

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE
WASHINGTON, DC 20511

Mr. Steven Aftergood
Project on Government Secrecy
Federation of American Scientists
1725 DeSales Street, N.W., Suite 600
Washington, DC 20036

JUL 30 2009

Reference: DF-2009-00080

Dear Mr. Aftergood:

This is a final response to your 15 June 2009 request to the Office of the Director of National Intelligence (ODNI) wherein you requested **“a copy of any written responses from ODNI to questions for the record (QFRs) from the annual threat hearing before the Senate Select Committee on Intelligence that was held on February 12, 2009.”**

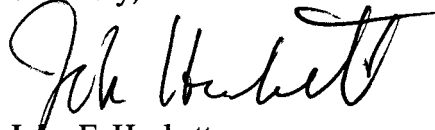
Your request was processed in accordance with the FOIA, 5 U.S.C. § 552, as amended. ODNI located two documents that are responsive to your request. Upon review, it has been determined that one document is currently and properly classified in accordance with Executive Order 12958, as amended. That document is withheld in its entirety on the basis of FOIA Exemptions 1, 5 U.S.C. § 552 (b)(1). The other document is enclosed without redactions for your use.

Should you wish to appeal the partial denial of your request, please do so in writing to:

Office of the Director of National Intelligence
Information Management Office
Washington, DC 20511

Appeals must be received within 45 days of the date of this letter. If you have any questions, please call the Requester Service Center at (703) 275-2210.

Sincerely,



John F. Hackett
Director, Information Management Office

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Hearing Date: 12 February 2009

Committee: SSCI

Witness: Director Blair

Question: 1

Question 1: (U) In the July 2007 National Intelligence Estimate (NIE), the Intelligence Community assessed that the “US Homeland will face a persistent and evolving threat over the next three years” and that al-Qa’ida “has protected or regenerated key elements of its Homeland attack capability, including: a safehaven..., operational lieutenants, and its top leadership.” Are there al-Qa’ida or al-Qa’ida-affiliated cells in the United States? What does the Intelligence Community know about them? What is the FBI doing to track them? Is al-Qa’ida still able to find effective replacements for senior operational planners who have either died on the battlefield or been captured? What information do you have regarding al-Qa’ida’s efforts to acquire chemical, biological, radiological, and nuclear materials (CBRN)? What is the Intelligence Community’s assessment of the threats the US is likely to face from al-Qa’ida twenty years from now?

Answer: (U) Approaching eight years after 9/11, al-Qa’ida remains intent on attacking the U.S., and has shown interest in recruiting and training Western individuals to execute attacks. The Intelligence Community continues to look for indications of al-Qa’ida having contacts and/or sleeper cells in the U.S. The FBI continues to investigate individuals with ties to militants in Pakistan’s Federally Administered Tribal Areas (FATA), a region that al-Qa’ida, the Taliban, and other militant groups have been able to exploit as a safehaven and use as a training ground for internal and external operations programs.

(U) In years past, al-Qa’ida’s adaptable decision-making process, bench of skilled operatives, and operational redundancies have enabled the group to maintain planning efforts, and quickly identify and appoint effective replacements in the event of the death or capture of key individuals. Since the beginning of 2008, al-Qa’ida has weathered the deaths of a variety of highly experienced and long-time operatives, forcing the organization to draw upon younger, less experienced individuals to fill some critical positions. These individuals are probably more untested in the formulation, planning, and execution of attacks and their future effectiveness in these new positions is unclear.

(U) We judge a conventional explosive is the most probable al-Qa’ida attack scenario because the group is proficient with conventional small arms and improvised explosive devices, and is innovative in creating capabilities and overcoming security obstacles. We continue to receive intelligence indicating that al-Qa’ida and other terrorist groups are attempting to acquire chemical, biological, radiological, and nuclear (CBRN) weapons and materials. We assess al-Qa’ida will continue to try to acquire and employ CBRN material, and that some chemical and radiological materials and crude weapons designs are easily accessible. Al-Qa’ida is the terrorist group that historically has sought the broadest range of CBRN attack capabilities, and we assess that it would use any CBRN capability it acquires in an anti-U.S. attack, preferably against the Homeland. We assess that the death of al-Qa’ida’s leading CBRN expert, Abu Khabab al-

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Masri, last July will cause temporary setback to the group's efforts, but its ability to shift responsibility to other senior leaders and existing trained replacements will enable it to recover.

(U) We assess that al-Qa'ida and its regional affiliates will continue to plot against the U.S. and its interests abroad over the next twenty years. Sustained pressure against al-Qa'ida central in the FATA, however, will diminish the group's safehaven and thereby its ability to plan external operations, coordinate with and offer training to regional affiliates, raise funds, and other core operational elements.

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Question: 2

Question 2: (U) Saudi officials announced in late January that nine graduates of the Saudi rehabilitation program for former jihadists, including some who had been imprisoned at Guantanamo, have been arrested for rejoining terrorist groups since the program started in 2004. Recent news articles also discussed a former Guantanamo detainee who was repatriated to Saudi Arabia in 2007 and passed through a Saudi rehabilitation program for former jihadists before resurfacing as the leader of al-Qaida in Yemen, reportedly responsible for last year's terrorist attack on the US Embassy in Sana'a. How effective is the Saudi terrorist rehabilitation program? What are its strengths and weaknesses? What is your assessment of the reason for the increase in unsuccessful rehabilitation?

Answer: (U) Saudi Arabia's terrorist rehabilitation program is the most comprehensive of its kind and is designed to address the religious, psychological, and socio-economic issues that contribute to radicalization. Managed by the Ministry of Interior, the program provides a combination of religious instruction and dialogue, psychological counseling, and social support delivered in five general phases: counseling and initial assessment, a six-week rehabilitation course, evaluation and release, an after-care program, and monitoring.

- a. (U) The rehabilitation course covers various religious topics, including takfir, loyalty, allegiance, terrorism, legal rules for jihad, and psychological instruction on self-esteem. The course does not address anti-Western/anti-U.S. views, focusing only on the difference between Wahhabism, Saudi Arabia's conservative branch of Islam, and takfirism, the violent ideology espoused by al-Qa'ida.
- b. (U) Release is contingent upon successfully completing the program and demonstrating to the Advisory Committee's doctors and psychologists that rehabilitation is genuine.
- c. (U) The Saudi Government conducts its after-care program at a residential facility separate from the prisons. The purpose of this program is to assist detainees with reintegration into society. The environment is more permissive, allowing detainees access to recreational activities and art therapy. Former Guantanamo Bay detainees are housed separately from domestic security offenders and Iraq returnees.
- d. (U) Detainees are told they will be monitored overtly and covertly and are advised on proper behavior once released and ways to avoid future conflicts with security officials.
- e. (U) Released detainees are required to meet periodically with authorities; family members are asked to monitor the released detainee and told that they will be held responsible for the detainee's actions.
- f. (U) The program employs various types of social support to prevent recidivism, including assisting participants in locating a job or finding a wife; paying for weddings and dowries; funding stipends; providing transportation, housing, and medical care; and providing financial assistance to detainees' families.

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(U) The Saudis have reported that the program is most effective with individuals who have little religious background. The Saudis assert that the majority of the detainees who participated in the program did not have a proper religious education. The individuals released through the rehabilitation program have been mostly minor offenders, such as support personnel and sympathizers, many of whom may have been looking for a way out of their life situation. The success of the program is bolstered by the fact that many of the more hardened terrorists do not undergo rehabilitation.

(U) Among the program's strengths are its inclusion of society and traditional societal mores in its structure; its efforts to involve detainees' families rather than just the individual; and its use of teams of religious scholars, mental health professionals, and law enforcement individuals. The program has helped build public support for the aggressive posture of the Saudi security forces, which continue to make frequent arrests. The program also may have improved Mabahith's domestic image by demonstrating its effort to treat program participants as victims of extremist indoctrination rather than hard core terrorists. Finally, the Saudis have demonstrated they are committed to identifying problems in the rehabilitation program and are seeking ways to address them when found.

(U) One element lacking in the program is a method for measuring success. Further, the Saudis engage in a number of activities that cater to the detainees, some of which may undermine the Kingdom's efforts in the long run. For example, the Saudi Government intentionally loses court cases mounted by detainees who believe they had been held too long by the Ministry to demonstrate redress for detainee grievances. Such efforts taken to manage public perception may hurt Saudi Arabia over time if it begins to appear that extremists are given greater support and benefits than average Saudi citizens who have not committed offenses.

(U) An Intelligence Community assessment on the increase in unsuccessful rehabilitation cannot be offered at the unclassified level.

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Witness: Director Blair

Question: 3

Question 3: (U) Saudi Arabia has been said to be a partner in the war against al-Qa'ida, but perhaps not a full partner. Saudi authorities have achieved successes against al-Qa'ida, but Saudi citizens also remain a source of recruits and funding for terrorist groups. To what extent are Saudi nationals and organizations based in Saudi Arabia providing material or financial support to international terrorist organizations? To what extent are private donors in Saudi Arabia a source of funding for terrorist groups? Which groups? Has the Saudi government been effective at stopping this funding? To what extent are Saudi nationals and organizations supporting armed Sunni groups in Iraq? How do you assess current Saudi efforts to curtail the flow of fighters and money to combatants in Iraq, Afghanistan, and terrorist groups elsewhere?

Answer: (U) Al-Qa'ida and other terrorist organizations continue to seek and obtain funding from private Saudi donors, but Riyadh's aggressive efforts to identify and disrupt financial facilitators---particularly those associated with al-Qa'ida---probably have impeded these efforts. The Saudi Ministry of Interior has launched a counter-radicalization program aimed at potential recruits and former fighters that includes a media campaign against extremist messages and a network of rehabilitation centers with clinical and social programs to reintegrate former militants into society. U.S.-Saudi counterterrorism (CT) efforts at times have disrupted the Saudi-based networks supporting al-Qa'ida in Iraq and South Asia, however, these networks are resilient despite aggressive Saudi arrests.

(U) Most Sunni terrorist groups probably view private donors in the Kingdom as a critical part of their support base. The Saudi Government has arrested numerous al-Qa'ida financial facilitators and publicized the problem of terrorist finance in an attempt to convince potential donors that funding terrorism is un-Islamic and to dissuade them from giving funds that could benefit terrorist organizations. Saudi Arabia aggressively targets al-Qa'ida-associated financial facilitators, but has historically taken little action against supporters of other groups that play into Riyadh's domestic and foreign policy calculations, and do not pose a direct threat to the Kingdom.

(U) Press reporting that Saudi Arabia tolerates---and in some cases sanctions---such fundraising probably indicates Saudi Arabia may tolerate private fundraising for HAMAS, which it views as a legitimate resistance group and political party.

(U) Sunni extremist groups in Iraq probably receive some support from charitable organizations and individuals in Saudi Arabia and the Gulf states, but they generate most of their support from inside Iraq. The extent to which funding and support flows through or from Saudi Arabia into Iraq is difficult to gauge due to the country's cash-based society and because donations to charity are often anonymous.

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(U) The Saudis recognize the need to stem the flow of fighters out of Saudi Arabia as well as the threat these fighters will pose if they return to the Kingdom. To this end, Saudi Arabia in early-February 2009 publicly issued a list of 85 "Most Wanted Terrorists," which largely consists of Saudi extremists located outside of the Kingdom, many in Yemen. In addition, Saudi media outlets tout high-profile arrests and surrenders of extremists, and Government officials work closely with the families of known fugitives to facilitate their capture or surrender. Moreover, the Saudi Ministry of Interior has launched a counter-radicalization program aimed at potential recruits and former fighters that includes a media campaign against extremist messages and a network of rehabilitation centers with clinical and social programs to reintegrate former militants into society.

(U) Over the past year, Riyadh has laid the groundwork for future prosecutions of major terrorist financiers, and has incorporated some terrorism finance themes into its public counter-radicalization campaign, which may deter future terrorism donors. It has also made some progress on regulatory measures related to terror finance.

- a. (U) Saudi officials in 2008 were preparing to prosecute nearly 1,000 terrorism suspects ---including an undisclosed number of terrorism financiers---detained since 2003, according to media reports.
- b. (U) The Saudis actively participate in the Financial Action Task Force (FATF) and have worked to prevent money laundering and terrorist financing. The Saudi Arabian Monetary Agency (SAMA), the Central Bank, published a circular in 1995 with guidelines on Anti-Money Laundering (AML) and Terrorist Financing (TF) and then updated it in 2003 making their banking control law more compliant with the FATF 40 recommendations and the nine special recommendations on terrorist financing. The U.S. Financial Crimes Enforcement Network (FINCEN) will support the Saudi Arabian Financial Investigation Unit's membership in the Egmont Group, based on a January on-site assessment.
- c. (U) The Saudi Government since 2002 has undertaken limited regulatory and enforcement efforts to address illicit charitable flows abroad. Similarly, the Saudi Arabia Directorate for Customs (SADC) in 2007 began enforcing new cash courier regulations—originally drafted in 2005—to curb illegitimate cross-border cash flows, particularly during the *hajj*. We lack reporting on the effectiveness of these measures.

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Witness: Director Blair

Question: 4

Question 4: (U) Recent reports have described the operational activities of Al Qaeda in East Africa, Al Qaeda in the Lands of the Islamic Maghreb, Al Qaeda in the Land of the Two Niles and the recently designated Al Shebaab. What parts of Africa would you describe as terrorist safehavens and why? What are the conditions that are most conducive to Al Qaeda's operating and recruiting there?

Answer: (U) Al-Qa'ida in the Lands of the Islamic Maghreb (AQIM) uses remote regions of Algeria and northern Mali as a terrorist safehaven to train Islamic militants in small arms, use of explosives and insurgent tactics and to stage attacks. Training appears to take place on the move or in makeshift facilities in remote areas outside government control. Northern Mali is not only physically remote, but also unstable due to the armed conflict between the Malian military and Tuareg rebels, and the Malian Government's status as one of the poorest countries in the world hampers its ability to prevent AQIM from obtaining refuge there. AQIM taps into already extant robust smuggling networks in the region to obtain weapons, explosives and supplies to support its operations against Western and local interests in the region. AQIM also uses its safehaven to hold Western hostages for ransom.

(U) South and Central Somalia provides a safehaven for a limited number of al-Qa'ida operatives and more numerous al-Qa'ida-affiliated al-Shabaab militants in East Africa who pose a serious threat to U.S. and allied interests in the region. Al-Qa'ida tries to make common cause with other Somali extremists factions as well in order to expand its area of operations. Somalia's long, unguarded coastline, porous borders, continued political instability, and proximity to the Arabian Peninsula provide opportunities for terrorist transit and the establishment of training camps. The departure of Ethiopian troops and limited capabilities of the Somali Transitional Federal Government, particularly its security service, is allowing al-Shabaab to expand its hold on territory throughout the country.

(U) Sudan-based self-proclaimed al-Qa'ida in the Lands of the Two Niles has no known safehaven.

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Witness: Director Blair

Question: 5

Question 5: (U) Your statement for the record noted that in 2008, the security situation deteriorated in Afghanistan. How large is the Taliban insurgency? How does this compare to previous years? What is al-Qa'ida's role in the insurgency in Afghanistan? Does al-Qa'ida control any insurgent forces there? What circumstances would need to change to progress to the point where the government of Afghanistan would be able to defend itself and provide security and services without significant foreign assistance? What does the Taliban insurgency need to sustain its campaign against the Government of Afghanistan and Coalition forces? What would it need to threaten the security of Kabul? What would need to hold power should it succeed to control major portions of the country? Could the Taliban insurgency be having the successes it has achieved in the last year if it did not have safe haven in Pakistani sovereign territory? What is Iran's role in Afghanistan? Have Iran's activities changed in the last year? What would be the consequences of NATO withdrawal from Afghanistan? Is NATO able to sustain its deployments to Afghanistan?

Answer: (U) According to press, in early 2009 U.S. military officials estimated there may be up to 20,000 Taliban fighters in the Afghan insurgency. The insurgency is not monolithic, and this estimate does not account for the other insurgent groups operating in Afghanistan, to include the Haqqani Network and Hezb-e-Islami Gulbuddin. Calculating Taliban manpower is inherently difficult. Although the insurgency has steadily grown since the Taliban's ouster in late-2001, the blurred identities of the numerous groups contributing to instability in Afghanistan, along with the wide variety of factors motivating new recruits, complicate efforts to formulate a precise estimate of the size of the insurgency. Many fighters are part-time insurgents who have other occupations and are less ideologically or politically committed than full-time members of the insurgency, making any estimation of strength difficult and transitory.

(U) Beyond full-time and ideologically committed senior leaders and their subordinate commanders, identifying who is and is not an "insurgent" becomes challenging, especially in a tribal society where local groups and power brokers constantly compete against one another as well as the government. In the Afghan context, Pashtun village and tribal elders, tribal khans, and mujahideen-era commanders are continually aligning and realigning against the government to advance their parochial interests. In many instances, aligning with an insurgent network is not necessarily an endorsement of insurgent objectives but a tactical decision to achieve any number of short-term ends, including exerting pressure on the provincial administration, tapping other sources of illicit revenue, and retaliating for perceived slights.

(U) Al-Qaida augments the Afghanistan insurgency by providing tactical, operational and ideological support as well as some fighters for attacks. Al-Qaida's relationship with these fighters and their level of assistance varies by insurgent group. Both bin Ladin and al-Zawahiri have publicly asserted Taliban Supreme Leader Mullah Mohammad Omar's authority in the Afghan jihad. While al-Qaida has global objectives, in Afghanistan it works to support like-minded insurgent groups to include the Taliban, Hezb-e-Islami Gulbuddin (HIG), and the

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Haqqani Network (HQN). Al-Qaida is divided into different groups responsible for all operational activities in their areas in Afghanistan and Pakistan. Al-Qaida works closely with locals in these areas like HQN leader Siraj Haqqani in North Waziristan and Pakistani militant Baitullah Meshud in South Waziristan. In Afghanistan, al-Qaida likely works with HIG elements in traditionally HIG-dominated areas like Konar, Nuristan and Kapisa. In southern Afghanistan, al-Qaida taps into its relationship with Taliban commanders.

(U) At a minimum, significant progress in Afghan National Security Forces, the judicial system, national and local governance, the economic sector, and improved regional relations remain necessary before Afghanistan is capable of providing security and basic services without significant foreign assistance.

- a. (U) Although both the Afghan National Army (ANA) and Afghan National Police (ANP) have made significant progress, both remain heavily dependent on Coalition support and international funding. Recruitment, retention, and equipment shortages negatively affect efforts to sustain growth. The ANA is becoming increasingly proficient planning and coordinating complex operations; and the ANA remains one of the highest regarded central government institutions. The ANA must continue its trajectory of growth and development, in particular building on its capability to plan and lead combat operations. The ANA's success will also require the Afghan National Air Corps to improve its ability to provide close air support and medical evacuations, which are not considered organic functions in the ANA.
- b. (U) A continued emphasis on developing the ANP is necessary, as recruitment, retention, and equipment shortages have negatively affected professionalism and capacity. While the Afghan Ministry of Interior has launched reform initiatives for the police forces, significant professional development is required before widespread corruption is reduced and the ANP gains the trust and respect of the populace.
- c. (U) Afghanistan's judicial system remains in its initial stages of development, and corruption continues to hinder efforts to deliver unbiased swift justice. Additional international attention to developing Afghanistan's legal system – from building courthouses to training attorneys, will be necessary to enforce rule of law and strengthen Afghanistan's security apparatus.
- d. (U) A renewed focus on bolstering national and local governance, tied to efforts to improve local ANP and judicial structures, will help yield tangible and direct results to the populace, establish confidence in the competence of district and provincial institutions, and undermine insurgent efforts to portray the government as weak and ineffective.
- e. (U) Attracting private sector investment remains critical to creating a self-sufficient economy; however, insecurity, weak rule of law, and rampant corruption continue to hinder international investment. Although economic growth and a more open business environment have improved the general health of the Afghan economy, these benefits have not translated into sufficient employment and income generating activities for the ordinary citizen. Many Afghans still have trouble finding jobs, particularly one that offers a steady income; families remain indebted and vulnerable to economic shocks. Additionally, an improved system to capture trade revenue will assist Afghanistan generate self sufficiency.

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- f. (U) Improved regional ties, particularly with Pakistan and Iran, will enhance Afghanistan's ability to defend itself and provide basic services. Afghanistan presently relies on economic investments, infrastructure and security assistance, and humanitarian aid from its neighbors, but internal security concerns, rampant corruption, and the limited ability to enforce law and order continue to hinder efforts to improve ties. Solutions to Afghanistan's handling of Afghan refugees and allegations of foreign support for the insurgency remain key points of contention in the region, and will likely need to be addressed.

(U) Securing local support, sustaining current funding and recruitment levels, and maintaining freedom of movement, internal and external safehavens are critical insurgent factors to sustain operations against the Afghan government and Coalition forces. The limited ability of the Afghan government to provide good governance contributes to the insurgency goals of discrediting the legitimacy of the government. The Taliban have demonstrated their ability to weather the loss of key individuals and short-term setbacks and the Taliban has sufficient resources to continue an elevated operational tempo in 2009. Rising levels of insurgent violence and the use of high-profile tactics contribute to perceptions of Taliban strength and undermine confidence in the Afghan government's ability to provide adequate security.

(U) Securing a local support base remains essential to the Taliban's success in Afghanistan. Consequently, insurgents employ a number of methods to dominate traditional Taliban operating areas and to expand influence over new territory. The Taliban has had some success generating local support not only through fear, but also by manipulating popular grievances and, in some cases, providing basic but acceptable governance. In addition, the Taliban sides with disenfranchised tribes or marginalized powerbrokers, offering support and power in exchange for assistance.

(U) While it is highly unlikely the insurgency will attempt a large scale assault against Kabul in 2009, continuing efforts on sporadic but high profile attacks in Kabul and increased operations in the surrounding provinces continue to undermine confidence in Kabul and the international community. Although a robust security environment has deterred some insurgent groups from conducting consistent attacks in the nation's capital, suicide and other high profile attacks highlight the Coalition and Afghan government's inability to provide adequate security. These tactics have been effective in limiting some Allied Forces' freedom of movement and reduce the willingness of nongovernmental organizations from operating in outlying areas.

(U) The Taliban will need to maintain local support by balancing competing interests among power brokers and tribes and by providing acceptable governance. If Taliban are in power and succumb to international pressure seek to normalize relations with neighboring countries, it could compromise some of their religious and political ideals. However, ethnic rivalries will likely hinder the Taliban from consolidating control outside of traditional Pashtun areas in the south and east.

(U) While the Pakistani safehaven is important to the insurgency, the loss of this territory would probably not eliminate the Taliban's ability to conduct an insurgency. The Taliban's growing influence in southern and eastern Afghanistan offers insurgents an opportunity to shift many of

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their traditionally Pakistan-based activities to other venues. Relocating these activities will make the Taliban vulnerable to Coalition operations, but over time the Taliban probably can adapt to these new challenges. Thus, while the loss of Pakistan safehavens probably could deal the greatest blow to the Taliban in the short term, its leaders and fighters remain capable of adapting to the environment.

(U) Iran has both long-term strategic and short-term tactical interests in Afghanistan and is not content with merely maintaining the status quo. In the short term, Iran is primarily concerned with preserving its national security and undermining Western influence in Afghanistan, which provides Iran's rationale for providing select Afghan insurgents with lethal aid. In the long term, Iran hopes aid and development projects will facilitate the expansion of trade and extend Iranian influence. Iran seeks to maintain a friendly Afghan government which complies with Tehran's interests. Iran has not altered its activities in Afghanistan over the past year as various Iranian officials describe the Western presence as an occupation and Iran maintains a hostile relationship with the West. Iran's policy calculation in Afghanistan currently emphasizes lethal support to the Taliban, even though revelation of this activity could threaten its future relationship with the Afghan government and its historic allies within Afghanistan.

- a. (U) Iran is covertly supplying arms to Afghan insurgents while publicly posing as supportive of the Afghan government. Shipments typically include small arms, mines, rocket propelled grenades (RPGs), rockets, mortars, and plastic explosives. Taliban commanders have publicly credited Iranian support for their successful operations against Coalition forces.
- b. (U) The Iranian and Afghan governments have signed agreements covering a variety of issues, including political, economic, and cultural cooperation. Iran continues offering assistance in developing Afghan security capabilities through the construction of border security facilities.
- c. (U) Iranian reconstruction assistance has included upgrading roads, building rail capacity, and supplying electricity, particularly in Kabul and the western provinces bordering Iran.
- d. (U) Iran is also working to promote Iranian culture and organize academic and religious exchange programs.
- e. (U) Iran also seeks to expand its influence with the Pashtun community while strengthening connections in its traditional sphere of influence among Afghan Shia.

(U) NATO allies will be able to sustain their current deployments to Afghanistan throughout 2009. Nonetheless, the struggling global economy will become an increasingly important factor affecting allied deployment decisions, as many allies will have to focus more of their attention domestically. Cuts in overall defense spending are likely, but NATO members view the International Security Assistance Force (ISAF) mission in Afghanistan as the alliance's most important mission, and link NATO's creditability to the overall success of ISAF. If the global economy continues to drastically deteriorate or if there is sustained increase in NATO casualties, however, some allies will likely be forced to reduce their force commitments to Afghanistan.

(U) We do not expect a NATO withdrawal in the next several years. Allied leaders at the recent NATO Summit endorsed the results of the U.S. strategy review on Afghanistan and reaffirmed

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their collective commitment to the NATO mission there; several Allies announced modest or temporary increases in troops for the mission. Most Allies will be under increasing strain from the global economic crisis and other military commitments, which could, over time, reduce the number of troops and other resources available for Afghanistan. Some Allies' mandates for current deployments will expire next year, which could lead to public pressure to reduce or curtail unpopular deployments. Allies generally see the strengthening of indigenous Afghan military and police forces as the key to allowing a gradual NATO drawdown of forces there.

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Witness: Director Blair

Question: 6

Question 6: (U) A most fundamental requirement for counter-insurgency success in Afghanistan is creating and sustaining the Afghan National Army. What would be the size of the Afghan National Army (ANA) that the IC assesses would be required for the Government of Afghanistan to be able to extend security throughout the country, given the current level of insurgency? What would be the economic commitment necessary to train and sustain that number? How much smaller would you assess this force to be, if it weren't for the problem of the open border with an insurgent safe haven in Pakistan? What was required for President Karzai to extend the election date until August? Will the Afghan parliament recognize his authority between May and August? Who are the main contenders expected to challenge President Karzai, and do any of them have a record of successfully advancing economic development and reconstruction in Afghanistan? How much of Afghanistan's current budget is provided by foreign assistance?

Answer: (U) The most recent edition of the U.S. Army Counterinsurgency Handbook suggests a ratio of 25 counterinsurgents to every 1,000 residents within an area of operations. The CIA World Factbook puts the 2009 estimated population of Afghanistan at 32,738,376. Using this ratio leads to a need for roughly 818,000 security personnel to secure Afghanistan. However, most of the insurgents are in Pashtun areas of Afghanistan, and Pashtuns make up approximately 40% of the population - about 13 million. Applying the 25-per-1,000 ratio to the Pashtun population equals roughly 325,000 security forces to extend security through the Pashtun areas.

(U) The Afghan defense operating budget (taken from the Afghanistan National Yearly Budget Report) for the Fiscal Year 2008 was projected at \$242 million dollars. Since there are currently 83,094 soldiers in the Army, we assume that this amount of \$242 million equates to \$2,912 dollars per soldier. If the ANA were to increase the number of soldiers to 325,000, then Afghanistan would need to budget \$946 million dollars per annum to cover at least the operating portion. The operating budget consists of wages and salaries; goods and services; and acquisition of assets.

(U) Fewer security forces would be necessary if the border with Pakistan was closed. However, we do not have robust estimates of the number of insurgents that operate from Pakistan, which is a key variable. One point of historical reference is that prior to the Soviet invasion the Afghan Army alone numbered between 210,000 and 270,000 personnel.

(U) President Karzai likely did not intend to carry through with his threat to hold early elections. Observers noted that President Karzai was in no legal position to extend or refute the Afghanistan's Independent Election Commission's decision, and Karzai very likely knew that spring elections were logistically impossible. Members of the international community viewed President Karzai's initial decree to hold early elections as a political maneuver designed to protect himself against opposition charges that he was disobeying the constitution, and improve

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his bargaining position with opposition politicians – who were not ready for early elections - in the ongoing debate over his interim executive authority.

(U) A majority of Members of Parliament (MPs) in both houses of the Afghan National Assembly have voiced support for the Supreme Court's March 31, 2009 non-binding opinion that Karzai should remain in office until the August 20, 2009 election date. It is unlikely the Lower House will officially back Karzai's interim authority, but neither house is likely to pass a resolution opposing the court's statement. Some opponents of Karzai's interim status may continue vociferous dissent via parliamentary debates and interaction with media outlets; however, U.S. officials are hopeful for a reduced likelihood of organized protests and violence over Karzai's authority over the summer. The issue of contention now is the gap between the August 20 election date and the election results - which are expected to take nearly a month to count. Additionally, if there is a run-off election, the debate over executive authority will be extended.

(U) Nine politicians have confirmed their status as presidential candidates in the August elections, additional figures are expected to run as well. The announced candidates are: Dr. Abdullah, (Former Foreign Minister of Afghanistan, likely front runner for Karzai's main political opposition group), Ramazan Bashedost (Former Planning Minister of Afghanistan and Member of Parliament), Anwari Haq Ahadi (Former Central Bank director and former Finance Minister), Abdul Ali Seraj (Grandson of former Afghan King Habibullah, President of National Coalition for Dialogue for the Tribes of Afghanistan ((NCDTA)), Gul Agha Sherzai (Governor of Nangahar province), Shahla Atta (Female parliamentarian), Mohammad Rasul Nawabi (Dual citizenship, Afghan and Canadian, who's eligibility is pending IEC approval of whether it is constitutionally allowed), Mirwais Yasini (Deputy Speaker of the Lower House), and Ali Ahmad Jalali (Former Interior Minister of Afghanistan). Another potential candidate that has not confirmed his status is Ashraf Ghani (experience at World Bank, UN, Afghan Development Authority, Afghan Ministry of Finance, founded Institute for State Effectiveness).

(U) A few candidates have experience advancing economic development and reconstruction. Nangarhar Governor Gul Agha Sherzai is credited with bolstering reconstruction efforts in his province, but has often done so via informal networks that do not reinforce sustainable institutions. While Sherzai has made measured progress in Nangarhar, he also suffers from a reputation of corruption, patronage, and human rights violations that might not stand up to international scrutiny. As the former Afghan Finance Minister, Anwari Haq Ahadi was responsible for the management and execution of the country's budget, which contributed to economic development and reconstruction efforts throughout the country. Ashraf Ghani has extensive experience from time working at the World Bank, UN, Afghan Development Authority, Afghan Ministry of Finance, and co-founding the Institute for State Effectiveness.

(U) Afghanistan produces two budget reports a year. One is the Core Government Budget (CGB) which is controlled by the Afghan government. The other is the External Budget, which is controlled by foreign donors. Numerous projects in the external budget are directly financed by and controlled by foreign donors. The combined sum of these budgets makes up the overall total budget for the country, which amounts to \$7.6 billion. The CGB makes up \$2.7 billion of which 68% is from foreign aid and only 32% is from domestic revenues.

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Committee: SSCI

Witness: Director Blair

Question: 7

Question 7: (U) It is clear that the safehaven al-Qaida enjoys in Pakistan is providing the organization many of the benefits it had derived from its base in Afghanistan prior to 9/11. What has been the effect of Pakistani military counter-insurgency campaign in the Federally Administered Tribal Areas (FATA) last autumn? Was it conducted as part of a counter-insurgency strategy? What is that strategy? What current counter-insurgency operations are underway? What is the Pakistani public's level of support and the trend line on continuing counter-terrorism and counter-insurgency cooperation with the United States? Have actions by the new Pakistani leadership improved or worsened the threat from the FATA?

Answer: (U) Al-Qaida and associated groups continue to thrive in the FATA in spite of government counterinsurgency efforts in 2008. Pakistan's leaders seem intent on maintaining support for counterterrorism and counterinsurgency goals, but within the confines of Pakistan's national interests. Pakistan's actions indicate Islamabad continues to prioritize defending against perceived threats from India over the increasing threat emanating from the tribal areas. The spread of militancy into the Northwest Frontier Province (NWFP) and accompanying degradation of government authority will distract Pakistani government and security forces from addressing the terrorist threat in the FATA and contribute to further destabilizing trends.

(U) The government has continued to offer incentives (development) and disincentives (military action) to tribal groups to encourage their cooperation and dissuade them from allowing militants to use their territories for operations in Pakistan or across the border into Afghanistan. Military operations in 2008 were on a larger scale than in previous years, but have had the same mixed results—short-term disruptions to militant activities ultimately ending in peace agreements which seem to benefit militants more than government interests.

(U) Pakistan conducted military operations in several areas of the FATA and NWFP in 2008. Many of the actions were in response to specific dangers such as operations to clear militant threats to lines of communication in Khyber Agency; however, the operations conducted in Bajaur and Mohmand Agencies and Swat District were coordinated at a common threat and appeared to have longer-term goals. The outcome of these operations was mixed. The military met some of its objectives in Bajaur—clearing the militant threat to lines of communication. In Swat District, however, the government compromised with militants through a “peace agreement.” Previous agreements gave militants and al-Qaida an opportunity to regroup, consolidate their resources and concentrate their efforts against U.S. and NATO forces in Afghanistan. The agreements have not persisted in many cases, forcing the resumption of military operations by an Army already tested by limited capabilities, morale problems, and increased commitments throughout the tribal areas.

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(U) The Pakistan government's stated strategy is a three-pronged approach that consists of dialogue, development, and security. Pakistan has sought international assistance to implement its strategy. While there have been actions linked to all three components, including U.S. assistance for development and security enhancements, it is not clear if Pakistan has the capacity to do more than respond to immediate threats. Mohmand Agency has been the focus of limited military activity during the past several months, although the government recently launched an operation against militants in the NWFP district of Buner.

(U) Opinion polls indicate increasing Pakistani concern about extremism, but Pakistanis are ambivalent on how to deal with extremism. In one poll, most respondents thought the government could be tougher on terrorism, but in another poll from the same time period most respondents did not support use of the Pakistan Army against al-Qaida or the Taliban unless the extremist groups are planning attacks against targets in Pakistan. Most respondents are opposed to cooperation with the United States and were not receptive to U.S. missile strikes; however, they were open to some U.S. assistance.

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Witness: Director Blair

Question: 8

Question 8: (U) How stable is Pakistan? What is the trend line on security in the settled areas, and how does the IC measure this? Who is in charge in Pakistan? How is the bifurcated regime - the national security military establishment v. the fractious civilian government - functioning? Who are the decision makers? Who will determine ongoing cooperation on counter-terrorism? Who will determine ongoing cooperation on counter-insurgency? Last year economists feared that Pakistan would exhaust its financial reserves. Currency fluctuations delayed hitting the bottom at the end of the year, but short-term macroeconomic prospects are not good. What is the IC's assessment of the Pakistani economy? Who is making economic policy in Pakistan? How will the military respond to social upheaval should the coming economic crisis spill to the streets?

Answer: (U) Pakistan faces numerous challenges requiring intense focus, coordination, and resources to tackle. In addition to a growing extremist threat, the country faces severe economic problems, political infighting and tense relations with India, and to a lesser extent Afghanistan. Militant violence in Pakistan's settled areas continues to grow, and militants have used suicide attacks and kidnappings to intimidate and discourage government action against militants.

(U) The government's policies on counterterrorism and counterinsurgency reflect input from both civilian and military leaders. Islamabad is still working to develop a national security apparatus that brings together all relevant stakeholders in a formalized, transparent process. The government's policies are determined by broader national security considerations and are also influenced by public opinion.

(U) Pakistani economic indicators have improved since the country reached an agreement with the International Monetary Fund (IMF) in November 2008. Foreign exchange reserves have increased and remain stable. Lower commodity prices and increasing remittances from overseas Pakistanis also helped to improve the current economy. These numbers, however, mask Pakistan's dependence on bilateral and multilateral foreign aid. With growth projected to slow dramatically in 2009, Pakistan will remain increasingly dependent on donor nations, many of whom are facing their own financial problems due to the global economy.

(U) Pakistan's economic policy is created and managed by a group which includes President Zardari, Prime Minister Gilani, Advisor to the Prime Minister on Finance Shaukat Tarin, who is the de-facto Minister of Finance, and Governor of the State Bank of Pakistan Syed Salim Raza. Pakistan's recent economic policy actions also have been guided by IMF mandates that the government implement fiscal and monetary tightening measures.

(U) The military, primarily the Army, serves as the instrument of last resort in managing unrest and would intervene to help restore order in the event that social upheaval threatened to exceed the ability of local police and security forces to control.

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Witness: Director Blair

Question: 9

Question 9: (U) Your submitted statement for the record said that Iran probably would be technically capable of producing enough HEU for a nuclear weapon sometime in the 2010-2015 time frame and noted that "INR judges that Iran is unlikely to achieve this capability before 2013 because of foreseeable technical and programmatic problems." What did you mean by Iran being "technically capable" of producing HEU? What progress did Iran make in 2008 toward becoming technically capable of producing HEU for a nuclear weapon? Has Iran not already mastered the technology to be able to produce HEU for a nuclear weapon if it chooses to do so? What "technical and programmatic problems" does INR foresee? Has INR changed this judgment in light of recent IAEA reports that Iran has already enriched a sufficient quantity of LEU for a nuclear weapon, should Iran convert the material to HEU? Is the IC preparing a new National Intelligence Estimate on Iran? If so, when do you expect it to be complete?

Answer: (U) When making judgments of when Iran would be "technically capable" of producing enough highly enriched uranium (HEU) for a nuclear weapon, we are estimating Iran's functional ability to perform the enrichment rather than making a judgment about when Iran might make any political decision to produce HEU.

(U) Iran made significant progress in 2007 and 2008 installing and operating centrifuges at its main centrifuge enrichment plant, Natanz. Further information on Iran's centrifuge enrichment capabilities is available at the classified level.

(U) While Iran made significant progress since 2007 in installing and operating centrifuges, INR continues to assess it is unlikely that Iran will have the technical capability to produce HEU before 2013. INR shares the Intelligence Community's (IC's) assessment that Iran probably would use military-run covert facilities, rather than declared nuclear sites, to produce HEU. Outfitting a covert enrichment infrastructure could take years. The IC has no evidence that Iran has yet made the decision to produce highly enriched uranium, and INR assesses that Iran is unlikely to make such a decision for at least as long as international scrutiny and pressure persist.

(U) It is NIC policy not to comment publicly on what topics we may or may not be preparing National Intelligence Estimates (NIEs) on, or on the status of NIEs.

Question: (U) During your oral testimony you described "Iran's dogged development of a deliverable nuclear weapon," noted that "Iran is clearly developing all the components of a deliverable nuclear weapons program – fissionable material, nuclear weaponizing capability and the means to deliver it," and said "if Iran pursued its centrifuge uranium technology, they could have a weapon as early as 2010, but it might take them until 2015." These comments do not seem to be consistent with our understanding of the Intelligence Community's judgments or your submitted statement for the record. Are your views about

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Iran's nuclear program different from those of the Intelligence Community? If not, please clarify whether your oral comments or your written statement represent your views and those of the Intelligence Community. If your oral statements were incorrect, are you planning to issue a public statement to correct the misstatements and ensure that the public understands your assessment and those of the Intelligence Community regarding Iran's nuclear program?

Answer: (U) The views of the Intelligence Community on Iran's nuclear program were accurately conveyed in the formal Statements for the Record submitted to the Committee.

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Witness: Director Blair

Question: 10

Question 10: (U) Director McConnell testified at last year's threat hearing that Iran remains a threat to regional stability and US interests in the Middle East because of its continued support for violent groups, such as HAMAS and Hizballah, and efforts to undercut pro-Western actors, such as in Lebanon. Do you agree with the intelligence community's assessment from last year? What is the extent of Iran's support for HAMAS and Hizballah? What are Iran's goals in providing this support?

Answer: (U) We judge that Iran remains a threat to regional stability and U.S. interests in the Middle East because of its continued support for violent groups, including HAMAS and Hizballah.

(U) Iran's provision of training, weapons, and money to HAMAS since the 2006 Palestinian elections has bolstered the group's ability to strike Israel and oppose the Palestinian Authority.

(U) Hizballah is the largest recipient of Iranian financial aid, training, and weaponry, and Iran's senior leadership has cited Hizballah as a model for other militant groups. We assess Tehran has continued to provide Hizballah with significant amounts of funding, training, and weapons since the 2006 conflict with Israel, increasing the group's capabilities to pressure other Lebanese factions and to threaten Israel.

(U) Tehran views its support of these groups—which share Iran's rejectionist stance toward Arab-Israeli peace negotiations—as integral to its efforts to build influence in the Middle East and challenge Israeli and Western interest in the region. Iran also views Hizballah as a formidable military and terrorist ally that could aid Tehran in the event of an Iran-U.S. or Iran-Israel conflict.

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Witness: Director Blair

Question: 11

Question 11: (U) The security situation in Iraq appears to show continuing signs of improvement as a result of the success of tribal efforts in combating AQI, expanded coalition operations, and the growing capability of the Iraqi Security Forces (ISF). What is the Intelligence Community's assessment of stability in Iraq and progress toward political reconciliation? What is the Intelligence Community's assessment of the capability of the Iraqi Security Forces (ISF)? Is al-Qa'ida in Iraq (AQI) capable of conducting destabilizing operations and spectacular attacks? Have Syrian internal security operations continued to contribute to the reduction in effectiveness of AQI's Syria-based terrorist facilitation networks? Does the Intelligence Community assess that al-Sadr and his militias retain the capacity to return to violence?

Answer: (U) The positive security trends over the past year have endured and expanded. Iraqis now are less inclined to resolve their differences through unsanctioned violence, and fewer Iraqis are dying at the hands of their countrymen than at any time in the past two years. Improving security conditions in Iraq have given the Prime Minister an opportunity to assert authority in previously denied areas of the country. Meanwhile, the maturation of the Awakening movement, Iraqi Security Forces (ISF) gains, and the subsequent spread of Sons of Iraq groups, in combination with Coalition operations against AQI leaders, have weakened AQI by largely forcing it out of strongholds such as Al Anbar and much of greater Baghdad. The main factors that have contributed to these positive trends include Coalition operations and population security measures; the weakening of insurgent forces, militants, and AQI; and the growing capabilities of the ISF.

(U) We judge, however, that political and security progress could be halted or even reversed by a number of factors, including Arab-Kurd tensions over disputed internal boundaries, perceptions of Iraqi government repression, and increased foreign support to insurgent or militant groups.

(U) Some analysts believe that Iraq is more fragile, the ISF less capable, and the impact of a drawdown potentially more destabilizing than the majority of the Intelligence Community.

(U) The capabilities of the ISF have continued to improve. The ISF's increasing professionalism and improvements in war-fighting skills have allowed it to assume more responsibility for Iraq's internal security, as demonstrated by the successful operations against Shia militants in Al Basrah, Sadr City, and Al Amarah, and against Sunni extremists in Diyala and Mosul. Despite these improvements, the ISF remains dependent on the U.S. for enabling capabilities such as logistics, fire support, and intelligence and will continue to require Coalition assistance during the next three years.

(U) We judge the maturation of the Awakening movement, ISF gains, and the subsequent spread of Sons of Iraq (SOI) groups, in combination with Coalition operations against AQI leaders, have reduced AQI's ability to change dramatically Iraq's security environment through high-profile

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attacks. We judge AQI's unwillingness to adopt a more moderate ideological position coupled with Iraqi Sunnis' rejection of its extreme tactics will make it difficult to regain the ground it has lost, although the group is likely to retain a residual capacity to undertake terrorist operations for years to come.

(U) Over the past year, Damascus has taken action against some Sunni extremists in Syria and has continued to take steps to increase security along its border with Iraq. We assess Syrian counterterrorism actions have contributed to the reduction in foreign fighters entering Iraq, although we judge this reduction has been primarily driven by AQI's declining fortunes inside Iraq.

(U) We assess that most of Muqtada al-Sadr's Jaysh al-Mahdi (JAM) militia probably will continue to transition away from violence because of Sadr-directed policy and organizational changes and ISF pressure, and the JAM is unlikely to reconstitute its former street power. However, some Sadrist-affiliated groups, particularly Sadr's new armed militant wing, referred to as the Promised Day Brigade, and Kata'ib Hizballah, a non-Sadrist Iraqi Shia militant group, probably will continue anti-Coalition attacks and may engage in sporadic violence against Iraqi Government targets. Many Shia who looked upon JAM in early 2008 as defenders against Sunni extremists eventually came to see the JAM as pariahs, leading Sadr to announce last summer that most of his thousands-strong militia would set aside their weapons to become a cultural organization and a counterweight to Western influence while retaining a smaller, better disciplined, armed militant wing.

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Witness: Director Blair

Question: 12

Question 12: (U) The new administration has announced the goal of drawing down our forces within 16 months after taking office. Is the Intelligence Community involved in informing the US policy making process for decisions regarding a drawdown? How would a US drawdown affect the political processes and security situation in Iraq? Will Iraq be able to achieve self-sufficient, competent security institutions in time for a US withdrawal? What institutions are still lagging? How long will it take for Iraq to achieve this capability? Please discuss the role of al-Qaida in Iraq. How viable is it, and what effect would a US drawdown have on any possible resurgence? Has al-Qaida in Iraq been primarily involved in the insurgency in Iraq, or has it planned any external operations you can discuss in this forum? Do you believe that the current level of violence will hold, get better, or get worse with a US drawdown? What are the factors behind the drop in violence? Are these factors sustainable? Please discuss the Sunni-Kurdish tensions in the north and the intra-Shia tensions in the South? Is there any prospect for a non-violent solution to these issues? What effect would a US drawdown have on these tensions? Is the Iraqi Government committed to an equitable long-term solution that takes into account the interests of all factions, or are they just waiting for the US to depart before returning to violence? What actions might neighboring countries take as the US draws down forces in Iraq?

Answer: (U) The Intelligence Community provided key findings and analytic assessments on Iraq to a series of policymaker meetings on troop drawdown options leading up to the President's policy announcement.

(U) Resolving disputed boundaries, primarily in northern Iraq, and intra-Shia rivalries in the South probably will remain a significant source of political tension in Iraq in the next several years. Intra-Shia competition for political power and resources as well as longstanding theological and class rivalries are being pursued increasingly through the political process rather than through strife, mainly because the Shia militias recognize that violence has cost them support among the Shia population.

(U) We judge Iran will expand political and economic ties to Baghdad and will continue to supply weapons and training to Shia militants to counter a Sunni resurgence, maintain leverage in Iraq, and keep pressure on U.S. forces. Iraqi nationalism, however, acts as a check on Iran's ability to project power in Iraq. Syria will focus on improving relations with Baghdad and seek increased trade and energy exports but also will continue to support Ba'athists and other non-AQI Sunni oppositionists to try to gain leverage in Iraq. Turkey will continue working to counter the Kurdistan People's Congress, a Kurdish terrorist group based in northern Iraq. Iraq's Sunni Arab neighbors are starting to reestablish an Arab presence in Baghdad, and are likely to gradually continue improving ties to Iraq.

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Witness: Director Blair

Question: 13

Question 13: (U) The recent Iraqi elections were relatively free of violence. What do the provincial election results tell you about the future direction of Iraq? Did you expect al-Maliki's Dawa party to do so well? To what do you attribute the party's success? What is the Iraqi Government's ability to deliver services to the Iraqi public?

Answer: (U) Provincial elections helped correct previous ethno-sectarian imbalances in provincial councils. Sunni Arab candidates won majorities in the mixed ethno-sectarian governorates of Diyala, Ninawa, and Salah Ad Din, where they previously were underrepresented. Maliki's coalition won or tied for the most seats in the ten Shia-dominated governorates as well as narrow pluralities in four other governorates. The Maliki coalition's emphasis on his counterinsurgency and economic reconstruction campaigns probably appealed to many voters seeking to oust incumbents.

(U) The Iraqi Government will continue to face significant challenges in meeting demand for basic goods and services. Baghdad will confront more difficult choices about spending priorities as a result of declining oil revenues as it simultaneously grapples with security force modernization, infrastructure investment, and expanding public payrolls.

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Witness: Director Blair

Question: 14

Question 14: (U) In January, the United States and Israel signed a memorandum of understanding that would, amongst other things, require the US and Israel to enhance "sharing of information and intelligence that would assist in identifying the origin and routing of weapons being supplied to terrorist organizations in Gaza." Does HAMAS still possess the capability to strike Israeli population centers indiscriminately with rockets? How has HAMAS been able to obtain parts for rockets, explosives and other munitions - and how difficult is it to close off the smuggling tunnels between Egypt and Gaza? Please characterize the assistance Iran and/or Syria have provided to HAMAS. Is HAMAS an organization that can be deterred? Has HAMAS gained or lost popularity among the Palestinian population since the conflict?

Answer: (U) We assess that HAMAS still possesses a capability to strike Israel with rockets. HAMAS continued to fire rockets throughout its fighting with Israel earlier this year, and we judge that the group's stockpile of weapons probably was not exhausted or destroyed before the January cease-fire.

(U) HAMAS probably has been able to obtain parts for rockets and other weapons since the ceasefire. These items are smuggled into Gaza via tunnels between Egypt and Gaza. The tunnels were damaged by Israeli air strikes during the Gaza conflict, but many have been repaired and smuggling activity continues. Closing off the tunnels remains a technical and diplomatic challenge. We judge that intense demand in Gaza for goods of all sorts—including weapons—will continue to provide a strong motivation for smuggling activity.

(U) We assess that for the short-term HAMAS will not resume rocket firings at a level that would bring another large-scale Israeli assault against Gaza. HAMAS's popularity has risen in the Palestinian Territories and the Arab world in the wake of Israel's assault earlier this year. A reputable Palestinian polling center in March indicated that HAMAS's popularity stood at 33 percent, up from 28 percent in December, prior to CAST LEAD. Nonetheless, the organization appears concerned that Palestinian perceptions that HAMAS provoked the Israeli attack could significantly weaken the group's popular support in Gaza, a worry supported by polling that reports 71 percent of Palestinians indicating that they believed Palestinians were worse off after the Israeli incursion.

(U) Iran's provision of training, weapons, and money to HAMAS since the 2006 Palestinian elections has bolstered the group's ability to strike Israel and oppose the Palestinian Authority. Damascus views Palestinian rejectionists as legitimate resistance organizations and provides their leaders safe haven, training facilities, and offices in Syria. Syria views its links to Palestinian rejectionists—particularly HAMAS—as a means to press and deter Israel, and create leverage for achieving its goals of attaining a leading position in the Arab and regaining the Golan Heights.

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Question: 15

Question 15: (U) Hizballah is an extremely effective terrorist organization that likely has a greater capability to conduct terrorist attacks than al-Qaida. However, since the 2006 Israel-Hizballah war, Hizballah largely steered clear of the most recent conflict in Gaza, though several rockets were fired from Lebanon into northern Israel in that time period. Why do you believe Hizballah did not take a more active role while the Israeli Defense Forces were engaged in Gaza? Please characterize the role that Hizballah plays in Lebanese politics. What has been the fallout since last year's violent clashes between Hizballah and the Lebanese government? How would you characterize Hizballah's capability to conduct terrorist attacks against the interests of the United States or our allies? How does this capability compare with that of al Qaida?

Answer: (U) We judge that Hizballah did not take a more active role while the Israeli Defense Forces were engaged in Gaza to avoid the risk of igniting a new conflict with Israel. Such retaliation could have damaged Hizballah's civilian and military infrastructure and endangered the group's political standing in Lebanon in advance of the National Assembly election scheduled for June 7, 2009. Hizballah supports HAMAS's rejectionist stance with respect to Israel, but we judge Hizballah was not inclined to substantially risk its own interests to provide assistance to HAMAS during the crisis.

(U) Lebanon has enjoyed a period of relative calm and reconciliation since the Doha Accord in May 2008 ended Hizballah's armed takeover of Beirut. Hizballah has attempted to reconcile with other Lebanese parties probably in an effort to show the group's commitment to a Lebanese nationalist agenda in advance of the National Assembly election and reduce the damage done to its image by the fighting last May. The Hizballah-initiated violence in May has left all sectarian groups—the Sunnis in particular—concerned about their security. Hizballah continues to bolster its military strength; since the 2006 war, the group has rearmed and trained additional personnel in preparation for possible future conflict with Israel.

(U) Hizballah has evolved into a multifaceted, disciplined organization that combines political, social, paramilitary as well as terrorist elements. The group continues to view Israel as a primary enemy and we judge armed resistance against Israel remains central to Hizballah's ideology and strategy. Hizballah remains the most technically capable terrorist group in the world. We assess Lebanese Hizballah may consider attacking US interests should it perceive a direct US threat to the group's survival, leadership, or infrastructure or to Iran.

(U) Al-Qa'ida has an undiminished intent to attack the US and remains the primary terrorist threat to the U.S. Homeland and interests overseas. Al-Qa'ida consistently aspires to conduct a major attack against the US Homeland, and to focus resources on conducting attacks against U.S. and Allied interests overseas as well as against perceived "apostate regimes." Hizballah, like al-Qa'ida, is also capable of mass-casualty terrorist attacks, such as Hizballah's attack on the Israeli

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Embassy in Argentina in 1992 and the Argentine-Israeli Mutual Association (AMIA) in Buenos Aires in 1994.

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Witness: Director Blair

Question: 16

Question 16: (U) Press stories have reported that China has hacked into computers in the US, UK, and Germany. Is the Intelligence Community certain that these attacks are from China? Are they sponsored by the Chinese government? How aggressive is China in collecting against sensitive and protected US systems, facilities, and development projects? What has been the evolution of threats of cyber attacks and computer spying from China? What is the status of the previous administration's cyber initiative?

Answer: (U) Beijing has dramatically expanded its level of effort in computer network operations worldwide for intelligence collection and military use over the past several years, and China's cyber capabilities will pose a growing threat to U.S. information systems over the next five years.

(U) Information warfare has become a pillar of China's military modernization program and war planning. The Chinese see the U.S. military's dependence on information systems as critical to our operations, but also as potentially our greatest vulnerability, and see information warfare as an attractive way to offset the Chinese military's technological disadvantage.

(U) Implementation of the Comprehensive National Cybersecurity Initiative (CNCI), which was established by President Bush in National Security Presidential Directive 54/Homeland Security Presidential Directive 23 in January 2008, continues at this time. President Obama in February 2009 ordered a complete review of U.S. Government cybersecurity programs, including the CNCI, by the National Security Council/Homeland Security Council (NSC/HSC). The NSC/HSC review is to be completed and recommendations reported to the President in mid-April 2009. The CNCI will incorporate any changes recommended by the NSC/HSC review and approved by the President at that time.

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Witness: Director Blair

Question: 17

Question 17: (U) How effective has Russia's manipulation of gas supplies to Ukraine and Eastern Europe been in furthering its foreign policy objectives? Now that the price of oil has declined from record highs, do you believe it can be easier to deal with Russia? Will the West ever be able to rely on Russia to be a dependable partner in addressing challenges like the Iranian nuclear program, counter-proliferation, and counterterrorism? How formidable is Russia's military buildup, and how effective have its military exercises been? How does this capability compare with that of the old Soviet Union? How big a proliferation threat are Russian nuclear, biological, chemical, and fissile material stockpiles? What can be done to address this threat? What effect has the global economic downturn had on Russia?

Answer: (U) Russia's shutoff of gas supplies to Ukraine in January underscored Moscow's ability to use energy to put pressure on Ukraine, but the move probably increased European concerns about dealing with Russia and may have galvanized EU action in response. The recently-announced EU economic stimulus package includes funding for construction of interconnector pipelines and additional gas storage to enhance Europe's ability to weather another cutoff. The shutoff probably factored into the EU's decision in late-March to support Kyiv's efforts to modernize its aging gas supply network. The EU move incensed Moscow, which demands a direct Russian role in anything dealing with Ukraine's gas pipelines. The financial crisis and fall in energy prices, meanwhile, have undercut Russia's ability to move forward on its own pipeline projects to bypass Ukraine.

(U) Senior Russian leaders have stressed that the current financial crisis reveals how closely Russia is linked to the global economy and have recognized Russia's recovery will be dependent on a global recovery. Moscow's economic team is keen to engage the United States both bilaterally and in multilateral forums such as the April G-20 summit. Russia needs Western investment, thus providing a possible incentive for improving its business climate for foreign investors and relations with the West. Russian leaders in recent weeks also have suggested a readiness to improve the bilateral relationship with the US on a range of non-economic issues and continue to work with the United States in areas where interests overlap, such as aspects of counter-proliferation and counterterrorism, though it is unclear if the drop in oil prices is directly related to Moscow's current willingness to engage.

(U) Moscow has indicated, though, that future cooperation will not come at the expense of its own interests – such as commercial investments or its desire for a sphere of influence in the former Soviet space. Moscow's differing interests, priorities, and threat perceptions thus have made bilateral cooperation challenging on some issues. For example, in the case of Iran, while Moscow has voted for three UN Security Council sanctions resolutions since 2006, it has also supported Iran's civilian nuclear power program and sells it advanced arms.

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(U) Moscow has been in the process of restoring some of the military capabilities it lost after the collapse of the Soviet Union as it downsizes and reorganizes its forces. There have been considerable readiness improvements over the past decade, which led directly to the success of Russian forces in both the second Chechnya conflict and in Georgia. Across the full spectrum of warfare—to include nuclear capabilities, military space operations, the ability to conduct large-scale conventional military operations, and the capacity to develop and field advanced weapons—Russia remains among the top military powers in the world, along with China and the United States.

- a. (U) Russia retains the world's second largest strategic nuclear forces and the largest inventory of non-strategic nuclear weapons, with a wide range of delivery systems.
- b. (U) Moscow fields the world's most advanced integrated air defenses.
- c. (U) Russia has the capability to rapidly deploy several heavy brigades and several hundred combat aircraft and helicopters to Eastern Europe, the Caucasus, Central Asia, or its Far East in a matter of several days.

(U) High-profile Russian military exercises have varied in their scope and frequency in recent years. The Stabilnost' (Stability) 2008 in autumn last year was the largest exercise in the post-Soviet period, testing a range of Russian conventional and strategic force capabilities, in part contemporaneous with military operations in Georgia. Other high-profile exercises with other countries usually are much smaller in scope and are as much about demonstrating cooperation as improving capabilities. More important than the high-profile exercises have been the significant increases in Russian unit cyclical training this decade, which is a far better indicator of improved readiness.

- a. (U) Out of area Russian Navy deployments to the Mediterranean, North Atlantic, Indian Ocean, and Pacific Ocean are traditional "show the flag" operations intended to support Russian foreign policy and demonstrate Russia's status as a "great power" and probably do not reflect wartime operational planning.
- b. (U) Similarly, the increase in long range flights by Russian long range bombers over the past two years also is intended to demonstrate that "Russia is back" and has a capability that only the United States can match.
- c. (U) In 2003, the Russian military prepared for an exercise that included attacking U.S. satellites to disrupt the NAVSTAR global positioning system, the Keyhole optical-electronic reconnaissance satellites, and the Lacrosse radar reconnaissance system with the intent of "blinding" the Pentagon and denying it the opportunity to use precision weapons against Russia.

(U) Despite its still considerable capabilities, the Russian military is a shadow of its Soviet predecessor. Russian conventional forces are not a direct military threat to Central or Western Europe, and Russian ability to project large forces abroad is very limited. Russian defense industry, while still capable of producing significant quantities of modern weapons, has nowhere near the capacity of the Soviet military industrial complex. Importantly, Russian leaders acknowledge that Russia does not have the resources to rebuild Soviet-style conventional and nuclear capabilities and are now emphasizing the creation of a smaller, more professional,

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mobile, survivable and high-tech military rather than huge Soviet mobilization forces that emphasized mass and overwhelming firepower.

- a. (U) Moscow has been configuring its ground forces to be able to deploy rapidly along its periphery, giving it the capability to militarily dominate the countries along its borders—with the exception of China.
- b. (U) Russian air defenses, space warfare capabilities, nuclear weapons, and logistical advantages conferred by geography make the Russian military a still formidable hypothetical opponent in scenarios where U.S. or other NATO forces would challenge Moscow militarily near its territory or against Russia proper.
- c. (U) Russia has consistently kept its defense spending at less than three percent of GDP, avoiding the huge defense burden that ultimately choked the Soviet economy, but rising GDP during this decade has allowed Moscow to substantially raise defense spending, while force reductions have allowed the Defense Ministry to concentrate resources more effectively to make qualitative gains.

(U) The financial crisis has emerged as the biggest threat to Russia's political resilience and stability and to Russia's great power ambitions since the 1998 financial crisis, but the overall impact will depend on how deep the global recession is and how long it lasts. Thanks to rising commodity prices for much of the past decade, Russia averaged around seven percent growth between 2001 and 2007 and accumulated the world's third largest foreign currency reserves, which totaled nearly \$600 billion by last August. In recent years, however, Russian companies became heavily leveraged, racking up some \$450 billion—about 40 percent of GDP—in debt to Western financial institutions, leaving some in danger of default this year. Russia now faces its first recession in a decade. As retail, construction, and other sectors weaken in the wake of the drop in the energy and commodities sectors, pain is spreading across the economy—and indeed from Russia across Eurasia. The downturn is affecting everyone from the biggest oligarchs to the new middle class to workers in one-factory towns to villages in Tajikistan, where remittances from construction work in Moscow have dried up.

(U) Russia will face increasing challenges in 2010 if the global economic recovery is slow and oil prices do not rise significantly. So far, Russian reserves have provided Moscow a hedge against the current crisis, but by the end of February this year, foreign exchange reserves had fallen by more than one third to around \$380 billion, in large part due to government efforts to cushion the ruble's fall as oil prices began their downward spiral last July. The ruble, during that timeframe, lost some 30 percent of its value but still performed much better than many other currencies such as the Swedish krona and the Ukrainian hryvnya. This year, Russia still will be able to rely on its reserves to fund a budget deficit that is expected to be around 7.4 percent of Russian GDP. Over the longer term, however, Russia's recovery is tied to the recovery of the global economy and the rise of oil prices back up into the \$70 a barrel range, a price that would allow Russia to balance its budget without making deep cuts in social programs, military spending, and other strategic programs.

(U) The growing Russian economy became a key pillar of support for the government and a major driver of Russia's more active and assertive foreign policy in recent years, so the impact of the economic downturn is potentially significant. Challenges the Russian leadership has faced

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over the last decade since Putin first came to power as President—including war in Chechnya and large scale terrorist attacks in Moscow and the North Caucasus—all occurred against the backdrop of a growing economy and rising energy prices. It is unclear how the Russian government would cope with similar crises in an economic downturn and if Russia's emerging middle class will continue to hold the Russian leadership in the same high esteem it did during the years of growth. Signs of growing social unrest include the government's use of force to suppress protests in Vladivostok in December over an increase in automobile import tariffs, migrant worker protests in some locations, and rising ethnic attacks. A prolonged economic downturn will force Russia to prioritize between funding social programs, underwriting national prestige programs such as the 2014 Sochi Olympics, and continuing expensive efforts to reform the military and assert Russian power abroad.

(U) Although various security improvements have been made, we remain concerned Russia's stocks of nuclear, chemical, and biological-related material are vulnerable to insider theft and other security threats. The U.S. has worked with Russia since the early 1990s to improve accountability and storage of nuclear and chemical weapons, fissile material, and biological pathogens.

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Hearing Date: 12 February 2009

Committee: SSCI

Member: Senator Coburn

Witness: Director Blair

Question: 1

Question 1: (U) Press reports indicate that one of Usama Bin Ladin's sons, who had been under house arrest in Iran, is now free in Pakistan. Are these reports correct and, if so, was he freed by the Iranian authorities or did he escape? What is the intelligence community's assessment of the threat posed by the release of this individual? Have any other al-Qa'ida-affiliated individuals been released from Iran? If so, how many and where are they?

Answer: (U) Sa'ad Bin Ladin probably is no longer in Iranian custody. We do not know whether he escaped or was released. Sa'ad's change in status probably boosted the morale of al-Qa'ida associates and other jihadists, at least immediately following his change in status. The question regarding whether any other al-Qa'ida-affiliated individuals are no longer in Iranian custody cannot be answered with an unclassified response.

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Hearing Date: 12 February 2009

Committee: SSCI

Member: Senator Coburn

Witness: Director Blair

Question: 2

Question 2: (U) In early February, a Pakistani court freed A .Q. Khan from house arrest, five years after he acknowledged proliferating banned nuclear technology. What is the Intelligence Community's assessment of the threat posed by A.Q. Khan's release from house arrest? Are you concerned that A.Q. Khan will continue his proliferation activities?

Answer: (U) An Intelligence Community assessment on A.Q. Khan's activities can not be offered at the unclassified level.

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Hearing Date: 12 February 2009

Committee: SSCI

Member: Senator Coburn

Witness: Director Blair

Question: 3

Question 3: (U) The new administration has commented that about 60 of the remaining 235 GITMO detainees are believed by the Department of Defense to be suitable for release to either their home country or another country. Has the intelligence community provided an assessment in each of these cases that the detainees are suitable for release? Prior to their release, were any of the 63 GITMO detainees who returned to terrorism after being freed judged by the intelligence community to be unsuitable for release?

Answer: (U) The response to this question will be provided by the Office of the Director of National Intelligence under separate correspondence.

Question: (U) In January 2009, the US Ambassador to Yemen said that the "majority" of the Yemeni detainees "can be put productively into a . . . reintegration program with the goal over time of enabling them to find a way back into Yemeni society without posing a security risk?" Does the intelligence community assess that the majority of the Yemeni detainees at GITMO can be put into a reintegration program for ultimate release? Does Yemen have a terrorist rehabilitation program? Does the intelligence community believe that Yemen could successfully implement such a program? What is the recidivism rate for released GITMO detainees? How many of the released detainees who returned to terrorism were Yemeni? What is the Yemeni government's ability and willingness to track and detain terrorists in Yemen's tribal areas? A Voice of America story this week said that Yemen is set to release 176 detainees with suspected ties to al-Qa'ida . Is this story true? If so, what is the intelligence community's assessment of the threat these individuals pose?

Answer: (U) The response to this question will be provided by the Office of the Director of National Intelligence under separate correspondence.

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Hearing Date: 12 February 2009
Committee: SSCI
Member: Senator Coburn
Witness: Director Blair
Question: 4

Question 4: (U) In the July 2007 National Intelligence Estimate (NIE), the Intelligence Community assessed that the “US Homeland will face a persistent and evolving threat over the next three years” and that al-Qa‘ida “has protected or regenerated key elements of its Homeland attack capability, including: a safehaven..., operational lieutenants, and its top leadership.” Has al-Qa‘ida’s ability to find effective replacements for killed or captured senior operational planners been degraded in any way in the past year? What role does Usama Bin Laden play in the organization? Why can the Intelligence Community not locate Bin Laden?

Answer: (U) In years past, al-Qa‘ida’s adaptable decision-making process, bench of skilled operatives, and operational redundancies have enabled the group to maintain planning efforts and quickly identify and appoint effective replacements in the event of the death or capture of key individuals. Since the beginning of 2008, al-Qa‘ida has weathered the deaths of a variety of highly experienced and long-time operatives, forcing the organization to draw upon younger, less experienced individuals to fill some critical positions. These individuals are probably more untested in the formulation, planning, and execution of attacks and their future effectiveness in these new positions is unclear.

(U) Bin Ladin continues to act as the spiritual leader of al-Qa‘ida and figurehead of the jihadist movement--using al-Qa‘ida's media wing al-Sahab to issue statements to followers worldwide--and is vital to al-Qa‘ida's ability to remain the self-appointed vanguard of global jihad. Despite likely being isolated from much of the group's day-to-day activity, he probably offers guidance on overall strategy as much as security precautions allow.

(U) The question regarding Usama Bin Ladin’s whereabouts can not be answered with an unclassified response.

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Hearing Date: 12 February 2009

Committee: SSCI

Member: Senator Coburn

Witness: Director Blair

Question: 5

Question 5: (U) Admiral Blair, I understand that you recently appointed former DCI John Deutch to service in a sensitive position on an advisory panel overseeing our most sensitive intelligence overhead architecture? For those who are not aware, in 2001, Mr. Deutch had his security clearances revoked and received a Clinton Administration pardon after seriously mishandling highly classified information. Have you read the damage assessment that outlines the serious damage done by Mr. Deutch's actions? Are you aware that he refused to cooperate with investigators after he was pardoned? How can you possibly think that it is appropriate to appoint him to this panel? What kind of message do you think this sends to the men and women of the CIA who work every day to collect and protect our most sensitive intelligence? Will you reconsider this decision?

Answer: (U) Dr. Deutch is participating in an independent review of the electro-optical way-ahead under the auspices of the National Geo-Spatial Intelligence Agency. He is one of five experienced and respected individuals participating in the review

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Hearing Date: 12 February 2009

Committee: SSCI

Member: Senator Coburn

Witness: Director Blair

Question: 6

Question 6: (U) Director Blair, your submitted statement for the record said that the "primary near-term security concern of the United States is the global economic crisis." The biggest challenges you laid out related to the global economic crisis are 1) increased risk of regime-threatening instability; 2) increased economic nationalism; 3) Caribbean refugee flows; and 4) that allies and friends might not be able to meet their humanitarian obligations. Is it really the collective judgment of the intelligence community that potential challenges such as possible instability and possible refugee flows are a greater "near-term security concern" than the current threat from terrorism, the wars in Afghanistan and Iraq, the threat posed by Iran's pursuit of a nuclear capability, and the Middle East crisis? From which office within the ODNI or from which agency did this judgment originate? Please provide any previously prepared IC assessments which support this assessment.

Answer: (U) While economic security does not fall into the traditional definition or perception of threats, the community agrees that current global economic crisis represents the primary near-term security concern for the United States. In coming to this assessment the community consider a number of factors, including: the immediacy and severity of the crisis, its global reach, the myriad uncertainties related to how the crisis will manifest, not only economically but geopolitically, the concern that leaders worldwide have expressed publicly and privately about the impact in terms of unemployment, social stability, setbacks to growth, and the need for collaborative and coordinated action to address the fallout and limit the damage.

(U) There is a heightened risk of social and political instability worldwide as governments and citizens grapple with rising unemployment, corporate bankruptcies, frozen financial systems, plummeting trade, and a decline in remittances. These factors potentially feed the threat we and our allies face from terrorism and hamper the ability of the United States to tackle our other top national security challenges. For example, when our allies are focused on domestic economic concerns—from recession to rising unemployment, to strikes and riots—they are less able and willing to cooperate with us on other top priority issues, such as counter terrorism or the wars in Iraq and Afghanistan. The collapse of an economy in the developing world may result in a failed state whose territory is "up for sale to the highest bidder."

(U) The cited assessment originated in the National Intelligence Council. The NIC has been monitoring this issue for more than a year; however, the rapidity with which the global economy has deteriorated since last summer has been extraordinary. Eight months ago, the NIC and the IC were concerned about the potential geopolitical fallout from surging fuel and food prices, particularly in fragile states. Today, we are concerned about the economic, financial, and geopolitical impact of a severe global economic downturn and focused especially on countries where a severe downturn might trigger social unrest, anti-foreign sentiments, damaging protectionism, humanitarian crises, and even an inability to meet collective security commitments because of rising financial burdens.

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(U) While no country has shown to be immune from this crisis, countries that are most affected fit into several categories including those whose 1) domestic banking and financial systems are tightly integrated with the global financial systems, especially developed countries' financial institutions 2) economies are highly dependent on export-led growth 3) economies, budgets and revenues are highly dependent on commodity exports and revenues 4) economies, especially low-income economies that are dependent on remittances from workers working outside their home country to provide foreign exchange and the "social safety net" for their poorest citizens. The NIC has produced more than a half dozen classified products specifically focused on the fallout and implications of global economic turbulence.

(U) The National Intelligence Council provides nine assessments on the impact of the global economic crisis. All recent NIC National Intelligence Assessments, National Intelligence Estimates, and Intelligence Community Assessments have considered the implications the global economic downturn might have on specific countries, regions, and issues.

Question: (U) Does the CIA agree that the global economic crisis is our "primary near-term security concern?" In the past six months, how many finished CIA intelligence assessments have been published on the global economic crisis? How many have been prepared on the global war on terrorism?

Answer: (U) The CIA focuses a majority of its analytic and collection resources on winning the global campaign against terrorism, specifically against those groups and individuals seeking to kill Americans either in the Homeland or abroad. As a result, our primary focus is on the battlefield overseas, where we strive to disrupt and preempt attacks on the United States by taking the fight to our adversaries wherever they may be. We do so by bringing together the Agency's core missions—foreign intelligence collection, analysis, and covert action—into a coordinated package to strike at our enemies. We have found that such a unification of effort, in conjunction with U.S. military forces and Intelligence Community partners, provides us the most effective means to degrade, disrupt, and ultimately defeat the threat.

(U) The Agency, however, is a global intelligence service that is capable of confronting multiple challenges at the same time. As such, we also are focused on the global economic crisis and its impact on U.S. national security, particularly the effect the crisis is having on political stability around the world. Our creation in March 2009 of the daily Economic Intelligence Brief (EIB) is the most visible step we have taken to increase reporting and analysis on this topic. Bringing together functional and regional experts to look at both transnational and country-specific developments, the EIB is designed to inform senior U.S. policymakers about foreign developments as they seek to protect US interests in a rapidly evolving crisis.

(U) A survey of the CIA's World Intelligence Review (WIRe) indicates that the DI disseminated a similar number of analytic products—roughly 270—on both terrorism and on the global economic crisis during the past six months. Many CIA terrorism products, however, contain operational or compartmented information that cannot be hosted on the WIRe—the Agency's classified web presence that the DI uses as its primary means to disseminate analysis through text, graphics, multimedia, and video. The number of DI terrorism-focused assessments nearly

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triples to close to 800 products if all analytic papers are included in the count for the period between 19 September 2008 and 19 March 2009.

Question: (U) Does the DIA agree that the global economic crisis is our "primary near-term security concern?" In the past six months, how many finished DIA intelligence assessments have been published on the global economic crisis? How many have been prepared on the global war on terrorism?

Answer: (U) DIA's primary emphasis is on threats requiring the use or potential use of U.S. military capabilities. Our current priorities are terrorism, ongoing conflicts in Afghanistan and Iraq, and the proliferation of weapons of mass destruction and the means to deliver them. We concur that the global economic crisis has clear and growing security implications. As part of our broader mission, we have resources dedicated to analysis of economic issues underpinning foreign threats and military capabilities, including the threats posed by economic-induced instability. We work closely with financial/economic experts in CIA and Department of Treasury and we leverage their assessments to understand and explain the potential impact on defense issues.

(U) In the past six months, DIA published 30 finished intelligence products on the global economic crisis. During the same period, DIA published 741 finished intelligence products on the global war on terrorism.

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