



**Remarks as delivered by
The Honorable James R. Clapper
Director of National Intelligence**

**Senate Select Committee on Intelligence – IC’s Worldwide Threat Assessment
Opening Statement**

**Tuesday Feb 9, 2016
2:30 p.m.**

Hart Senate Office Building – Washington DC

Chairman Burr and Vice Chairman Feinstein, members of the committee. First, Chairman Burr, thanks very much for the acknowledgment particularly of the great men and women of the US intelligence community whom we represent here today. And it’s very appropriate that you do that for the great work that they do. And, Madam Vice Chairman, thank you very much for acknowledging my long service. That’s very gracious of you.

We’re here today to update you on some, but certainly not all, of the pressing intelligence and national security issues facing our nation, many of which you both alluded to, and so there will be a certain amount of echo here I guess. In the interest of time, and to get to your questions, we’ll just cover some of the wave tops, and mine will be the only opening statements, so we can go to your questions.

I apologize in advance to the crossover members who were present this morning at the Senate Armed Services Committee, but in the highest traditions of “that’s our story and we’re sticking to it,” it’ll be the same statement.

As I said last year, unpredictable instability has become the “new normal,” and this trend will continue for the foreseeable future. Violent extremists are operationally active in about 40 countries. Seven countries are experiencing a collapse of central government authority, and 14 others face regime-threatening, or violent, instability or both. Another 59 countries face a significant risk of instability through 2016.

The record level of migrants, more than one million arriving in Europe, is likely to grow further this year. Migration and displacement will strain countries in Europe, Asia, Africa and the Americas. There are now some 60 million people who are considered displaced globally.

Extreme weather, climate change, environmental degradation, rising demand for food and water, poor policy decisions and inadequate infrastructure will magnify this instability. Infectious diseases and vulnerabilities in the global supply chain for medical countermeasures will continue to pose threats. For example, the Zika virus, first detected in the Western Hemisphere in 2014, has reached the US and is projected to cause up to four million cases in this hemisphere.

With that preface, I want to briefly comment on both technology and cyber specifically. Technological innovation during the next few years will have an even more significant impact on our way of life. This innovation is central to our economic prosperity, but it will bring new security vulnerabilities. The Internet of Things will connect tens of billions of new physical devices that could be exploited. Artificial intelligence will enable computers to make autonomous decisions about data and physical systems, and potentially disrupt labor markets.

Russia and China continue to have the most sophisticated cyber programs. China continues cyber espionage against the United States. Whether China's commitment of last September moderates its economic espionage, remains to be seen. Iran and North Korea continue to conduct cyber espionage as they enhance their attack capabilities.

Non-state actors also pose cyber threats. ISIL has used cyber to its great advantage, not only for recruitment and propaganda, but also to hack and release sensitive information about US military personnel. As a non-state actor, ISIL displays unprecedented online proficiency. Cybercriminals remain the most pervasive cyber threat to the US financial sector. They use cyber to conduct theft, extortion and other criminal activities.

Turning to terrorism, there are now more Sunni violent extremist groups, members and safe havens than at any time in history. The rate of foreign fighters traveling to the conflict zones in Syria and Iraq in the past few years is without precedent. At least 38,200 foreign fighters—including at least 6,900 from Western countries—have traveled to Syria from at least 120 countries since the beginning of the conflict in 2012.

As we saw in the November Paris attacks, returning foreign fighters with firsthand battlefield experience pose a dangerous operational threat. ISIL has demonstrated sophisticated attack tactics and tradecraft.

ISIL, including its eight established and several more emerging branches, has become the preeminent global terrorist threat. ISIL has attempted or conducted scores of attacks outside of Syria and Iraq in the past 15 months. And ISIL's estimated strength globally exceeds that of al-Qa'ida. ISIL's leaders are determined seek to strike the US homeland—beyond inspiring homegrown violent extremist attacks. Although the US is a harder target than Europe, ISIL external operations remains a critical factor in our threat assessments in 2016.

Al-Qa'ida's affiliates also have proven resilient. Despite counterterrorism pressure that has largely decimated the "core" leadership in Afghanistan and Pakistan, al-Qa'ida affiliates are positioned to make gains in 2016. Al-Qa'ida in the Arabian Peninsula (AQAP) and the al-Nusrah Front – the al-Qa'ida chapter in Syria, are the two most capable al-Qai'da branches.

The increased use by violent extremists of encrypted and secure Internet and mobile-based technologies enables terrorist actors to "go dark" and serves to undercut intelligence and law enforcement efforts.

Iran continues to be the foremost state sponsor of terrorism and exert its influence in regional crises in the mid-East through the Islamic Revolutionary Guard Corps—Qods Force, its terrorist

partner Lebanese Hezbollah, and proxy groups. Iran and Hezbollah remain a continuing terrorist threat to US interests and partners worldwide.

We saw firsthand the threat posed in the United States by homegrown violent extremists in the July attack in Chattanooga and the attack in San Bernardino.

In 2014, the FBI arrested nine ISIL supporters. And in 2015, that number increased over fivefold.

Turning to weapons of mass destruction, North Korea continues to conduct test activities with concern to United States. On Saturday evening, Pyongyang conducted a satellite launch and subsequently claimed that the satellite was successfully placed in orbit. In addition, last month, North Korea carried out its fourth nuclear test claiming it was a "hydrogen bomb." But the yield was too low for it to have been a successful test of a staged thermonuclear device. Pyongyang continues to produce fissile material and develop a submarine-launched ballistic missile. It is also committed to developing a long-range, nuclear-armed missile that is capable of posing a direct threat to the United States, although the system has not been flight-tested.

Despite its economic challenges, Russia continues its aggressive military modernization program. It has the largest, and most capable, foreign nuclear-armed ballistic missile force. It has developed a cruise missile that violates the Intermediate-Range Nuclear Forces or INF Treaty.

China continues to modernize its nuclear missile force and is striving for a secure, second-strike capability. It continues to profess a "no first use" doctrine.

The Joint Comprehensive Plan of Action, or JCPOA, provides us much greater transparency into Iran's fissile material production. It increases the time the Iranians would need to produce enough highly enriched uranium for a nuclear weapon, from a few months to about a year. Iran probably views the JCPOA as a means to remove sanctions while preserving nuclear capabilities. Iran's perception of how the JCPOA helps it achieve its overall strategic goals will dictate the level of its adherence to the agreement over time.

Chemical weapons continue to pose a threat in Syria and Iraq. Damascus has used chemicals against the opposition on multiple occasions since Syria joined the Chemical Weapons Convention. ISIL has also used toxic chemicals in Iraq and Syria, including the blister agent sulfur mustard—the first time an extremist group has produced and used a chemical warfare agent in an attack since Aum Shinrikyo used sarin in Japan in 1995.

Turning to space and counter-space, there are about 80 countries are now engaged in the space domain. Russia and China understand how our military fights and how heavily we rely on space. They are each pursuing destructive and disruptive anti-satellite systems. China continues to make progress on its anti-satellite missile program.

Moving to counterintelligence, the threat from foreign intelligence entities, both state and non-state, is persistent, complex, and evolving. Targeting and collection of US political, military, economic, and technical information by foreign intelligence services continues unabated. Russia

and China pose the greatest threat, followed by Iran and Cuba on a lesser scale. As well, the threat from insiders taking advantage of their access to collect and remove sensitive national security information will remain a persistent challenge for us.

With respect to transnational organized crime, I want to touch on one issue, specifically drug trafficking. Southwest border seizures of heroin in the United States have doubled since 2010. Over 10,000 people died of heroin overdoses in 2014—much of it laced with fentanyl, which is 30 to 50 times more potent than heroin. In that same year, more than 28,000 died from opioid overdoses. Cocaine production in Colombia, from which most US supplies originate, has increased significantly.

Now, let me quickly move through a few regional issues.

In East Asia, China's leaders are pursuing an active foreign policy while dealing with much slower economic growth. Chinese leaders have also embarked on the most ambitious military reforms in China's history. Regional tension will continue as China pursues construction at its outposts in the South China Sea.

Russia has demonstrated its military capabilities to project itself as a global power, command respect from the West, maintain domestic support for the regime, and advance Russian interests globally. Moscow's objectives in Ukraine will probably remain unchanged, including maintaining long-term influence over Kiev and frustrating its attempts to integrate into Western institutions. Putin is the first leader since Stalin to expand Russia's territory.

Moscow's military venture into Syria marks its first use since its foray into Afghanistan of significant expeditionary combat power outside the post-Soviet space. Its interventions demonstrate the improvements in Russian military capabilities and the Kremlin's confidence in using them.

Moscow faces the reality, however, of economic recession, driven in large part by falling oil prices, as well as sanctions. Russia's nearly 4 percent GDP contraction last year will probably extend into 2016.

In the Middle East and South Asia, there are more cross-border military operations underway in the mid-East region than at any time since the 1973 Arab-Israeli War. Anti-ISIL forces in Iraq will probably make incremental gains through this spring, similar to those made in Baiji and Ramadi in the past few months. ISIL is now somewhat on the defensive, and its territory and manpower are shrinking, but it remains a formidable threat.

In Syria, pro-regime forces have the initiative, having made some strategic gains near Aleppo and Latakia in the north, as well as in southern Syria. Manpower shortages will continue to undermine the Syrian regime's ability to accomplish strategic battlefield objectives. The opposition has less equipment and firepower, and its groups lack unity. They sometimes have competing battlefield interests and fight among themselves. Meanwhile, some 250,000 people have been killed as this war has dragged on.

The humanitarian situation in Syria continues to deteriorate. As of last month, there are approximately 4.4 million Syrian refugees and another 6.5 million internally displaced persons, which together represent about half of Syria's preconflict population.

In Libya, despite the December agreement to form a new "Government of National Accord," establishing authority and security across the country will be difficult at best, with hundreds of militia groups operating throughout the country. ISIL has established one of its most developed branch outside of Syria and Iraq in Libya and maintains a presence in Surt, Benghazi, Tripoli, and other areas of the country.

In Yemen, the conflict will probably remain stalemated through at least mid-2016. Meanwhile, AQAP and ISIL's affiliates in Yemen have exploited the conflict and the collapse of government authority to recruit and expand territorial control. The country's economic and humanitarian situation also continues to deteriorate.

Iran deepened its involvement in the Syrian, Iraq, and Yemeni conflicts in 2015. It also increased military cooperation with Russia, highlighted by its battlefield alliance in Syria in support of the regime. Iran's Supreme Leader continues to view the United States as a major threat. We assess that his views will not change despite the implementation of the JCPOA deal, the exchange of detainees, and the release of the 10 U.S. Sailors.

In South Asia, Afghanistan is at serious risk of a political breakdown during 2016, occasioned by mounting political, economic, and security challenges. Waning political cohesion, increasingly assertive local powerbrokers, financial shortfalls, and sustained countrywide Taliban attacks are eroding stability.

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Before I do that, I do want to answer one question that Madam Vice Chairman asked about the state of the community now versus five years ago. I would like to think that we are better as a community, just from the simple proposition of the sum being greater than the parts, because we operate as an integrated enterprise. And others may have a comment on that and none of them are unwilling to disagree with me, but that's my view. So, I'll stop there and open to your questions.

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