillance program. And yet the White House position is that if sharing the details about the program is carried out with 40 Members of the Senate and the House Intelligence Committees, that that's an unacceptable risk. I'm sorry, I can't buy into that.

So, Mr. Director, you don't need to answer now, but do you believe that this is so? Do you, General Hayden? A White House P.R. campaign is not a substitute for the legal requirement—legal requirement—to keep the Members of our Committee fully informed of intelligence activities.

Director Negroponte, during the question and answer period of this hearing, I want to pursue this matter further with you. I will ask for the record who specifically has prohibited you, General Hayden, and the NSA Director, General Keith Alexander, from appearing before our Committee in closed session and providing testimony on the factual aspects of the NSA domestic surveillance program, and whether you agree with the basis for withholding this information from Congress. I also want to find out which person or office describes what aspects of the NSA domestic surveillance that can be declassified and released to the public.

In closing, it may be that some Members of Congress, of this Committee would indeed support the program if they were apprised of its scope and its operational successes. Others might oppose it. Either way, Committee Members cannot be put in the untenable position of passing judgment on a program that they are prevented from understanding. As both a customer of intelligence and the body that annually authorizes the important programs carried out by you gentlemen and ladies, we have a solemn responsibility to make sure that the activities that we fund are not only justified but lawful.

As of today, we cannot make such a determination about the NSA domestic surveillance program authorized by the President.

So, in conclusion, Director Negroponte, we will be addressing the threats facing America in your testimony—you will be doing that. What is being done to combat these threats is a concern shared by all of us. I hope you appreciate why it is important for Members of this Committee to fully understand the efforts being brought to bear to combat the terrorist threat to our Nation, including, but not limited to, action taken within our borders.

Thank you, Mr. Chairman.

Chairman ROBERTS. Mr. Director, I am now going to turn to you. But let me say that, as I said in my opening statement, the Committee will have ample opportunity to discuss this issue in full at two business meetings and obviously will conclude with the wishes of the Committee.

And let me say also that my primary concern in this regard, this particular issue, is not losing this capability and going blind and not being able to continue to prevent attacks on the United States and guarantee the safety of the American people.

Mr. Director.

STATEMENT OF HON. JOHN D. NEGROPONTE, DIRECTOR OF NATIONAL INTELLIGENCE, ACCOMPANIED BY GENERAL MICHAEL V. HAYDEN, PRINCIPAL DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE; HON. ROBERT S. MUELLER, III, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION; HON. PORTER GOSS, DIRECTOR, CENTRAL INTELLIGENCE AGENCY; LIEUTENANT GENERAL MICHAEL D. MAPLES (USA), DIRECTOR, DEFENSE INTELLIGENCE AGENCY; DR. CHARLES ALLEN, CHIEF INTELLIGENCE OFFICER, DEPARTMENT OF HOMELAND SECURITY; AND HON. CAROL RODLEY, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF STATE FOR INTELLIGENCE AND RESEARCH

Director NEGROPONTE. Thank you, Mr. Chairman, Vice Chairman Rockefeller, members of the Committee. Thank you for the invitation to offer my assessment of the threats, challenges and opportunities for the United States in today's world. I am honored to be the first Director of National Intelligence to offer you such an assessment. And I am pleased to note that following my oral testimony, I will answer your questions with the assistance of those who accompany me here at the witness table.

Let me begin with a straightforward statement of preoccupation shared by all of us sitting here before you. Terrorism is the preeminent threat to our citizens, to our homeland and to our interests abroad. The war on terror is our first priority and driving concern as we press ahead with a major transformation of the intelligence community that we represent.

We live in a world that is full of conflict, contradictions and accelerating change. Viewed from the perspective of the Director of National Intelligence, the most dramatic change of all is the exponential increase in the number of targets we must identify, track and analyze. Today, in addition to hostile nation-states, we are focusing on terrorist groups, proliferation networks, alienated communities, charismatic individuals, narcotraffickers and microscopic influenza.

The 21st century is less dangerous than the 20th century in certain respects, but more dangerous in others. Globalization, particularly of technologies that can be used to produce weapons of mass destruction, political instability around the world, the rise of emerging powers like China, the spread of the jihadist movement, and, of course, the horrific events of September 11, 2001, demand heightened vigilance from our intelligence community.

This morning, I will discuss, first, global jihadists, their fanatical ideology, and the civilized world's efforts to disrupt, dismantle and destroy their networks; next, the struggle of the Iraqi and Afghan people to assert their sovereignty over insurgency, terror, and extremism; next, WMD-related proliferation and two States of particular concern, Iran and North Korea. Then I will discuss issues of political instability and governance in all regions of the world

that affect our ability to protect and advance our interests; and last, globalization, emerging powers, and such transnational challenges as the geopolitics of energy, narcotrafficking, and possible pandemics.

In assessing these themes, we must all be mindful of the old dictum, “forewarned is forearmed.” Our policymakers, warfighters and law enforcement officers need the best intelligence and analytic insight humanly and technically possible to help them peer into the onrushing shadow of the future and make decisions that will protect American lives and interests.

This has never been more true than now, with United States and coalition forces in Iraq and Afghanistan, the citizens and fledgling governments they help to protect under attack. Addressing threats to their safety and providing the critical intelligence of a myriad of tactical and strategic issues must be—and is—a top priority for our intelligence community.

But in discussing all the many dangers the 21st century poses, it should be emphasized that they do not befall America alone. The issues we consider today confront responsible leaders everywhere. That is the true nature of the 21st century—accelerating change affecting and challenging us all.

Now I turn to the global jihadist threat. Collaboration with our friends and allies around the world has helped us achieve some notable successes against the global jihadist threat.

In fact, most of al-Qa’ida’s setbacks last year were the results of our allies’ efforts, either independently or with our assistance. And since 9/11, examples of the high level of counterterrorism efforts around the world are many. Pakistan’s commitment has enabled some of the most important captures to date. Saudi Arabia’s resolve to counter the spread of terrorism has increased. Our relationship with Spain has strengthened since the March 2004 Madrid train bombings. The British have long been our closest counterterrorism partners—the seamless cooperation in the aftermath of the July attacks in London reflect that commitment—while Australia, Canada, France and many other nations remain stout allies.

Nonetheless, much remains to be done; the battle is far from over. Jihadists seek to overthrow regimes they regard as “apostate” and to eliminate United States influence in the Muslim world. They attack Americans when they can, but most of their targets and victims are fellow Muslims.

Nonetheless, the slow pace of economic, social, and political change in most Muslim-majority nations continues to fuel a global jihadist movement. The movement is diffuse and subsumes three quite different types of groups and individuals: First and foremost, al-Qa’ida, a battered but resourceful organization; second, other Sunni jihadist groups, some affiliated with al-Qa’ida, some not; third, networks and cells that are the self-generating progeny of al-Qa’ida.

Al-Qa’ida remains our top concern. We have eliminated much of the leadership that presided over al-Qa’ida in 2001, and U.S.-led counterterrorism efforts in 2005 continue to disrupt its operation, take out its leaders and deplete its cadre.

But the organization's core elements still plot and make preparations for terrorist strikes against the homeland and other targets from bases in Pakistan-Afghanistan border area. They also have gained added reach through their merger with the Iraq-based network of Abu Musaab al-Zarqawi, which has broadened al-Qa'ida's appeal within the jihadist community and potentially put new resources at its disposal.

Thanks to effective intelligence operations, we know a great deal about al-Qa'ida's vision. Zawahiri, al-Qa'ida's No. 2, is candid in his July 2005 letter to Zarqawi. He portrays the jihad in Iraq as a stepping-stone in the march toward a global caliphate, with the focus on Egypt, Syria, Jordan, Lebanon, Saudi Arabia, the Gulf States and Israel. Zawahiri stresses the importance of having a secure base in Iraq from which to launch attacks elsewhere, including the United States homeland.

In bin Ladin's recent audiotape, al-Qa'ida's top leader reaffirms the group's commitment to attack our homeland and attempts to reassure supporters by claiming that the reason there has been no attack on the United States since 2001 is that he chose not to do so.

This week's statement by Zawahiri is another indication that the group's leadership is not completely cutoff and can continue to get its message out to followers. The quick turnaround time and the frequency of Zawahiri statements in the past year underscore the high priority al-Qa'ida places on propaganda from its most senior leaders.

Attacking the U.S. homeland, U.S. interests overseas, and U.S. allies—in that order—are al-Qa'ida's top operational priorities. The group will attempt high-impact attacks for as long as its central command structure is functioning and affiliated groups are capable of furthering its interests, because even modest operational capabilities can yield a deadly and damaging attack. Although an attack using conventional explosives continues to be the most probable scenario, al-Qa'ida remains interested in acquiring chemical, biological, radiological, and nuclear materials or weapons to attack the United States, U.S. troops and U.S. interests worldwide.

Indeed, today we are more likely to see an attack from terrorists using weapons or agents of mass destruction than States, although terrorists' capabilities would be much more limited. In fact, intelligence reporting indicates that nearly 40 terrorist organizations, insurgencies or cults have used, possessed, or expressed an interest in chemical, biological, radiological, or nuclear agents or weapons. Many are capable of conducting simple, small-scale attacks, such as poisonings or using improvised chemical devices.

Al-Qa'ida inspires other Sunni jihadists. The global jihadist movement also subsumes other Sunni extremist organizations allied with or inspired by al-Qa'ida's global anti-Western agenda. These groups pose less danger to the U.S. homeland than does al-Qa'ida, but they increasingly threaten our allies and interests abroad and are working to expand their reach and capabilities to conduct multiple and/or mass-casualty attacks outside their traditional areas of operation.

Jemaah Islamiyah is a well-organized group responsible for dozens of attacks killing hundreds of people in Southeast Asia. The

threat of a JI attack against U.S. interests is greatest in Southeast Asia, but we assess that the group is committed to helping al-Qa'ida with attacks outside the region.

The Islamic Jihad Union, the IJU, which has allied itself with al-Qa'ida, operates in Central Asia and was responsible for the July 2004 attacks against the United States and Israeli embassies in Uzbekistan.

The Libyan Islamic Fighting Group, LIFG, was formed to establish an Islamic State in Libya, but since the late 1990s it has expanded its goal to include anti-Western jihad alongside al-Qa'ida. LIFG has called on Muslims everywhere to fight the United States in Iraq.

Pakistani militant groups, primarily focused on the Kashmir conflict, represent a persistent threat to regional stability and U.S. interests in South Asia and the Near East. They also pose a potential threat to our interests worldwide. Extremists convicted in Virginia in 2003 of providing material support to terrorism trained with a Pakistani group, Lashkar-i-Tayyiba, before 9/11.

New jihadist networks and cells. An important part of al-Qa'ida's strategy is to encourage a grassroots uprising of Muslims against the West. Emerging new networks and cells, the third element of the global jihadist threat, reflect aggressive jihadist efforts to exploit feelings of frustration and powerlessness in some Muslim communities and to fuel the perception that the United States is anti-Islamic. Their rationale for using terrorism against the United States and establishing strict Islamic practices resonates with a small subset of Muslims.

This has led to the emergence of a decentralized and diffused movement with minimal centralized guidance or control and numerous individuals and small cells—like those who conducted the May 2003 bombing in Morocco, the March 2004 bombings in Spain, and the July 2005 bombings in the United Kingdom. Members of these groups have drawn inspiration from al-Qa'ida, but appear to operate on their own.

Such unaffiliated individuals, groups and cells represent a different threat than that of a defined organization. They are harder to spot, and represent a serious intelligence challenge. Regrettably, we are not immune from the threat of such homegrown jihadist cells. A network of Islamic extremists in Lodi, California, for example, maintained connections with Pakistani militant groups, recruited U.S. citizens for training at radical Karachi madrassas, sponsored Pakistani citizens for travel to the United States to work at mosques and madrassas, and, according to FBI information, allegedly raised funds for international jihadist groups.

In addition, prisons continue to be fertile recruitment ground for extremists who try to exploit converts to Islam.

Now, I wish to turn to the impact of Iraq on the global jihad. Should the Iraqi people prevail in establishing a stable political and security environment, the jihadists will be perceived to have failed and fewer jihadists will leave Iraq determined to carry on the fight elsewhere. But we assess that should the jihadists thwart the Iraqi efforts to establish a stable political and security environment, they could secure an operational base in Iraq and inspire sympathizers elsewhere to move beyond rhetoric to attempt attacks

against neighboring Middle Eastern nations, against Europe, and even the United States.

The same dynamic pertains to al-Zarqawi. His capture would deprive the movement of a notorious leader, whereas his continued acts of terror could enable him to expand his following beyond his organization in Iraq much as bin Ladin expanded al-Qa'ida in the 1990s.

The debate between Muslim extremists and moderates also will influence the future terrorist environment, the domestic stability of key U.S. partners, and the foreign policies of governments throughout the Muslim world. The violent actions of global jihadists are adding urgency to the debate within Islam over how religion should shape government. Growing internal demands for reform in many Muslim countries further stimulate this debate.

In general, Muslims are becoming more aware of their Islamic identity, leading to growing political activism; but this does not necessarily signal a trend toward radicalization. Most Muslims reject the extremist message and violent agendas of the global jihadists. Indeed, as Muslims endorse democratic principles of freedom, equality, and the rule of law and a role for their religious beliefs in building better futures for their communities, there will be growing opportunities for countering a jihadist movement that authoritarianism, isolation and economic stagnation.

Let me turn to the issue of extremism and challenges to effective governance and legitimacy in Iraq and Afghanistan. The threat from extremism and anti-Western militancy is especially acute in Iraq and Afghanistan. In discussing Iraq, I'd like to offer, if you will, a balance sheet to give a sense of where I see things today and what I see as the trends in 2006.

Bold, inclusive leadership will be the critical factor in establishing an Iraqi constitutional democracy that is both viable as a nation-state and responsive to the diversity of Iraq's regions and people.

Let me begin with some of these encouraging developments before turning to the challenges.

The insurgents have not been able to establish any lasting territorial control. They were unable to disrupt either of the two national elections held this year or the constitutional referendum. They have not developed a political strategy to attract popular support beyond their Sunni Arab base. And they have not shown the ability to coordinate nationwide operations.

Iraqi security forces are taking on more demanding missions, making incremental progress toward operational independence, and becoming more capable of providing the kind of stability Iraqis deserve and the economy needs in order to grow.

Signs of open conflict between extreme Sunni jihadists and Sunni nationalist elements of the insurgency, while thus far still localized, are encouraging and exploitable. The jihadists' heavy-handed activities in Sunni areas in western Iraq have caused tribal and nationalist elements in the insurgency to reach out to the Baghdad government for support.

Large-scale Sunni participation in the last elections has provided a first step toward diminishing Sunni support for the insurgency.

There appears to be a strong desire among Sunnis to explore the potential benefits of political participation.

But numerous challenges remain. Iraqi Sunni Arab disaffection is the primary enabler of the insurgency and is likely to remain high in 2006. Even if a broad, inclusive national government emerges, there almost certainly will be a lag time before we see a dampening effect on the insurgency. Insurgents continue to demonstrate the ability to recruit, supply, and attack coalition and security forces, and their leaders continue to exploit Islamic themes, nationalism, and personal grievances to fuel opposition to the government and to recruit more fighters.

The most extreme Sunni jihadists, such as those fighting with Zarqawi, will remain unreconciled and continue to attack Iraqis and coalition forces. These extreme Sunni jihadist elements, a subset of which are foreign fighters, constitute a small minority of the overall insurgency, but their use of high-profile suicide attacks gives them a disproportionate impact. The insurgents' use of increasingly lethal improvised explosive devices, and the IED-makers' adaptiveness to coalition countermeasures, remain the most significant day-to-day threat to coalition forces and a complex challenge for the intelligence community.

Iraqi security forces require better command and control mechanisms to improve their effectiveness, and are experiencing difficulty in managing ethnic and sectarian divides among their units and personnel.

A key to establishing effective governance and security over the next 3 to 5 years is enhanced Sunni Arab political participation and a growing perception among Sunnis that the political process is addressing their interests.

Sunnis will be focused on obtaining what they consider their demographically appropriate share of leadership positions in the new government, especially on the Constitutional Review Commission. Debates over federalism, central versus local control, and division of resources are likely to be complex. Success in satisfactorily resolving them will be key to advancing stability and prospects for a unified country.

Although the Kurds and Shi'a have been accommodating to the under-represented Sunnis in 2005, their desire to protect core interests, such as regional autonomy and de-Ba'athification, could make further compromise more difficult.

In the aftermath of the December elections, virtually all of the Iraq parties are seeking to create a broad-based government, but all want it to be formed on their terms. The Shi'a and the Kurds will be the foundation of any governing coalition, but it is not yet clear to us whether they will include the main Sunni factions, particularly the Iraqi Consensus Front, or other smaller and politically weaker secular groups, such as former Prime Minister Allawi's Iraqi National List.

The Sunni parties have significant expectations for concessions from the Shi'a and Kurds in order to justify their participation and avoid provoking more insurgent violence directed against Sunni political leaders.

During the coming year, Iraq's newly elected leadership will face a daunting set of governance tasks. The creation of a new, perma-

ment government and the review of the constitution by early summer will offer opportunities to find common ground and improve the effectiveness and legitimacy of the central government. There is a danger, however, that political negotiations and deal-making will prove divisive. This could obstruct efforts to improve government performance, extend Baghdad's reach throughout the country and build confidence in the democratic political process.

Let me focus on one of those tasks—the economy. Restoration of basic services and the creation of jobs are critical to the well-being of Iraqi citizens, the legitimacy of the new government, and, indirectly, to eroding support for the insurgency. At this point, prospects for economic development in 2006 are constrained by the unstable security situation, insufficient commitment to economic reform, and to corruption. Iraq is dependent on oil revenues to fund the government, so insurgents continue to disrupt oil infrastructure, despite the fielding of new Iraqi forces to protect it. Insurgents also are targeting trade and transportation. Intelligence has a key role to play in combating threats to pipelines, to electric power grids, and personal safety.

Turning now to Afghanistan, like Iraq, Afghanistan is a fragile new democracy struggling to overcome deep-seated social divisions, decades of repression, and acts of terrorism directed against ordinary citizens, officials, foreign aid workers, and coalition forces. These and other threats to the Karzai government also threaten important American interests ranging from the defeat of terrorists who find haven along the Afghanistan-Pakistan border to the suppression of opium production.

Afghan leaders face four critical challenges: Containing the insurgency, building central government capacity and extending its authority, further containing warlordism, and confronting pervasive drug criminality. Intelligence is needed to assist, monitor, and protect Afghan, coalition, and NATO efforts in all four endeavors. The volume and geographic scope of attacks increased last year, but the Taliban and other militants have not been able to stop the democratic process or expand their support base beyond Pashtun areas of the South and East. Nevertheless, the insurgent threat will impede the expansion of Kabul's writ, it will slow economic development, and limit progress in counternarcotics efforts.

Ultimately, defeating the insurgency will depend heavily on continued international aid; on effective coalition, NATO, and Afghan government security operations to prevent the insurgency from gaining a stronger foothold in some Pashtun areas; and on the success of the government's reconciliation initiatives.

I would like now to turn to the issue of weapons of mass destruction and States of key concern, Iran and North Korea. The ongoing development of dangerous weapons and delivery systems constitutes the second major threat to the safety of our Nation, our deployed troops, and to our allies. We are most concerned about the threat and destabilizing effect of nuclear proliferation. We are also concerned about the threat from biological agents or even chemical agents, which would have psychological and possibly political effects far greater than their actual magnitude. Use by nation-states can still be constrained by the logic of deterrence and international control regimes, but these constraints may be of little utility in pre-

venting the use of mass effect weapons by rogue regimes or terrorist groups.

The time when a few states had monopolies over the most dangerous technologies has been over for many years. Moreover, our adversaries have more access to acquire and more opportunities to deliver such weapons than in the past. Technologies, often dual-use, move freely in our globalized economy, as do the scientific personnel who design them. So it is more difficult for us to track efforts to acquire those components and production technologies that are so widely available.

The potential dangers of proliferation are so grave that we must do everything possible to discover and disrupt attempts by those who seek to acquire materials and weapons.

We assess that some of the countries that are still pursuing WMD programs will continue to try to improve their capabilities and level of self-sufficiency over the next decade. We also are focused on the potential acquisition of such nuclear, chemical and/or biological weapons, or the production technologies and materials necessary to produce them by states that do not now have such programs, terrorist organizations like al-Qa'ida and by criminal organizations, either alone or through middlemen.

We are working with other elements of the U.S. Government regarding the safety and security of nuclear weapons and fissile material, pathogens, and chemical weapons in select countries.

Our concerns about Iran are shared by many nations, by the International Atomic Energy Agency and, of course, Iran's neighbors. Iran conducted a clandestine uranium enrichment program for nearly two decades in violation of its IAEA safeguards agreement and, despite its claim to the contrary, we assess that Iran seeks nuclear weapons. We judge that Tehran probably does not yet have a nuclear weapon and probably has not yet produced or acquired the necessary fissile material.

Nevertheless, the danger that it will acquire a nuclear weapon and the ability to integrate it with ballistic missiles Iran already possesses is a reason for immediate concern. Iran already has the largest inventory of ballistic missiles in the Middle East, and Tehran views its ballistic missiles as an integral part of its strategy to deter—and if necessary retaliate against—forces in the region, including U.S. forces.

As you are aware, Iran is located at the center of a vital and volatile region. It has strained relations with its neighbors and is hostile to the United States, to our friends, and to our values. President Ahmadinejad has made numerous unacceptable statements since his election, hard-liners have control of all the major branches and institutions of government, and the government has become more effective and efficient at repressing the nascent shoots of personal freedom that had emerged in the late 1990s and earlier in the decade. Indeed, the regime today is more confident and assertive than it has been since the early days of the Islamic Republic.

Several factors work in favor of the clerical regime's continued hold on power. Record oil and other revenue is permitting generous public spending, fueling strong economic growth and swelling financial reserves. At the same time, Iran is diversifying its foreign

trading partners. Asia's share of Iran's trade has jumped to nearly match Europe's 40 percent share. Tehran sees diversification as a buffer against external efforts to isolate it.

Although regime-threatening instability is unlikely, ingredients for political volatility remain, and Iran is wary of the political progress occurring in neighboring Iraq and Afghanistan. Ahmadinejad's rhetorical recklessness and his inexperience on the national and international stage also increase the risk of a misstep that could spur popular opposition, especially if more experienced conservatives cannot rein in his excesses. Over time, Ahmadinejad's populist economic policies could, if enacted, deplete the government's financial resources and weaken a structurally flawed economy. For now, however, Supreme Leader Khamenei is keeping conservative fissures in check by balancing the various factions in government.

Iranian policy toward Iraq and its activities there represent a particular concern. Iran seeks a Shi'a-dominated and unified Iraq, but also wants the United States to experience continued setbacks in our efforts to promote democracy and stability. Accordingly, Iran provides guidance and training to select Iraqi Shi'a political groups, and weapons and training to Shi'a militant groups to enable anti-coalition attacks. Tehran has been responsible for at least some of the increasing lethality of anti-coalition attacks by providing Shi'a militants with the capability to build improvised explosive devices with explosively formed projectiles similar to those developed by Iran and Lebanese Hezbollah.

Tehran's intentions to inflict pain on the United States in Iraq has been constrained by its caution to avoid giving Washington an excuse to attack it, also the clerical leadership's general satisfaction with trends in Iraq, and Iran's desire to avoid chaos on its border.

Iranian conventional military power constitutes the greatest potential threat to Persian Gulf States and a challenge to U.S. interests. Iran is enhancing its ability to project its military power in order to threaten 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 toward Iran and raising the costs of our regional presence for the United States—for us and our allies.

Tehran also continues to support a number of terrorist groups, viewing this capability as a critical regime safeguard by deterring U.S. and Israeli attacks, by distracting and weakening Israel, and enhancing Iran's regional influence through intimidation. Lebanese Hezbollah is Iran's main terrorist ally, which, although focused on its agenda in Lebanon and supporting anti-Israeli Palestinian terrorists, has a worldwide support network and is capable of attacks against U.S. interests if it feels its Iranian patron is threatened.

Tehran also supports Palestinian Islamic Jihad and other groups in the Persian Gulf, Central and South Asia, and elsewhere.

Now, turning to North Korea, North Korea claims to have nuclear weapons, a claim that we assess is probably true, and it has threatened to proliferate these weapons abroad. Thus, like Iran, North Korea threatens international security and is located in a historically volatile region. Its aggressive deployment posture

threatens our allies in South Korea and U.S. troops on the peninsula.

Pyongyang sells conventional weapons to Africa, Asia and the Middle East, and has sold ballistic missiles to several Middle Eastern countries, further destabilizing regions already embroiled in conflict. And it produces and smuggles abroad counterfeit U.S. currency, as well as narcotics and other contraband.

Pyongyang sees nuclear weapons as the best way to deter superior U.S. and South Korean forces, to ensure regime security, as a lever for economic gain and as a source of prestige. Accordingly, the North remains a major challenge to the global nuclear non-proliferation regimes.

We do not know the conditions under which North Korea might be willing to fully relinquish its nuclear weapons and its weapons program. Nor do we see signs of organized opposition to the regime among North Korea's political or military elite.

Now let me turn to the issue of governance, political instability and democratization. Good governance and, over the long term, progress toward democratization are crucial factors in navigating through the period of international turmoil and transition that commenced with the end of the cold war and that will continue well into the future. In the absence of effective governance and reform, political instability often compromises our security interests while threatening new democracies and pushing flailing states into failure.

I will now review those States of greatest concern to the United States, framing my discussion within the context of trends and developments in their respective regions.

First the Middle East. The tensions between autocratic regimes, extremism, and democratic forces extends well beyond our earlier discussion about Iran, Iraq and Afghanistan to other countries in the Middle East. Emerging political competition and the energizing of public debate on the role of democracy and Islam in the region could lead to the opening of political systems and development of civic institutions, providing a possible bulwark against extremism. But the path to change is far from assured. Forces for change are vulnerable to fragmentation and long-standing regimes are increasingly adept at using both repression and limited reforms to moderate political pressures to assure their survival.

We continue to watch closely events in Syria, a pivotal—but generally unhelpful—player in a troubled region. Despite the Syrian military withdrawal from Lebanon last year, Damascus still meddles in its internal affairs, seeks to undercut prospects for Arab-Israeli peace, and has failed to crackdown consistently on militant infiltration into Iraq. By aligning itself with Iran, the Bashar al-Asad regime is signaling its rejection of the Western world. Over the coming year, the Syrian regime could face internal challenges as various pressures—especially the fallout of the United Nation investigation into the assassination of the former Lebanese prime minister—raise questions about President Bashar al-Asad's judgment and leadership capacity.

Syria's exit from Lebanon has created political opportunities in Beirut, but sectarian tensions—especially the sense among Shi'a that they are underrepresented in the government—and Damas-

cus's meddling persist. Bombings since March targeting anti-Syria politicians and journalists have fueled sectarian animosities.

Egypt held Presidential and legislative elections for the first time with multiple Presidential candidates in response to internal and external pressures for democratization. The Egyptian public, however, remains discontented by economic conditions, the Arab-Israeli problem, the U.S. presence in Iraq, and insufficient political freedoms.

Saudi Arabia's crackdown on al-Qa'ida has prevented major terrorist attacks in the Kingdom for more than a year and degraded the remnants of the terror network's Saudi-based leadership, manpower, access to weapons and operational capability. These developments, the Kingdom's smooth leadership transition, and high oil prices have eased, but not eliminated, concerns about stability.

Hamas' performance in last week's election ushered in a period of great uncertainty as President Abbas, the Israelis, and the rest of the world determine how to deal with a majority party in the Palestinian Legislative Council that conducts and supports terrorism and refuses to recognize or negotiate with Israel. The election, however, does not necessarily mean that the search for peace between Israel and the Palestinians is halted irrevocably. The vote garnered by Hamas may have been cast more against the Fatah than for the Hamas program of rejecting Israel. In any case, Hamas must now contend with the Palestinian public opinion that has over the years has supported the two-state solution.

Let me turn now to South Asia.

Many of our most important interests intersect in Pakistan. The nation is a frontline partner in the war on terror, having captured several al-Qa'ida leaders, but also remains a major source of extremism that poses a threat to Musharraf, to the United States, and to neighboring India and Afghanistan.

Musharraf faces few political challenges in his dual role as President and chief of the Army Staff, but has made only limited progress moving his country toward democracy. Pakistan retains a nuclear force outside the Treaty on the Nonproliferation of Nuclear Weapons and not subject to full-scope IAEA safeguards, and has been both recipient and source—via A.Q. Khan's proliferation activities—of nuclear weapons-related technologies. Pakistan's national elections scheduled for 2007 will be a key benchmark to determine whether the country is continuing to make progress in its democratic transition.

Since India and Pakistan approached the brink of war in 2002, their peace process has lessened tensions, and both appear committed to improving the bilateral relationship. A number of confidence-building measures, including new transportation links, have helped sustain the momentum. Still, the fact that both have nuclear weapons and missiles to deliver them entails obvious and dangerous risks of escalation.

Turning now to Eurasia, in Russia, President Putin's drive to centralize power and assert control over civil society, growing state control over strategic sectors of the economy, and the persistence of widespread corruption raise questions about the country's direction. Russia could become a more inward-looking and difficult interlocutor for the United States over the next several years. High

profits from exports of oil and gas and perceived policy successes at home and abroad have bolstered Moscow's confidence.

Russia probably will work with the United States on shared interests such as counterterrorism, counternarcotics and counterproliferation; however, growing suspicions about Western intentions and Moscow's desire to demonstrate its independence and defend its own interests may make it harder to cooperate with Russia on areas of concern to the United States.

Now, let me briefly examine the rest of post-Soviet Eurasia, where the results in the past year have been mixed. Many of the former Soviet republics are led by autocratic, corrupt, clan-based regimes whose political stability is based on different levels of repression; yet, at the same time, we have seen in Georgia, in Ukraine, and in Kyrgyzstan the emergence of grassroots forces for change.

Central Asia remains plagued by political stagnation and repression, rampant corruption, widespread poverty and widening socio-economic inequalities, and other problems that nurture nascent radical sentiment and terrorism. In the worst, but not implausible case, central authority in one or more of these States could evaporate as rival clans or regions vie for power, opening the door to an expansion of terrorist and criminal activity on the model of failed states like Somalia and, when it was under Taliban rule, Afghanistan.

Turning now to Latin America, a gradual consolidation and improvement of democratic institutions is the dominant trend in much of Latin America. By the year's end, 10 countries will have held Presidential elections and none is more important to U.S. interests than the contest in Mexico in July. Mexico has taken advantage of the NAFTA and its economy has become increasingly integrated with the United States and Canada. Committed democrats in countries like Brazil and Chile are promoting economic growth and poverty alleviation. And, despite battling persistent insurgent and paramilitary forces with considerable success, Colombia remains committed to keeping on a democratic path. Nonetheless, radical populist figures in some countries advocate statist economic policies and show little respect for democratic institutions.

In Venezuela, President Chavez, if he wins reelection later this year, appears ready to use his control of the legislature and other institutions to continue to stifle the opposition, to reduce press freedom, and entrench himself through measures that are technically legal, but which nonetheless constrict democracy. We expect Chavez to deepen his relationship with Castro. He also is seeking closer economic, military, and diplomatic ties with Iran and North Korea. Chavez has scaled back counternarcotics cooperation with the United States. Increased oil revenues have allowed Chavez to embark on an activist foreign policy in Latin America that includes providing oil at favorable repayment rates to gain allies, using newly created media outlets to generate support for his Bolivarian goals, and meddling in the internal affairs of his neighbors by backing particular candidates for elective office.

In Bolivia, South America's poorest country with the hemisphere's highest proportion of indigenous people, the victory of Evo Morales reflects the public's lack of faith in traditional political

parties and institutions. Since his election, he appears to have moderated his earlier promises to nationalize the hydrocarbons industry and cease coca eradication. But his Administration continues to send mixed signals regarding its intentions.

Haiti's interim government is the weakest in the hemisphere, and the security climate could continue to deteriorate due to slum gang violence. A failure to renew the United Nations mandate would greatly increase the risk of a complete nationwide breakdown of public order, intensifying migration pressures. The perception among would-be migrants that the U.S. immigration policy is tough is the most important factor in deterring Haitians from fleeing their country.

Turning now to Southeast Asia. Southeast Asia includes vibrant, diverse, and emerging democracies looking to the United States as a source of stability, wealth and leadership. But it is also home to terrorism, separatist aspirations, crushing poverty, ethnic violence, and religious divisions. Burma remains a dictatorship, and Cambodia is retreating from progress on democracy and human rights that it made in the 1990s. The region is particularly at risk from avian flu, which I will discuss at greater length in a moment. Al-Qa'ida-affiliated and other extremist groups are present in many countries, although effective government policies have limited their growth and input.

The prospects for democratic consolidation are relatively bright in Indonesia, the country with the world's largest Muslim population. President Yudhoyono is moving forward to crack down on corruption, professionalize the military, bring peace to the long-troubled province of Aceh, and to implement economic reforms. On the counterterrorism side, Indonesian authorities have detained or killed significant elements of Jemaah Islamiyah, the al-Qa'ida-linked terrorist group, but Jemaah Islamiyah remains a tough foe.

The Philippines remain committed to democracy despite political turbulence over alleged cheating in the 2004 elections and repeated rumors of coup plots. Meanwhile, Manila continues to struggle with the 35-year-old Islamic and communist rebellions, and faces growing concerns over the presence of JI terrorists in the South.

Thailand is searching for a formula to contain violence instigated by ethnic Malay Muslims separatist groups in the far Southern provinces. In 2005, the separatists showed signs of stronger organization and more lethal and brutal tactics targeting the government and the Buddhist population in the South.

Some good news is coming out of Africa. The continent is enjoying real economic growth after a decade of declining per capita income. The past decade has also witnessed a definite, albeit gradual, trend toward greater democracy, openness and multi-party elections.

In Liberia, the inauguration of Ellen Johnson Sirleaf as President, following a hotly contested multi-party election, was a positive harbinger of a return to democratic rule in a battered nation.

Yet in much of the continent, humanitarian crises, instability and conflict persist. Overlaying these enduring threats are the potential spread of jihadist ideology amongst disaffected Muslim populations and the region's growing importance as a source of energy. We are most concerned about Sudan and Nigeria.

The signing of a Comprehensive Peace Agreement in Sudan last year was a major achievement, but the new Government of National Unity is being tested by the continuing conflict in Darfur, and the instability in Chad is spilling over into western Sudan, further endangering humanitarian workers and assistance supply lines. Gains in stabilizing and improving the conditions in Darfur could be reversed if the new instability goes unchecked.

The most important election on the African horizon will be held in spring of 2007 in Nigeria, the continent's most populous country and largest oil producer. The vote has the potential to reinforce a democratic trend away from military rule, or it could lead to major disruption in a nation suffering frequent ethno-religious violence, criminal activity and rampant corruption.

Speculation that President Obasanjo will try to change the constitution so he can seek a third term in office is raising political tension and, if proven true, threatens to unleash major turmoil and conflict. Such chaos in Nigeria could lead to disruption of oil supply, secessionist moves by regional governments, major refugee flows and instability elsewhere in Africa.

To one degree or another, all nations are affected by the phenomenon known as globalization. I'm turning now to the issue of globalization and rising actors. Many see the United States as globalization's primary beneficiary, but the developments subsumed under its rubric operate largely beyond the control of all countries. Small, medium and large States are both gaining and losing through technological and economic developments at a rate of speed unheard of in human history.

Such recalibrations in regional and global standing usually emerge in the wake of war. But globalization is not a war, even though its underside—fierce competition for global energy reserves, discrepancies between rich and poor, criminal networks that create and feed black markets in drugs and even human beings and the rapid transmission of disease—has the look of a silent, but titanic global struggle.

One major recalibration of the global order enabled by globalization is the shift of world economic momentum and energy to greater Asia, led principally by the explosive economic growth in China and the growing concentration of world manufacturing activity in and around it. India, too, is emerging as a new pole of greater Asia's surging economic and political power. These two Asian giants comprise fully a third of the world's population—a huge labor force eager for modern work, supported by significant scientific and technological capabilities, and an army of new claimants on the world's natural resources and capital.

China is a rapidly rising power with steadily expanding global reach that may become a peer competitor to the United States at some point. Consistent high rates of economic growth, driven by exploding foreign trade, have increased Beijing's political influence abroad and fueled a military modernization program that has steadily increased Beijing's force projection capabilities.

China's foreign policy is currently focused on the country's immediate periphery, including Southeast and Central Asia, where Beijing hopes to make economic inroads, to increase political influence and to prevent a backlash against its rise. Its rhetoric toward Tai-

wan has been less inflammatory since Beijing passed its “anti-secession” law last spring. China has been reaching out to the opposition parties on Taiwan and making economic overtures designed to win favor with the Taiwan public, although Beijing still refuses to deal with the elected leader in Taipei.

Beijing has also expanded diplomatic and economic interaction with other major powers—especially Russia and the European Union—and begun to increase its presence in Africa and Latin America.

China’s military is vigorously pursuing a modernization program—a full suite of modern weapons and hardware for a large proportion of its overall force structure; designs for a more effective operational doctrine at tactical and theater level; training reforms; and wide-ranging improvements in logistics, administration, financial management, mobilization, and other critical support functions.

Beijing’s greatest challenge is to sustain growth sufficient to keep unemployment and rural discontent from rising to destabilizing levels and to maintain increases in living standards.

To do this, China must solve a number of difficult economic and legal problems. It must improve the education system, reduce environmental degradation, and improve governance by combating corruption. Indeed, China’s rise may be hobbled by systemic problems and the Communist Party’s resistance to the demands for political participation that economic growth generates. Beijing’s determination to repress real or perceived challenges—from dispossessed peasants to religious organizations—could lead to serious instability at home and less effective policies abroad.

Turning now to India, rapid economic growth and increasing technological competence are securing India’s leading role in South Asia, while helping India to realize its long-standing ambition to become a global power. India’s growing confidence on the world stage as a result of its increasingly globalized business activity will make New Delhi a more effective partner for the United States, but also a more formidable player on issues such as those before the World Trade Organization.

New Delhi seeks to play a key role in fostering democracy in the region, especially in Nepal and Bangladesh, and will continue to be a reliable ally against global terrorism, in part because India has been a frequent target for Islamic terrorists, mainly in Kashmir. India seeks better relations with its two main rivals—Pakistan and China—recognizing that its regional disputes with them are hampering its larger goals on the world stage. Nevertheless, like China, India is using its newfound wealth and technical capabilities to extend its military reach.

On the economic front, as Indian multinational corporations become more prevalent, they will offer competition and cooperation with the United States in fields such as energy, steel, and pharmaceuticals. New Delhi’s pursuit of energy to fuel its rapidly growing economy adds to pressures on world prices and increases the likelihood that it will seek to augment its programs in nuclear power, coal technologies, and petroleum exploration. Like Pakistan, India is outside the nuclear Nonproliferation Treaty.

Let me turn to the issue of threats to global energy security.

World energy markets seem certain to remain tight for the foreseeable future. Robust global economic expansion is pushing strong energy demand growth and, combined with instability in several oil-producing regions, is increasing the geopolitical leverage of key producer states such as Iran, Saudi Arabia, Russia and Venezuela. At the same time, the pursuit of secure energy supplies has become a much more significant driver of foreign policy in countries where energy demand growth is surging—particularly China and India.

The changing global oil and gas market has encouraged Russia's assertiveness with Ukraine and Georgia, Iran's nuclear brinkmanship, and the populist "petro-diplomacy" of Venezuela's Hugo Chavez. Russia's recent but short-lived curtailment of natural gas deliveries to the Ukraine temporarily reduced gas supplies to much of Europe and is an example of how energy can be used as both a political and economic tool. The gas disruption alarmed Europeans, reminding them of their dependence on Russian gas, and refocused debate on alternative energy sources.

Foreign policy frictions, driven by energy security concerns, are likely to be fed by continued global efforts of Chinese and Indian firms to reach new oil field development deals and to purchase stakes in foreign oil and gas properties. Although some of these moves may incrementally increase oil-sector investment and global supplies, others may bolster countries, such as Iran, Syria and Sudan, that pose significant U.S. national security risks or foreign policy challenges. For example, in Venezuela, Chavez is attempting to diversify oil exports away from the United States.

Let me turn now to the security threat from narcotics trafficking.

In addition to the central U.S. national security interest in stemming the flow of drugs to this country, there are two international threats related to narcotics: First, the potential threat from an intersection of narcotics and extremism; and second, the threat from the impact of drugs on those ineffective and unreliable nation states about which we are so concerned.

Although the worldwide trafficking-terrorist relationship is limited, the scope of these ties has grown modestly in recent years. A small number of terrorist groups engage the services of or accept donations from criminals, including narcotics traffickers, to help raise operational funds. While the revenue realized by extremists appears small when compared to that of dedicated trafficking organizations, even small amounts of income can finance destructive acts of terror.

The tie between drug trafficking and extremism is strongest in Colombia and Afghanistan. Both of Colombia's insurgencies and most of its paramilitary groups reap substantial benefits from cocaine transactions. In Afghanistan, the Taliban and the Hizb group gain at least some of their financial support from their ties to local opiate traffickers. Ties between trafficking and extremists elsewhere are less robust and profitable. North African extremists involved in the 2004 Madrid bombings reportedly used drug income to buy their explosives.

Most major international organized crime groups have kept terrorists at arm's length, although some regional criminal gangs have supplied fraudulent or altered travel documents, moved illicit earn-

ings, or provided other criminal services to members of insurgent or terrorist groups for a fee.

Narcotics traffickers and other organized criminals typically do not want to see governments toppled, but thrive in States where governments are weak, vulnerable to or seeking out corruption and unable or unwilling to consistently enforce the rule of law. Nonetheless, a vicious cycle can develop in which a weakened government enables criminals to dangerously undercut the state's credibility and authority, with the consequence that the investment climate suffers, economic growth withers, black market activity rises, and fewer resources are available for civil infrastructure and governance.

We are particularly concerned about this cycle in countries on the other side of the world, such as Afghanistan, Kyrgyzstan, and Burma, and those close to home, such as in Haiti, Jamaica, and Mexico. About 90 percent of detected cocaine destined for the United States was smuggled through the Mexico-Central America corridor, nearly all Mexican heroin is for the U.S. market, and Mexico is the primary foreign supplier of marijuana and methamphetamine to the United States.

Let me turn now briefly to the threat from pandemics and epidemics.

In the 21st century, our intelligence community has expanded the definition of bio-threats to the United States beyond weapons to naturally occurring pandemics.

The most pressing infectious disease challenge facing the United States is the potential emergence of a new and deadly avian influenza strain, which could cause a worldwide outbreak or pandemic. International health experts worry that avian influenza could become transmissible among humans, threatening the health and lives of millions of people around the globe.

There are many unknowns about avian flu, but even the specter of an outbreak could have significant effects on the international community, on whole societies, military operations, critical infrastructure and diplomatic relations.

Avian flu is not something we can fight alone. An effective response to it is highly dependent on the openness of affected nations in reporting outbreaks where and when they occur. But for internal political reasons, a lack of response capability or disinclination to regard avian influenza as a significant threat, some countries are not forthcoming.

In close coordination with the Department of Health and Human Services, the intelligence community therefore is tracking a number of key countries that are or could be especially prone to avian influenza outbreaks and where we cannot be confident that adequate information will be available through open sources.

The intelligence community also coordinates closely with the Department of Homeland Security and provides input to the National Biosurveillance Integration System at the Department of Homeland Security.

In conclusion, each of the major intelligence challenges that I have discussed today is affected by the accelerating change and transnational interplay that are the hallmarks of 21st century

globalization. As a direct result, collecting, analyzing and acting on solid intelligence have become increasingly difficult.

To meet these new and reconfigured challenges, we need to work hand-in-hand with other responsible nations. Fortunately, the vast majority of governments in the world are responsible and responsive, but those that are not are neither few in numbers nor lacking in material resources and geopolitical influence.

The powerful critiques of this Committee, the 9/11 Commission, and the WMD Commission, framed by statute in the Intelligence Reform and Terrorism Prevention Act of 2004, and taken to heart by the dedicated professionals of our intelligence community, have helped make us better prepared and more vigilant than we were on that terrible day in September 2001. But from an intelligence perspective, we cannot rest. We must transform our intelligence capabilities and cultures by fully integrating them from law enforcement through national authorities in Washington to combatant commanders overseas. The more thoroughly we do that, the more clearly we will be able to see the threats lurking in the shadow of the future and ward them off.

Thank you very much, Mr. Chairman. And now I'd be pleased to try and answer any questions which the Committee might have.

Chairman ROBERTS. Mr. Director, I asked you to make a very comprehensive statement covering all the threats that you think endanger our country, not only for the Committee, but for those listening, all the citizens of the United States. You have done that in a very comprehensive report.

It is under my understanding under the Geneva Convention, under the heading of "cruel and inhumane punishment" for congressional hearings that last for more than 2 hours, and prior to questioning, that it would be the thing to do to declare a 5-minute break, which we will do. And we will resume immediately at the 5-minute mark to start our questions.

[The prepared statement of Director Negroponte follows:]

PREPARED STATEMENT OF HON. JOHN D. NEGROPONTE, DIRECTOR OF INTELLIGENCE

Chairman Roberts, Vice-Chairman Rockefeller, Members of the Committee, thank you for the invitation to offer my assessment of the threats, challenges, and opportunities for the United States in today's world.

I am honored to be the first Director of National Intelligence to offer you such an assessment, and am pleased to note that following my oral testimony, I will answer your questions with the assistance of Mr. Porter Goss, Director of the Central Intelligence Agency; Lieutenant General Michael D. Maples, Director of the Defense Intelligence Agency; Mr. Robert Mueller, Director of the Federal Bureau of Investigation; Ms. Carol Rodley, Acting Assistant Secretary of State for Intelligence and Research; Mr. Charles E. Allen, Chief Intelligence Officer, Department of Homeland Security; and General Michael Hayden, Principal Deputy Director of National Intelligence.

Let me begin with a straightforward statement of preoccupation shared by all of us sitting here before you: terrorism is the preeminent threat to our citizens, Homeland, interests, and friends. The War on Terror is our first priority and driving concern as we press ahead with a major transformation of the Intelligence Community we represent.

We live in a world that is full of conflict, contradictions, and accelerating change. Viewed from the perspective of the Director of National Intelligence, the most dramatic change of all is the exponential increase in the number of targets we must identify, track, and analyze. Today, in addition to hostile nation-states, we are focusing on terrorist groups, proliferation networks, alienated communities, charismatic individuals, narco-traffickers, and microscopic influenza.

The 21st century is less dangerous than the 20th century in certain respects, but more dangerous in others. Globalization, particularly of technologies that can be used to produce WMD, political instability around the world, the rise of emerging powers like China, the spread of the jihadist movement, and of course, the horrific events of September 11, 2001, demand heightened vigilance from our Intelligence Community.

This morning, then, I will discuss:

- Global jihadists, their fanatical ideology, and the civilized world's efforts to disrupt, dismantle and destroy their networks;
- The struggle of the Iraqi and Afghan people to assert their sovereignty over insurgency, terror, and extremism;
- WMD-related proliferation and two states of particular concern, Iran and North Korea;
- Issues of political instability and governance in all regions of the world that affect our ability to protect and advance our interests; and
- Globalization, emerging powers, and such transnational challenges as the geopolitics of energy, narcotrafficking, and possible pandemics.

In assessing these themes, we all must be mindful of the old dictum: forewarned is forearmed. Our policymakers, warfighters, and law enforcement officers need the best intelligence and analytic insight humanly and technically possible to help them peer into the onrushing shadow of the future and make the decisions that will protect American lives and interests. This has never been more true than now with US and Coalition forces in Iraq and Afghanistan—and the citizens and fledgling governments they help to protect under attack. Addressing threats to their safety and providing the critical intelligence on a myriad of tactical and strategic issues must be—and is—a top priority for our Intelligence Community.

But in discussing all the many dangers the 21st century poses, it should be emphasized that they do not befall America alone. The issues we consider today confront responsible leaders everywhere. That is the true nature of the 21st century: accelerating change affecting and challenging us all.

THE GLOBAL JIHADIST THREAT

Collaboration with our friends and allies around the world has helped us achieve some notable successes against the global jihadist threat. In fact, most of al-Qa'ida's setbacks last year were the result of our allies' efforts, either independently or with our assistance. And since 9/11, examples of the high level of counterterrorism efforts around the world are many. Pakistan's commitment has enabled some of the most important captures to date. Saudi Arabia's resolve to counter the spread of terrorism has increased. Our relationship with Spain has strengthened since the March 2004 Madrid train bombings. The British have long been our closest counterterrorism partners; the seamless cooperation in the aftermath of the July attacks in London reflected that commitment while Australia, Canada, France and many other nations remain stout allies. Nonetheless, much remains to be done; the battle is far from over.

Jihadists seek to overthrow regimes they regard as "apostate" and to eliminate US influence in the Muslim world. They attack Americans when they can, but most of their targets and victims are fellow Muslims. Nonetheless, the slow pace of economic, social, and political change in most Muslim majority nations continues to fuel a global jihadist movement. The movement is diffuse and subsumes three quite different types of groups and individuals:

- First and foremost, al-Qa'ida, a battered but resourceful organization;
- Second, other Sunni jihadist groups, some affiliated with al-Qa'ida, some not;
- Third, networks and cells that are the self-generating progeny of al-Qa'ida.

Al-Qa'ida Remains Our Top Concern. We have eliminated much of the leadership that presided over al-Qa'ida in 2001, and US-led counterterrorism efforts in 2005 continue to disrupt its operations, take out its leaders and deplete its cadre. But the organization's core elements still plot and make preparations for terrorist strikes against the Homeland and other targets from bases in the Pakistan-Afghanistan border area; they also have gained added reach through their merger with the Iraq-based network of Abu Mus'ab al-Zarqawi, which has broadened al-Qa'ida's appeal within the jihadist community and potentially put new resources at its disposal.

Thanks to effective intelligence operations, we know a great deal about al-Qa'ida's vision. Zawahiri, al-Qa'ida's No. 2, is candid in his July 2005 letter to Zarqawi. He portrays the jihad in Iraq as a stepping-stone in the march toward a global caliphate, with the focus on Egypt, Syria, Jordan, Lebanon, Saudi Arabia, the Gulf states,

and Israel. Zawahiri stresses the importance of having a secure base in Iraq from which to launch attacks elsewhere, including in the US Homeland.

In Bin Ladin's recent audio tape, al-Qa'ida's top leader reaffirms the group's commitment to attack our Homeland and attempts to reassure supporters by claiming that the reason there has been no attack on the US since 2001 is that he chose not to do so. This week's statement by Zawahiri is another indication that the group's leadership is not completely cutoff and can continue to get its message out to followers. The quick turnaround time and the frequency of Zawahiri statements in the past year underscore the high priority al-Qa'ida places on propaganda from its most senior leaders.

Attacking the US Homeland, US interests overseas, and US allies—in that order—are al-Qa'ida's top operational priorities. The group will attempt high-impact attacks for as long as its central command structure is functioning and affiliated groups are capable of furthering its interests, because even modest operational capabilities can yield a deadly and damaging attack. Although an attack using conventional explosives continues to be the most *probable* scenario, al-Qa'ida remains interested in acquiring chemical, biological, radiological, and nuclear materials or weapons to attack the United States, US troops, and US interests worldwide.

Indeed, today, we are more likely to see an attack from terrorists using weapons or agents of mass destruction than states, although terrorists' capabilities would be much more limited. In fact, intelligence reporting indicates that nearly 40 terrorist organizations, insurgencies, or cults have used, possessed, or expressed an interest in chemical, biological, radiological, or nuclear agents or weapons. Many are capable of conducting simple, small-scale attacks, such as poisonings, or using improvised chemical devices.

Al-Qa'ida Inspires Other Sunni Jihadists. The global jihadist movement also subsumes other Sunni extremist organizations, allied with or inspired by al-Qa'ida's global anti-Western agenda. These groups pose less danger to the US Homeland than does al-Qa'ida, but they increasingly threaten our allies and interests abroad and are working to expand their reach and capabilities to conduct multiple and/or mass-casualty attacks outside their traditional areas of operation.

Jemaah Islamiya (JI) is a well organized group responsible for dozens of attacks killing hundreds of people in Southeast Asia. The threat of a JI attack against US interests is greatest in Southeast Asia, but we assess that the group is committed to helping al-Qa'ida with attacks outside the region.

The *Islamic Jihad Union (IJU)*, which has allied itself with al-Qa'ida, operates in Central Asia and was responsible for the July 2004 attacks against the US and Israeli Embassies in Uzbekistan.

The *Libyan Islamic Fighting Group (LIFG)* was formed to establish an Islamic state in Libya, but since the late 1990s it has expanded its goals to include anti-Western jihad alongside al-Qa'ida. LIFG has called on Muslims everywhere to fight the US in Iraq.

Pakistani militant groups—primarily focused on the Kashmir conflict represent a persistent threat to regional stability and US interests in South Asia and the Near East. They also pose a potential threat to our interests worldwide. Extremists convicted in Virginia in 2003 of providing material support to terrorism trained with a Pakistani group, Lashkar-i-Tayyiba, before 9/11.

New Jihadist Networks and Cells. An important part of al-Qa'ida's strategy is to encourage a grassroots uprising of Muslims against the West. Emerging new networks and cells—the third element of the global jihadist threat reflect aggressive jihadist efforts to exploit feelings of frustration and powerlessness in some Muslim communities, and to fuel the perception that the US is anti-Islamic. Their rationale for using terrorism against the US and establishing strict Islamic practices resonates with a small subset of Muslims. This has led to the emergence of a decentralized and diffused movement, with minimal centralized guidance or control and numerous individuals and small cells—like those who conducted the May 2003 bombing in Morocco, the March 2004 bombings in Spain, and the July 2005 bombings in the UK. Members of these groups have drawn inspiration from al-Qa'ida but appear to operate on their own.

Such unaffiliated individuals, groups and cells represent a different threat than that of a defined organization. They are harder to spot and represent a serious intelligence challenge.

Regrettably, we are not immune from the threat of such "homegrown" jihadist cells. A network of Islamic extremists in Lodi, California, for example, maintained connections with Pakistani militant groups, recruited US citizens for training at radical Karachi madrassas, sponsored Pakistani citizens for travel to the US to work at mosques and madrassas, and according to FBI information, allegedly raised

funds for international jihadist groups. In addition, prisons continue to be fertile recruitment ground for extremists who try to exploit converts to Islam.

Impact of Iraq on Global Jihad. Should the Iraqi people prevail in establishing a stable political and security environment, the jihadists will be perceived to have failed and fewer jihadists will leave Iraq determined to carry on the fight elsewhere. But, we assess that should the jihadists thwart the Iraqis' efforts to establish a stable political and security environment, they could secure an operational base in Iraq and inspire sympathizers elsewhere to move beyond rhetoric to attempt attacks against neighboring Middle Eastern nations, Europe, and even the United States. The same dynamic pertains to al-Zarqawi. His capture would deprive the movement of a notorious leader, whereas his continued acts of terror could enable him to expand his following beyond his organization in Iraq much as Bin Ladin expanded al-Qa'ida in the 1990s.

Impact of the Islamic Debate. The debate between Muslim extremists and moderates also will influence the future terrorist environment, the domestic stability of key US partners, and the foreign policies of governments throughout the Muslim world. The violent actions of global jihadists are adding urgency to the debate with Islam over how religion should shape government. Growing internal demands for reform in many Muslim countries further stimulate this debate. In general, Muslims are becoming more aware of their Islamic identity, leading to growing political activism; but this does not necessarily signal a trend toward radicalization. Most Muslims reject the extremist message and violent agendas of the global jihadists. Indeed, as Muslims endorse democratic principles of freedom, equality, and the rule of law *and* a role for their religious beliefs in building better futures for their communities, there will be growing opportunities for countering a jihadist movement that only promises more authoritarianism, isolation, and economic stagnation.

EXTREMISM AND CHALLENGES TO EFFECTIVE GOVERNANCE AND LEGITIMACY IN IRAQ AND AFGHANISTAN

The threat from extremism and anti-Western militancy is especially acute in Iraq and Afghanistan.

In discussing Iraq, I'd like to offer a "balance sheet" to give a sense of where I see things today and what I see as the trends in 2006. Bold, inclusive leadership will be *the* critical factor in establishing an Iraqi constitutional democracy that is both viable as a nation-state and responsive to the diversity of Iraq's regions and people.

Let me begin with some of these encouraging developments before turning to the challenges:

- The insurgents have not been able to establish any lasting territorial control; were unable to disrupt either of the two national elections held this year or the Constitutional referendum; have not developed a political strategy to attract popular support beyond their Sunni Arab base; and have not shown the ability to coordinate nationwide operations.

- Iraqi security forces are taking on more demanding missions, making incremental progress toward operational independence, and becoming more capable of providing the kind of stability Iraqis deserve and the economy needs in order to grow.

- Signs of open conflict between extreme Sunni jihadists and Sunni nationalist elements of the insurgency, while so far still localized, are encouraging and exploitable. The jihadists' heavy-handed activities in Sunni areas in western Iraq have caused tribal and nationalist elements in the insurgency to reach out to the Baghdad government for support.

- Large-scale Sunni participation in the last elections has provided a first step toward diminishing Sunni support for the insurgency. There appears to be a strong desire among Sunnis to explore the potential benefits of political participation.

But numerous challenges remain.

The Insurgency and Iraqi Security Forces

Iraqi Sunni Arab disaffection is the primary enabler of the insurgency and is likely to remain high in 2006. Even if a broad, inclusive national government emerges, there almost certainly will be a lag time before we see a dampening effect on the insurgency. Insurgents continue to demonstrate the ability to recruit, supply, and attack Coalition and Iraqi Security Forces, and their leaders continue to exploit Islamic themes, nationalism, and personal grievances to fuel opposition to the government and to recruit more fighters.

The most extreme Sunni jihadists, such as those fighting with Zarqawi, will remain unreconciled and continue to attack Iraqis and Coalition forces. These extreme Sunni jihadist elements, a subset of which are foreign fighters, constitute a small

minority of the overall insurgency, but their use of high-profile suicide attacks gives them a disproportionate impact. The insurgents' use of increasingly lethal improvised explosive devices (IEDs), and the IED makers' adaptiveness to Coalition countermeasures, remain the most significant day-to-day threat to Coalition forces, and a complex challenge for the Intelligence Community.

Iraqi Security Forces require better command and control mechanisms to improve their effectiveness and are experiencing difficulty in managing ethnic and sectarian divides among their units and personnel.

Sunni Political Participation

A key to establishing effective governance and security over the next 3 to 5 years is enhanced Sunni Arab political participation and a growing perception among Sunnis that the political process is addressing their interests. Sunnis will be focused on obtaining what they consider their demographically appropriate share of leadership positions in the new government—especially on the Constitutional Review Commission. Debates over federalism, central versus local control, and division of resources are likely to be complex. Success in satisfactorily resolving them will be key to advancing stability and prospects for a unified country. Although the Kurds and Shia have been accommodating to the underrepresented Sunnis in 2005, their desire to protect core interests—such as regional autonomy and de-Ba'athification—could make further compromise more difficult.

In the aftermath of the December elections, virtually all of the Iraq parties are seeking to create a broad-based government, but all want it to be formed on their terms. The Shia and the Kurds will be the foundation of any governing coalition, but it is not yet clear to us whether they will include the main Sunni factions, particularly the Iraqi Consensus Front, or other smaller and politically weaker secular groups, such as Ayad Allawi's Iraqi National List. The Sunni parties have significant expectations for concessions from the Shia and Kurds in order to justify their participation and avoid provoking more insurgent violence directed against Sunni political leaders.

Governance and Reconstruction

During the coming year, Iraq's newly elected leadership will face a daunting set of governance tasks. The creation of a new, permanent government and the review of the Constitution by early summer will offer opportunities to find common ground and improve the effectiveness and legitimacy of the central government. There is a danger, however, that political negotiations and dealmaking will prove divisive. This could obstruct efforts to improve government performance, extend Baghdad's reach throughout the country, and build confidence in the democratic political process.

Let me focus on one of those tasks—the economy. Restoration of basic services and the creation of jobs are critical to the well-being of Iraqi citizens, the legitimacy of the new government, and, indirectly, to eroding support for the insurgency. At this point, prospects for economic development in 2006 are constrained by the unstable security situation, insufficient commitment to economic reform, and corruption. Iraq is dependent on oil revenues to fund the government, so insurgents continue to disrupt oil infrastructure, despite the fielding of new Iraqi forces to protect it. Insurgents also are targeting trade and transportation. Intelligence has a key role to play in combating threats to pipelines, electric power grids, and personal safety.

Afghanistan

Like Iraq, Afghanistan is a fragile new democracy struggling to overcome deep-seated social divisions, decades of repression, and acts of terrorism directed against ordinary citizens, officials, foreign aid workers, and Coalition forces. These and other threats to the Karzai government also threaten important American interests—ranging from the defeat of terrorists who find haven along the Afghanistan-Pakistan border to the suppression of opium production.

Afghan leaders face four critical challenges: containing the insurgency, building central government capacity and extending its authority, further containing warlordism, and confronting pervasive drug criminality.

Intelligence is needed to assist, monitor, and protect Afghan, Coalition, and NATO efforts in all four endeavors.

The volume and geographic scope of attacks increased last year, but the Taliban and other militants have not been able to stop the democratic process or expand their support base beyond Pashtun areas of the south and east. Nevertheless, the insurgent threat will impede the expansion of Kabul's writ, slow economic development, and limit progress in counternarcotics efforts.

Ultimately, defeating the insurgency will depend heavily on continued international aid; effective Coalition, NATO, and Afghan government security operations

to prevent the insurgency from gaining a stronger foothold in some Pashtun areas; and the success of the government's reconciliation initiatives.

WEAPONS OF MASS DESTRUCTION AND STATES OF KEY CONCERN:
IRAN AND NORTH KOREA

The ongoing development of dangerous weapons and delivery systems constitutes the second major threat to the safety of our nation, our deployed troops, and our allies. We are most concerned about the threat and destabilizing effect of nuclear proliferation. We are also concerned about the threat from biological agents—or even chemical agents, which would have psychological and possibly political effects far greater than their actual magnitude. Use by nation-states can still be constrained by the logic of deterrence and international control regimes, but these constraints may be of little utility in preventing the use of mass effect weapons by rogue regimes or terrorist groups.

The time when a few states had monopolies over the most dangerous technologies has been over for many years. Moreover, our adversaries have more access to acquire and more opportunities to deliver such weapons than in the past. Technologies, often dual-use, move freely in our globalized economy, as do the scientific personnel who design them. So it is more difficult for us to track efforts to acquire those components and production technologies that are so widely available. The potential dangers of proliferation are so grave that we must do everything possible to discover and disrupt attempts by those who seek to acquire materials and weapons.

We assess that some of the countries that are still pursuing WMD programs will continue to try to improve their capabilities and level of self-sufficiency over the next decade. We also are focused on the potential acquisition of such nuclear, chemical, and/or biological weapons—or the production technologies and materials necessary to produce them by states that do not now have such programs, terrorist organizations like al-Qa'ida and by criminal organizations, alone or via middlemen.

We are working with other elements of the US Government regarding the safety and security of nuclear weapons and fissile material, pathogens, and chemical weapons in select countries.

Iran and North Korea: States of Highest Concern

Our concerns about Iran are shared by many nations, by the IAEA, and of course, Iran's neighbors.

Iran conducted a clandestine uranium enrichment program for nearly two decades in violation of its IAEA safeguards agreement, and despite its claims to the contrary, we assess that Iran seeks nuclear weapons. We judge that Tehran probably does not yet have a nuclear weapon and probably has not yet produced or acquired the necessary fissile material. Nevertheless, the danger that it will acquire a nuclear weapon and the ability to integrate it with the ballistic missiles Iran already possesses is a reason for immediate concern. Iran already has the largest inventory of ballistic missiles in the Middle East, and Tehran views its ballistic missiles as an integral part of its strategy to deter—and if necessary retaliate against forces in the region, including US forces.

As you are aware, Iran is located at the center of a vital—and volatile—region, has strained relations with its neighbors, and is hostile to the United States, our friends, and our values. President Ahmadinejad has made numerous unacceptable statements since his election, hard-liners have control of all the major branches and institutions of government, and the government has become more effective and efficient at repressing the nascent shoots of personal freedom that had emerged in the late 1990s and earlier in the decade.

Indeed, the regime today is more confident and assertive than it has been since the early days of the Islamic Republic. Several factors work in favor of the clerical regime's continued hold on power. Record oil and other revenue is permitting generous public spending, fueling strong economic growth, and swelling financial reserves. At the same time, Iran is diversifying its foreign trading partners. Asia's share of Iran's trade has jumped to nearly match Europe's 40-percent share. Tehran sees diversification as a buffer against external efforts to isolate it.

Although regime-threatening instability is unlikely, ingredients for political volatility remain, and Iran is wary of the political progress occurring in neighboring Iraq and Afghanistan. Ahmadinejad's rhetorical recklessness and his inexperience on the national and international stage also increase the risk of a misstep that could spur popular opposition, especially if more experienced conservatives cannot rein in his excesses. Over time, Ahmadinejad's populist economic policies could—if enacted—deplete the government's financial resources and weaken a structurally flawed economy. For now, however, Supreme Leader Khamenei is keeping conservative fissures in check by balancing the various factions in government.

Iranian policy toward Iraq and its activities there represent a particular concern. Iran seeks a Shia-dominated and unified Iraq but also wants the US to experience continued setbacks in our efforts to promote democracy and stability. Accordingly, Iran provides guidance and training to select Iraqi Shia political groups and weapons and training to Shia militant groups to enable anti-Coalition attacks. Tehran has been responsible for at least some of the increasing lethality of anti-Coalition attacks by providing Shia militants with the capability to build IEDs with explosively formed projectiles similar to those developed by Iran and Lebanese Hizballah.

Tehran's intentions to inflict pain on the United States in Iraq has been constrained by its caution to avoid giving Washington an excuse to attack it, the clerical leadership's general satisfaction with trends in Iraq, and Iran's desire to avoid chaos on its borders.

Iranian conventional military power constitutes the greatest potential threat to Persian Gulf states and a challenge to US interests. Iran is enhancing its ability to project its military power in order to threaten to disrupt the operations and reinforcement of US forces based in the region—potentially intimidating regional allies into withholding support for US policy toward Iran—and raising the costs of our regional presence for us and our allies.

Tehran also continues to support a number of terrorist groups, viewing this capability as a critical regime safeguard by deterring US and Israeli attacks, distracting and weakening Israel, and enhancing Iran's regional influence through intimidation. Lebanese Hizballah is Iran's main terrorist ally, which—although focused on its agenda in Lebanon and supporting anti-Israeli Palestinian terrorists has a worldwide support network and is capable of attacks against US interests if it feels its Iranian patron is threatened. Tehran also supports Palestinian Islamic Jihad and other groups in the Persian Gulf, Central and South Asia, and elsewhere.

NORTH KOREA

North Korea claims to have nuclear weapons—a claim that we assess is probably true—and has threatened to proliferate these weapons abroad. Thus, like Iran, North Korea threatens international security and is located in a historically volatile region. Its aggressive deployment posture threatens our allies in South Korea and US troops on the peninsula. Pyongyang sells conventional weapons to Africa, Asia, and the Middle East, and has sold ballistic missiles to several Middle Eastern countries, further destabilizing regions already embroiled in conflict. And it produces and smuggles abroad counterfeit US currency, as well as narcotics, and other contraband.

Pyongyang sees nuclear weapons as the best way to deter superior US and South Korean forces, to ensure regime security, as a lever for economic gain, and as a source of prestige. Accordingly, the North remains a major challenge to the global nuclear nonproliferation regimes. We do not know the conditions under which the North would be willing to fully relinquish its nuclear weapons and its weapons program. Nor do we see signs of organized opposition to the regime among North Korea's political or military elite.

GOVERNANCE, POLITICAL INSTABILITY, AND DEMOCRATIZATION

Good governance and, over the long term, progress toward democratization are crucial factors in navigating through the period of international turmoil and transition that commenced with the end of the cold war and that will continue well into the future. In the absence of effective governance and reform, political instability often compromises our security interests while threatening new democracies and pushing flailing states into failure.

I will now review those states of greatest concern to the United States, framing my discussion within the context of trends and developments in their respective regions.

MIDDLE EAST AND SOUTH ASIA

Middle East. The tensions between autocratic regimes, extremism, and democratic forces extend well beyond our earlier discussion about Iran, Iraq and Afghanistan to other countries in the Middle East. Emerging political competition and the energizing of public debate on the role of democracy and Islam in the region could lead to the opening of political systems and development of civic institutions, providing a possible bulwark against extremism. But the path to change is far from assured. Forces for change are vulnerable to fragmentation and longstanding regimes are increasingly adept at using both repression and limited reforms to moderate political pressures to assure their survival.

We continue to watch closely events in *Syria*, a pivotal—but generally unhelpful—player in a troubled region. Despite the Syrian military withdrawal from Lebanon last year, Damascus still meddles in its internal affairs, seeks to undercut prospects for an Arab-Israeli peace, and has failed to crackdown consistently on militant infiltration into Iraq. By aligning itself with Iran, the Bashar al-Asad regime is signaling its rejection of the Western world. Over the coming year, the Syrian regime could face internal challenges as various pressures—especially the fallout of the U.N. investigation into the assassination of the former Lebanese Prime Minister—raise questions about President Bashar al-Asad’s judgment and leadership capacity.

Syria’s exit from *Lebanon* has created political opportunities in Beirut, but sectarian tensions—especially the sense among Shia that they are underrepresented in the government—and Damascus’s meddling persist. Bombings since March targeting anti-Syria politicians and journalists have fueled sectarian animosities.

Egypt held Presidential and legislative elections for the first time with multiple Presidential candidates in response to internal and external pressures for democratization. The Egyptian public, however, remains discontented by economic conditions, the Arab-Israeli problem, the US presence in Iraq, and insufficient political freedoms.

Saudi Arabia’s crackdown on al-Qa’ida has prevented major terrorist attacks in the Kingdom for more than a year and degraded the remnants of the terror network’s Saudi-based leadership, manpower, access to weapons, and operational capability. These developments, the Kingdom’s smooth leadership transition and high oil prices have eased, but not eliminated, concerns about stability.

HAMAS’ performance in last week’s election ushered in a period of great uncertainty as President Abbas, the Israelis, and the rest of the world determine how to deal with a majority party in the Palestinian Legislative Council that conducts and supports terrorism and refuses to recognize or negotiate with Israel. The election, however, does not necessarily mean that the search for peace between Israel and the Palestinians is halted irrevocably. The vote garnered by HAMAS may have been cast more *against* the Fatah government than *for* the HAMAS program of rejecting Israel. In any case, HAMAS now must contend with Palestinian public opinion that has over the years has supported the two-state solution.

SOUTH ASIA

Many of our most important interests intersect in *Pakistan*. The nation is a front-line partner in the war on terror, having captured several al-Qa’ida leaders, but also remains a major source of extremism that poses a threat to Musharraf, to the US, and to neighboring India and Afghanistan. Musharraf faces few political challenges in his dual role as President and Chief of Army Staff, but has made only limited progress moving his country toward democracy. Pakistan retains a nuclear force outside the Treaty on the Non-Proliferation of Nuclear Weapons and not subject to full-scope IAEA safeguards and has been both recipient and source—via A.Q. Khan’s proliferation activities—of nuclear weapons-related technologies. Pakistan’s national elections scheduled for 2007 will be a key benchmark to determine whether the country is continuing to make progress in its democratic transition.

Since *India and Pakistan* approached the brink of war in 2002, their peace process has lessened tensions and both appear committed to improving the bilateral relationship. A number of confidence-building measures, including new transportation links, have helped sustain the momentum. Still, the fact that both have nuclear weapons and missiles to deliver them entails obvious and dangerous risks of escalation.

EURASIA

In *Russia*, President Putin’s drive to centralize power and assert control over civil society, growing state control over strategic sectors of the economy, and the persistence of widespread corruption raise questions about the country’s direction. Russia could become a more inward-looking and difficult interlocutor for the United States over the next several years. High profits from exports of oil and gas and perceived policy successes at home and abroad have bolstered Moscow’s confidence.

Russia probably will work with the United States on shared interests such as counterterrorism, counternarcotics, and counterproliferation. However, growing suspicions about Western intentions and Moscow’s desire to demonstrate its independence and defend its own interests may make it harder to cooperate with Russia on areas of concern to the United States.

Now, let me briefly examine the rest of post Soviet Eurasia where the results in the past year have been mixed.

Many of the former Soviet republics are led by autocratic, corrupt, clan-based regimes whose political stability is based on different levels of repression; yet, at the same time, we have seen in Georgia, Ukraine, and Kyrgyzstan the emergence of grassroots forces for change.

Central Asia remains plagued by political stagnation and repression, rampant corruption, widespread poverty and widening socio-economic inequalities, and other problems that nurture nascent radical sentiment and terrorism. In the worst, but not implausible case, central authority in one or more of these states could evaporate as rival clans or regions vie for power—opening the door to an expansion of terrorist and criminal activity on the model of failed states like Somalia and, when it was under Taliban rule, Afghanistan.

LATIN AMERICA

A gradual consolidation and improvement of democratic institutions is the dominant trend in much of Latin America. By the year's end, ten countries will have held Presidential elections and none is more important to US interests than the contest in Mexico in July. Mexico has taken advantage of NAFTA and its economy has become increasingly integrated with the US and Canada. Committed democrats in countries like Brazil and Chile are promoting economic growth and poverty alleviation. And despite battling persistent insurgent and paramilitary forces with considerable success, Colombia remains committed to keeping on a democratic path. Nonetheless, radical populist figures in some countries advocate statist economic policies and show little respect for democratic institutions.

In *Venezuela*, President Chavez, if he wins reelection later this year, appears ready to use his control of the legislature and other institutions to continue to stifle the opposition, reduce press freedom, and entrench himself through measures that are technically legal, but which nonetheless constrict democracy. We expect Chavez to deepen his relationship with Castro (Venezuela provides roughly two-thirds of that island's oil needs on preferential credit terms). He also is seeking closer economic, military, and diplomatic ties with Iran and North Korea. Chavez has scaled back counternarcotics cooperation with the US.

Increased oil revenues have allowed Chavez to embark on an activist foreign policy in Latin America that includes providing oil at favorable repayment rates to gain allies, using newly created media outlets to generate support for his Bolivarian goals, and meddling in the internal affairs of his neighbors by backing particular candidates for elective office.

In *Bolivia*, South America's poorest country with the hemisphere's highest proportion of indigenous people, the victory of Evo Morales reflects the public's lack of faith in traditional political parties and institutions. Since his election he appears to have moderated his earlier promises to nationalize the hydrocarbons industry and cease coca eradication. But his administration continues to send mixed signals regarding its intentions.

Haiti's interim government is the weakest in the hemisphere and the security climate could continue to deteriorate due to slum gang violence. A failure to renew the U.N. mandate would greatly increase the risk of a complete nationwide breakdown of public order, intensifying migration pressures. The perception among would-be migrants that the US migration policy is tough is the most important factor in deterring Haitians from fleeing their country.

SOUTHEAST ASIA

Southeast Asia includes vibrant, diverse, and emerging democracies looking to the United States as a source of stability, wealth, and leadership. But it is also home to terrorism, separatist aspirations, crushing poverty, ethnic violence, and religious divisions. Burma remains a dictatorship, and Cambodia is retreating from progress on democracy and human rights made in the 1990s. The region is particularly at risk from avian flu, which I will discuss at greater length in a moment. Al-Qa'ida-affiliated and other extremist groups are present in many countries, although effective government policies have limited their growth and impact.

The prospects for democratic consolidation are relatively bright in *Indonesia*, the country with the world's largest Muslim population. President Yudhoyono is moving forward to crack down on corruption, professionalize the military, bring peace to the long-troubled province of Aceh, and implement economic reforms. On the counterterrorism side, Indonesian authorities have detained or killed significant elements of Jemaah Islamiya (JI), the al-Qa'ida-linked terrorist group, but JI remains a tough foe.

The *Philippines* remains committed to democracy despite political turbulence over alleged cheating in the 2004 election and repeated rumors of coup plots. Meanwhile,

Manila continues to struggle with the thirty-five year old Islamic and Communist rebellions, and faces growing concerns over the presence of JI terrorists in the south.

Thailand is searching for a formula to contain violence instigated by ethnic-Malay Muslim separatist groups in the far southern provinces. In 2005, the separatists showed signs of stronger organization and more lethal and brutal tactics targeting the government and Buddhist population in the south.

AFRICA

Some good news is coming out of Africa. The continent is enjoying real economic growth after a decade of declining per capita income. The past decade has also witnessed a definite, albeit gradual, trend toward greater democracy, openness, and multiparty elections. In *Liberia*, the inauguration of Ellen Johnson Sirleaf as President, following a hotly contested multi-party election, was a positive harbinger of a return to democratic rule in a battered nation.

Yet, in much of the continent, humanitarian crises, instability, and conflict persist. Overlaying these enduring threats are the potential spread of jihadist ideology among disaffected Muslim populations and the region's growing importance as a source of energy. We are most concerned about Sudan and Nigeria.

The signing of a Comprehensive Peace Agreement in *Sudan* last year was a major achievement, but the new Government of National Unity is being tested by the continuing conflict in Darfur, and instability in Chad is spilling over into western Sudan, further endangering humanitarian aid workers and assistance supply lines. Gains in stabilizing and improving the conditions in Darfur could be reversed if the new instability goes unchecked.

The most important election on the African horizon will be held in spring 2007 in *Nigeria*, the continent's most populous country and largest oil producer. The vote has the potential to reinforce a democratic trend away from military rule or it could lead to major disruption in a nation suffering frequent ethno-religious violence, criminal activity, and rampant corruption. Speculation that President Obasanjo will try to change the constitution so he can seek a third term in office is raising political tensions and, if proven true, threatens to unleash major turmoil and conflict. Such chaos in Nigeria could lead to disruption of oil supply, secessionist moves by regional governments, major refugee flows, and instability elsewhere in West Africa.

GLOBALIZATION AND RISING ACTORS

To one degree or another, all nations are affected by the phenomenon known as globalization. Many see the United States as globalization's primary beneficiary, but the developments subsumed under its rubric operate largely beyond the control of all countries. Small, medium, and large states are both gaining and losing through technological and economic developments at a rate of speed unheard of in human history.

Such recalibrations in regional and global standing usually emerge in the wake of war. But globalization isn't a war, even though its underside—fierce competition for global energy reserves, discrepancies between rich and poor, criminal networks that create and feed black markets in drugs and even human beings, and the rapid transmission of disease—has the look of a silent but titanic global struggle.

One major recalibration of the global order enabled by globalization is the shift of world economic momentum and energy to greater Asia—led principally by explosive economic growth in China and the growing concentration of world manufacturing activity in and around it. India, too, is emerging as a new pole of greater Asia's surging economic and political power. These two Asian giants comprise fully a third of the world's population—a huge labor force eager for modern work, supported by significant scientific and technological capabilities, and an army of new claimants on the world's natural resources and capital.

CHINA

China is a rapidly rising power with steadily expanding global reach that may become a peer competitor to the United States at some point. Consistent high rates of economic growth, driven by exploding foreign trade, have increased Beijing's political influence abroad and fueled a military modernization program that has steadily increased Beijing's force projection capabilities.

Chinese foreign policy is currently focused on the country's immediate periphery, including Southeast and Central Asia, where Beijing hopes to make economic inroads, increase political influence, and prevent a backlash against its rise. Its rhetoric toward Taiwan has been less inflammatory since Beijing passed its "anti-secession" law last spring. China has been reaching out to the opposition parties on Tai-

wan and making economic overtures designed to win favor with the Taiwan public although Beijing still refuses to deal with the elected leader in Taipei.

Beijing also has expanded diplomatic and economic interaction with other major powers—especially Russia and the EU—and begun to increase its presence in Africa and Latin America.

China's military is vigorously pursuing a modernization program: a full suite of modern weapons and hardware for a large proportion of its overall force structure; designs for a more effective operational doctrine at the tactical and theater level; training reforms; and wide-ranging improvements in logistics, administration, financial management, mobilization, and other critical support functions.

Beijing's biggest challenge is to sustain growth sufficient to keep unemployment and rural discontent from rising to destabilizing levels and to maintain increases in living standards. To do this, China must solve a number of difficult economic and legal problems, improve the education system, reduce environmental degradation, and improve governance by combating corruption.

Indeed, China's rise may be hobbled by systemic problems and the Communist Party's resistance to the demands for political participation that economic growth generates. Beijing's determination to repress real or perceived challenges—from dispossessed peasants to religious organizations—could lead to serious instability at home and less effective policies abroad.

INDIA

Rapid economic growth and increasing technological competence are securing India's leading role in South Asia, while helping India to realize its longstanding ambition to become a global power. India's growing confidence on the world stage as a result of its increasingly globalized business activity will make New Delhi a more effective partner for the United States, but also a more formidable player on issues such as those before the WTO.

New Delhi seeks to play a key role in fostering democracy in the region, especially in Nepal and Bangladesh, and will continue to be a reliable ally against global terrorism, in part because India has been a frequent target for Islamic terrorists, mainly in Kashmir. India seeks better relations with its two main rivals—Pakistan and China—recognizing that its regional disputes with them are hampering its larger goals on the world stage. Nevertheless, like China, India is using its newfound wealth and technical capabilities to extend its military reach.

On the economic front, as Indian multinationals become more prevalent, they will offer competition and cooperation with the United States in fields such as energy, steel, and pharmaceuticals. New Delhi's pursuit of energy to fuel its rapidly growing economy adds to pressure on world prices and increases the likelihood that it will seek to augment its programs in nuclear power, coal technologies, and petroleum exploration. Like Pakistan, India is outside the Nonproliferation Treaty.

THREATS TO GLOBAL ENERGY SECURITY

World energy markets seem certain to remain tight for the foreseeable future. Robust global economic expansion is pushing strong energy demand growth and—combined with instability in several oil producing regions—is increasing the geopolitical leverage of key energy producer states such as Iran, Saudi Arabia, Russia, and Venezuela. At the same time, the pursuit of secure energy supplies has become a much more significant driver of foreign policy in countries where energy demand growth is surging—particularly China and India.

The changing global oil and gas market has encouraged Russia's assertiveness with Ukraine and Georgia, Iran's nuclear brinkmanship, and the populist "petrodiplo-macy" of Venezuela's Hugo Chavez. Russia's recent but short-lived curtailment of natural gas deliveries to Ukraine temporarily reduced gas supplies to much of Europe and is an example of how energy can be used as both a political and economic tool. The gas disruption alarmed Europeans—reminding them of their dependence on Russian gas—and refocused debate on alternative energy sources.

Foreign policy frictions, driven by energy security concerns, are likely to be fed by continued global efforts of Chinese and Indian firms to ink new oilfield development deals and to purchase stakes in foreign oil and gas properties. Although some of these moves may incrementally increase oil sector investment and global supplies, others may bolster countries such as Iran, Syria, and Sudan that pose significant US national security risks or foreign policy challenges. For example, in Venezuela, Chavez is attempting to diversify oil exports away from the US.

THE SECURITY THREAT FROM NARCOTICS TRAFFICKING

In addition to the central US national security interest in stemming the flow of drugs to this country, there are two international threats related to narcotics: first, the potential threat from an intersection of narcotics and extremism; and second, the threat from the impact of drugs on those ineffective and unreliable nation states about which we are so concerned.

Although the worldwide trafficking-terrorist relationship is limited, the scope of these ties has grown modestly in recent years. A small number of terrorist groups engage the services of or accept donations from criminals, including narcotics traffickers, to help raise operational funds. While the revenue realized by extremists appears small when compared to that of the dedicated trafficking organizations, even small amounts of income can finance destructive acts of terror.

The tie between drug trafficking and extremism is strongest in Colombia and Afghanistan. Both of Colombia's insurgencies and most of its paramilitary groups reap substantial benefits from cocaine transactions. In Afghanistan, the Taliban and Hizb-i Islami Gulbudin gain at least some of their financial support from their ties to local opiates traffickers. Ties between trafficking and extremists elsewhere are less robust and profitable. North African extremists involved in the 2004 Madrid train bombings reportedly used drug income to buy their explosives.

Most major international organized crime groups have kept terrorists at arm's length, although some regional criminal gangs have supplied fraudulent or altered travel documents, moved illicit earnings, or provided other criminal services to members of insurgent or terrorist groups for a fee.

Narcotics traffickers—and other organized criminals—typically do not want to see governments toppled but thrive in states where governments are weak, vulnerable to or seeking out corruption, and unable—or unwilling—to consistently enforce the rule of law. Nonetheless, a vicious cycle can develop in which a weakened government enables criminals to dangerously undercut the state's credibility and authority with the consequence that the investment climate suffers, economic growth withers, black market activity rises, and fewer resources are available for civil infrastructure and governance.

We are particularly concerned about this cycle in countries on the other side of the world, such as Afghanistan, Kyrgyzstan, and Burma, and those close to home, such as in Haiti, Jamaica, and Mexico. About 90 percent of detected cocaine destined for the US was smuggled through the Mexico-Central America corridor; nearly all Mexican heroin is for the US market; and Mexico is the primary foreign supplier of marijuana and methamphetamine to the US.

THE THREAT FROM PANDEMICS AND EPIDEMICS

In the 21st century, our Intelligence Community has expanded the definition of bio-threats to the US beyond weapons to naturally occurring pandemics. The most pressing infectious disease challenge facing the US is the potential emergence of a new and deadly avian influenza strain, which could cause a worldwide outbreak, or pandemic. International health experts worry that avian influenza could become transmissible among humans, threatening the health and lives of millions of people around the globe. There are many unknowns about avian flu, but even the specter of an outbreak could have significant effects on the international economy, whole societies, military operations, critical infrastructure, and diplomatic relations.

Avian flu is not something we can fight alone. An effective response to it is highly dependent on the openness of affected nations in reporting outbreaks where and when they occur. But for internal political reasons, a lack of response capability, or disinclination to regard avian influenza as a significant threat, some countries are not forthcoming. In close coordination with the Department of Health and Human Services, the Intelligence Community therefore is tracking a number of key countries that are—or could be—especially prone to avian influenza outbreaks and where we cannot be confident that adequate information will be available through open sources. The IC also coordinates closely with the Department of Homeland Security (DHS) and provides input to the national Bio Surveillance Integration System at DHS.

Conclusion

Each of the major intelligence challenges I have discussed today is affected by the accelerating change and transnational interplay that are the hallmarks of 21st century globalization. As a direct result, collecting, analyzing, and acting on solid intelligence have become increasingly difficult. To meet these new and reconfigured challenges, we need to work hand-in-hand with other responsible nations. Fortunately, the vast majority of governments in the world *are* responsible and responsive, but

those that are not are neither few in numbers nor lacking in material resources and geopolitical influence.

The powerful critiques of this Committee, the 9/11 Commission, and the WMD Commission, framed by statute in the Intelligence Reform and Terrorism Prevention Act of 2004 and taken to heart by the dedicated professionals of our Intelligence Community, have helped make us better prepared and more vigilant than we were on that terrible day in September 2001. But from an intelligence perspective, we cannot rest. We must transform our intelligence capabilities and cultures by fully integrating them from local law enforcement through national authorities in Washington to combatant commanders overseas. The more thoroughly we do that, the more clearly we will be able to see the threats lurking in the shadow of the future and ward them off.

Thank you very much.

[Recess.]

Chairman ROBERTS. Each Member will be granted 5 minutes, and we will do a second round if necessary. And we have a closed session at 2:30.

Mr. Director, last year I asked, the Committee staff to be very proactive in trying to examine the intelligence community's capabilities to collect and analyze against very hard targets—I'm talking about Iran, North Korea, China—on the problem of terrorism and also proliferation. They are very difficult—I don't have to tell anybody in the panel about that—and important intelligence targets, none so more than terrorism.

We've been engaged on these problems. But I also think as the DNI, you are the person most responsible for assessing and improving the IC's intelligence capabilities. I'd like to hear briefly your impressions of our community's intelligence capabilities to target terrorists when you became the Director of DNI, what you've done since; more especially those hard targets that are so hard to penetrate.

Director NEGROPONTE. Thank you, Mr. Chairman. In brief, the hard targets that you mentioned—terrorism, proliferation, some of the countries that I was talking about during my testimony—Iran and North Korea—have the highest collection priority throughout the intelligence community. We're embarked on a vigorous plan, directed by the President a year or so ago, to increase our analytical and collection capability at the CIA and in other agencies. And in addition to that, upon the recommendation of the Robb-Silberman report and the WMD Commission, we have created mission managers for the hard target areas.

So we now have a mission manager for North Korea; we have a mission manager for Iran and so forth. Those intelligence officials are empowered to bring together the entire intelligence community and work on a collaborative basis to give those difficult issues the attention they deserve.

Now, I don't want to leave you with the illusion that this is any easier a problem as a result of these efforts, but I want to assure you—reassure you—that we are working very, very hard on this question of penetrating the hard targets, and I'm satisfied that we're making progress.

Chairman ROBERTS. Especially in regards to the increase and the reference to human intelligence?

Director NEGROPONTE. Yes, that is a very important area of emphasis; I would say, yes, there's been a substantial effort in that area—

Chairman ROBERTS. Right.

Director NEGROPONTE [continuing]. Both to increase the penetration of the targets and also to increase the base of our capabilities by increasing recruitment into our human intelligence services.

Chairman ROBERTS. All right. Throwing great fear into my staff in that I'm going to wing you a question, as opposed to one that's prepared, Ms. Rodley, you do a great job over there at INR. INR usually comes up with a little bit different viewpoint. That's healthy.

Mr. Allen, you are a veteran in the intelligence community and certain to have a great degree of expertise. You are over at Homeland Security—the newest of the agencies—that has come under a lot of criticism.

My question is to both of you. What are you doing in regards to an everyday kind of situation? And I would apply that to General Maples with the DIA and General Hayden in regards to what you're doing unless other factors shut you down, which I hope is not the case, and then you have the DNI here with working groups that you're supposed to coordinate that.

And Mr. Goss, who will be before the Committee very quickly to go over his tenure at the CIA, and we worry about loss of certain capabilities as well. I worry about the loss of the capability that the former NSA director had.

And then Mr. Mueller, you—if we pass the PATRIOT Act, if we don't re-enact these laws, I know that you want to basically—to state it as Ronald Reagan did, you know, “Congress tear down these walls.” So we're going to try to do that.

But my question is, information access, where all of you share this information and then it is funneled into the National Counterterrorism Threat Center so we have a better analytical picture, if you will, of the jigsaw puzzle or, say, connecting the dots—do you feel in terms of information access that you are making progress? We hear it down at the center that there's one computer on somebody's desk and then eight others underneath somebody else's desk. Where are we on that?

And I'll ask the Director.

Director NEGROPONTE. First of all, I do think that we're all working against a common enemy here. I believe the effort is more integrated than it was before, and I think they do know what each other is doing in this core area of interest.

As far as the integration of information at the National Counterterrorism Center, I think that's working apace, and one of my significant priorities during the past year has been to build that center up, give it a permanent leadership, grow its staff—which we are doing—so that it can meet the responsibilities that it has to carry out.

Now, we also have a senatorially confirmed chief information officer, and also an information sharing executive, and those officials are working together to improve the information sharing environment across the intelligence community.

But I believe, Senator, that it's better than it was previously, and I think that the dots are being connected. Can more be done? Yes, to be sure. But we're working on it.

Chairman ROBERTS. So Charlie Allen's left hand knows what Ms. Rodley's right hand is doing?

Director NEGROPONTE. Well, when it relates to a problem that they're both commonly concerned with. But I'd be happy to let them answer it.

Chairman ROBERTS. Well, at any rate, thank you for that answer, and I'm glad we're making progress.

Senator Rockefeller.

Vice Chairman ROCKEFELLER. Thank you, Mr. Chairman.

Mr. Director, in Buffalo, New York, on April 20, 2004—I would say only 2 years ago—the President of the United States made the following statement: He said, “Anytime you hear the U.S. Government talking about wiretaps, it requires”—and he paused—“a wiretap requires a court order. Nothing has changed, by the way. When we're talking about chasing down terrorists, we're talking about getting a court order before we do so.” And that was the end of that phrase.

My question to you, sir: Was that statement factually accurate when the President made it?

Director NEGROPONTE. Senator, as the Chairman said earlier, there's going to be both a briefing by Judge Gonzales to the Judiciary Committee next week, as well as a briefing in closed session by Judge Gonzales and General Hayden to the Committee thereafter, where I think that this question can be thoroughly discussed.

But let me say this about the terrorist surveillance program. This is a program that was ordered by the President of the United States with respect to international telephone calls to or from suspected al-Qa'ida operatives and their affiliates. It was therefore ordered in the interest of protecting our Nation against an ongoing terrorist threat. This was not about domestic surveillance. It was about dealing with the international terrorist threat in the most agile and effective way possible. But I don't think I want to go into the question any further than that in an open hearing.

Vice Chairman ROCKEFELLER. Well, but we may have more time to talk this afternoon, then.

And, Mr. Director, the Vice President has stated that the NSA domestic surveillance program has saved, quote, “Thousands of lives.” Do you agree with that statement? Are you prepared to explain the basis for this claim? Or if you feel that you cannot talk in public, would you be willing to talk in closed session this afternoon about that?

Director NEGROPONTE. Certainly it's been an effective and important program in dealing with the international terrorist threat, which, as I mentioned this morning in my testimony, is the most important threat faced by the United States here in the homeland and to its interests abroad.

If I may, I might ask—with your permission, Senator—General Hayden to elaborate somewhat in reply to the question that you have just directed to me.

Vice Chairman ROCKEFELLER. General.

General HAYDEN. Thank you, Senator.

I've said before that the program has been successful, that we have learned information from this program that would not have been available to us otherwise.

Chairman ROBERTS. General, if you can speak right into the microphone. I'm sorry.

General HAYDEN. I'm sorry.

What I've said before is that the program has been successful, that we have learned information from this program that would not otherwise have been available, that this information has helped detect and prevent terrorist attacks in the United States and abroad.

The underlying basis of your question, though, Senator, is to put us in a position of proving a negative—proving that if we hadn't done this, if we hadn't had this knowledge, if these steps hadn't been taken, if these actions had not taken place, that something else would not have happened. That's very difficult to prove in a strict linear sense.

Vice Chairman ROCKEFELLER. General, I don't want to interrupt, but I only have a short time left. It was the Vice President I was quoting, not myself.

This is to Director Mueller. And good morning to you, sir. A January 17, New York Times article quotes former and current FBI officials as saying that the Bureau was inundated with leads from the NSA domestic surveillance program that required hundreds of investigators to check out thousands of tips a month. According to officials quoted in the article, the information from the NSA program had uncovered no active al-Qa'ida networks inside the United States planning attacks.

Now, the President, General Hayden and others have been very clear in their public statements that the NSA program collects information only against known al-Qa'ida terrorists and their associates.

Without getting into classified specifics, can you confirm to the Committee that the investigative leads forwarded by the NSA to the FBI related only to known al-Qa'ida terrorists and their associates?

Director MUELLER. Yes, let me answer that part of the question I feel I can answer, Senator, and that relates to leads that come from the NSA. We get a number of leads from the NSA from a number of programs, including the program that's under discussion today. And I can say that leads from that program have been valuable in identifying would-be terrorists in the United States, individuals who were providing material support to terrorists.

But we get any number of leads. Most leads that we get, whether it be from NSA or overseas from the CIA, ultimately turn out not to be valid or worthwhile. But in our view, any lead from any source, any legitimate source, is a lead that has to be pursued, and we pursue each and every one of them.

Vice Chairman ROCKEFELLER. My time is up, and I thank you.

Chairman ROBERTS. Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman.

Mr. Director, you didn't mention Vanuatu, an island nation in the South Pacific, but you seemed to cover everywhere else. And I welcome you.

To me, just because effective intelligence gathering requires a high degree of secrecy, the Bush administration can't be excused from reasonable standards of accountability. So I have essentially two questions to start with with respect to accountability.

When it's been determined that an American monitored under the NSA eavesdropping program is no longer a threat, what is done with the information collected on that U.S. person, Mr. Director?

Director NEGROPONTE. Sir, again, I don't think in this context—

Senator WYDEN. Well, are there restrictions, are there restrictions on how that information is used?

Director NEGROPONTE. Let me give you a general reply, which I think goes to your question. Whether you're talking about one program or another with respect to NSA, those programs are under the strictest possible oversight.

They're reviewed legally, with the greatest of care. There are very senior managers involved in their administration. And as far as American persons or American individuals are concerned, protections are taken, should their names come up in various kinds of intelligence that is collected, to minimize and protect their identities. This has been a standard procedure of the NSA for the many, many years that it's been in existence.

General Hayden may want to amplify.

Senator WYDEN. Mr. Director, that answer isn't good enough for me. That answer is, essentially, "Trust us. The Congress and the public just have to trust us." And Ronald Reagan put it very well. He said, "Trust, but verify." And we have no way to verify that citizens are being protected the way you have outlined it today.

Now maybe, General Hayden, you want to add to that.

General HAYDEN. Well, sir, I'll just add, very quickly, this is lawfully acquired signals intelligence. And the body of regulations under which NSA operates, day in and day out, in terms of protecting U.S. privacy, in terms of protecting information to, from or about a U.S. person, apply to the use, retention and destruction of that data.

Senator WYDEN. General, there are virtually no rules on data mining. You and I have gone into this. This has been documented by government auditors. We'll talk more about it privately.

Mr. Director, is it correct that when John Poindexter's program, Operation Total Information Awareness, was closed that several of Mr. Poindexter's projects were moved to various intelligence agencies?

Director NEGROPONTE. I don't know the answer to that question.

Senator WYDEN. Do any of the other panel members know this? The press has reported intelligence officials saying that those programs run by Mr. Poindexter—I and others on this panel led the effort to close them—we want to know if Mr. Poindexter's programs are going on somewhere else. Can anyone answer that? Mr. Mueller.

Director MUELLER. I have no knowledge of that, sir.

Senator WYDEN. Any other panel members?

General HAYDEN. Senator, I'd like to answer you in closed session.

Senator WYDEN. All right. I will be asking that question in closed session.

The last question I wanted to ask on this round, Mr. Director, deals with Iran—very obviously a serious, serious threat.

Some frame this as a choice between either bombing the Iranians or essentially the kind of pitter-patter that goes on at the U.N. Some have set it up as those are the choices.

I'm wondering about whether there are other options, particularly economic sanctions. And the one that I would be interested in your thoughts on is the idea of freezing new foreign investment in Iran, and whether you think freezing new foreign investment in Iran would cutoff some of the money that they use for their dangerous weapons capability.

Director NEGROPONTE. Well, sir, my focus is, of course, our focus, in the intelligence community, is on evaluating the threat—the military threat, the political threat and so forth. So as far as recommendations of a particular option with respect to policy, I think the question really goes more into the area of what policymakers might wish to do.

But what I would say is clearly Iran is a part of the international community. It has important economic relationships, whether it's in the oil sector or through imports or through a reliance to a certain degree on foreign investment, and to the extent that its behavior might ultimately bring about some curtailment of those economic activities, that, presumably, is one of the factors that Iran has to consider as it goes about deciding its policy.

Senator WYDEN. Thank you, Mr. Chairman.

Chairman ROBERTS. We will now go to Senator Warner, with the exception that I would say that perhaps the Members could direct their questions to threats faced by our Nation other than the threats that some seem to think are posed by the members of the panel.

Senator Warner.

Senator WARNER. Mr. Chairman, thank you very much.

I'd like to commend you, Mr. Negroponte, for your statement. It was very thorough and comprehensive, and I've had the privilege of sitting here for many, many years listening to statements, and I would rank yours at the very top. I think it reflects the conscious effort that you're making to fulfill these brand new challenges, and I hope that it is working to your satisfaction.

Is it likely that you'll come before the Congress for any refinements in the existing law in this session?

Director NEGROPONTE. I don't believe so, Senator, unless there's some technical amendment of some kind that we might seek. But as far as more substantive ones, my view—and I mentioned this to the Committee earlier during my confirmation hearing—is I think I ought to deal with the law as it has been passed, play the cards that we've been dealt, so to speak, and see how it works out. I haven't run into any significant roadblocks. I think we're working well together. General Hayden has pulled together a program managers' council of all the 15 that meets twice a month. I think we're working through the various issues that the Congress directed us to work through. But, obviously, if we run into issues that might require legislation in the future, I wouldn't hesitate to bring them up.

Senator WARNER. And I think you've forged a respectful and strong working relationship with the Central Intelligence Agency under its leadership which we all admire.

Could we put this for record? I see a lot of smiles and bowing of heads.

Director NEGROPONTE. You can't record smiles on the record.

No, we have an excellent relationship, Mr. Chairman, and we meet frequently and speak over the phone even more frequently.

Senator WARNER. Mr. Goss, I think you should be on the record on that also.

Director GOSS. I'm pleased to be on the record, Senator, to echo exactly those remarks. We have a great working relationship.

Senator WARNER. Let me turn to General Maples. I've had a great deal of respect for you personally and your distinguished career, and now, from an intelligence standpoint, you're primarily responsible for the security situation in Iraq and Afghanistan and elsewhere in the world.

Just a historical reference. The actions taken by our Government together with coalition forces in Iraq initially were the defeat of Saddam Hussein's military forces, which was successfully done in a very short period; there followed this insurgency, which slowly evolved and then it became a very, very significant situation that appears now to still be substantial, but contained and being handled by the coalition forces.

A third composition of problems is growing, and it's of great concern to me, and that is the combination of the criminal elements which are growing, the corruption, the payoffs, the graft. All of this is just, in a sense, overlaying the courageous work of coalition forces, together with the Iraqi forces and the people through their elections.

It's almost like it's pushing Iraq down into a morass. And a lot of the activities of the coalition forces, particularly the U.S. forces now, is directly or indirectly dealing with these situations. I've been told through my sources that if you were to quantify it, the criminal corruption problem now equates to the seriousness of the insurgency problem.

Would you have a view on that?

General MAPLES. Thank you, Senator, for your question. In directly responding, I'm not sure that the level of criminal engagement is at the level of the insurgency, but I think it's a very serious problem. And I see that a great deal of the violence that we are experiencing in Iraq today does have a relation to a criminal element, as opposed to an insurgent element with a political purpose. I think that we see that in numerous attacks, particularly on contracting vehicles within the economy. We see individuals who are being paid very low sums of money to place, for instance, IEDs, without a political purpose, but, because they receive remuneration for doing that, becoming essentially a part of the insurgency.

Senator WARNER. That's fine. Thank you. I want to get one further question in.

General MAPLES. Yes, sir.

Senator WARNER. But you've documented a response.

Mr. Ambassador, you said a key to establishing effective government and security over the next 3 to 5 years is enhanced Sunni Arab political participation and a growing perception among Sunnis that the political process is addressing their interests. In a

sense, that's to try and bring about a government of the three principal factions, and it is essential to have that foundation in place.

We're now watching the new government begin to take the reins. It's a little early to make any judgments. But this is a critical time, and we have a very capable U.S. Ambassador there functioning in many ways.

What is the leverage we can have over a sovereign nation like Iraq to bring about this conclusion that you've put in here, which is essential to the future success of the coalition of nations that have expended so much life and blood and treasure to give the Iraqi people back their nation?

Director NEGROPONTE. First, Senator, I think with respect to Sunni participation, I've been encouraged by recent developments. I was particularly encouraged last fall when one million more Sunnis registered to vote in the constitutional referendum than had been registered for the January 30 election last year. So that, to me, was a sign of their increased participation. Then the fact that they didn't boycott the election. And then, following that, the Al Anbar province, which is the most predominantly Sunni province in the country, had a very high degree of participation in the elections that took place on December 15th.

So I think all of that is a sign that some Sunni, at least, are moving away from the course of violence to achieve their political aims and are opting for the pursuit of political solutions and outcomes. So this is to the good, and I think now we have to find ways—we, that is, the Iraqi government and ourselves—have to find ways of taking advantage of it.

What's the leverage that we've got? Well, of course we're a good supportive friend of the government of Iraq. We have 130,000 troops there, and we have a massive economic reconstruction and assistance program. So I think that, working in partnership with our Iraqi friends, we can dialog effectively about their political process, although we have got to recognize that the shape that their political process is going to take depends, ultimately, on their own decisions.

Senator WARNER. That's true. And our President, in his State of the Union, was absolutely consistent on message about our determination to see this through. But there has to be limitations, and that government, as it's coming into being, has to recognize that there are some limitations.

Director NEGROPONTE. I agree with that.

Senator WARNER. And that's got to be made clear to them. They cannot sit there and dither away and put into those particular ministries—Homeland Security, Defense and otherwise—persons who really don't measure up to the capabilities required for the functioning government that they need.

Director NEGROPONTE. I agree. And I think I think our Ambassador and the commander of our forces in Iraq are both very effective at conveying those kinds of messages.

Senator WARNER. Good. Mr. Goss, do you have a view on that?

Director GOSS. Senator, thank you.

I do, and I certainly agree. I will assure you that—as much as I can say in open session—I would like to reinforce in closed session on that point, and it's simply this: I agree with your observa-

tion that the security elements of that country are going to be vital to the opportunity for the institutions of democracy and freedom to flourish, and having good people who can work in a work in a non-politicized or non-sectarian way is going to be essential, and I think you put your finger on exactly a critical point.

Senator WARNER. Thank you.

Mr. Chairman, I believe my time is up.

Chairman ROBERTS. That is correct.

Senator LEVIN.

Senator LEVIN. Thank you, Mr. Chairman.

General Hayden, you made a lengthy speech at the National Press Club about the program that the President authorized in terms that involved surveillance of communications of American citizens. And this is what you said, one of the things you said in your speech, that there are no communications more important to the safety of this country than those affiliated with al-Qa'ida with one end in the United States. And I agree with that statement. I don't think there is anything more important than that we know what is in those communications. It's important we know the extent of those communications as well.

Would you agree with that?

General HAYDEN. Absolutely, sir.

Senator LEVIN. Can you give us an estimate as to the number of such communications which were tracked by NSA last year? Just an estimate?

Chairman ROBERTS. Can't do that.

General HAYDEN. Sorry. Sir, I'd be very uncomfortable doing it in an open session, and I don't actually know that number.

Chairman ROBERTS. I think that's a question, with all due respect, being the one of two here, Senator, who has been briefed, that would be better answered in the closed session.

Senator LEVIN. Well, Mr. Chairman, the President has said in open—very open session—the NSA program is one that listens to a few numbers. That's what the President said. Now we want to check on that.

Chairman ROBERTS. It's highly minimized, I would tell the Senator.

Senator LEVIN. No, excuse me. I'd rather use these minutes, if I could, with our witnesses here.

Chairman ROBERTS. I will grant you as much time as possible. I'm just trying to be helpful in terms of a clarification, so—

Senator LEVIN. Thank you. I would really prefer that the witnesses try to clarify this. The President of the United States—

Chairman ROBERTS. Well, then, I won't be helpful.

Senator LEVIN. May I continue, Mr. Chairman?

Chairman ROBERTS. Certainly.

Senator LEVIN. Secretary Chertoff says if you're culling through literally thousands of phone numbers, you wind up with a huge problem managing the amount of paper. Why is it all right for Secretary Chertoff to talk about thousands of phone numbers, but you can't give us or won't give us in open session an estimate of the number of those communications?

General HAYDEN. Senator, as I said, I'd be uncomfortable doing it in open session, and I don't know the precise number. Your question was—

Senator LEVIN. I'm not saying "precise number." I asked for an estimate.

General HAYDEN. I cannot give you an estimate of the number of communications intercepted.

Senator LEVIN. Is it a few or is it thousands?

General HAYDEN. Sir, I'd be very uncomfortable talking about it in open session.

Senator LEVIN. Do you know?

General HAYDEN. I can't give you a precise—no, sir—

Senator LEVIN. I didn't ask for a precise one, General, and you keep saying "precise," and I keep saying "estimate."

General Maples, do you know—do you have an estimate as to—

General MAPLES. Sir, I do not.

Senator LEVIN. Do you know, Ambassador Negroponte? Do you have an estimate of the number of those communications?

Director NEGROPONTE. No, sir, I do not.

Senator LEVIN. All right. Now do you have an estimate as to the number of persons who are members of al-Qa'ida or agents of al-Qa'ida or who are members of affiliated organizations to al-Qa'ida or their agents—because that's the test—whose communications have been intercepted, say, in the last year? Do you have an estimate of the number of persons?

General HAYDEN. Yes, sir, I do know that number, but I'm unable to give it in this kind of an environment, sir.

Senator LEVIN. All right. Will you give us that, then, in closed session?

General HAYDEN. Sir, that's part of the briefing that I've given to the Chairman and the Vice Chairman in great detail on multiple occasions.

Senator LEVIN. Will you give us that number in closed session, the rest of us that are on the Intelligence Committee?

General HAYDEN. Sir, I'm not at liberty to do that.

Senator LEVIN. Pardon?

General HAYDEN. I'm not at liberty to do that, sir.

Senator LEVIN. All right.

You know, I think the Administration truly wants to have this both ways. They want to characterize the program in public. The President says there's just a few messages that are intercepted.

The head of Homeland Security says thousands of messages. But we're not going to be given even an estimate in public.

These are the most important communications—in your words, General, and I happen to agree with you. I happen to agree with you that there are no communications more important to the safety of this country than those affiliated with al-Qa'ida; and yet the extent of those communications is denied this Congress, except for the four people you've talked about, the estimate of the number of those communications is denied to the American people. I think that is a double standard. I think this is another example of where the Administration wants to characterize some underlying information but doesn't want to be pressed to support those public charac-

terizations. And I think it is a denial—I think basically the Administration wants to be unchecked, either by a court or by the Congress.

That's my statement, and I'm not going to ask for an answer, because I've got 3 seconds left.

You gave us the estimate—the Vice President estimated that thousands of lives have been saved by this program. General, I just want to know, can you estimate the number of lives that have been saved by this program?

General HAYDEN. I cannot personally estimate the number of lives. Again, Senator, as I said, this is about proving a negative. I think I mentioned in another forum that if somebody had kicked in Mohammed Atta's door in lower Maryland in July of 2001, it would still be very difficult to estimate the number of lives saved.

Senator LEVIN. I agree with you, but yet the Vice President did that in public, and apparently there's no way to support that estimate that I know of or that you know of. And my time is up.

Chairman ROBERTS. I think that Senator Bond is next.

I think as to the number of lives that have been saved, it might have been how many were on the Brooklyn Bridge if it had blown up, or, for that matter, other threats that—

Senator LEVIN. I agree with you.

Chairman ROBERTS [continuing]. You know, have been thwarted.

I take with great seriousness the questions of the distinguished Senator, but basically, certain Members of Congress have been informed, including the leadership. And I realize that that does not fit the concern of the Senator and others, and we will discuss that at two business meetings and see where we go with that.

The other group that is not informed as to these specific figures are members of the al-Qa'ida.

Senator Bond.

Senator BOND. Thank you, Mr. Chairman.

Ambassador Negroponte, it's good to have you here today as the Director of National Intelligence, along with your key leaders, to tell us about the threats worldwide. Although I believe that the intelligence reform legislation that created your position in 2004 was weak at best, I'm committed to working to strengthen your position so that we have one leader in charge of our intelligence community, who will be accountable, responsible and have the authority to ensure that we are far less likely to have the unfortunate intelligence efforts that preceded the disaster of September 11.

We need a strong, active intelligence community in view of today's threats, and we need a strong, active leader for that intelligence community. And I have confidence that you will be up to the task. Secretary Rumsfeld last week told a number of us that what he needs most in support for fighting the war on terror is good intelligence, and my colleagues and I are committed to helping you give that to him.

Recently I traveled to two areas of the world that I consider to be the primary fronts in the war on terror—the Middle East and Southeast Asia. In the Philippines, Indonesia, Thailand, Iraq, Afghanistan and Pakistan, all our intelligence officials to whom I talked relayed to me their grave concerns over some recent and un-

fortunate developments that have significantly affected their operations.

Specifically, newspaper articles concerning the alleged detention of individuals by intelligence officials, the debate and new legislative restrictions concerning interrogation techniques, and the disclosure of the NSA terrorist surveillance program have caused our leaders in the field to question the support that they believe they once had in Washington to act aggressively to pursue every lead that will defend ourselves against the next terrorist attack.

Our leaders in the field relayed to me the difficulty they've faced in assuring their intelligence sources that they and their families would be protected, particularly in view of the perception that has arisen that the United States is a Nation that has little regard for classified information, and leaks secrets with reckless abandon.

It's my belief that the recent developments have significantly degraded our intelligence capabilities and, thus, made America measurably less safe.

Furthermore, it is abhorrent to me that while we have men and women putting their lives on the line in the field—my son is a Marine intelligence officer in Iraq—that some are content to play politics with our national security. While some are thinking about scoring political points on matters of intelligence or about trying to make the current Administration look bad, I believe we should be focusing on giving the best tools to our people in the field—to people like my son and others—so they can do their jobs and return home safely.

I believe we can ensure humane, effective intelligence operations consistent with our freedom-loving Americans without having to play the blame game and overreacting to isolated aberrant incidents, which should be and are being prosecuted vigorously by the government, and instead, handcuffing the vast majority of our honorable operators abroad.

I heard a lot of good things from our people in the field. We've made tremendous progress, and Americans can be proud of what our intelligence people have done in the field. Much of what they've done has been classified, so I hope the public won't get to know about all of it. But make no mistake, the rampant leaking, and uncertainty over detainees and intelligence techniques has shaken the confidence of our intelligence operators in the field. They're forced to spend more time thinking about their own professional liability insurance and watching their backs rather than how to exploit every possible lead.

So my question to you, Mr. Director, and to Director Goss, is do you agree with the assessment that I've picked up in the field? And if you do, how can we, as Members of Congress, and how will you, as intelligence leaders in Washington, take necessary decisive steps to support our people in the field with the confidence that they need to lean forward in their intelligence efforts to face the dangerous threats and not to return to the risk-aversion that's proven so costly to us in the past?

Director NEGROPONTE. Thank you, Senator.

First of all, I agree with you that anytime sensitive sources and methods are revealed in the public domain, through press stories or otherwise, that this carries with it the grave danger of

prejudicing or adversely affecting our intelligence operations, and in many instances lives can be directly at stake.

And I must say that in the 9 months that I've been in this job, one of the greatest disappointments that I personally have had is experiencing the degree to which people are willing to talk about classified matters to the public media. And we've got to bring that kind of activity to a stop.

What are we doing? Well, of course, where there are violations of security practices that take place, we're seeking to investigate them as vigorously as possible and prosecute them, if necessary. I'll certainly ask Mr. Goss to elaborate on this, but I think you're right. It is an issue that affects both our effectiveness and the morale of our people. But in addition to investigating and penalizing those who do carry out these kinds of leaks, I think we also have a challenge to the leadership of the intelligence community as a whole to try and re-instill—and we're working hard on that—a spirit of keeping secret what has to be kept secret in our work in intelligence. But I defer to Mr. Goss.

Director GOSS. Senator, thank you very much for your complimentary remarks about the men and women of the intelligence community overseas. I will pass those along. And I agree with you, they are fully deserved. I take great pride in associating with those people.

Secondly, I would simply say that it would be inappropriate for me to comment on motivation of leaks except as to CIA aspects of that. And we, of course, have a vibrant counterintelligence capability, which is—with the cooperation of Director Mueller and others—we utilize fully.

I'm sorry to tell you that the damage has been very severe to our capabilities to carry out our mission. I use the words "very severe" intentionally. That is my belief. And I think that the evidence will show that.

When I start talking about the disruption to our plans, things that we have under way, that are being disrupted because of releases to the press or public discussion, when I talk about the risks to assets, to sources and methods that are no longer viable or usable, or less effective by a large degree, when I talk about the erosion of confidence in our working partners overseas, I'm stung to the quick when I get questions from my professional counterparts saying, Mr. Goss, can't you Americans keep a secret? That is not the kind of thing that is helpful to building relationships, to doing some of this very delicate, hard work that we have to do overseas.

As to what we're doing about it. I can assure you, we have a strong internal program at the Central Intelligence Agency under way—has been for some time—to, as the Director of National Intelligence, Ambassador Negroponte, has said, to remind all of our employees that we are the secret agency of the agencies, that we are entrusted with that responsibility uniquely, and that the men and women who come aboard are advised of that.

So we have a program of awareness, but we also have an investigation of finding out what leakage, if any, is coming out of that building. And I'm afraid there is some coming out. I also believe that there has been an erosion of the culture of secrecy, and we're trying to re-instill that.

On the external side, I've called in the FBI, the Department of Justice. It is my aim and it is my hope that we will witness a grand jury investigation with reporters present being asked to reveal who is leaking this information. I believe the safety of this Nation and the people of this country deserve nothing less, and I thank you for your question.

Senator BOND. I thank you, Mr. Director.

Chairman ROBERTS. Senator Feingold, and welcome to the Committee.

Senator FEINGOLD. Chairman and Mr. Vice Chairman, again, I'm honored to join the Committee. I sought this position for one overriding reason. We were attacked on September 11th, 2001, by terrorists whom we must defeat. And I agree with the Ambassador; this fight is our top national priority, and it involves not only our military power, but also our diplomatic, economic and intelligence capabilities.

And I have serious concerns about whether this Administration is fighting terrorism in an effective global and comprehensive manner. By focusing so extensively on Iraq, this Administration seems to be pursuing a one- or two-country strategy, when al-Qa'ida is actually operating in some 60 countries around the world.

So I am concerned about the terrorist threat in places in Pakistan, Somalia and other parts of Africa, Southeast Asia and elsewhere.

And I'm concerned that the President has taken the position that he can spy on Americans without a warrant, despite a clear statutory ban. To just respond a bit to what Senator Bond said, I couldn't have any higher regard for the need for secrecy, and I agree that it must be dispiriting for our people in the intelligence community and the military to suffer from the possibility of leaks.

But these people, who are so dedicated and so brave, also have the right to know that there are clear rules, that we're still operating under the rule of law, under the Bill of Rights and the Constitution. And I bet if you asked them, they'd tell you that they care a great deal about that as well.

Mr. Ambassador, without getting into what the specific programs might be, can you assure us today that there are not other intelligence collection—and I emphasize collection—programs that you are aware of and that you are keeping from the full Intelligence Committee?

Director NEGROPONTE. Senator, I don't know if I can comment on that in an open session.

Senator FEINGOLD. Well, we'll pursue it later today.

Director NEGROPONTE. Yes.

Senator FEINGOLD. Let me move on to the subject that Senator Wyden brought up and that he and I have worked on together, this issue of data minding—data mining. I sent you a letter on January 23rd, requesting information about the NSA's and the intelligence community's possible use of data mining technology to analyze telephone and computer communications inside the United States. And as I'm sure you know, there have been news reports that part of the NSA's domestic surveillance program has involved large-scale data mining of domestic communications.

Now I don't expect that you have the detailed answers to that letter with you here today. I just want to ask if you would commit to me today that you will respond promptly to that letter.

Director NEGROPONTE. Yes, I will, and I believe we have a response in preparation, Senator. I was advised of that before I came up to the hearing.

Senator FEINGOLD. Thank you.

Turning to one of the areas that we were talking about or you were talking about in your statement, in your prepared opening statement, you included a passing reference to Somalia. The 2004 State Department terrorism report states that al-Qa'ida operatives there pose a "serious threat" to American interests in the region and that a lack of functioning government and a protracted state of violent instability contributes to making Somalia a potential launching point for terrorist operations elsewhere.

In your view, have we committed sufficient intelligence resources to fully understanding and addressing this threat? Is a political solution to Somalia's problems a necessary component of our counterterrorism strategy in that region? And if so, what are we doing to support such a solution?

Director NEGROPONTE. On the first part of your question, Senator, certainly Somalia is on our radar screen, not only in the intelligence community and our diplomatic establishment, but also in Central Command. I think it's an issue of concern, as a place where there are international terrorists and to which international terrorists might gravitate if they were to suffer severe setbacks in a place like Afghanistan or Iraq.

So we're very mindful of that threat. I think we're devoting important resources to it, although—

Senator FEINGOLD. Are they sufficient intelligence resources?

Director NEGROPONTE. Well, they certainly are significant. You can never quite do enough, but in the order of priorities that we've got, I think we probably have it about right.

On the question of governance and whether they've got a government, they've had sort of an absence of governance for the past decade, though sometimes you see some emerging signs that they might pull together some kind of a central government. But I wouldn't hold my breath. Obviously, if they could make improvements in their state of governance, that might make it easier to deal with the issue of international terrorism. That, after all, is one of the theses of my testimony, that governance and these transnational threats can be related to each other.

Senator FEINGOLD. Thank you for your answers.

Chairman ROBERTS. Has the Senator concluded?

Senator FEINGOLD. My time's up. I'd be happy to keep going.

Chairman ROBERTS. Oh, we give new Members at least, you know, 30 seconds.

Senator FEINGOLD. Great. I'll take another one.

The national intelligence strategy released by your office last October states, I think quite correctly, that no nation can build a safer, better world alone. And the strategy involves engaging and invigorating friendly foreign intelligence services, and you refer to that in your comments.

The strategy refers to a strategic plan for our foreign intelligence relationships so that these relationships help us confront national security threats. I agree, this is a critically important task, and it involves a broad range of policy considerations.

Is this strategy being coordinated with the State Department? And will you work closely with Congress as you develop this strategy?

Director NEGROPONTE. It certainly is being coordinated with the State Department, and we'd be pleased to inform the Committee of the steps we've taken thus far and consult with you on the way forward.

Whenever it comes to dealing with foreign countries and institutions in those countries, our intelligence agencies work closely with the United States Ambassadors there in addition to assure the best possible coordination of this so that we don't have a dispersion, if you will, of our effort.

One of my first acts as Director of National Intelligence was to designate the CIA station chiefs as my representatives in those countries so that we aren't stumbling over each other out there, and that we have a focal point for the coordination of intelligence relationships with foreign countries in the CIA stations.

Senator FEINGOLD. Thank you again.

Chairman ROBERTS. Senator Feinstein, welcome back.

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

Mr. Negroponte, I just want to associate myself with the comments of our Ranking Member. I serve on both Judiciary as well as Intelligence, and what we have seen in the last few years is a defined and consistent stonewalling to prevent the oversight responsibilities of both Committees from being carried out. And I just want you to know that when the Ranking Member mentioned that part of the law creating your position also was to hold you above any political influence, I think that that is something that we feel very strongly, and I want personally to make that comment to you.

The National Security Act specifies that the executive branch shall "ensure that the congressional intelligence Committees are kept fully and currently informed of the intelligence activities of the United States, including any significant anticipated intelligence activity." The only statutory exemption to this is for especially sensitive covert actions, which may be briefed to only eight Members of Congress.

The Administration is increasing the use of these limited briefings. My question to you is, who determines what information will be briefed to only eight Members of Congress?

Director NEGROPONTE. Senator, I take very seriously my legal obligations under the National Security Act, which requires me to keep the congressional Intelligence Committees fully and currently informed of intelligence activities, to the extent consistent with the protection of sensitive intelligence sources and methods or other exceptionally sensitive matters.

Senator FEINSTEIN. Respectfully, could you answer my question, which was, who makes the decision?

Director NEGROPONTE. It's the President and the Vice President, Senator.

Senator FEINSTEIN. Thank you very much. I just wanted to know who makes the decision. Thank you.

If I could move on, the intelligence reform legislation that created your position also set up an effort to finally solve some of the information-sharing problems that pre-dated September the 11th. I understand that the person appointed by the President to lead this effort, John Russack, resigned last week. I'm very concerned that this resignation will end any momentum on information sharing that had been built up, and that the State and local law enforcement will continue to lack the information that they need to find and stop terrorists.

Will the information-sharing effort meet the statutory timelines? And will Mr. Russack's departure mean a change in direction for the program?

Director NEGROPONTE. Senator, I think we're striving to the best of our ability to meet the timelines that have been set. Interim guidelines or an interim report was sent up to the Senate late last year. We are taking steps to ensure that this information-sharing program continues to have momentum, and you can be certain that we will give it the highest attention at the leadership of the DNI. General Hayden, my CIO and eventually the program manager, when we get a new program manager on board, will continue to give this issue very, very high priority. And I would expect that—and I would hope that progress on this front will accelerate.

Senator FEINSTEIN. How soon do you believe you'll have someone on board?

Director NEGROPONTE. I've actually identified an individual, but it's a question of clearances and just the processes that we have to go through to be able to formally bring that individual on board.

Senator FEINSTEIN. And do I understand by your answer that this will mean that the program will be carried out in the same direction in which it was previously?

Director NEGROPONTE. Yes. I don't think this is going to have any policy implications with respect to the direction in which we've been headed.

Senator FEINSTEIN. Thank you.

Director NEGROPONTE. You're welcome.

Senator FEINSTEIN. The President has stated that the NSA warrantless electronic surveillance program has been restricted to cases where one of the members would reasonably be suspected to be an al-Qa'ida link or affiliate. Those were the words that have been interchangeably used. I have two questions on this.

What does it mean to be an al-Qa'ida link or affiliate? How is that connection to al-Qa'ida defined?

And if I've been called by Usama bin Ladin or somebody that we know is attached to him, I presume that NSA would call that a link to al-Qa'ida; but is anyone I then call linked to al-Qa'ida automatically and, therefore, electronically surveilled, and anyone they call then linked to al-Qa'ida and electronically surveilled?

Director NEGROPONTE. Ma'am, if I may invite General Hayden to comment.

Senator FEINSTEIN. Thank you. That'd be fine.

General Hayden.

General HAYDEN. Yes, ma'am. Thank you. The criteria that are used by the analyst—and it is done by the analysts, those folks who are most knowledgeable about al-Qa'ida intent, behavior, communications and so on—is that this analyst, with all the facts available to him or her at the time, OK?—as a prudent person would have reason to believe that this communicant is affiliated with al-Qa'ida. That's the standard that we use, and that's the standard that's drilled into the individuals who make those kinds of decisions.

Senator FEINSTEIN. Thank you. The Attorney General has asserted that the President has virtually unchecked authority to protect Americans, regardless of a clear statutory record in opposition. That legal position would allow the President to issue other orders in the name of counterterrorism. Has any intelligence agency been authorized to, or has any agency carried out, the search of the home of any American suspected to be linked to al-Qa'ida without a court warrant?

Director NEGROPONTE. I think I'd have to defer to our law enforcement authorities on this, Senator.

Senator FEINSTEIN. Thank you.

Mr. Mueller.

Director MUELLER. Senator, I'm not aware of that happening.

Senator FEINSTEIN. OK. Has any intelligence agency arrested, detained, rendered or otherwise held any American suspected to be linked to al-Qa'ida without a court warrant or sufficient cause for criminal prosecution?

Director MUELLER. I'm sorry, Senator. Can you repeat that question for me?

Senator FEINSTEIN. Sure. Has any intelligence agency been authorized to or has any agency carried out an arrest, detention, rendering, or otherwise held any American suspected to be linked to al-Qa'ida without a court warrant or sufficient cause for criminal prosecution?

Director MUELLER. Well, I mean, I'll try a first response to that. That's a very broad question. And looking at all the components, there are occasions where, whether it be in the criminal arena, the counterterrorism arena, we make arrests on probable cause without it going through a magistrate first, then you follow up on a complaint. And I believe in the instances that, certainly, that I'm aware of, we followed the procedures that are appropriate.

Senator FEINSTEIN. May I ask for the DNI's response, since the question had to do with intelligence agencies?

Director NEGROPONTE. Yes, except my principal concern is with the collection and analysis of national intelligence which is used for the protection of the homeland. And I'm not aware of any such instances. I really am not.

Senator FEINSTEIN. All right. I'd like to just continue on.

Director NEGROPONTE. Right.

Senator FEINSTEIN. Has any intelligence agency been authorized to or carried out the killing of anyone on U.S. soil based on a link to al-Qa'ida?

Director NEGROPONTE. I'm not aware of such a situation, Senator.

Senator FEINSTEIN. Mr. Mueller.

Director MUELLER. Senator, I'm certainly not aware of such a situation, speaking for the FBI.

Senator FEINSTEIN. My time is up.

Chairman ROBERTS. In a word, yes.

Senator FEINSTEIN. Thank you.

Thank you, Mr. Chairman.

Chairman ROBERTS. Mr. Wyden.

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

In open session, Director Negroponte, I wanted to ask you about oil, as it relates to terrorists. And here's my concern. You go to a gas station in the United States. You pay these huge prices. A portion of that eventually finds its way to foreign governments, particularly Saudi Arabia. The Saudis hand it over to charities, and the charities back-door it to terrorists who want to kill law-abiding Americans.

What is being done to try to deal with this, and particularly to stiffen up the Saudi effort to deal with this problem, which I think everybody understands is going on. We're seeing oil purchases in the United States—they're in effect terror attacks. And I'd like to know what is going on with respect to forcing the Saudis to crack down on how this oil money gets to terrorists who want to kill Americans.

Director NEGROPONTE. I think, first of all, Senator, since some of the egregious terrorist acts that were carried out in Saudi Arabia in recent years, I think starting with 2003 forward, I think there's a much greater awareness of the international terrorist threat on the part of the Saudi authorities and I think we've seen a really strengthened effort to deal with that situation on their part. So I would say that cooperation has increased. It's getting better. And we have a lot of interchange at all levels—law enforcement, intelligence, and so forth.

Senator WYDEN. You no longer think this is a problem?

Director NEGROPONTE. No, that was going to be my second point. I believe there are private Saudi citizens who still engage in these kinds of donations. And I think efforts must be made and ways have to be found to discourage that kind of activity. And I think there are also certain designated charities and organizations we actually identify as ones to whom monies should not be given.

So, I think it has been a problem. It's getting better. But it continues to need work.

Senator WYDEN. I'm going to ask you about that in the private session.

One other question for you, Mr. Director. There have been news reports this week—there was one in Newsweek Magazine—talking about American officials being in face-to-face talks with high-level Iraqi insurgents as part of an effort to look at possible ways to get peace in the region.

My question is, will you confirm what was in the news reports this week? And if you will, I particularly want to know what is being done to address the concerns that I'm sure Shi'a would have about any such talks.

So, first, will you confirm what's in Newsweek Magazine? And second, if this is ongoing—and I will ask you about this also in closed session as well—what is being done, at least for the public

record, to deal with what are certain to be Shi'a concerns about any such talks?

Director NEGROPONTE. Sir, I simply don't have any comment on that story.

But as far as the question of Sunni and Shi'a relationships in Iraq, this is a very delicate balance, if you will. I think that any efforts to move the political process forward have got to be based on a desire to take into account all elements—Sunni and Shi'a included—of the Iraqi body politic.

Senator WYDEN. Mr. Chairman, my colleagues didn't even get one round, and I appreciate your giving me these extra questions.

Chairman ROBERTS. Senator Rockefeller.

Vice Chairman ROCKEFELLER. Thank you, Mr. Chairman.

Director, last year at this hearing, Porter Goss made the statement—and I think this is probably the subject which is the most scary in all of this area of intelligence and international security—that he could not assure the American people, you know, that there weren't unaccounted for nuclear weapons or derivatives thereof that are housed in Russia.

Have they been stolen? Have they been sold? It wasn't possible really to say, and I think this is a catastrophically important matter. The U.S. Department of Energy estimated that only 50 percent of the buildings that house fissile materials in Russia operate under the highest security standards.

And what I really just want to know is, from either of you gentlemen, whether you feel there has been any improvement in that area and if we are working collaboratively, not just Nunn-Lugar, but in other ways, to try and decrease the number available for purchase by terrorists perhaps, probably, these nuclear weapons or parts thereof?

Director NEGROPONTE. If I could invite Director Goss.

Director GOSS. Thank you very much, Mr. Vice Chairman.

That is correct. Last year, you asked me if I could account for all of the unaccounted for nuclear weapons and be sure, therefore, that the terrorists did not have access or could get one or had one, and I could not give you that assurance and nor can I today. But what I can tell you today is I'm a bit more comfortable than I was a year ago. I've had a chance to focus in on the efforts that we are making and others are making, because this is a well-understood threat to the civilized world, and I would dare say we're getting a good deal more cooperation on this subject than we were before that understanding was clear.

I would also say that this is an item that probably gets the loudest alarm bell any time our many collectors work, so I am completely satisfied it is attended to. I am not satisfied that we have the answer that you and I both—that we'd all like to have that we are 100 percent sure because we just aren't.

Vice Chairman ROCKEFELLER. But you think that the efforts not only within our Nation and its national security apparatus, but also other parts of the world is stronger in effecting results toward diminishing that supply?

Director GOSS. I believe that personally. You know, I represent a capabilities organization, but just one of 15. From my perspective, we have got a proportionate number that is correct focused on

that, and I think we are doing better. I can't speak for the rest of the community, though.

Vice Chairman ROCKEFELLER. It's interesting, to do better makes me feel good, but it isn't until we get the whole thing solved, and of course, that's going to take a lot of work and a lot of good faith and a lot of people.

Director NEGROPONTE. If I could add quickly, Senator,—we have created an interagency effort to collect and analyze the whereabouts of fissile materials all over the world, and that's ongoing on an urgent basis.

Vice Chairman ROCKEFELLER. And I'm glad to hear that.

Director, my final question will be to you, and that is, do you agree with the statement that I made in my opening remarks that our Committee Members and our staff are routinely given access to the details of overseas signals intelligence programs that are carried out by the NSA?

Director NEGROPONTE. Yes.

Vice Chairman ROCKEFELLER. Yes.

And do you believe that it's appropriate for the Committee to have a working understanding of these programs?

Director NEGROPONTE. I do. Yes.

Vice Chairman ROCKEFELLER. Why is it that—you know, if I had to make my guess—and this is none of my business, and I have no proof, and so just take it for what it's worth—that the leak which everybody is so properly concerned about probably came out of the executive branch of government.

It surely didn't come out of Chairman Roberts or Jay Rockefeller. And my guess would be somewhere in the Department of Justice. But just take that for what it's worth.

Do you really believe that fully briefing the NSA matters that we're discussing to 40 members of the Intelligence Committees in the Congress represents some kind of an unacceptable security risk?

Director NEGROPONTE. Sir, we're talking about a decision that was made long before I arrived in this position. And what I was trying to answer to Senator Feinstein earlier was that there is a history and a tradition of certain, very small number—very limited number—of select sensitive programs that the executive branch and the President and the Vice President over a period of 50 or 60 years have chosen to limit the briefings to a small select group in the Congress, such as the leadership of the Congress and the chairmanship and the vice chairmen or ranking Members of respective Committees. And that is what has been done in this particular instance.

Vice Chairman ROCKEFELLER. And I understand—

Director NEGROPONTE. That was the method that was chosen to deal with this issue. But there were extensive briefings over the lifetime of this program, I think more than 10. And so, you know, I think that's how best I can answer that question.

Vice Chairman ROCKEFELLER. And I understand that, and I'll just close with this thought. The top leadership doesn't usually go to these meetings. So you're really talking about Chairman Roberts and myself and Chairman Hoekstra and Ranking Member Harman. And there may be a long history of this. I'm not aware of

that. But there is no history that comports in any way to the intensity of what's happened as a result of 9/11.

And I just want to make the statement that I think so much could be worked out—and so many people would probably agree—if we felt we were being talked to, as is required by law. The Chairman, when he gave his opening statement, talked about “lawful.” And I just really think that the executive branch needs to think about the fact that laws are laws, and you are specifically placed under a certain law, and others are placed under certain laws. And informing the Committee of jurisdiction is one of those laws.

And it simply isn't being done, in an atmosphere where it needs to be done, I think, more than ever, in which I would disagree with Senator Bond, who—this is not fair, to paraphrase him—but to say that if people are asking questions about this, that somehow they're taking their eye off what is deemed to be the ball—and I think part of the discussion and the history and the future of all of this is going to be that the executive branch and the legislative branch have to have a working relationship that in fact fits into what the laws require.

I think you have nothing to fear from us. You have nothing to fear from the House. I think it's almost certain that whatever leaks came came from the executive branch, and that's always going to be a problem. But I just beg you to consider what I say in deep seriousness and deep sincerity.

Chairman ROBERTS. I think that the Director of the FBI would like to respond.

Director MUELLER. Senator, if I might, being a component of the Department of Justice, I want to not leave that remark go unaddressed in terms of—

Vice Chairman ROCKEFELLER. Yeah, I can understand that.

Director MUELLER. And I'm not certain you have a basis for pointing a finger. I'm not certain what leak you're talking about, and I don't think it's fair to point a finger as to the responsibility of the leak, so I did not want to let that go unaddressed.

Vice Chairman ROCKEFELLER. I understand.

Chairman ROBERTS. We have Senator Feingold on the second round.

Senator FEINGOLD. Thank you, Mr. Chairman.

Following up on Senator Feinstein's question, Mr. Negroponte, and—

Chairman ROBERTS. Oh, sir, I beg your pardon. For some reason, I have not recognized the first round appearance of the sheriff of the always powerful Senate Agriculture Committee, Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

It used to be powerful before you were Chairman in the House, and we haven't recovered, but we're getting there.

[Laughter.]

Senator CHAMBLISS. I want to follow up on what Senator Rockefeller just said, ladies and gentlemen. This issue relative to this leak coming out of the executive department or the Administration, that's a pretty serious accusation, and, in fact, the only known source of any communication from the inside has come from an in-

dividual, as I understand it, who used to work in the program and is not a part of the executive branch.

But I have been very hesitant to talk about the fact—and I assume I'm directing this to either you, Director Mueller, or Director Goss or Director Negroponte—I've been hesitant to talk publicly about the fact that the position of gathering intelligence and utilizing very classified and sophisticated intelligence has been compromised by not only the leak, wherever it came from, but also by the continuing highlighting of this issue in the press, and that those folks who continue to question this program, those folks who continue to go out front and talk in a negative way about this program may be aiding and abetting the terrorists.

And I am extremely concerned about that.

I understand, Director Goss, that you may have addressed this in an earlier response to a question from Senator Bond, and I apologize for not being here. But I would like to ask you all to comment on that, if you will, as to whether or not our position has been compromised, if we have lost any of our capability relative to this program as a result of the publicity surrounding it.

Director Goss. Thank you, Senator, very much. It would only be appropriate for me to comment about those areas that I have accountability and responsibility for. And I was referring to leaks that Senator Bond had referred to that went to that area, and explained at some length how damaging they have been and the steps we are taking to deal with that, and I hope they'll be successful steps.

NSA is not, obviously, in our area, and so I would prefer to yield to either Director Mueller, who has the domestic side of the argument, or the Director of National Intelligence for whoever he would like to appoint to deal with the NSA aspects.

Senator CHAMBLISS. Sure.

General HAYDEN. Senator, it's hard for me to characterize in open session. But I did make the comment earlier in another environment that some people claim that somehow or another our capabilities were immune to this kind of information going out into the public domain. And I can tell you in a broad sense that is certainly not true.

Senator CHAMBLISS. The bad guys tend to get information that comes out of Congress or out of the American press in real time. Is that a fair statement, General Hayden?

General HAYDEN. We have been impressed with their ability with various Web sites that are generally available and at how agile they are in responding to events in this country.

Senator CHAMBLISS. Yes.

Director Negroponte, the Secure Border Initiative was introduced by the Department of Homeland Security in November 2005. And this is a comprehensive multi-year plan to secure America's borders and reduce illegal immigration, which includes increasing the number of Border Patrol agents, as well as upgrading technology used in controlling the border, increasing manned aerial assets, expanded use of UAVs and next-generation detection technology.

Recent reports suggest that smugglers are either disguising themselves as Mexican soldiers, or may actually be members of the Mexican military. How large of a problem is protecting our borders

from infiltrators who may be receiving assistance from corrupt Mexican authorities, and what is our intelligence community doing to identify those collaborators?

Director NEGROPONTE. With your permission, Senator, perhaps I could invite Mr. Allen from the Department of Homeland Security to respond to that question.

Senator CHAMBLISS. Sure.

Dr. ALLEN. Thank you. Thank you, Ambassador Negroponte.

Senator, on the Strategic Border Initiatives, as you know, Secretary Chertoff has a number of multi-functional ways to do this. A number of actions are under way.

I, from an intelligence perspective, am looking at this on how to strengthen our intelligence collection on all of our borders, wherever they may be. Getting into specifics relating to any reported incidents along the border, that's something I'd prefer to talk to in a closed session. But I can say this, that our borders are being strengthened, whether by land, sea or air, and whether north or south, thanks to the procedures that are being rapidly put in place under the leadership of Secretary Chertoff. I think we can take comfort that we're well on our way to taking the kind of measures that the American public really wants to see.

Senator CHAMBLISS. Thank you.

Thank you, Mr. Chairman.

Chairman ROBERTS. It would be the hope of the Chair that we could at least allow the witnesses an hour for lunch before we go to the closed session.

So with that in mind, on the second round I recognize Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman. I'm pleased I went after my friend, Senator Chambliss, because what I'd like to say is the greatest publicizing of this NSA program that I've heard was when I sat in front of the President of the United States the other night at the State of the Union and heard him discussing it in front of the whole world.

In fact, this is part of a larger effort to discuss this on a constant basis and to make it a political issue in front of the American people. So I take it his remarks would apply to that sort of conduct as well.

Mr. Negroponte and General Hayden, following up on Senator Feinstein's question, have you defined "al-Qa'ida affiliate" for the purpose of warrantless NSA surveillance? Is it a term of art? How are the NSA officials guided on this?

General HAYDEN. It's a term of science, Senator. It is a specific list of affiliates. There is a burden of proof that must be met before an organization is deemed to be affiliated with al-Qa'ida. And that work is overseen by the entire oversight structure that governs this program within NSA by the IG, the general counsel, and by the Department of Justice.

Senator FEINGOLD. Thank you, General.

On Pakistan, Mr. Negroponte, the most recent State Department country reports on terrorism for 2004 state that al-Qa'ida continues to hide in Pakistan's federally administrated tribal areas of Pakistan. Who wields power in these regions, and how has al-Qa'ida managed to stay there for so long? Is this region basically a ter-

rorist sanctuary? The report also states the Pakistan has pursued a strategy to win the support of tribes in the FATA with a combination of negotiations and economic investments. Have the Pakistanis achieved any success in this regard?

Director NEGROPONTE. It's a tough area. It's a tough area, Senator. And it's an area that historically has sought to govern itself, if you will. It's not felt itself an integrated part of any country or nation. And a lot of people up there take the law into their own hands, I think. But I believe the Pakistani Government has done a lot in recent times to establish a greater presence there. They've sent their military into the region, who operate with greater frequency and have taken a large number of casualties, substantial casualties in their efforts to impose the writ of the central government.

So I think the situation there is gradually shifting. But it's proven to be a great challenge for the government of Pakistan. But I don't doubt their commitment to fighting against international terrorists, and we've seen ample evidence of that over the past months and years.

Senator FEINGOLD. On Iraq, you state in your opening statement that Iraqi Sunni-Arab disaffection is the primary enabler of the insurgency. Can you just say a bit more about the range of motivations that inspire the insurgency and the extent to which it is motivated specifically by anti-coalition sentiment?

Director NEGROPONTE. Well, I think the fundamental issue for those Sunnis who are not international terrorists, who are not part of al-Qa'ida or Zarqawi's group, has been a feeling of having been disempowered as a result of the fall of Saddam Hussein. So I think that probably is the most significant motivation—the feeling on the part of many Sunnis that they no longer have the position of prominence in the governance of their society, of their country that they used to have, and their desire to recuperate some of that influence.

I think what we're seeing happening in Iraq is these different political forces and political groups finding the right balance among themselves that will permit their society to go forward in a peaceful manner. And I think the electoral process and the political process that we're witnessing offers that opportunity.

Senator FEINGOLD. Thank you for all your answers, and thank you, Mr. Chairman, for the additional time.

Chairman ROBERTS. Yes, sir.

Senator Feinstein.

Senator FEINSTEIN. Thank you, Mr. Chairman.

Mr. Negroponte, we have heard allegations that top officials in one of the technical intelligence agencies explicitly warned contractors not to talk to Congress about ongoing programs or risk losing future contract competitions. I know this for a fact.

Are you aware of this? And does Congress have the right, do we—in my case an appropriator, as well as an authorizer—have the right to talk to the contractor of major technical programs?

Director NEGROPONTE. Senator, I'm not aware of this particular situation, but if I may, I would like to know the details, so that I can have a look at the matter.

Senator FEINSTEIN. I will be happy to give you the details. Thank you.

Last year, Admiral Loy, who was present, and I discussed border security, particularly the increasing problem of penetration of other than Mexicans across our borders, which are growing in numbers, and I said at that time that I felt it was a major gateway for terrorists to access the United States.

Do you have ongoing intelligence efforts to prevent this from happening? And is there any evidence up to this point that it is in fact happening?

Director NEGROPONTE. I'm going to invite Mr. Allen to elaborate, but one thing I would like to say, Senator, is of course it's an issue that we're sensitive to, and second, my impression is that perhaps our border with Canada has to some degree been of a bit greater concern than that with Mexico. Although, obviously, we have to watch all of our borders very, very carefully.

But if I could ask Mr. Allen to elaborate?

Dr. ALLEN. Yes, Senator Feinstein, we recognize this issue. As you know, we have found a lot of individuals other than Mexicans attempting to cross our borders illegally, and under Secretary Chertoff's new policy, which is catch-and-return or deport, this is having I think a salutary effect. Now, the Strategic Border Initiative is new, and it's only now getting fully under way, and we're very sensitive of the fact that people from other areas—from areas where we might expect to find members of al-Qa'ida. We are very sensitive to that. We work extraordinarily hard on this issue.

I think terrorists are facing an increasingly challenging environment to enter our country, certainly by air and by sea. We now need to secure our borders and, as Ambassador Negroponte said, we need to work harder.

Senator FEINSTEIN. If I might suggest to you, the numbers in the past 2 years have tripled. They have gone from fiscal year 2003, 49,545 to 2005, 155,000. Now these are other than Mexicans.

Dr. ALLEN. These are other than Mexicans. We're aware of those figures.

Senator FEINSTEIN. So this indicates to me that whatever we're doing is not working because more are coming through than ever before.

Dr. ALLEN. We believe we'll see a change in that in the coming months, because the catch-and-return policy I think it will have salutary effects over time.

We really do have to work this issue a lot harder, and, as it was said earlier, when I answered Senator Chambliss, we're using significant new capabilities, including border patrolmen, but significant new advanced technologies to try to detect people entering our countries, particularly in Texas and Arizona.

Senator FEINSTEIN. Well, thank you very much for that.

Dr. ALLEN. Yes, ma'am.

Senator FEINSTEIN. Mr. Negroponte, recent media reports have spotlighted a number of activities that appear to be related to intelligence collection or covert action, but that well maybe outside of the official intelligence community's channels; for example, military data bases of suspicious activity reports called Talons by the Counterintelligence Field Activity or CIFA, and second, a Pentagon program to secretly pay Iraqi newspapers to run pro-American articles.

Were these activities subject to your approval and oversight?

General MAPLES. Ma'am, I don't believe that either of those activities would fall into Mr. Negroponte's area. They are Department of Defense programs.

Senator FEINSTEIN. Let me raise this problem, then. They should. We appointed you to be the—we didn't appoint you, but we created the legislation so that you were the person over all intelligence. Now, I know how tough it is, but this gives—if you didn't know and you didn't give a go-ahead, it indicates to me that for 85 percent of the budget which is defense-related, that you're not going to have the controls that you should have. You want to comment?

Director NEGROPONTE. Well, CIFA is within the national intelligence program, but as far as specifically directing those activities, that has not risen to the level of my office and comes under the direction of the Under Secretary of Defense for Intelligence. And my understanding, in light of the issues that have come up and the controversy and the press attention that has been given to CIFA, that Mr. Cambone has ordered a complete review of that program from top down.

Senator FEINSTEIN. Well, will you get the results of that review?

Director NEGROPONTE. Yes, I will get those results.

Senator FEINSTEIN. Will you be able to play a decision-making role in that, or does Defense control it?

Director NEGROPONTE. Well, to the extent that I have reporting to me a national counterintelligence executive and have a role in counterintelligence, yes.

Senator FEINSTEIN. Thank you.

Thank you, Mr. Chairman.

Chairman ROBERTS. Let me just say that our staff has been briefed by the DOD and that I would encourage the Senator to check with staff on both sides, and that we have looked at this very carefully, and I think some of the concerns that she has raised, which obviously should be shared by everybody, you know, have been answered.

Let me just say this in closing. First, I want to thank you for your patience. Second, we are going to welcome you to the closed session. Third, I hope you at least get to eat a sandwich.

Let me make an observation. Since the enactment of the provision requiring the Intelligence Committees be kept fully and currently informed, that the Committees and the Presidents—and I use "the President" in plural—have always managed the delicate process of access to information. To claim this situation is somehow different ignores this Committee's history and the text of our laws.

Now, I know this happened under President Carter, I know this happened under President Reagan, I know this happened under President Bush-one, I know this happened under President Clinton, and I know this happened under President Bush. And basically the law, at least in the way that I have read it, indicates that the executive has the prerogative and also has the responsibility of keeping the Congress informed. The practice, however, has been that there are certain programs that are so highly classified that they are limited to eight—i.e., the leadership of the House and Sen-

ate and also the Ranking Member and, in this particular case, the co-Chair and the Chair of the Intelligence Committees.

On some occasions, if it involves the military in some kind of a covert operation, the same thing applies to Armed Services and the Subcommittee on Armed Services in regards to the Subcommittee on Appropriations.

Now, I know there is a great hue and cry that we make more people pregnant with the knowledge, and then, of course, if they're pregnant with the knowledge, they will rock the baby, as opposed to throwing it out with the bath water. But let me say that we did that.

Immediately after 9/11, we thought it was our obligation on the Intelligence Committees, under different leadership at that particular time, to have a joint investigation, which we did. We even had an independent staff, forcing Members to come to the meeting and act as if they were studying for a chemistry test during a study hall because we quite never knew what to expect. Now, that's sort of telling tales out of school, but I didn't think that was a very helpful operation.

It wasn't any time at all with the joint Committees—and I'm not trying to perjure anybody or the Committees or the intent of Congress or the integrity of Congress—before we had a leak. Now, the leak had nothing to do with 9/11, but boy, it sure made the headlines. And the executive made a decision at that particular time: I'm not going to—or we are not going to share any information or send anybody down to testify further if we have leaks of this nature.

And so the leadership of that Committee, the Joint Committee Investigation on 9/11, made a decision—or agreed to the executive that there would be an FBI investigation of the Committee. At the same time, the Committee was investigating the FBI's role in 9/11. So here we were in a joint committee investigating the FBI, and then the FBI investigating us and asking every Member of the Intelligence Committees—both House and Senate—would you take a lie detector test?

I can't think of anything more ridiculous or silly. I will say, as Chairman of this Committee, that if somebody asked me to do that, my answer is no.

And the result was that what we really needed in that group—and I'm not comparing that particular group because I was a Member of it—and then, of course, everybody said it was staff. Members always say that it's staff. And I said that's a lot of nonsense. What we ought to do is have Members, when they walk out of the room, put duct tape on and have a requirement that they at least wear the duct tape for 24 hours.

Now, that was the worry that happened under this Administration, and previous Administrations, when these briefings got to a larger group.

Now, I would agree with Vice Chairman Rockefeller, I don't know of anybody on our Committee, I don't know of anybody on the House Committee that would willingly or wittingly repeat any information that would be so classified that it would endanger our country.

Now, my question is, however, there's been a lot of comment about the President, you know, talking about this, the Vice President talking about this. It was only after the leak in The New York Times, which contained a lot of misinformation, as far as I'm concerned, about domestic spying, when we really have a threat warning capability—and that's what we're talking about, it's more of a military mission than it is any kind of a criminal proceeding under FISA. And FISA, by the way, is outdated in regards to its context with both the threat and the technology. And were we to do that, we would lose not only minutes, but hours or days when we have a threat that may happen immediately. And it would be an amazing thing to me that if we had another attack, the very people that are doing all the questioning now would be having you all back up and say, "How come you didn't know?"

Now, my question is basically to General Hayden. What happens if you lose this capability, General?

General HAYDEN. It's proven to be a very valuable tool for that which it was intended—to detect and prevent attacks inside the United States, Senator.

And you're right about the firestorm of misinformation that seemed to follow day after day after the original leak was reported in The New York Times. I've spoken to this Committee—I think it was in this room—in October of 2002, talking about the line between liberty and security, and how that had to be an informed debate by the American people so that we're all comfortable about that line.

And there was so much inaccurate information, misinformation and misunderstanding out there that what was appearing in the press wasn't informing a debate; it was horribly misshaping it. And I don't see how we, as a free people, can make a decision in that way.

Chairman ROBERTS. Well, I really regret that situation is happening, and I know that it is understandable, both on the majority side and the minority side, that we have differences of opinion. And unfortunately, the climate in the Congress today, then, is to ascribe politics as the reason for that. I really think people have strong differences of opinion. But fortunately or unfortunately, in regards to the number of people who are briefed, I think it's basically on the lack of information, and the lack of information in regard to exactly what this program is.

And I cannot imagine how anybody who would be receiving a call from a terrorist cell, where we have reason to believe that they are going to attack the United States, and that person happened to be in the United States, that they would think their civil liberty was being violated if some intelligence or law enforcement person was not monitoring that call. It would be indefensible if we did not.

And in addition, I would only point out that you really don't have any civil liberties if you're dead.

The other thing that I would say is that I want to thank you again, all of you, for your dedication, your perseverance, for keeping this country safe, as opposed to some, who obviously are more worried about you people, apparently, than some people who—where we are at war and where we have a threat and where we have plots against the United States and where we have sleeper

cells in the United States. And it could happen at any moment. Thank God we have this capability.

This hearing is concluded.

Vice Chairman ROCKEFELLER. I need to respond, Mr. Chairman. Chairman ROBERTS. You may respond.

Vice Chairman ROCKEFELLER. And let me just ask a question first to the Director. Is the NSA program a covert action program, as defined by the National Security Act?

Director NEGROPONTE. I don't believe so, sir, no.

Vice Chairman ROCKEFELLER. And that's what we were told yesterday by the folks from Justice, that it is not.

Now as to the horror of people wanting to do things both rigorously, aggressively, using intelligence, in every possible way that we can, it does not subtract, however, from two other concepts which have kept our Nation viable for many, many, many years. And that is that we do things under the law. We do them under the law.

Secondly—and I've made this point many times to the Chairman; we've talked about it—there is an instinct readily grabbed upon by some that when we ask questions about the largest NSA program in history, that somehow we are attacking you gentlemen and ladies. Nothing could be further from the truth, because the instructions or whatever come from elsewhere. That's been stipulated.

It is simply important that in a democracy we understand there are three branches of government. I spend an enormous amount of my time—the Chairman's leaving—an enormous amount of my time, well over three-quarters, working exclusively on this subject in great depth with great intensity, do a lot of traveling, and meet the same intelligence folks that Senator Saxby Chambliss was talking about, and Kit Bond, I guess it was.

But you cannot equate, and you should not equate, asking questions where we are meant to be informed by law, as the Intelligence Committees, and we are not, for pursuing that effort, because to do otherwise is to say that there's no reason for these Committees to exist, and that we should disband the Committees, which I am not for doing.

But do not kid yourselves, gentlemen and ladies. It is often said that the Chairman and the Ranking Member of each of the Committees are fully briefed, and therefore, you know, everything is fine. That's not the way it works, that's not the way those meetings work. And General Hayden knows that. They don't last long enough, the flip charts are extensive, and everybody's in a hurry. The leadership usually doesn't come. Chairman Roberts and I do come, as well as the House members; 4 people out of 535 therefore know about the most extensive and aggressive NSA effort in the history of this country.

I am strongly for the goals. But I want it to be done under the law. And so should you. That's what keeps our country together.

Thank you.

Director NEGROPONTE. If I may just—one sentence, Senator. I know the Attorney General will address this next week. But we believe that all these activities are being undertaken in full compliance with our Constitution and with the laws of our country. And

that is an oath that each and every one of us at this table have undertaken.

[Whereupon, at 1:50 p.m., the Committee adjourned.]

