

**HEARING OF THE SENATE ARMED SERVICES COMMITTEE
ANNUAL THREAT ASSESSMENT**

WITNESSES:

MR. MIKE McCONNELL, DIRECTOR OF NATIONAL INTELLIGENCE;

LIEUTENANT GENERAL MICHAEL D. MAPLES, DIRECTOR, DEFENSE INTELLIGENCE AGENCY;

DR. THOMAS FINGAR, DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE FOR ANALYSIS &
CHAIRMAN, NATIONAL INTELLIGENCE COUNCIL

CHAired BY: SENATOR CARL LEVIN (D-MI)

LOCATIOn: 216 HART SENATE OFFICE BUILDING, WASHINGTON, D.C.

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SEN. LEVIN: (Strikes gavel.) Good morning, everybody.

First we'd like to welcome our witnesses to today's hearing, congratulate Director McConnell on his confirmation, note this is the first time that he'll be testifying as the director of National Intelligence.

And of course we're also glad to have General Maples from the DIA appearing here again, and also Dr. Tom Fingar, who is the deputy director of National Intelligence for Analysis as well as the chairman of the National Intelligence Council.

We've asked our witnesses to address current and longer-term threats and intelligence challenges around the world.

This committee has a special responsibility to the men and women of our armed forces to be vigilant on intelligence programs, because decisions on whether or not to use military force and the planning for military operations depend so heavily on intelligence. At the same time the intelligence community bears this heavy responsibility, it is burdened by skepticism about the accuracy of its assessments due to poor performance and manipulation of intelligence on Iraq prior to the invasion.

The conflict in Iraq is consuming a large share of our intelligence capabilities, diminishing the ability of the intelligence community to support diplomacy, monitor threats and prepare for other contingencies.

Regarding Iraq, we need a thorough understanding of the extent to which the Iraqi government is living up to its commitments to support the president's surge plan, including achieving political reconciliation, and the intelligence community's assessments of the prospects for success in Iraq.

We also need to know what are the intelligence community's assessments concerning sources of outside support for the contending parties in Iraq, to the Sunni insurgents as well as the Shi'ite militias. What

countries are providing weapons, funding and personnel to the insurgency? Who is organizing, receiving and using this assistance?

On the Shi'ite side, what is the nature and extent of Iranian Al-Qods Force involvement in Iraq? Administration officials have stated that coalition forces have taken some Qods Force officers into custody. What were these people doing in Iraq? If they were engaged in threatening activities, have they nonetheless been released? Who do we believe is approving the transfer of weapons to Iraqi Shi'a militia forces?

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

In Afghanistan, the resurgence of the Taliban, the deteriorating security situation and the flourishing sanctuary across the border in Pakistan drive home the fragile hold that we have in this volatile region. In the short term, the Afghan government and coalition forces must steel themselves for a Taliban spring offensive.

Long-term prospects for eliminating the Taliban threat appear dim, so long as the sanctuary remains in Pakistan and there are no encouraging signs that Pakistan is eliminating it.

Pakistan is an ally in the war on terrorism. But as Director McConnell's prepared statement emphasizes, it is a major source of Islamic extremism. It is a sanctuary for al Qaeda, the Taliban and extremists operating against India over Kashmir, and a past and potential future source of dangerous nuclear proliferation.

We are pleased with the progress of the six-party talks on North Korea's nuclear disarmament, although it is equally clear that there is a long way still to go before we can be confident that we are even on the road to a real resolution of this long-standing crisis. Just one illustration of the distance not yet traveled -- the State Department acknowledges that nothing has been conceded by North Korea about the uranium enrichment program that was the immediate cause for the Bush administration's abandonment of the Clinton administration's Agreed Framework, which successfully froze North Korea's plutonium-based weapons program for an extended period. Secretary of State Powell declared at the beginning of the Bush presidency that North Korean nuclear policy would build on the foundation left by President Clinton, only to be famously rebuked by the White House. After Secretary Powell made that statement, he returned to diplomacy's welcome, but the ideologically-driven interlude resulted in a dramatic expansion of North Korea's nuclear potential.

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

Senator Warner.

SEN. JOHN WARNER (R-VA): Thank you, Mr. Chairman.

I think it's very important that this committee do address the situation at Walter Reed.

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

SEN. LEVIN: I join you, Senator Warner, in your compliment of Secretary Gates. I thought he was very direct and non-defensive.

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

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

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

Their efforts are vital to our homeland defense, to the protection of our national interests and to the men and women in uniform who are deployed the world over in harm's way. Our nation has never asked more from its intelligence agency than it does today. Our witnesses and all members of the intelligence community know this clearly and understand that they are truly the first line of our nation's defense.

The attacks on 9/11 were a massive intelligence failure which remind us all too clearly of the significance intelligence can and should play. The intelligence community has come a long way since 9/11, and we're all aware of the work it takes to strengthen and reform the intelligence community while in the midst of one of the most challenging chapters in the national security history of our nation and indeed the entire world. These intelligence reforms require, among other changes, greater collaboration between the various agencies and their subordinates, not only within the intelligence community but with our foreign partners, as well. In addition, we will need more and better human intelligence capacity, improved language abilities and cultural awareness. Underline "cultural awareness." How clearly that has come to the forefront in our struggle to understand the situations in Iraq and Afghanistan.

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

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

As the fight continues in Iraq and Afghanistan, no one (sic) understands the role that rapid, accurate and detailed intelligence plays in combat operations. Intelligence is essential to the conduct of any form of warfare. It is the force multiplier that can make the difference.

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

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

While vigilance is imperative and excellence in terms of results is vital, so too is your candor, not only to the Congress but to the executive branch and to the American people. You must speak the truth to decision-makers and policymakers. Tell them what you know and what you don't know, so long as we don't compromise sources and other means of collection.

President Reagan accurately said, quote, "The goal of our intelligence analysts can be nothing short of the truth, even when that truth is unpleasant and unpopular."

I wish you luck. Thank you very much.

SEN. LEVIN: Thank you, Senator Warner.

Admiral McConnell.

MR. McCONNELL: Thank you, sir. Chairman Levin, Senator Warner, distinguished members of the committee, it's an honor to appear before you today, and I appreciate the opportunity to offer my assessment of the threats facing our nation in my first testimony as the director of national intelligence.

In my confirmation hearing, I committed to consulting with the Congress often, seeking your counsel when appropriate and taking your advice seriously. I am pleased to begin that dialogue today.

This morning, I am joined by Lieutenant General Michael Maples, director of the Defense Intelligence Agency, and Dr. Tom Fingar, the deputy director of National Intelligence for Analysis. We come here in a week rich with history for the United States intelligence community. 60 years ago today, or 60 years ago yesterday, President Truman submitted to Congress legislation that would become the 1947 National Security Act, the foundation for today's American intelligence structure.

Then, like now, our leaders were face to face with historic challenges. Recovering from World War II while the Cold War loomed, our nation established an infrastructure to guard against catastrophic surprise. Those leaders knew, as we know today, the necessity of putting accurate intelligence in the right hands at the right time. We are a community shaped by our past, proud of the work done by our brave men and women, and mindful of the continued and developing threats that we face today. I will briefly highlight the principal threats facing our nation, and I have submitted a detailed statement for the record that addresses more of the issues at greater depth.

Terrorism remains the pre-eminent threat to the homeland, to our security interests globally and to our allies. Al Qaeda continues to be the terrorist organization that poses the greatest threat. Nevertheless, in the last year, we have developed a deeper understanding of the enemy that we face. Our community has worked hard to discover and to disrupt terrorist intentions. And while many of al Qaeda's senior leadership have been killed or captured, its core elements are resilient. They continue to plot attacks against the homeland and other targets with the aim of inflicting mass casualties. Indeed, al Qaeda along with other terrorist groups, continues to seek chemical, biological, radiological, and nuclear weapons or materials. Al Qaeda also is forging stronger operational connections that radiate outward from their camps in Pakistan to affiliated groups and networks throughout the Middle East, North Africa and Europe.

In addition to al Qaeda and other Sunni jihadists, Hezbollah, the Shi'a-based organization backed by Iran and Syria, remains a source of serious concern. Last summer, hostilities between Israel and Hezbollah have increased Hezbollah's self-confidence. We know, particularly since 9/11, that countering terrorist threats depends on good intelligence and broad and effective international cooperation.

Our success to date against al Qaeda and other terrorists, along with our ability to prevent attacks abroad and at home, have been aided considerably by cooperation from many foreign governments, among them Iraq, the United Kingdom, Australia, Saudi Arabia, Turkey, Afghanistan and Pakistan.

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

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

Second, success by the stronger and more loyal Iraqi security forces supported by the coalition in reducing violence could give Iraqi political leaders breathing space to pursue political compromise needed for progress and stability. But even if the violence declines, the current level of

sectarian animosity will make political reconciliation difficult over the next 12 to 18 months.

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

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

As in Iraq, Afghanistan's leaders face a pivotal year ahead. They must build central and provincial government capacity, confront perverse drug cultivation and trafficking, and, with NATO and the United States, arrest the resurgence of the Taliban. The Taliban was successful in increasing the level of violence in 2006.

Progress in Afghanistan will not come easily. There is a chronic shortage of resources and of qualified, motivated government officials. Once more, although the insurgency probably does not now directly threaten the government, it is deterring economic development and undermining popular support for President Karzai. The drug trade contributes to endemic corruption and undercuts public confidence. In addition, a dangerous nexus exists between drugs, the insurgents and warlords who derive funds from cultivation and trafficking.

Terrorism is not the only threat we face. The intelligence community judges the efforts by both states and non-state actors to develop or acquire dangerous weapons and delivery systems constitute the second-greatest threat to our nation and to our allies.

Iran and North Korea are of particular concern, and these regimes have pursued nuclear programs in defiance of United Nations Security Council restrictions. We assess that Tehran seeks to develop nuclear weapons and has shown greater interest in drawing out the negotiations rather than reaching an acceptable diplomatic solution.

This is a very dangerous situation, as a nuclear Iran could prompt destabilizing countermoves by other states in this volatile region. While our information is incomplete, we estimate Iran could produce a nuclear weapon by early to mid next decade.

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

As we assess threats to U.S. security and interests, Iran is of concern beyond the reasons of nuclear aspirations. The fall of the Taliban and Saddam, increased oil revenues, Hamas' electoral victory and Hezbollah's

perceived success in fighting against Israel all extend Iran's influence in the Middle East. This disturbs our Arab allies, who are concerned about worsening tensions between Shi'a and Sunni Islam.

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

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

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

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

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

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

The situation in the Palestinian territories is equally delicate. Since the establishment in March 2006 of the Hamas-led Palestinian Authority government, interfactional violence has intensified in the Gaza Strip and the West Bank.

Absent success in implementing a national unity government, this violence threatens to escalate further. Hamas continues to reject recognition of Israel, renunciation of armed resistance in Lebanon -- or in Israel -- and acceptance of PLO and international agreements. Hamas continues to maintain that Israel should not exist.

I turn next to the world's fastest-growing humanitarian crisis: the situation in Darfur, where more than 200,000 people have been killed, 1.85 million have been internally displaced and another 234,000 have taken refuge in neighboring Chad. Multiple rebel groups who feel that existing peace

agreement does not meet their security, power sharing or compensation concerns are continuing to fight against the government. The Sudanese military, unable to force the rebels to sign a peace accord, and with the help of local militia, is attacking civilian villages suspected of harboring the rebels. Chadian and Central African Republic rebel groups have also become entangled in the Darfur crisis. The spillover of violence in the past 10 months threatens to destabilize an already weak regime in both of those countries.

In Somalia, the rapid collapse of the Council of Islamic Courts and the arrival of the transfederal government, or TFG, in Mogadishu has shifted the political landscape. The obstacles confronting the TFG are many of the same problems that have kept any one group from forging a viable government in Somalia since the country's collapse in 1991. Somali society is divided into numerous clans and sub-clans, and none want to see one group rise above the others. If the TFG is to be successful in winning the support of the population and restoring order, it will need to be more inclusive and make some successful strides toward governance. Without mechanisms to replace the temporary Ethiopian presence with an internationally supported Somali solution, more turmoil could enable an extremist to regain their footing. At the same time, al Qaeda remains determined to exploit the situation in Somalia.

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

In Venezuela, Chavez is using his popularity to undercut the opposition and eliminate checks on his authority. He is among the most strident anti-American leaders anywhere in the world, and will continue to try to undercut U.S. influence in Latin America and internationally. In Mexico, President Calderons (sic) of the ruling National Action party was inaugurated on the -- December the 1st after a razor-thin victory over his closest opponent, the leftist populist Obrador. The July election illustrated that country's polarization along socioeconomic lines, but the new government has initiated steps to address the problems that affect both Mexican and U.S. security interests, including drug smuggling, human trafficking and associated violence.

In Cuba, this year will mark the end of the long domination of that country by Fidel Castro. Significant positive change immediately following Castro's death is unlikely. The long period of transition following Fidel's operation in July of 2006 have given his brother Raul the opportunity to solidify his position as Fidel's successor. In 2006, Chinese leaders moves to align Beijing's foreign policy with the needs of domestic development. In doing so, they are identifying opportunities to strengthen economic growth, gain access to new sources of energy and markets and mitigate what they see as potential external threats to social stability. At the same time, China places a great priority on positive relations with the United States while also strengthening ties outside the region to include the European Union, Russia, Africa and Latin America. PRC leaders continue to emphasize development of friendly relations with the states on China's periphery in

hopes of assuring peaceful borders and to avoid perceived containment by any other power.

In the past year, China achieved notable success in improving relations with Japan under newly elected Prime Minister Abe. Additionally, prospects for cross-straits conflict with Taiwan diminished. In addition to establishing strong bilateral ties, Beijing actively engages with many multilateral organizations, including Aзия. As Beijing continues its rapid rate of military modernization, which began in 1999, we assess that its aspirations for great power status and its security strategy will drive the modernization effort even if the Taiwan problem were resolved. The Chinese are developing more capable long-range conventional strike systems and short and medium-range ballistic missiles with terminally guided maneuverable warheads able to attack land targets and U.S. carriers at sea. China faces an array of domestic and economic problems. Some prospects for its financial system are unhealthy, when state-owned banks maintain large balances of non-performing loans. Nonetheless, we see low risk of a severe financial crisis over the next five years. China is introducing market measures to its financial and has massive foreign exchange reserves, current and capital account surpluses and low exposure to short-term foreign currency debt.

We have entered a new era in which energy security will become an increasing priority for the United States, the West and the fast-developing major energy consumers like China and India. Oil prices have fallen by more than 25 percent since their peak last July, where spare production capacity has grown to more than 2 million barrels per day. But escalating demand for oil and gas has resulted in windfall profits for some producer nations that are openly hostile to our interests. Iran and Venezuela fall into that category. Russia now sees itself as an energy superpower, a status with broad ramifications that include strong-arm tactics in its relations with neighboring states.

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

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

SEN. LEVIN: Thank you so much, Director.

General Maples.

GEN. MAPLES: Thank you, Chairman Levin -- excuse me -- Senator Warner, members of the committee. Thank you for this opportunity to testify today, and for your continued support to our armed forces and to the Defense Intelligence Agency. My testimony, which I have submitted for the record, outlines our assessments of the state of the insurgencies in Iraq and Afghanistan, the incurrent threat from global terrorism and proliferation of weapons of mass destruction. It also addresses defense-related developments in states and regions of concern, and other transnational issues. As you requested, I will summarize a few of these issues.

The situation in Iraq will remain an extremely complex and challenging security environment as the conflict remains fundamentally a sectarian struggle for power and the right to define Iraq's future identity. We have seen recent positive developments, including continued development and increased capability of Iraq security forces, efforts to address problems associated with de-Ba'athification and increased cooperation between the Sunni-Arab tribes and the government in al-Anbar Province. Prime Minister Maliki has made gestures to the Sunni minority, such as offers to reinstall some Saddam-era military leaders and the issuance of arrest warrants for Ministry of Interior personnel accused of abuses. Sadrist members of the Council of Representatives entered their boycott of the council when the council passed a national budget. The government of Iraq seems committed and is making initial efforts to move forward with the Baghdad security plan.

Despite these developments, significant challenges to U.S. and coalition forces.

The Sunni-Arab-based insurgency remains fundamentally strong, adaptable and capable, despite ongoing security operations, some limited progress in the political arena and some improvements in the Iraqi security forces.

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

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

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

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

significantly as well. DIA assesses that the Taliban-led insurgency will remain a threat in 2007 and its attacks will increase this spring. Al Qaeda remains the most dominate terrorist organization and the most significant threat to U.S. interests worldwide. Despite being forced to decentralize its network, al Qaeda retains the ability to organize complex, mass casualty attacks and to inspire others. Al Qaeda's increasing cooperation with like-minded groups has improved its ability to facilitate, support and direct its objectives.

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

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

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

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

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

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

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

Iran's ballistic missile forces continue to train extensively in highly publicized exercises. These exercises enable Iranian ballistic

missile forces to hone wartime operation skills and test new tactics. Iran is fielding increased numbers of theater ballistic missiles.

In conventional military forces, North Korea's military continues to suffer the consequences of the North's economic decline. Nevertheless, they remain capable of initiating an attack on South Korea. North Korea's large force provides the regime with an effective deterrent and a basis to employ threats to further its national security goals.

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

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

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

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

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

Over the past few years, the Defense Intelligence Agency, like the rest of the intelligence community, has made major strides to improve our capabilities in intelligence collection, all-source analysis and information management. Much has been accomplished; however, much more needs to be done. And with your continued support, I am confident we will achieve greater levels of security for our citizens and for our national interests. Thank you.

SEN. LEVIN: Thank you, General.

Dr. Fingar, do you have a statement?

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

SEN. LEVIN: Thank you so much.

Why don't we try a six-minute round for our first round?

Director McConnell, let me first note that in your opening statement that you made the following point: that, as the intelligence community states in the recent National Intelligence Estimate, the current security and political trends in Iraq are moving in a negative direction. I'm wondering, General Maples, whether you agree with that assessment.

GEN. MAPLES: Sir, I do agree with that assessment.

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

MR. McCONNELL: Yes, sir, I do agree with that.

SEN. LEVIN: The prime minister of Iraq has said that the failure of political leaders --- the failure of political leaders in Iraq to reach a political settlement is the main cause for the continuance of the bloodletting in Iraq. Is that something you agree with?

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

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

GEN. MAPLES: Yes, sir.

SEN. LEVIN: I'd like to ask you next, Director, about the Iraqi view of what our commitment is. The president of Iraq has said following his meeting with our president that President Bush assured him that we will remain in Iraq until the Iraqis ask us to leave. President Bush, indeed, himself has said that we will remain in Iraq until -- or as long as needed or until the Iraqis ask us to leave, words to that effect. Does that continue to be the Iraqi appraisal of what our commitment is? Does it continue to be that open-ended, in their minds?

MR. McCONNELL: I would -- I would believe that that continues to be their understanding. However, I would highlight that the -- we're seeing now some questions and some comments about various players. I think publicly, officially, that's their announced policy, but we do see questions.

SEN. LEVIN: Questions in their minds?

MR. McCONNELL: Yes, sir.

SEN. LEVIN: All right.

Now, The New York Times reported on February 23rd that in the first few days of the operation 2,500 American troops took part, but only about 300

Iraqi forces participated. That's very different from what the expectation was when the surge was announced. And my question is, is it your understanding, Director, that Iraqi troops are taking the lead yet, or is it still U.S. forces that are acting as the tip of the spear?

MR. McCONNELL: Sir, my understanding is they're in the process of taking the lead. One of the problems was having fully manned units when they arrived in Baghdad to take up the defensive positions. So it's a work in progress is how best to describe it. It's not there yet.

SEN. LEVIN: All right. As of this point, have they yet taken the lead?

MR. McCONNELL: In some places, yes, sir.

SEN. LEVIN: In Baghdad.

MR. McCONNELL: In some places in Baghdad, yes, sir.

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

MR. McCONNELL: All right.

SEN. LEVIN: What is Sadr's position on the surge? We've read different things, in the last two days actually, as to whether he opposes the surge or whether he opposes the United States' increased number of troops, which was what was in the press yesterday. Today in the media it suggests that maybe he doesn't oppose it. What is Sadr's position?

MR. McCONNELL: Sir, the answer to the question is I don't know what Sadr's position is. We've seen a variety of reporting in one direction or the other, so it's -- I would be guessing if I gave you a definite answer. It -- we've seen it both ways. SEN. LEVIN: All right.

I'd like to ask you about the weapons that are coming in to Iraq. What terms would you use to characterize the intelligence community's confidence that the weapons that are going to the Shi'a militias, which are the most deadly type of explosive weapons, are coming with the knowledge of the top Iranian government officials?

MR. McCONNELL: I would answer it at sort of three levels, Senator. First of all, we know there are Iranian weapons manufactured in Iran. We know that Qods Forces are bringing them into Iran. Now if the question is there a direct link from Qods Forces delivering weapons to the most senior leadership in Iran, we don't have evidence that there is or there isn't. My assessment would be that that would be the awareness -- with the awareness of the leadership, but there isn't a direct link that we can point to.

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

MR. McCONNELL: Yes, sir, exactly. I would phrase it as probable, but again, no direct link.

SEN. LEVIN: Because that's very different from what the White House was saying the other day, where they were just simply saying we don't have a

direct link, but without being apparently willing to characterize the likelihood of direct -- of leadership knowledge in Iran of those deliveries as probable. But you don't have any reluctance to do that. And I, by the way, must tell you I'm not surprised by your assessment, but you apparently do not have a reluctance. You are confident or you're comfortable saying it is probable.

MR. McCONNELL: Yes, sir, I am comfortable saying it's probable. And I took part in some of those discussions, and so the -- we looked at the evidence. Did we have a clear, direct link that we could point to in high confidence intelligence? Wasn't there, so the sense was we could conclude, since it's -- these are Iranian weapons, this is an official Iranian body, it would be unlikely that they would be coming in without senior awareness.

SEN. LEVIN: All right.

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

MR. McCONNELL: Yes, sir, it has.

SEN. LEVIN: Would you say it's increased significantly?

MR. McCONNELL: I would agree with the word "significantly," yes, sir. SEN. LEVIN: Now, what assistance is flowing from Iraq's neighbors to the Sunni insurgents -- including funding, weapons and recruits?

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

SEN. LEVIN: And what countries are those weapons coming from?

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

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

MR. McCONNELL: Sir, I don't have any direct information to tell you that we have clear evidence that it's definitely coming from any one particular government. But there are indications that it could be a variety of countries around Iraq and also from private donors as a --

SEN. LEVIN: What other countries besides Syria?

MR. McCONNELL: Sir, I don't have a --

SEN. LEVIN: Well, you said the number of countries and --

MR. McCONNELL: Private donors that live --

SEN. LEVIN: Oh, no, not donors, countries. You said that there's evidence that weapons or money for weapons is coming from a number of countries. The one you singled was Syria, but what other countries?

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

SEN. LEVIN: All right.

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

MR. McCONNELL: Senator, I think it will be a very difficult challenge to get them all closed out with a reconciliation that would meet the compromised interests of each party.

And just if I could expand on that just for a second. The Shi'as, in my view, are not confident of their position and their majority, and are worried that the Sunnis may come back and dominate the country.

The Sunnis, in fact, are not yet willing to admit that they are no longer in charge and are going to be hard-pressed to reach an agreement in a government of reconciliation. My view is, the Kurds are participating and biding their time to protect Kurdish interests. And it could happen, but it will be fraught with difficulty.

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

MR. McCONNELL: I think the Iraqi political leaders have close to impossible tasks: (1) the sectarian violence on the one hand; and (2) pressure to make progress. The question is, will leadership emerge and be capable of taking the country to the next level?

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

MR. McCONNELL: Pressure in any situation is always useful, so as to keep people focused on the objective and moving forward.

SEN. LEVIN: I haven't gotten a card but I can't believe I'm not way over six minutes. So, I'm going to call on Senator Warner, although I don't have my blue card, I think I must be way over because I have a sense of the clock usually.

SEN. WARNER: Well, don't forget you're now Chairman. I wouldn't worry about it. (Laughter.)

SEN. LEVIN: I'm going to follow your lead, Senator Warner, and worry about my colleagues the way you always did, and don't --

SEN. WARNER: Don't tell me on that. (Laughter.)

I want to pick up on the Chairman's observation with regard to the active participation now -- or the non-participation now -- of the Iraqi forces in this Baghdad campaign referred to as a surge. Some of us have expressed concerns about the addition of 21,500 new American forces in this campaign.

I speak for myself. My concern is twofold: (1) the American GI does not have the experience to understand the cultural differences between the Shi'a and the Sunni, and why they go forth with their wanton killing activities after we have, as a nation together with our partners, given so much life and blood and treasure to give that nation sovereignty.

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

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

Now, I've been working as hard as I know how to get a better picture of this situation since this program is well underway. I hope I'm wrong -- that it will succeed -- but I do not see evidence, strong evidence, that the Iraqi forces are measuring up in any amount to what the President laid down on January 10th and then, subsequently, the President, as commander in chief, ordered our troops to go in.

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

Then on February 26th, again, the Washington Post: "Obviously, the soldiers lack the necessary information about where to look and whom to look for, said the government engineer" -- in talking about our troops in there. "But U.S. troops, Iraqi soldiers and officials and Baghdad residents say the plan is hampered because security forces cannot identify, let alone apprehend, the elusive perpetrators of the violence. Shi'ite militiamen in the capital say they are keeping a low profile to wait-out the security plan."

U.S. commanders have noted increased insurgent violence in the Sunni-dominated belt around Baghdad and are concerned that fighters are

shifting their focus outside the city. Other information I'll put in the record.

One of our officers called up the Iraqi commander. He wouldn't even answer the telephone. I do not see that level of participation that's going forward. Again, another quote from The Washington Post: "U.S. troops, Iraqi soldiers and officials and Baghdad residents say the plan is hampered because security forces cannot identify, let alone apprehend, the perpetrators. U.S. commanders noted increased insurgent violence," and so forth.

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

General?

GEN. MAPLES: Sir, I believe we are in the early stages of the implementation of the Baghdad security plan, and we are in transition right now. The first thing that you mentioned was the appointment of a commander. And, in fact, General Abud has been appointed as the commander. He is taking charge. He has been very active. And he apparently is demonstrating a very level approach to his command; that is, he is not showing a sectarian bias in his approach to the command. His subordinate commanders have been appointed. His command post has been established. And the command-and-control architecture is starting to be put into place.

SEN. WARNER: But why did we start the program until these components were in place before we put in harm's way the U.S. forces? That's my question. And do you have any further facts to share with this committee and the Congress about the participation today, this moment, of the Iraqi forces?

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

SEN. WARNER: But they showed up with half force levels, didn't they? GEN. MAPLES: Sir, the range that I have seen in the battalion manning is between 43 and 82 percent of manning in those battalions.

SEN. WARNER: Well, I'll ask you to amplify this question for the record, because I think it's extremely important.

To the -- Admiral McConnell, do you see any linkage in the Iranian activities in the Iraqi arena? First we have this information about weapons that seem to be manufactured in Iraq coming in, and they are among the most lethal weapons, rendering the utilization of some of our heaviest and most vital equipment somewhat precarious, and other activities.

Is there any linkage between that and our effort jointly with the Security Council partners to bring about a cessation of Iran's capability to manufacture nuclear weapons? In other words, are these two actions related in any way?

MR. MCCONNELL: Well, first of all, Senator, I don't see any direct linkage from Iran dictating events inside Iraq. Now, that said, the fact

that Iran could contribute weapons, particularly the weapons that can penetrate armored vehicles and so on, raises the cost to the United States. So I do believe there's a connection.

I believe Iran, because of a variety of reasons -- potential for nuclear weapons, increased oil revenues, pain for the United States -- is seeing itself in a different light. So I think there's a connection in that the weapons inflict pain on U.S. forces and potentially Iraqi forces, but not directly tied to nuclear weapons.

SEN. WARNER: All right. Quickly to North Korea, the question is, we have -- and I read carefully the testimony of both witnesses on North Korea. You recognize that on February 13th, six-party talks resulted in an agreement.

What does our intelligence show that the North Koreans will likely carry out this agreement? Have you got any consensus at this time that this first step, which I applaud the administration for taking and I think it's a concrete first step, that the successive steps will take place?

General Maples?

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

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

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

SEN. WARNER: Remember the old phrase -- "Trust, but verify."

MR. McCONNELL: Indeed.

SEN. WARNER: Thank you, Mr. Chairman.

SEN. LEVIN: Thank you, Senator Warner.

Senator Bill Nelson.

SEN. BILL NELSON (D-FL): I am stunned by the candor of the admiral and the general and want to thank you for this candor, the likes of which has been lacking enormously in the past by previous witnesses.

I am enormously gratified to the chairman and Senator Warner for the directness of their questions. And it has led this senator to a lot of the conclusions of which you have corroborated of being concluded that these

additional troops are not going to work until there is a political settlement.

Now, as a follow-up to questions that you all have already postured, let me ask you about Iran. Do we know how many Iranian agents are operating in Iraq?

MR. McCONNELL: Sir, I've got some information in a general sense. Let me ask Dr. Fingar, who would have more of the details, if he has a more precise number than I do.

DR. FINGAR: Senator, unfortunately we do not have a good number. The Iranians have been active in Iraq since the Saddam era. They have supported members of the Shi'a coalition, SCIRI, and now support the Sadrists. We know they have many channels of influence. We do not have a good estimate on how many, precisely where they are.

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

MR. McCONNELL: Sir, I took a look at this question just recently because of interest as I'm coming up to speed as the new DNI. And unfortunately I didn't like what I found. He remains popular. He has staffed the cabinet and those around him with hardliners. The economy is strong because of the oil revenues. There are inherent systemic problems in the economy, but oil revenues are making the programs work at some level. He is promising, in a populist way, to alleviate poverty and do training and so on.

The long-range plan he cannot execute. But in the short range, he is popular currently, and those around him have the reins of power.

I'd ask General Maples if he has an additional --

GEN. MAPLES: I agree with that assessment.

SEN. NELSON: Back to Iraq. In response to the leader's questions, you mentioned that the Iraqi units reporting in Baghdad are manned at the rates from 43 to 82 percent. That, of course, is quite to the contrary of what we had been told not only on this committee, but in the Intelligence Committee and in the Foreign Relations Committee, that indeed, they were going to be fully manned and that the ratio was going to be much more Iraqis -- some 60 to 65 percent to 40 to 35 percent of American forces going into a particular area. Now, given your testimony that there are only manned somewhere between 43 and 82 percent, the question is the quality of that capability, the reliability of that capability. Would the two of you please give your assessment to that question?

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

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

SEN. NELSON: Admiral?

MR. McCONNELL: Sir, what I would add is, having watched it from afar, I had an interest -- an inside interest in the problem years ago when I served on the joint staff during the first Gulf War. So I've had some awareness. And as I've attempted to come up to speed now, the way I would assess it is they are better today than they were a year ago, but they're still not where we need them to be. And so I would expect in time, they will get better, but it's not unusual for an Iraqi force to be normally manned at about 75 percent. They would plan for having 25 percent on leave or away or something else. So the numbers can be a little bit confusing. I have seen in a couple of cases where they planned for one brigade and just put two, just to get closer to the manning levels that we would be familiar with.

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

GEN. MAPLES: Sir, I don't have any knowledge of that.

MR. McCONNELL: I have no knowledge of it, sir. I can take the question and see if we can get something for you.

SEN. NELSON: Would you, please?

Thank you, Mr. Chairman.

SEN. LEVIN: Thank you, Senator Nelson.

Senator Inhofe.

SEN. JAMES M. INHOFE (R-OK): Thank you, Mr. Chairman.

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

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

SEN. INHOFE: Good.

The -- and then also, Senator Warner was talking about getting a lot of his information from some of the imbedded journalists. Frankly, I get most of mine from the -- our embedded troops that are working with the Iraqis -- and all the way from the Marines up in Fallujah, down through Baghdad and elsewhere. Up until the time of the bombing of the Golden Mosque, which was about a year ago, I guess now, I was on trips getting better and better information in terms of the amount of the burden that is being assumed by the Iraqis in their capabilities. Not -- I think we all tend to try to compare them to our troop capabilities, and they're not there and they won't be there. But they are -- were improving. I can remember talking to Mr. Jassim and Dr. Rubaie when they -- the first week that they were in office, and they gave stories about how the -- yes, we are offering the support. But they're on the tip of the spear, and they're growing. Did you see that up until -- I believe it was February of '06, the bombing of the Golden Mosque, that we were making a lot of more progress and that we took a real hit in terms of utilizing their capability at that time?

GEN. MAPLES: Sir, I think they have continued to grow in capability, in particular in organizational capability. And it is different when you train individuals than when you train an organization, a battalion, or a company, to conduct operations, and you get that kind of cohesion in the organization. And our trainers, who are working with the Iraqi security forces on a regular basis, are coaching and mentoring and training those organizations to be more effective, and when you -- we gave them more responsibility, then began to develop in a much greater way in the last year.

SEN. INHOFE: Yeah. Well, that's what I have gotten consistently from our troops working with them.

Let me ask you another thing. And General Maples, I've talked to you about this in my office many times. My concern has always been -- a great concern has been China. During our drawdown of the '90s our military, China increased in its military procurement by about 1,000 percent. We had problems with not just their nuclear capability and their -- the potential WMD capability, but also just conventional forces. It's my understanding that they're attempting to -- al Qaeda -- attempting to get biological and radiological, chemical and nuclear capability. Do you think that China is aiding them or is helping in our efforts to get to -- where is China in all of this?

GEN. MAPLES: I don't see any evidence that China is supporting al Qaeda in developing WMD capabilities. China has their own issues in terms of terrorists, particularly with the weegers within China that is of concern to them.

SEN. INHOFE: Well, I know that's true. And Admiral, I think we also know that China is competing with us out there, and I spent quite a bit of time in Africa -- in these oil nations. They are our chief competitor there, and I've been very much concerned about that.

Each one of you was in a position and will remember my predecessor David Boren. David -- I promised David I'd ask this question. When I took over his seat in 1994, when I came from the House to the Senate, we had a long visit -- we've been good friends for a long time -- and he sat down and he said, "You know" -- and he was chairman, when he left, of the Senate Intelligence Committee -- he said, "You know, we have an area where I have really failed, and I'd like to have you become aware of it." And he's

talking about the various intelligence groups that are not communicating to teach other and all this, and we saw that an attempt was made to correct that. I'd kind of like to know -- and I think, Admiral, in your opening statement, you addressed this, that our increased capability, working with each other, all the difference in intelligence organizations -- could the two of you assess, or the three of you assess where you think we are right now? And are we making it -- a lot of progress in that? Can I report back to Senator Boren that we are making some progress after all these years?

MR. McCONNELL: Sir, I'd start off by saying we are making progress, and quite frankly, one of the reasons I agreed to come back into government was to focus on that issue to see if we could make more and better progress. I've got a game plan for attempting to change the culture. We grew up in a time of legitimate reason for need to know and protecting and not sharing information in the context of the Cold War. And that came to be known as need to know, and what I want to try to do is transform this culture so that we have -- we think of it in terms of responsibility to provide. Now so if you think about -- you have a customer, you have capability, you have a responsibility to provide. Then by definition, you have to collaborate with those who are collecting information and so on.

So I think we're making progress, and I think the things that have been done have started us and positioned us in the right way. But I think we need to stay the course and bear down very hard to get the transformation. I would make it comparison what the Goldwater- Nichols bill did for the department of Defense. We need to have a similar transformation in this community.

SEN. INHOFE: Well -- and I saw an improvement, going all the way back to Bosnia -- in Bosnia and seeing up in Tusla, working together that I had not seen before.

When you are talking about Central America, Mexico, South America, and you mentioned Chavez and Castro -- Castro, you didn't say anything about Ortega. Where do you think he figures into this? You know, he was out of office for 15 years. He's back now. They say -- a lot of people think that he's a different person now, he's gone through a conversion. What do you think?

MR. McCONNELL: Sir, I think the jury's still out. I mean, we know where he came from and knew where he stood for. So watching closely, but he is making some of the right statements. And it's -- jury's still out's probably the best way to answer that one.

SEN. INHOFE: I hope it comes in. Thank you very much.

Thank you, Mr. Chairman.

SEN. LEVIN: Thank you, Senator Inhofe.

We now have a quorum, and so I'd ask my colleagues to consider a list of 1,251 pending military nominations. They've all been before the committee the required length of time. We know of no objection to any of them. Is there a motion to favorably report these 1,251 military nominations to the Senate?

SEN. INHOFE: I move.

SEN. LEVIN: Is there a second?

SEN. LIEBERMAN (?): Second.

SEN. LEVIN: All in favor, please say "aye."

(Chorus of "ayes.")

SEN. LEVIN: Opposed, "nay." (No response.)

The ayes have it and the motion carries.

Senator Akaka.

SEN. DANIEL AKAKA (D-HI): Thank you very much, Mr. Chairman. I want to join you in welcoming Admiral McConnell, General Maples and Dr. Fingar.

And want to thank you for your service to our country, your leadership as well, and for being here today with us. And we know with you that strong and reliable intelligence information is one of our most important weapons in both protecting and securing our country and fighting the global war on terror.

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

MR. McCONNELL: Sir, let me give a general statement on it, and then my colleagues will probably have better details than I have because, as I mentioned, I'm still coming up to speed.

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

Ballistic missile development has been a focus. I'm aware of missiles that can reach as far as Israel. But an ICBM, my awareness -- I don't know of one, and let me turn to my colleagues if they have better, more complete information.

GEN. MAPLES: Sir, that is our assessment still, that they are continuing to develop an ICBM; 2015 is still our target date that we would expect to see that. We are seeing them develop some space- launch capability, and you've heard that recently -- they recently did launch a sounding -- what we believe was a sounding rocket that reached suborbit, so they have not gone to the space level yet. But as they continue to develop that technology, it could change our assessment on their ability to deliver the ICBM.

They're investing very heavily in ballistic missile capabilities that pose a regional threat, and as Director McConnell mentioned to you, a capability to reach Israel is well within their means.

SEN. AKAKA: Dr. Fingar, do you have any comments on this?

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

SEN. AKAKA: Admiral McConnell, I share your concern that Iraq's internal conflict may adversely impact the Middle East. As you noted, many of our Arab allies are concerned about Iran's increasing influence in the region as a result of the support of Iraqi Shi'as.

My question to you is, is there any indication that our allies, specifically Saudi Arabia, have been providing financial support for some of the Sunni militias in Iraq, including the militias that American forces are fighting?

MR. McCONNELL: Sir, I have no awareness at this point that there is any direct flow. Now again, I don't know everything that I need to know yet, so I'm still coming up to speed.

But let me turn to my colleagues to see if there's something that they are aware of which I am not.

SEN. AKAKA: General Maples or --

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

SEN. AKAKA: Mr. Fingar?

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

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

SEN. AKAKA: Let me turn to chemical weapons. Admiral McConnell, recent media reports discuss the use of chlorine gas in attacks in Iraq. While these incidents were only partially successful, they demonstrate an enemy capable of experimenting and learning from their mistakes. I'm very concerned about this issue, especially since we know that there were a number of Iraqi scientists experienced in weapons of mass destruction. Admiral, do we know who these scientists are and where they are now? Have any of these scientists disappeared? Or have some of the joined al Qaeda or militia groups?

MR. McCONNELL: Sir, I'm unaware if any have joined al Qaeda. I knew at one time we had good tracking and understanding of -- again let me turn to my colleagues to see if they have any more precise information to answer your question.

SEN. AKAKA: Dr. --

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

MR. McCONNELL: I think what Dr. Fingar is saying is he knows something I don't know yet. So we'll take it in closed session, if that's all right.

SEN. AKAKA: Thank you. Thank you very much. We'll wait for that.

Thank you, Mr. Chairman.

SEN. LEVIN: Senator Akaka, thank you.

Senator Collins.

SEN. SUSAN COLLINS (R-ME): Thank you, Mr. Chairman.

Admiral, in your testimony you describe Iran and North Korea as the states of most concern to us. Both are determined, it appears, to pursue nuclear capability. We hope that the recent agreement with North Korea will help in that regard.

You've described Iran as, quote, "determined" to develop nuclear weapons.

Do you have evidence that North Korea is assisting Iran in developing its nuclear capabilities?

MR. McCONNELL: No, ma'am, I'm not aware of anything. Let me turn to my colleagues, if they are. I don't know of anything -- any connection between the two.

SEN. COLLINS: General?

GEN. MAPLES: No, ma'am.

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

GEN. MAPLES: That's correct, they have had extensive interaction on the development of missile systems. And Iran, in fact, has purchased missiles from North Korea.

SEN. COLLINS: But there's no concern that North Korea may be helping Iran develop nuclear capabilities?

GEN. MAPLES: There is a concern, but we haven't seen --

SEN. COLLINS: But no evidence to support it?

MR. McCONNELL: No evidence, that's correct, Senator.

SEN. COLLINS: Thank you.

Admiral, your predecessor described President Chavez as, quote, "among the most stridently anti-American leaders anywhere in the world." And you talked in your testimony that Chavez purchased a large amount of modern military equipment from Russia. There's evidence that he is developing his own weapons production capability. What is the intelligence community's assessment of Chavez's intentions in going forward with this sizable military purchase?

MR. McCONNELL: Well, first of all, his intentions with regard to positioning and so on, I think what he sees himself as potentially the replacement for Castro in terms of leading a bloc that would be opposed to the United States. And that said, his power base is oil revenue. And from having looked at that question fairly closely, the current path he is on is to -- starting to degrade and denigrate the ability to extract oil inside Venezuela. So on a long-term basis, he's going to have difficulty sustaining the current path he's on.

With regard to his military buildup, I think it's a show of force and flexing muscles. I'm not aware of any specific threat to countries around him, but I think he wants to build up a large inventory.

Now years ago, we used to talk about building up such an inventory in a place like Venezuela. Once they would build it, they would not be competent in maintaining it and operating it. So it would tend to be imported, shone, and then just sit.

DR. FINGAR: I would add, Senator, that one objective is to free himself of dependents on American-supplied weaponry and systems by buying one that is self-standing, and obtain the parts, the maintenance, the training without U.S. approval. A second would be to arm the militia, the Bolivarian Circles, within Venezuela -- the idea of a citizen militia, some similarities to what Tito did in the former Yugoslavia. And a third, I would judge, is to have them available in some numbers on the shelf should they become useful in assisting allies elsewhere in the hemisphere, sort of trading material, a means of exerting influence.

SEN. COLLINS: Thank you.

Thank you, Mr. Chairman.

SEN. LEVIN: Thank you, Senator Collins.

Senator Webb is next.

SEN. JIM WEBB (D-VA): That's a surprise, Mr. Chairman, being all the way down here at the end of the pipeline.

SEN. LEVIN: Earlier bird.

SEN. WEBB: Gentlemen, I am struck, actually listening to the testimony and the questions that have come out of it, with how much of it is

unfortunately being focused on the situation in Iraq -- unavoidably but unfortunately. I was among a number of people who were saying before we went into Iraq that in terms of the actual threat to the United States, it was probably at best maybe fifth on the priority list: North Korea, Pakistan, Afghanistan, Iran, al Qaeda come to mind in no particular order. But here we are in basically a strategic mousetrap where we've had so much of our resources and national energy tied into one situation, and we're going to have to find a way to get out of it.

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

MR. McCONNELL: Senator, I don't think they yet have the kind of scope and influence that we would hope they would have, or that they could be successful in the short term.

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

MR. McCONNELL: Going back in time, I would compare it to Lebanon, yes sir, primarily because of the such deep divisions in the country with regard to the sectarianism and one force -- Sunni on Shi'a, Shi'a on Sunni.

I tried to go back, after I'd worked this problem years ago, to understand it a little bit better. And I did have the opportunity to live in that region for a couple of years, so I got to know a number of the Sunni and Shi'a population to understand how they were thinking about it, and so on. And the biggest fear on the part of the Shi'a is they're not sure of their position and they feel like they must dominate, and the Sunnis are so concerned that they will be overwhelmed and not a part of the government. So when you set up a condition like that, there is suspicion and strife, and we'll see more of this.

SEN. WEBB: Right. Also, in the National Intelligence Estimate, it breaks down even further than that --

MR. McCONNELL: Yes, sir.

SEN. WEBB: -- in terms of, you know, competition among the different sectarian groups. To me it's very similar to what I saw in Lebanon in 1983 as a journalist over there, with a weak central government and factions that have military power all around them. And it's not even realistic to assume in the short term you're going to be able to disarm these militias, as people keep talking about, because there's no trust factor with the central government. I mean, that seems to me to be the reality. Would you agree with that?

MR. McCONNELL: Sir, I would agree with that. And I think that's the objective of the current effort, is to see if we can't allow them to rise to the next level so that they would have enough confidence to, in fact, have a central government that would govern across the whole state of Iraq.

SEN. WEBB: I'm curious, having been in Afghanistan as a journalist embedded, I was in nine different places, and you get a different look than, obviously, I'm going to be able to get as a senator going on one of these

trips over there. But I was struck, in the different places I went, with the extent of the opium production. This is in '04. And I'm wondering to what extent you believe the insurgency in Afghanistan right now is being fueled by the drug lords, not simply by the Taliban, or how you view they're connected.

MR. McCONNELL: Sir, let me turn to my colleagues for that first. I have a point of view, but I think they probably have better information. DR. FINGAR: Despite the Taliban having cracked down very hard on opium production when they were in control of the country, they now are enmeshed with opium producers, with local -- your term -- "war lords," local power brokers. The production and the sale of opium is a major source of revenue. Some of that is going to the Taliban for its purposes. It goes to regions that cannot be reached by the central government in Kabul. So it may be less important as a direct source of support to Kabul than it is filling a vacuum where the writ of the central government simply does not reach.

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

SEN. WEBB: Like my colleague from Oklahoma, I had a great concern about China over the years.

I've written about it many, many times. I have two questions I hope I can get out today. The first is I'm always struck when we start comparing the United States military budget with other countries, that we don't do a better job of breaking down things like manpower costs in the United States budget compared to these other countries. And I don't know how we could realistically do that. But when you talk about China's '06 budget being 35 billion (dollars), and there's a huge portion of their manpower costs that don't directly correlate when we're trying to compare what they're doing to what we're doing, do you have a way to sort of level that or help people understand that this disparity is not as great as it appears?

GEN. MAPLES: Sir, we'd have to go back and work that piece. But I think you're exactly right, because the investment in our armed forces in manpower is a very, very high cost, and we see very direct investments on the part of the Chinese military in hardware and capability.

SEN. WEBB: Well, and the way we account our manpower budget is different. Retirement costs -- we pay in advance and on an accrual basis on our retirement in the programs, where these other systems are -- those are totally separate from the way they compile their military costs and the wages that they pay for their military people, et cetera. There ought to be a better way to break that out so that people in this country can understand that these disparities aren't as great as they appear on paper. And I would encourage you to do that.

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

DR. FINGAR: Yes, sir, we do. And as you indicate, this is both very important and very tricky. Using your China example, the very large trade surplus that they have, the largest way in which they are investing it is in our own country, in the U.S. Treasury bond --

SEN. WEBB: Right. DR. FINGAR: -- and so forth. Now, that makes it, of course, very tricky to assess sort of mutual hostage, mutual vulnerabilities, investments in Latin America to buy raw materials the profits of which are then used to buy products from the United States.

It is both highly important and very difficult to make the kind of (net ?) assessment, but it is necessary to try.

SEN. WEBB: Well, and just to finish the thought, I mean, we are, in my view, squandering our national wealth in Iraq while they are talking this trade surplus and these sorts of things and increasing their leverage around the world in trade deals.

And my time has expired, Mr. Chairman, but -- .

SEN. LEVIN: Thank you, Senator Webb.

Senator Thune.

SEN. JOHN THUNE (R-SD): Thank you, Mr. Chairman.

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

MR. McCONNELL: I think that's a very likely possibility, at least the way we think of Iraq today, yes, sir.

SEN. THUNE: And has the intelligence community war-gamed the possibility of Iraq as a failed state, the opportunity that that will create for Islamic extremists, the role that other Middle Eastern states will have to play given the rising tension between the Sunni and the Shi'a, Iranian nuclear ambitions and the increasing legitimacy of subnational groups like Hamas and Hezbollah?

MR. McCONNELL: Sir, we haven't war-gamed it the way you described it, but the analytical process is ongoing to address just those kinds of questions, yes, we are.

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

MR. McCONNELL: Let me provide an overview, and I'll turn to General Maples to get more specific detail because he would know more of the details. There was an effort several years ago to put more focus into tactical intelligence. It used to be handled by services sort of spread across the various services, and there was an attempt inside the Department of Defense to create a unified program, called the Military Intelligence Program. And so it was to get more focus and attention to the tactical systems that you would need to provide support.

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

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

SEN. THUNE: General?

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

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

SEN. THUNE: That -- seems like for the success for this mission, that's going to be critically important.

Congress is likely, later this year, to take up the issue once again of immigration and border control. And I think that immigration has arguably moved from being simply a domestic issue to a national security issue. Can you share with the committee the threat posed to the United States by our southern border? And is there any intelligence to verify that Islamic extremists are going to try and capitalize on that border issue and get people into the country that way?

MR. McCONNELL: Sir, we know that they're aware of it, and we know that they talk about it. There isn't any specific evidence that I'm aware of now, and I'll turn to my colleagues if they're aware of something that I'm not. But it's something that is in their planning.

And so as I've come up to speed, looking at the various organizations doing their planning, they're looking at any avenue into the United States, and the southern border would be one that would be a potential for them.

SEN. THUNE: You --

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

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

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

Last, we had the opportunity to travel to Latin America, and while I know that many Americans are aware of the threat that militant Islam poses in the Middle East, I think that they're probably less aware of the increasing activities undertaken by Hezbollah and Hamas in the tri-border area of Argentina, Paraguay and Brazil. And I guess I'm wondering in open session if you might be able to comment on what the intelligence community is observing in the tri-border area.

DR. FINGAR: Very briefly, because it is in open session, the tri-border area has a certain ungoverned character to it -- smuggling, lack of controls. A number of those involved in a gray area or illicit activities of Middle East extraction -- some of them have relations with Hezbollah. It is a base that we watch carefully and with concern.

SEN. THUNE: Thank you, Mr. Chairman.

SEN. LEVIN: Thank you, Senator Thune.

Senator Reed.

SEN. JACK REED (D-RI): Thank you, Mr. Chairman.

Admiral McConnell, the National Intelligence Estimate did not evaluate the effect in Iraq of the phased redeployment of American forces. Is that accurate?

MR. McCONNELL: Yes, sir, I'm sure that's accurate, and Dr. Fingar was the coordinator for that, so we can go specifically to your question.

SEN. REED: And why was that not done, Dr. Fingar?

DR. FINGAR: The estimates, Senator, don't look at U.S. policy or military options. We were looking for those factors, those drivers, that would have to be taken into consideration in development of any policy or any military strategy, and we bounded that with the military -- the coalition presence as it existed when we were doing the estimate. And because it had been hypothesized that the presence of coalition troops wasn't itself a major cause of violence in an effort to expel the occupying nation and so forth, the estimate said, what if we take them out of the equation? And when we tested that hypothesis, we came to the conclusion that if they were not there, the level of violence would actually go up.

SEN. REED: Well, I mean, taking them out precipitously, as you injected into the NIE, is different than taking them out in a phased manner, leaving residual forces to do missions.

DR. FINGAR: I will ask General Maples to correct me if I'm wrong. But in the rapid withdrawal within the period of the estimate, which was 12

to 18 months, to move that number of troops and equipment safely out of Iraq, we estimated would take the entire period of the estimate.

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

DR. FINGAR: Correct.

SEN. REED: Thank you.

Recent reports suggest, Admiral McConnell -- and if anyone has insights, please feel free -- that al Qaeda is reconstituting itself in Pakistan, beginning to show enhanced operational capability not only within Pakistan but outside the region.

Most disturbing is that the indication that the recent operations in Europe had some linkage back to Pakistan, which seems to be, as in the immortal words of Yogi Berra, "deja vu all over again." It's not Afghanistan; now it's Pakistan. And it was from there, not Iraq, that the attack of 9/11 was originated or at least encouraged. Are we in danger of repeating the mistakes that led to 9/11?

MR. McCONNELL: Sir, I've taken a hard look at what we know and what we believe with regard to al Qaeda in Pakistan, because I was trying to come up to speed to understand the various issues. And let me summarize it this way. What -- I was asking myself the question, are they more capable or powerful today than they were before 9/11? And I've sat down with some of the analysts and tried to work through this to understand the facts and then where could we go from the fact base that we had.

First of all, just let me say that al Qaeda leadership, as it existed prior to 9/11 or prior to going into Afghanistan -- somewhere in the neighborhood of three-quarters of the leadership have been killed or captured. Now, does that mean that those members have not been replaced? Yes, they have been replaced. The downside from the terrorists' point of view is they've been replaced but they don't have the experience. That said, they are no less committed to the kind of heinous acts that were carried out on 9/11.

The camps that have been established in Pakistan are in an area that has never been governed by any power -- a state or outside power -- in that region because it's such rugged country and -- fierce individual tribal interests. And so, to the best of our knowledge, that the senior leadership, number one and number two, are there, and they are attempting to re-establish and rebuild and to establish training camps.

Now, when I looked at prior to going into Afghanistan, there were literally thousands of those forces in training with multiple camps. That's gone. They are attempting to rebuild in the North-West Frontier of Pakistan. The numbers are not the same, but there are volunteers who are attempting to re-establish. So it's something we're very worried about and very concerned about.

SEN. REED: It seems that the scale of possible operations that would confront us here in the homeland does not involve the thousands of potential trainees that they had in Afghanistan, just small groups. In fact, there's increasing concern of individual operatives coming in, being able

to use the Internet for instructions and coordination in coming in, and likely not coming from Iraq or places where they would be -- obviously have cultural difference there but from Great Britain, from other countries. So it seems, unfortunately, that this capability still exists, and it might have taken on an even more sinister aspect with the use of individual operatives and sophisticated communications. Is that a concern?

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

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

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

MR. McCONNELL: Sir, that's a comment. And a variety of the members of the panel would have perhaps a different point of view on that. But it is a -- it is a --

SEN. REED: What's your point of view, Admiral?

MR. McCONNELL: What is the question, sir?

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

MR. McCONNELL: Two ways, two lines of reasoning to answer that. First of all, Iraq is a cause celebre for the jihadists in creating forces. My belief is the attack most likely would be planned and come out of the leadership in Pakistan. However, that said, there are al Qaeda elements, as you know, in Iraq and in Syria and other places, and even in Europe. And our information tells us they also are planning. Many would think of this as a command and control global net controlled from Pakistan. It isn't. There is some central planning and control and funding and so on, but individual, home-grown elements that are inspired by that vision are also a big problem for us.

SEN. REED: Thank you, Admiral.

MR. McCONNELL: Sir.

SEN. REED: My time has expired.

SEN. LEVIN: Thank you, Senator Reed. Senator Martinez.

SEN. MEL MARTINEZ (R-FL): Director McConnell, just following on that line of questioning, I guess the common denominator to al Qaeda's opportunity is ungovernable areas.

MR. McCONNELL: Yes, sir, that's in fact true.

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

MR. McCONNELL: It goes significantly beyond what they would need for their own national defense. Yes, sir, that's in fact true.

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

MR. McCONNELL: Yes, sir. I would agree with that.

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

DR. FINGAR: Yes, sir.

SEN. MARTINEZ: So in that way, Venezuela is already projecting their presence and in fact meddling in their neighbors' affairs in a very direct and military way.

DR. FINGAR: I don't disagree with that assessment, Senator. But the nature of border areas in many parts of the world, in the area around Colombia, FARC, ELN, the paramilitaries that have spread over into Ecuador, sometimes into Brazil, into Venezuela -- I don't disagree with the point that the Chavez government appears to have turned a blind eye more so than others, but there are, you know, a difficult situation along all of these border areas.

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

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

GEN. MAPLES: I agree.

SEN. MARTINEZ: Thank you.

SEN. LEVIN: Thank you, Senator Martinez.

Senator Lieberman.

SEN. JOSEPH LIEBERMAN (ID-CT): Thanks, Mr. Chairman.

Thanks, Admiral McConnell, General Maples, Dr. Fingar.

I wanted to make a statement at the beginning, which in some sense I think, Admiral McConnell, is directed toward you and welcoming you to this new position. And I don't think I'm telling you anything you don't know.

It seems to me that the reaction that our intelligence -- the credibility of our intelligence community has been affected both by the disputes about pre-Iraq war intelligence, and about the excessive partisanship in the conduct of our -- in debate of our foreign policy. And it leads to events that are recurring in our history, such as when the National Intelligence Estimate on Iraq came out, each side on the war, whether you're for it or against it, chose the part of the report that they liked to embrace, and the part that argued against their position to debunk. And that'll happen. And the result of that really depends on the strength of the report. And I thought that was an excellent report.

I thought that the reaction to the briefing first given in Baghdad, and then later here, about Iranian involvement in Iraq showed two danger points. The first was that a lot of people responded both in government -- in Congress and in the media -- with a suspicion to the intelligence that came out that I thought was unwarranted. I mean, we give a lot of money to the intelligence community, taxpayer money, every year. You're on our side. That doesn't mean you're flawless. You make mistakes. We've seen that over our history, but I wouldn't start with suspicion toward what you're recommending. And I thought we had that there.

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

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

Then the question is, does Ayatollah Khamenei know about it? Well, that's where there was reluctance. That's why I greatly appreciated Senator Levin's question when he said, wouldn't you -- you don't have, I gather, direct intelligence in which you see Ayatollah Khamenei, the supreme leader of Iran, saying to the Qods Force, bring these weapons into Iraq to kill American soldiers. But when Senator Levin asked you: "Isn't it probable that he knew about it?" You said, "Yes." And to me it's highly probable, because don't we know that the Qods Force reports to Ayatollah Khomeini -- Khamenei? Is that not right, General Maples?

GEN. MAPLES: That's correct.

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

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

General Maples?

GEN. MAPLES: Yes, sir. We do.

SEN. LIEBERMAN: We do. And some of that training is occurring in Iran?

GEN. MAPLES: Yes, sir.

SEN. LIEBERMAN: And am I right to -- because I've heard reports that some may be occurring in Lebanon in Hezbollah training camps?

GEN. MAPLES: We believe Hezbollah is involved in the training as well.

SEN. LIEBERMAN: Yeah. Well, to me that's very important evidence. I mean, I'm not about to -- no one wants to see another major military involvement by the U.S. against Iran, but if Iran is training Iraqi militants in the use of Iranian weapons, which are then being used to kill Americans in Iraq, I think that's a very serious act and one that we ought to consider taking steps to stop in defense of our soldiers who are there. I'm not going to invite any response, but I thank you for your answers.

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

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

GEN. MAPLES: Yes, sir. That is correct.

SEN. LIEBERMAN: Admiral McConnell?

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

SEN. LIEBERMAN: I appreciate it.

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

MR. McCONNELL: Yes, sir.

GEN. MAPLES: That's correct.

SEN. LIEBERMAN: I thank you.

I thank the chair.

SEN. LEVIN: Thank you, Senator Lieberman.

Senator Sessions.

SEN. JEFF SESSIONS (R-AL): I would just want to thank the panelists here and thank Senator Lieberman for noting that you are on our side. (Laughter.)

You are working on -- when I've traveled around and had the opportunity to meet our intelligence officers and you think about their personal risks, they're out meeting with people that could provide danger to themselves. They are out there because we ask them to. They never get

credit themselves. They're never mentioned in the paper unless something were to go wrong. And then when something is not found out, you're always criticized for not telling us.

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

GEN. MAPLES: Thank you, sir.

SEN. SESSIONS: Admiral McConnell, with regard to al Qaeda -- I just want to mention a couple -- just briefly.

Isn't it true that for over a decade they have plotted and overtly talked about a declaration of war against the United States, and have set about, long before 9/11, in their efforts to attack the United States?

MR. McCONNELL: Yes, sir. That's true.

SEN. SESSIONS: And so this is not something new -- that they would attempt to reconstitute themselves after we have destroyed their bases in Afghanistan, captured -- what, two-thirds or three-fourths of their leadership --- and put them on the run. But they certainly haven't reconstituted a training base I don't think in this border areas that would compare with what they had in Afghanistan before 9/11, is it?

MR. McCONNELL: That's correct, sir.

SEN. SESSIONS: And isn't it true -- I mean, the American people need to be aware that for decades this entity is going to be there or something like it that poses a threat to our country. And every day we've got to figure out what they're doing and how they're doing it and try to work to counter it.

MR. McCONNELL: Yes, sir, that is in fact true. And the current leadership goes back to observations and the bombing of the Marine barracks in 1983 as a way to inflict mass casualties. And if you track it over time, it's been consistent in attacking embassies, attacking the USS Cole and so on. So it goes back over an extended period of time.

SEN. SESSIONS: There's some suggestion that if he hadn't invaded Iraq that we wouldn't have al Qaeda or something. This group is out there and they're serious.

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

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

GEN. MAPLES: Sir, it is true that we have made progress in Al Anbar. We sees (sic) levels of violence that are going down. Most importantly, we see cooperation out of the Sunni tribal leaders -- the sheiks -- who have taken an opposite stance to al Qaeda in Al Anbar, largely for tribal reasons but also to our benefit in doing that. They have encouraged young men to join the Iraqi police forces -- the national police -- and to come on board as a part of the security elements there. And so I think there are some very positive developments in that regard in Al Anbar.

Now, I say that and in the last week I've started to see some trends that start to trouble me now -- that some things are starting to move in the other direction because for that action there's a counteraction. And so I'm starting to see some things happen that give me a little cause for concern. But I do think we've made progress in Al Anbar.

SEN. SESSIONS: And now we've got a new strategy -- a substantially increased number of United States and Iraqi forces in Baghdad. They are striving to have a much higher degree of coordination and effectiveness in the overall strategy for the city -- an enhanced partnership -- an embedding relationship in those -- among those units. Would you say we ought to give that new strategy a chance before we precipitously discuss some withdrawal?

GEN. MAPLES: Sir, I think we're in the very early stages of the implementation of that strategy, and the transition to the kind of force structure that is envisioned in the Baghdad security plan. We're seeing some successes. We're seeing some other things that aren't going according to the plan, but the structure is just now going into place. The forces are just now arriving, and so it's going to -- it is going to take time for the Baghdad security plan to be implemented. Some very -- I've been looking at statistics also, both in Iraq and in Baghdad. And I'm not seeing any trends yet. It's too soon to see any trends. In some areas, I see a reduction in the ethnosectarian violence. On the other hand, the number of attacks are at the same level that are going on. So it's too soon to really understand what's happening I think.

SEN. SESSIONS: You wouldn't have expected a significant change in - - this early in the operation at any rate, would you?

GEN. MAPLES: No, sir, not at this point.

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

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

SEN. LEVIN: Thank you, Senator Sessions. We will have an executive session following this session. We're not sure where it's going to be yet. We're trying to arrange for it to be in Hart but it may have to be in S-407.

SEN. LEVIN: Senator Bayh?

SEN. BAYH: Thank you, Mr. Chairman.

Gentlemen, thank you for your service to our country.

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

And Dr. Fingar, I think you know that some of that has surrounded at least part of the National Intelligence Estimate. I refer to the question that Senator Reed asked you, and there are several members of the intelligence committee that are upset about the fact that the hypothetical of a precipitous withdrawal was posited in the NIE, but other hypotheses which in fact were more likely were not considered in the NIE. And there are CIA analysts who participated in authoring the draft who will say that they were ordered to include that hypothesis, even though they felt it to be very unlikely.

Now, I understood your answer to Senator Reed to be that it was included because it was kind of out there -- that our -- the presence of our troops was perhaps contributing to the problem so you had to entertain the thought of well, what if the American troops weren't there. But that doesn't get to the way in which they are withdrawn. There were a lot of options other than -- quote, "precipitous withdrawal" -- partial withdrawal, gradual withdrawal, withdrawal to other parts of the country -- things along those lines. So I'd like to ask you to respond to that, and I would encourage you strongly that in the future if you're going to consider hypotheticals, you at least consider those that are more likely than less likely. No one is to my knowledge -- (inaudible) -- very, very few people are suggesting -- quote, "precipitous withdrawal".

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

SEN. BAYH: We won't argue about the distinction there.

DR. FINGAR: Let -- let me begin with -- by repeating the answer to a question I had in the open -- in open SSCI -- and questions about were we under political pressure to shape this estimate -- were we advised to have a certain outcome. And the answer is unquestionably and categorically we were not. This estimate is the product of the intelligence community. That -- as I responded to Senator Reed, the purpose of the estimates is not -- has not been to evaluate options for United States policy or for --

SEN. BAYH: Then why did you consider rapid withdrawal?

DR. FINGAR: -- (inaudible) -- strategy.

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

SEN. BAYH: I heard your answer to Senator Reed. I'm just telling you you've -- the way in which the estimate was done has opened you up to this kind of critique.

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

General --

SEN. BAYH: Well, but -- look, I don't want to just devote all of my time to this, but I am -- very, very few people are suggesting that the entire coalition presence be removed in that time frame. Perhaps our combat role -- that sort of thing -- changing our role to training troops and a variety of other things -- hunting al Qaeda operatives -- that sort of thing.

But my point simply is that if your position is you don't consider policy options, you put one policy option on the table. And, I think, in fairness, to avoid these kind of critiques, you ought to put other policy options on the table, particularly those that more people are espousing than fewer.

So that's just my -- I'm concerned about -- I want to be fair about this; I'm not criticizing your bona fides, but I do care about the credibility of your work product -- I know you do too -- and when you start down that slippery slope, you just get into these kind of arguments. So enough said about that.

Admiral, I'd like to ask you about our situation in the world today compared to a year or two ago. As I understand your testimony, I think the words that you used were, "We are moving in a negative direction." You said this in response to a question -- in Iraq; I'm talking about Iraq -- "We're moving in a negative direction."

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

MR. McCONNELL: That's correct.

SEN. BAYH: And I think the direct quote you used is that "The Iraqi leaders faced a," quote, "'close to impossible task,'" closed quote. I wrote those words down when you spoke. Is that a correct --

MR. McCONNELL: With 20/20 hindsight, I probably would have said "very difficult task," but difficult nonetheless.

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

MR. McCONNELL: Our task with regard to stability?

SEN. BAYH: Iraq.

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

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

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

MR. McCONNELL: Our task is similar in that it is very, very difficult. The key to the situation now is stability, because we couldn't make progress without some level of stability. And that's the question.

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

MR. McCONNELL: I would agree with that, yes, sir.

SEN. BAYH: So if someone indicated in the last four months or so, let's say, that we were absolutely winning in Iraq, that is a mistaken assessment?

MR. McCONNELL: I wouldn't agree that we were winning. I think the conditions in 2006 were where it became most dramatically evident that the strategy was not being successful. And my sense is that's why there were adjustments made to the strategy.

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

MR. McCONNELL: Enormous successes in previous years?

SEN. BAYH: The bottom line in Iraq was that we had had enormous successes.

MR. McCONNELL: Sir, as we said in the estimate, it was going in a negative direction and sectarian violence was increasing. And my view is that's why the policy changed.

SEN. BAYH: Well, I would encourage you to communicate, and I'm sure you will, forthrightly with the higher reaches of our government. Those statements were made by both the president and the vice president of the United States in the last four months.

SEN. LEVIN: Well said. Senator Bayh, thank you very much.

Senator Graham.

SEN. LINDSEY GRAHAM (R-SC): Thank you, Mr. Chairman.

For the record, I'd like to acknowledge Admiral McConnell's South Carolina roots, and we're very proud of you.

MR. McCONNELL: Thank you, sir.

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

MR. McCONNELL: In my view, sir, "winning" would be that -- a stable situation that would allow the government to mature to the point where they could have a national reconciliation to have a nation.

SEN. GRAHAM: And they would be an ally in the war on terror?

MR. McCONNELL: If that came to pass the way I described, yes, sir, I believe that.

SEN. GRAHAM: The biggest impediment to political reconciliation is the violence. Do you agree with that statement?

MR. McCONNELL: I agree with that.

SEN. GRAHAM: All right. Political will has to be mustered, but with the level of violence, it's very difficult to put political coalitions together?

MR. McCONNELL: That's correct.

SEN. GRAHAM: All right. In terms of the surge, General, are the Iraqis meeting their end of the bargain, more or less?

GEN. MAPLES: Yes, sir, they are.

SEN. GRAHAM: Okay. So your comment regarding the Iraqi participation militarily, politically and economically is that they're meeting their end of the bargain?

GEN. MAPLES: At this point, yes, sir.

SEN. GRAHAM: Do you agree with that, Admiral?

MR. McCONNELL: I do, sir. It's early in the stage, but the trends are going in the right direction.

SEN. GRAHAM: I believe you were asked maybe by Senator Thune that there had been no war-gaming of a failed state in Iraq. Is that correct?

MR. McCONNELL: Not that I'm aware of, sir. There may have been; I just don't --

SEN. GRAHAM: Can I suggest that we do one?

MR. McCONNELL: Yes, sir. We'd be happy to do that.

SEN. GRAHAM: Thanks.

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

MR. McCONNELL: In my opinion, no, sir.

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

MR. McCONNELL: I think they would be involved.

SEN. GRAHAM: So we're beginning to war-plan here.

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

MR. McCONNELL: Ultimately, Iran, in my view, would like to have a Shi'a state dominate in Iraq.

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

MR. McCONNELL: Absolutely not their goal to have a functioning democracy.

SEN. GRAHAM: And the reason it's not their goal, it'd be a threat to their own theocracy. Is that correct?

MR. McCONNELL: That's correct, sir.

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

MR. McCONNELL: I would agree with that statement.

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

MR. McCONNELL: It is not Syria's goal to see a functioning democracy in Iraq.

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

MR. McCONNELL: I would agree with that.

SEN. GRAHAM: Do you think it's an accident that Syria is trying to interfere with Lebanese democratic efforts?

MR. McCONNELL: Not an accident.

SEN. GRAHAM: All right. Do you believe Iran wants a nuclear weapon?

MR. McCONNELL: Yes.

SEN. GRAHAM: Do you think they're lying when they say they don't?

MR. McCONNELL: I do believe they lied.

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

MR. McCONNELL: It is true that he denied that.

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

MR. McCONNELL: Indeed.

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

MR. McCONNELL: I think we should.

SEN. GRAHAM: Okay. So my statement is that anybody who wants a nuclear program for whatever purpose, if the leader of your nation denies the Holocaust exists, you don't get it. Is that an unreasonable request?

MR. McCONNELL: That sounds reasonable to me, Senator.

SEN. GRAHAM: Good.

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

MR. McCONNELL: It could have significant impact. I think it might have a dramatic impact.

SEN. GRAHAM: Has that been done yet?

MR. McCONNELL: It has not been done.

SEN. GRAHAM: The Iranians depend on gasoline coming outside their country because they don't have refining capacity?

MR. McCONNELL: Yes, sir, that's correct.

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

MR. McCONNELL: It would have a very dramatic impact.

SEN. GRAHAM: If Iran developed a nuclear weapon, what's the likelihood they would use it against Israel?

MR. McCONNELL: They've stated that they would consider that, that Israel shouldn't exist, should be wiped off the map. I don't know that I would conclude that they would use it in a prescribed period of time, but they certainly -- that risk would be there.

SEN. GRAHAM: Can you tell me they wouldn't?

MR. McCONNELL: No.

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

MR. McCONNELL: No.

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

MR. McCONNELL: I would react in a way to protect my country.

SEN. GRAHAM: Thank you.

SEN. LEVIN: Thank you, Senator Graham.

Senator Pryor.

SEN. MARK PRYOR (D-AR): Thank you, Mr. Chairman.

And I want to thank Senator Graham for those great questions -- excellent as always; great content.

Let me -- Senator Graham has touched on a lot of extremely important issues, as other senators have. So let me change gears just for a moment, change the focus just for a moment. I'd like to ask about the greater Horn of Africa. There's been a lot of discussion about this. It's kind of a lower level in terms of visibility, but it may be just as great of a challenge as we see in other parts of the world.

We all know the history in Somalia.

We can look at countries like Ethiopia and Eritrea and other nations there that have had either involvement in other countries -- proxy wars, et cetera, funding various things, and maybe even some of these nations being involved in attacking other countries in one way or another.

And -- anyway, we don't have to go through all that today, but I would like to get the panel's thoughts, if I could, on the region. Some of

the news, when you read it, it sounds pretty bleak out of Africa, especially the greater Horn of Africa. And, you know, my sense is that instability means opportunity for terrorists and terrorism. So if I could, I'd just like to ask, how can we more effectively address the growing threat that's coming out of the greater Horn of Africa? And whoever wants to go first, go ahead.

MR. McCONNELL: Sir, I -- let me start -- lived in that region for a period of my life, and visited a number of those countries. And my view is -- both stability and cultural -- let me just use Somali as an example: Tribal and clans -- sub-clans -- as I mentioned in my remarks, one group would rather suffer than see another group prevail. So there are inherent difficulties in the Horn of Africa. But the current level of stability and strife and poverty and so on just only foments additional problems for us. So in my view, if we have any way to establish a level of stability, there may be a path then to rebuild a nation.

SEN. PRYOR: Anybody else want to comment?

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

DR. FINGAR: I would echo that. The region as a whole, even those areas that are not currently afflicted by the kind of violence we see in Somalia and Sudan that -- are fragile -- the tribal characters spilling across the borders, the ungoverned spaces, the fragility. The danger of the instability and therefore the ungoverned spaces expanding is very high.

As the -- General Maples said, we know that al Qaeda has been involved with the Islamic courts that we judged that some of those responsible for the attacks on the American embassies were present in Somalia, had a degree of safe haven.

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

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

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

SEN. PRYOR: Admiral McConnell, you agree with that?

MR. McCONNELL: Sir, what I was going to observe -- long years of experience in this -- there have been times when we tried to be clairvoyant, to pick the places to focus our attention, and more often than not we focused in one area and we had a problem somewhere else.

We have a new process now called our National Intelligence Priorities Framework. What we do with that is engage with the policymakers on a regular basis to get them to validate where we focus and so on. So I think we're better than we were. We have reasonable focus on the area, but in all candor, the focus on Iraq and al Qaeda and places -- other places, it probably is not as robust as we'd all like it.

DR. FINGAR: I would actually go a little further than that. That -- the area that we -- the office of Director of National Intelligence has chosen to focus on for rebuilding capability is Africa, where the drawdown of capability in order to shift analysts to higher priority -- counterterrorism, counter-proliferation, later Iran and Iraq. That -- we really have a rebuilding challenge here, because the level of expertise required to get arms around the religious, tribal, ethnic, economic kinds of cleavages in the regions to understand and identify the more capable leaders with whom one might work to devise strategies -- we don't have the analytic expertise that we need. We've launched an effort to rebuild it.

So we are able, as General Maples indicated, to move short-term stop-gap to answer very immediate questions, but this is an area that as a function of higher priorities over a decade or more has the fewest analysts, the most junior analysts, and the ones with -- the nature of it -- the least experience on the ground. SEN. PRYOR: Well, that's very concerning, what you're saying. And I would just encourage you to work with us to try to get the proper amount, proper level of resources and attention on that area, because I think right now but in the future this is going to be a major problem for the U.S.

DR. FINGAR: Senator, I'd be happy to meet with you with my Africa staff to explain the initiative we have and to seek your help.

SEN. PRYOR: Thank you.

Thank you, Mr. Chairman.

SEN. CLINTON: Mr. Chairman?

SEN. LEVIN: I'm sorry.

SEN. CLINTON: It's all right.

SEN. LEVIN: Senator Clinton.

SEN. CLINTON: Thank you, Mr. Chairman. I appreciate that.

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

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

SEN. CLINTON: And by mid-next decade, are we talking 2015?

MR. McCONNELL: We would be talking 2015.

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

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

SEN. CLINTON: Thank you, Admiral McConnell.

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

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

GEN. MAPLES: I believe they have the technical capability, as we saw by the Taepo Dong, but they have not successfully tested it yet.

SEN. CLINTON: But when we're -- I just want to be clear that when we're talking about the technical capability, we're talking about a missile launched from North Korea that could reach California.

GEN. MAPLES: That's correct.

SEN. CLINTON: And with your assessment, do you have any best estimate as to how many more years before they would have a deliverable capability?

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

SEN. CLINTON: I'd like to ask Dr. Fingar, because I understand you have an expertise in China, and also General Maples. In your written statement that was submitted to the committee regarding China's military modernization, you state that -- you assessed -- China's aspirations for great power status, threat perceptions, and security strategy -- would drive China's modernization efforts even if the Taiwan problem were resolved. Is that correct?

DR. FINGAR: That's correct.

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

DR. FINGAR: I'd just start that -- I believe the Chinese, and the Russians to some extent, will continue to pursue space and counter-space capabilities, as they demonstrated by the launch of the SE-19 (sp).

SEN. CLINTON: And do you see that as fitting into your assessment that they're going to continue to modernize, regardless of any other factor that is going on, including the status of Taiwan?

DR. FINGAR: I believe they will continue to modernize -- yes ma'am.

SEN. CLINTON: Well, then let me ask each of you to briefly respond. In your opinion, under what circumstances would China become a military threat to the United States?

GEN. MAPLES: China, today, could be a military threat. They have intercontinental ballistic missiles and nuclear warheads and so on. So, it's a matter of they're building their military, in my view, to reach some state of parity with the United States. So, in a threat sense, it becomes intentions. So they're a threat today, they would become an increasing threat over time.

SEN. CLINTON: Dr. Fingar?

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

SEN. CLINTON: I appreciate your commenting, and perhaps this is an issue we can explore further; because, obviously, both within their government, as well as within ours, there is a debate occurring as to how to view each other. And I personally think it's one of the most important debates to get right. And finally, Dr. Fingar, in response to a series of questions about the NIE on Iraq, do you have an opinion about the impact on Iraq's potential for stability and security -- of a phased redeployment versus a rapid withdrawal?

DR. FINGAR: Senator, I do not. It's not a question that I have looked at, or we have looked at.

SEN. CLINTON: I think that's important and I appreciate your candor on that issue. Because, clearly, the conclusions some are drawing from the

NIE would suggest that there was an opinion, and that you had such an opinion. And I appreciate your response to my question.

Thank you, Mr. Chairman.

SEN. LEVIN: Thank you Senator Clinton.

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

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

GENERAL MAPLES: Yes sir -- better stated as -- what I was attempting to say is they will improve their capability over time. My view of the greater threat to us as a nation -- is internal issues in China. They have a growth plan that they have to meet, or they will have internal strife. So, capability growing -- threat is more internal, it could be a problem for us.

SEN. LEVIN: Could be -- but you didn't -- ?

GEN. MAPLES: No -- I misstated it.

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

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

Perhaps --

SEN. LEVIN: Well, it's more than just -- we're trying to close down the Iranian border area, too. The problem is that these weapons are coming from a state which is -- doesn't recognize Israel either, just like Iran doesn't. We've got to try to stop weapons coming into Iraq from any source. They're killing our troops. I agree with the comments about trying to stop them coming in from Iran, and I think we have to try to stop them that are going to the Sunni insurgents as well as to the Shi'a. I'm just wondering, does the military have a plan to, if necessary, go into Syria to go to the source of any weapons coming from Syria that are going to Sunni insurgents that are killing our troops?

GEN. MAPLES (?): Sir, I --

SEN. LEVIN: General or Admiral? Either one.

MR. McCONNELL: Two comments. One, there is an attempt of stop the flow of any traffic across that border, but most of the weapons that are being used inside Iraq are there now. I mean, it's not a matter of resupply; it's just that the stocks that were there from the Saddam era are just huge.

SEN. LEVIN: I understand that. I understand that. But there also are weapons that you've testified coming in now from Syria. Is that true?

MR. McCONNELL: Some. Yes, sir.

SEN. LEVIN: I think we ought to take action on all fronts, including Syria, any other source of weapons coming in. Obviously Iran is the focus, but it shouldn't be the sole focus.

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

MR. McCONNELL: My answer was that strong economic sanctions would have dramatic impact. Now, whether it would change or not, that's to be determined. But it --

SEN. LEVIN: But unless their policy might change -- their direction might change -- what's the relevance of the impact? That's the source --

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

SEN. LEVIN: And might that have an impact on them?

MR. McCONNELL: It could. Yes, sir.

SEN. LEVIN: On whether they continue to pursue a nuclear program?

MR. McCONNELL: It could have impact. Yes, sir.

SEN. LEVIN: Thank you.

Senator Warner.

SEN. WARNER: I'll defer to my colleague from South Carolina since I'm going to stay for the entire second round.

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

SEN. WARNER: And I just have one question following you.

SEN. LEVIN: Senator Graham.

SEN. LINDSEY O. GRAHAM (R-SC): Thank you. Thank you, Mr. Chairman -- both Mr. Chairmans.

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

MR. McCONNELL: My opinion is they're pursuing a nuclear weapon. Yes, sir.

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

MR. McCONNELL: In my judgment, they -- (off mike). SEN. GRAHAM: So we've got several alternatives to stop that if we -- do you believe it's in the world's best interests for Iran not to have a nuclear weapon?

MR. McCONNELL: I would agree with that.

SEN. GRAHAM: It'd be one of the most destabilizing events in modern times, is that correct?

MR. McCONNELL: Particularly in this part of the world --

SEN. GRAHAM: And it would create potentially an arms race in the Mideast.

MR. McCONNELL: Could be. Most likely would be.

SEN. GRAHAM: So we've got a window of time left here.

Now, you answered Senator Clinton's question, sometime between now and 2015 is our best guess as to when they'd have a nuclear weapon.

MR. McCONNELL: Early to mid-next decade.

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

MR. McCONNELL: I do not know why, sir. I know they think it's maybe a little earlier.

SEN. GRAHAM: Can y'all get in and talk?

MR. McCONNELL: We do.

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

Now, get back to the economic sanctions. I do believe they could work. I just don't believe they've been tried yet. Do you agree with that statement?

MR. McCONNELL: We have not implied -- the United Nations and the international community has not applied the kind of economic sanctions you're describing, sir.

SEN. GRAHAM: So would you agree that economic sanctions is the last best hope short of military action to prevent a nuclear weapons program from maturing in Iran?

MR. McCONNELL: Sir, that goes to a policy-level question.

SEN. GRAHAM: Fair enough.

MR. McCONNELL: I'm making a judgment based on what I observed in other situations that it would have a dramatic impact.

SEN. GRAHAM: Fair enough. Okay.

Redeploying. Regardless of the time frame, if it's perceived by the militants of the region, and al Qaeda in particular, that we left Iraq because we were driven out, what effect would that have on the overall war on terror?

MR. McCONNELL: It would certainly encourage those that are inside Iraq who are stimulating sectarian violence.

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

MR. McCONNELL: A stabilized Iraq would be in our interests in terms of fighting the overall global war on terror.

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

MR. McCONNELL: The outcome of Iraq makes it -- makes it so today, based on where we are today.

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

MR. McCONNELL: I wouldn't go so far as to say al Qaeda would necessarily believe that. Al Qaeda may have --

SEN. GRAHAM: Haven't they said that? (Chuckles.)

MR. McCONNELL: Well, they want to reestablish their base, and their objective could be in Afghanistan.

SEN. GRAHAM: Okay. So you don't think al Qaeda sees democracy in Iraq as a threat to their agenda?

MR. McCONNELL: Well, you describe al Qaeda as one large organization. There are elements of al Qaeda in Iraq and in --

SEN. GRAHAM: And -- I don't want to use any more -- the bottom line is, if we withdraw to Kuwait, what's the likelihood that al Qaeda-type elements would follow us to Kuwait?

MR. McCONNELL: Unlikely.

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

MR. McCONNELL: It is.

SEN. GRAHAM: Well, why would they not likely follow us to Kuwait?

MR. McCONNELL: In time, they would try to do that. But the way you were framing your question, I don't -- if we withdrew to Kuwait, would they just follow right on our heels?

SEN. GRAHAM: No, I'm saying that --

MR. McCONNELL: In --

SEN. GRAHAM: I guess -- General Maples, maybe just end it with this.

The big picture is that I believe if we withdraw from Iraq, whether it's a year, six months, two years, whatever number you want to pick, that it's seen by the militant groups within the Mideast that no matter where we go in the Mideast, they're coming after us. Am I wrong?

GEN. MAPLES: It is our presence in the Middle East that they are -- they're concerned about.

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

SEN. GRAHAM: Is there any safe place for us to go in the Mideast without being attacked? The answer is --

MR. McCONNELL: No.

GEN. MAPLES: I can't think of one.

SEN. GRAHAM: Thank you.

SEN. LEVIN: Thank you.

Senator Reed.

SEN. JACK REED (D-RI): Admiral McConnell, we all recall about six years ago when the administration essentially took apart the Agreed Framework with North Korea. The major rationale at the time was the discovery of a highly enriched uranium program beyond the plutonium that had been capped, was being inspected by the IAEA. Now we have another agreement, looks somewhat like the framework. Not entirely, correct.

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

MR. McCONNELL: No, sir, I cannot personally shed any light, but perhaps my colleagues can. I know that the primary focus in the current time frame was on the plutonium in the reactor. I don't personally know and haven't yet caught up to that intelligence, if it exists, with regard to highly enriched uranium --

GEN. MAPLES (?): Can we ask Joe?

SEN. REED: I would be happy to have you defer to someone.

MR. JOSEPH DeTRANI (North Korea Mission Manager, Office of the Director of National Intelligence): Sir, I would only -- I would add on that --

SEN. LEVIN: Could you identify yourself, please?

MR. DeTRANI: Joseph DeTrani. I'm the Mission Manager for North Korea with the Office of the Director of National Intelligence.

SEN. LEVIN: If you could stand up and talk real loud.

SEN. REED: Or take the mike, even, from Dr. Fingar.

MR. DeTRANI: If I might, sir, on the uranium enrichment program, in 2002 October we confronted the North Koreans in Pyongyang with information they were acquiring material sufficient for a production- scale capability of enriching uranium, which was in violation of the North-South denuclearization, the NPT, and also the spirit of the Agreed Framework. They were confronted with that information in October 2002, and at that time they admitted to having such a program. And immediately thereafter, that's when they pulled out of the NPT, they asked the IAEA to leave and so forth.

The U.S. persists in our negotiations with them, saying that we need a declaration that speaks to your acquisitions, that spoke to a production-scale uranium-enrichment capability. My understanding is, of the 13 February agreement, this agreement speaks of all nuclear programs. And indeed, the North Koreans are very aware of when we speak on all nuclear programs, we are also including their acquisitions of materials necessary for a production-scale uranium- enrichment program -- indeed, which they were making in the last '90s through the early 2000s.

And we still see elements of that program.

So the short answer to your question, sir, is that is still on the table and North Korea still must address the issue of their acquisitions of materials to include centrifuges that even President Musharraf in his book speaks to a few dozen centrifuges -- P1 and 2s that were in violation of all those agreements. They need to address that issue as part of the denuclearization process.

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

MR. DeTRANI: Well, we've never walked away from that issue, sir. We are still looking for them to --

SEN. REED: But we walked away from the agreed framework.

MR. DeTRANI: Well, they pulled out of the NPT. They asked the IAEA to leave, after admitting to having made those acquisitions, sir. And that's why the six-party talks kicked in after the three parties met in April of 2003.

SEN. REED: Do you have any further indication of whether that program has progressed in the last six years, 1 or 2? The evidence -- the

credibility of the evidence that we had initially suggesting they had a program rather than aspirations?

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

SEN. REED: Thank you.

SEN. LEVIN: Thank you, Senator Reed.

Senator Warner.

SEN. WARNER: Thank you very much.

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

SEN. LEVIN: Well, we have his name and his portfolio.

SEN. WARNER: All right. That's to make sure the record reflects it. Fine.

SEN. LEVIN: It does. Well, we ask him to state that for the record.

SEN. WARNER: Thank you very much.

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

I have over the past year or so -- maybe two now -- tried to draw the attention both here and abroad of those dealing with this problem to the success that we had in containing the Soviet Union with NATO, and indeed, the concept of detente. And I think there is another step between, say, the failure of this round of Security Council efforts, which I suggest at this time hopefully will be fruitful and that there will be a body of sanctions that will bring about the end result we desire.

But failing that, and Iran continues to doggedly persist that "we're going forward" then I would suggest we begin to think about how we dealt with the Soviet Union, the NATO concept that we would ask other nations to join us in a consortium of nations, that it's in their interests not to let this happen; and put offshore, primarily in the naval platforms and others, such powers that could be brought to bear if at anytime the region, or indeed, other parts of the world felt threatened by Iraq's (sic/Iran's) nuclear program. So I just bring that forward as a suggestion.

MR. McCONNELL: Thank you, sir.

SEN. LEVIN: That's such an important question. I wonder if we could not ask the admiral to respond. I happen to agree with what you said. I think it's very significant that there's a deterrence possibility there if

economics sanctions fail. And I think the question is so properly and strongly phrased, I would hope, Admiral, that you would respond in agreement. But nonetheless, I think it is important that you respond.

MR. McCONNELL: Sir, I promise to speak with all candor when I'm appearing before you. You've taken me now to a policy question. It's a fundamental policy issue of difference of opinion.

Might it work? It could. It worked with the Soviets, but it's a policy question of whether we would pursue that goal or not.

SEN. WARNER: Fair enough. But you'll be sitting around the policy roundtable, if we have the misfortune of having to be cast into that posture where all efforts of the United Nations and the Security Council, and indeed the free nations -- Germany's taken quite an active and strong role in this, in addition to the Perm-5. And it is an option I think that not only the United States, but indeed, the United Nations and others should consider. We'd just set up a separate framework of -- we don't have to call it NATO -- just some other framework.

I want to turn to Russia. It's interesting, Mr. Chairman. When you and I came to the Senate some 29 years ago, we were always consumed with the Soviet Union and Russia and so forth. But I'd like to get the admiral's views with regard to what Putin had to say the other day.

In your testimony you said, "Russian assertiveness will continue to inject elements of rivalry and antagonism in U.S. dealings with Moscow, particularly our interactions in the former Soviet Union, and will dampen our ability to cooperate with Russia on issues ranging from counterterrorism and nonproliferation to energy and democracy promotion in the Middle East."

You know, we'd all been hopeful that Russia -- as opposed to the former Soviet Union -- Russia would begin to bring itself into a stronger partnership with the free world to pursue these things like nonproliferation and the questions before the world with regard to Iran becoming a -- it's not in Russia's interest, in my judgment, to see that Iran becomes a nation with a certain measure of capability of utilizing weapons -- nuclear weapons of mass destruction.

How do we -- it's rather puzzling. He went to Werkunde -- I've been to Werkunde in years past. But I cannot remember a more astonishing performance at Werkunde. Now, we all know one of the Russian presidents who came over and banged his shoe on the table before the United Nations and the world, but this sort of was a second cousin to banging the shoe.

MR. McCONNELL: Yes, sir.

Sir, quite frankly it surprised a number of us that have been observers of the old Soviet Union and the current Russia. When we looked at the speech, there wasn't anything dramatically new in the speech. It was just the first time it was put together that way and stated that way. So we were admittedly surprised.

One of the lines of thought was Putin was leaving there to go to the Middle East to visit places he'd never been before, and perhaps he was setting himself up for that particular visit. I have noticed that since that speech, a number of public statements in Russia have walked away from it a

bit, to back off just a bit. But that said, it stimulated me because I used to focus on this area so much, to understand a little bit more about it. And what I've learned so far is the march to democracy has taken a back step. And now there's more --

SEN. WARNER: In Russia.

MR. McCONNELL: In Russia. The more --

SEN. WARNER: Regrettably.

MR. McCONNELL: -- more arrangements to control the process and the populace and the parties and so on, to the point of picking the next leader of Russia. I don't know that that's been done with 100 percent assurity, but in fact, we are seeing behavior that would take them down that path.

They're doing a few things --

SEN. WARNER: In other words, they may depart from their structure of laws with regard to the succession of Putin, which is to take place in the next, what -- six or eight months?

MR. McCONNELL: Yes, sir. I think it's year. I think it's this calendar year.

SEN. WARNER: That's correct. And that they might just deviate and crown somebody.

MR. McCONNELL: One way to think about it would be if you select your successor and put him in position and work the arrangements, might that successor be beholdng to you? And so that's my worry is the march toward democracy, the way we understood it, is now being controlled in a way that it is less of a democratic process.

They're doing some things to alleviate pressure. They set up a body that takes a look at extreme cases where it was -- the government had overreacted or conducted some activity that wouldn't stand public opinion. And that allows a little bit of pressure relief, but by and large, it's still a very controlled state.

SEN. WARNER: Good. And we have this issue before us, which is a first cousin to this problem, of our plans to put in the interim -- I mean, the missile defense system in Poland -- I believe it's Hungary, isn't it? And now you hear all these bellicose statements coming out of various areas of the Russian hierarchy on this. Do you think that's part of this program?

MR. McCONNELL: Yes, sir. And what I try to do is get a little better understanding of the advice and counsel going to Putin. And what I've been able to figure out so far is that those that he is listening to are extremely conservative and very suspicious of the United States and interpret things through a lens that portrays Russia as the downtrodden, or we're trying to hold them back to the advantage of the United States.

And my reading of that is they are not interpreting the lens correctly, but they have renewed energy and vigor because of the high price of oil.

SEN. WARNER: Using that almost a tool of their diplomacy now.

MR. McCONNELL: Exactly.

SEN. WARNER: Well, thank you, Admiral. And bringing to the table your vast experience in this area will be very helpful.

MR. McCONNELL: Thank you, sir.

SEN. LEVIN: Thank you, Senator Warner.

Senator Clinton.

SEN. HILLARY CLINTON (D-NY): Thank you, Mr. Chairman.

Mr. Chairman, I think it would be useful to have the committee staff look into the chronology of the activities surrounding our statement back in 2002 about North Korea's highly enriched uranium program. My recollection was that we stopped sending fuel oil before North Korea pulled out of the NPT and dismissed the IAEA inspectors. But I think this is very important because we've learned some lessons. I think we've learned some lessons about what not to do in dealing with serious threats such as that posed by a nation like North Korea and others obtaining nuclear weapons. But if we could get that chronology. Thank you, Mr. Chairman.

SEN. LEVIN: The committee staff will do that. And by the way, my recollection is the same as yours, that we did stop sending the heavy fuel oil to North Korea before they withdrew from the framework and left the IAEA. But we will have the staff double-check that.

SEN. CLINTON: Thank you.

Vice President Cheney was in Pakistan yesterday, and from the news reports, it appears that he delivered what is referred to as a stiff message, stiff private message to the Pakistani government to crack down more effectively on the Taliban and al Qaeda inside Pakistan. I assume, Admiral McConnell, that Vice President Cheney was briefed in an up-to-date way about whatever intelligence assessments were attributed to our understanding of Pakistan before he went. Is that correct?

MR. McCONNELL: That is correct. And in fact, he was accompanied by the deputy director of CIA to ensure he had all the current information.

SEN. CLINTON: So I just want to ask you: Therefore, based on that and based on Vice President Cheney's apparent mission there, is it the assessment of our intelligence community, number one, that Pakistan is capable of doing more with respect to Taliban and al Qaeda than they currently have done; and number two, that President Musharraf's hold on power within Pakistan is firm enough for him to take such additional steps?

MR. McCONNELL: One, they -- we believe they could do more. And the issue of being elected for the next term is the issue that, in my view, the president of Pakistan is wrestling with. He signed the agreement with the tribal leaders in the frontier area, as you're aware, last fall.

And the question was -- he was taking casualties for going into those areas, attempting to chase al Qaeda. He believed -- he, the president of

Pakistan, believed that he could be more effective by signing this peace agreement. And from our point of view, capabilities of al Qaeda for training and so on increased -- therefore, the vice president's visit and others' visit to make the case that we have to be more aggressive in going after al Qaeda in Pakistan. The balancing act, of course, is the president's standing in that country, with an election coming up this fall.

SEN. CLINTON: Thank you.

SEN. LEVIN: Thank you, Senator Clinton.

We'll now adjourn to S-407. We're not sure how long that will last. It should be fairly brief. But we will go immediately, those of us who are able to go, to S-407.

Thank you all very much for your testimony, and this part will stand adjourned. (Strikes gavel.)

(END OF OPEN SESSION)