

Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON
U.S. STRATEGIC COMMAND, U.S. TRANSPORTATION
COMMAND, AND U.S. CYBER COMMAND IN REVIEW OF THE
DEFENSE AUTHORIZATION REQUEST FOR FISCAL YEAR 2016 AND
THE FUTURE YEARS DEFENSE PROGRAM

Thursday, March 19, 2015

Washington, D.C.

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8
9 U.S. Senate
10 Committee on Armed Services
11 Washington, D.C.
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13 The committee met, pursuant to notice, at 9:36 a.m. in
14 Room SD-G50, Dirksen Senate Office Building, Hon. John
15 McCain, chairman of the committee, presiding.

16 Committee Members Present: Senators McCain
17 [presiding], Inhofe, Sessions, Wicker, Fischer, Cotton,
18 Ernst, Tillis, Sullivan, Lee, Reed, McCaskill, Gillibrand,
19 Blumenthal, Donnelly, Hirono, Kaine, King, and Heinrich.
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1 OPENING STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR
2 FROM ARIZONA

3 Chairman McCain: Good morning. The committee meets
4 today for its annual posture hearings on U.S. Strategic
5 Command, U.S. Transportation Command, and U.S. Cyber
6 Command.

7 I'd like to welcome our witnesses today, and thank them
8 for their honorable service.

9 For nearly 70 years during the cold war, deterrence
10 provided a strong foundation for strategic ability and
11 predictability. Despite frequent tensions throughout this
12 time, we knew who our enemies were, we knew what they were
13 capable of, and, as a result, we were able to develop
14 deterrence strategies by making our intent known, regularly
15 demonstrating our capabilities, and continuously training to
16 hone our skills. Asymmetric threats were a concern, but
17 global stability was won or lost at the nuclear level. And
18 the U.S. homeland was beyond the reach of all but the most
19 advanced long-range missiles.

20 As Henry Kissinger explained to this committee in
21 January, world order today is being defined not by, quote,
22 "objective strength," but by psychological contests and
23 asymmetric war. Existing world war -- order is being
24 redefined.

25 Our hearings today, while part of our annual combatant

1 commander posture hearings, provides us with an opportunity
2 to hear from our witnesses how this changing world order
3 impacts their missions and strategic thinking. Dr.
4 Kissinger, before this committee, also noted that, quote,
5 "serious attention must be given to the lagging
6 modernization of our strategic forces."

7 Indeed, while spending on U.S. nuclear forces has
8 declined over the last two and a half decades, Russia and
9 other nuclear powers are increasing reliance on their
10 nuclear forces. Today, Russia thinks strategically about
11 the role of nuclear weapons, space, and cyber in its
12 national security strategy; in particular, its strategy in
13 eastern Europe. Russia used cyber capabilities in Estonia,
14 Georgia, and Ukraine. It is weaponizing space with new
15 anti-satellite capabilities. It has updated its nuclear
16 doctrine and has threatened to deploy dual-capable systems
17 in Crimea. Its long-range bombers penetrate U.S. and allied
18 defensive zones more frequently. Russia is developing a
19 nuclear ground-launch cruise missile, in violation of the
20 1987 INF Treaty, and the Russian military is pursuing
21 modernization across the entire suite of nuclear systems.
22 Russia is likely -- Russia likely is using its nuclear and
23 cyber capabilities to intimidate and coerce NATO as part of
24 its broader strategy to prevent the West from intervening in
25 its invasion of the Ukraine.

1 It's not just Russia. Admiral Haney notes that, quote,
2 "Nuclear weapons ambitions are increasing the risk that
3 others will resort to weapons of mass destruction, coercion,
4 and regional crises or WMD use in future conflicts." This
5 warning is more dire, given the decline in NATO Europe's
6 military capabilities and the deterioration in U.S.
7 readiness from budget constraints. We will want to hear
8 from Admiral Haney whether the President's budget request
9 for nuclear forces allows us to maintain and modernize the
10 U.S. nuclear triad and ensure that replacement systems are
11 available within when our aging nuclear submarines, bombers,
12 and ICBMs face retirement, next decade.

13 Admiral Haney, we also look forward to your assessment
14 of the increasingly serious threats that the United States
15 faces in space. The fact is, some states are actively
16 militarizing space, to our detriment, and we need to develop
17 a strategy with full resourcing of the ways and means to
18 defend against this growing threat.

19 With respect to Cyber Command, the North Korean attack
20 on Sony illustrated how cyber warfare has reshaped the
21 battlefield. As I have said, this incident and its apparent
22 success will breed future and more significant attacks, and
23 has exposed serious flaws in the administration's cyber
24 strategy. The failure to develop a meaningful cyber
25 deterrence strategy has increased the resolve of our

1 adversaries, and will continue to do so at a growing risk to
2 our national security until we demonstrate that the
3 consequences of exploiting the United States through cyber
4 greatly outweigh any perceived benefit.

5 Our ability to keep pace with the cyber threat and
6 deter aggression requires that we effectively train, arm,
7 and equip the over-6,000-person cyber force we are currently
8 building. The fiscal year '16 budget includes \$5.5 billion
9 in cyber investments. Unfortunately, as it turns out, the
10 budget is disproportionately focused on network
11 infrastructure, with only 8 percent of that \$5.5 billion
12 allocated for Cyber Command and the development of our cyber
13 mission forces. I'm concerned that a strategy too heavily
14 weighted toward defense is a losing strategy. Moreover, at
15 the current levels of investment, we are at great risk of
16 having a hollow cyber force.

17 For U.S. Transportation Command, just last year this
18 committee conducted an exhaustive investigation of the cyber
19 threats facing TRANSCOM. According to the Pentagon, Chinese
20 military analysts, for example, have identified logistics
21 and mobilization as potential U.S. vulnerabilities. Given
22 Transportation Command's dependence upon the private sector
23 and the fact that the vast majority of their business is
24 conducted on unclassified networks, this committee felt it
25 important to enhance the Department's ability to share

1 information with its critical transportation contractors in
2 the system in detecting and mitigating cyber attacks.

3 Additionally, U.S. Transportation Command faces
4 challenges from the reduction of the size and scope of U.S.
5 forces in their deployments overseas. As a result,
6 Transportation Command must intelligently reduce and
7 streamline its budget and management infrastructures while
8 maintaining the ability to expand rapidly to react to future
9 contingencies.

10 As Dr. Kissinger stated, the role of the United States
11 in indispensable -- is indispensable, especially in a time
12 of global upheaval. Failing to maintain nuclear deterrents,
13 modernize the nuclear triad, defend ourselves in space, and
14 establish effective cyber deterrents will threaten American
15 leadership.

16 I thank our witnesses for being here today, and look
17 forward to their testimony.

18 Senator Reed.

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1 STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE
2 ISLAND

3 Senator Reed: Well, thank you very much, Mr. Chairman.
4 And let me join you in welcoming our witnesses, and
5 thank them for their service to the Nation. And please pass
6 on our thanks to the men and women who serve in your
7 commands.

8 Admiral Haney, the U.S. Strategic Command is
9 responsible for developing a wide range of deterrence
10 strategies, whether it's the realm of nuclear space or cyber
11 space, to ensure that potential adversaries understand the
12 high price they will incur if our homeland or its assets
13 around the world are attacked. One of the most important
14 deterrence strategies is our nuclear triad. All three legs
15 of the triad need to be modernized. We need to build the
16 Ohio-class replacement submarine, procure the long-range
17 strike bomber, and begin the process to replace their ICBMs.

18 Over the next 10 years, this modernization process will
19 cost approximately \$35 billion annually, which is about 3 to
20 4 percent of our current Defense Department budget. Given
21 the importance of our triad, but also acknowledging the
22 fiscal reality, Admiral Haney, how does this Department of
23 Defense ensure that these modernization priorities remain in
24 place? And that's a issue I hope you'll address in your
25 testimony.

1 General Selva, TRANSCOM is the unsung hero of the
2 combatant commands. You are key to every other command
3 receiving the resources it needs, yet you receive little
4 publicity or credit. I think you like the credit; the
5 publicity, you could do without. But, anyway, the credit is
6 deserved. Let me thank you and your men and women in your
7 command for what you do every day.

8 Like other commands, TRANSCOM does face a number of
9 daunting issues. First, TRANSCOM has to rely on other
10 agencies and the private sector for a portion of its
11 aircraft. The Ready Reserve Force, a group of cargo ships
12 held in readiness by the Maritime Administration, is aging
13 and will need to be modernized over the next decade. I am
14 interested to know if there's a plan to do this, and the
15 funds apportioned to accomplish this mission.

16 TRANSCOM also works with the private sector with the
17 Civilian Reserve Air Fleet, or the CRAF program, which has
18 provided as much as 40 percent of the wartime airlift needs.
19 And I'm interested in hearing how TRANSCOM plans to keep
20 crafts viable after military operations in Iraq and
21 Afghanistan conclude and wind down, and the plan to provide
22 needed surge capacity for the future.

23 Also, because it must work with private-sector entities
24 in the transportation and shipping industries to support DOD
25 deployment operations, TRANSCOM faces a unique set of cyber

1 threats. The Chairman alluded to them in his comments.
2 Last year, the committee issued a report on certain aspects
3 of TRANSCOM's cybersecurity situation. General Selva, I'd
4 like to hear what steps you've taken to accomplish those
5 missions.

6 Admiral Rogers, North Korea and Iran have both executed
7 very destructive attacks on domestic economic targets, with
8 the cyber attacks on Sony Corporation and the Sands Casino
9 in Las Vegas, respectively. However, we are not currently
10 postured to deter such attacks. I would appreciate your
11 insights on what steps must be taken so that private
12 entities are not left alone to face attacks from nation-
13 states.

14 Also, as the cyber threat evolves, Cyber Command itself
15 remains a work in progress. It now has about half of its
16 planned cyber mission forces, but lacks adequate training
17 ranges and the equipment and tools necessary to plan,
18 control, execute, and assess robust military operations in
19 cyber space. And we would certainly like your comments on
20 this issue.

21 Let me again thank the witnesses. I look forward to
22 the testimony.

23 Chairman McCain: Welcome, Admiral Haney.

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1 STATEMENT OF ADMIRAL CECIL D. HANEY, USN, COMMANDER,
2 U.S. STRATEGIC COMMAND

3 Admiral Haney: Chairman McCain, Senator Reed, and
4 distinguished members of the committee, with your permission
5 I'd like to have my full statement made part of the record.

6 Chairman McCain: Without objection.

7 Admiral Haney: I am honored to join you today, along
8 with the other witnesses here, and I thank them for their
9 leadership.

10 Your Strategic Command executes a diverse set of global
11 responsibilities that directly contribute to national
12 security. And I can say with full confidence that, today,
13 Strategic Command remains capable and is ready to meet our
14 assigned missions, and our strategic nuclear forces are
15 safe, secure, and effective.

16 The current goal -- global security environment, as
17 you've mentioned, is more complex and dynamic and uncertain
18 than at any time in recent history, as state and nonstate
19 actors challenge our democratic values and our security in
20 so many ways. We see emerging capabilities from adversaries
21 or potential adversaries, to include but not limited to the
22 modernization of strategic nuclear capabilities.
23 Counterspace and cyberspace activities, conventional and
24 asymmetric threats, and disturbing trends undermine the
25 strategic balance, giving rise for concern for our Nation

1 and our allies and partners.

2 Russia is of particular interest, given their
3 activities in Ukraine and Crimea, violations in the INF
4 Treaty, and a significant number of long-range strategic
5 aircraft flights penetrating United States and ally air
6 defense identification zones, while not just modernizing but
7 demonstrating significant capacities with integrated
8 strategic operation nuclear-force exercises during
9 heightened tensions. Russia is developing and using
10 significant cyber capabilities and is committed to
11 developing counterspace capabilities.

12 China is growing and developing its strategic
13 capabilities. Their demonstrated counterspace capabilities
14 in cyberspace intrusions are of concern. At the same time,
15 China is investing in strategic nuclear-force mobility with
16 mobile intercontinental ballistic missiles and their SSBN
17 submarine fleet.

18 Additionally, Iran, North Korea, Pakistan missile tests
19 portend new challenges in nonproliferation of missile
20 technologies and potential weapons of mass destruction
21 payloads.

22 My U.S. Strategic Command team remains focused on
23 deterring strategic attack and assuring allies by providing
24 combat support to our joint military forces and other
25 combatant commands across the spectrum of their operations

1 to support national security and strategic stability.
2 Strategic deterrence today is much more than just nuclear
3 weapons, although it is underpinned, first and foremost, by
4 our nuclear capabilities. Strategic deterrence includes a
5 robust intelligence apparatus, space, cyber, conventional,
6 and missile defense capabilities, treaties, and
7 comprehensive plans that link organizations and synchronize
8 capabilities.

9 Ultimately, our deterrence capabilities must remain
10 credible in order to convince adversaries the cost of
11 escalation is far greater than any benefit they seek. This
12 drives my six command priorities: to deter strategic
13 attack; provide our Nation with a safe; secure and effective
14 nuclear deterrent force; build enduring relationships with
15 partner organizations to confront the broad range of global
16 challenges; address challenges in space; build cyberspace
17 capability and capacity, while anticipating change and
18 confronting uncertainty with agility and innovation.

19 Achieving strategic deterrence in the 21st century must
20 be a national priority that requires continued investment in
21 strategic capabilities and a renewed multigenerational
22 commitment of intellectual capital. These investments, seen
23 holistically, are our national's -- Nation's insurance
24 policy. While that policy cost is not insignificant, when
25 you think of all it ensures, it is of great value.

1 We seek to recapitalize our strategic capabilities, not
2 because we have always had them, but because they deter the
3 threats we face today and expect to do the same in the
4 foreseeable future. My near-term funding requirements are
5 sustainment and modernization of our nuclear triad, which
6 includes the Ohio replacement program, long-range strike
7 bomber, the three-plus-two warhead strategy, and groundbased
8 strategic deterrent initiative; modernization of our
9 national nuclear command and control and communication
10 architecture -- we must have assured command and control;
11 developing resiliency in space, including robust space
12 situational awareness; building and fielding and equipping
13 cyber teams; improving homeland missile defense capability,
14 while improving foundational intelligence.

15 The President's budget for '16 strikes a responsible
16 balance between national priorities and fiscal realities,
17 and begins to reduce some of the risk we have accumulated
18 because of deferred maintenance and sustainment. This
19 budget supports my mission requirements, but there is no
20 margin to absorb new risk. Any cuts to this budget,
21 including those imposed by sequestration, will hamper our
22 ability to sustain and modernize our military forces.
23 Without relief from the Budget Control Act, we will
24 experience significant risk in providing the United States
25 with the strategic capabilities it needs, and I'm concerned

1 that we risk losing faith with our current All-Volunteer
2 Force, thus hampering our ability to recruit the next
3 generation of strategic warriors. As a Nation, we cannot
4 afford to underfund these strategic missions.

5 As you know, the Secretary of Defense directed an
6 internal and external review of the entire Department of
7 Defense nuclear enterprise. I concur with the review's
8 conclusions and support the planned investments in the
9 nuclear enterprise that will ensure the future safety,
10 security, and effectiveness of the force. None of this --
11 none of this work I've described can be done without the
12 trained, ready, and motivated people. They are our most
13 precious resource.

14 Your continued support, together with the ongoing work
15 of the outstanding men and women of U.S. Strategic Command,
16 will ensure we not only remain ready, agile, and effective
17 in deterring strategic attack and ensuring our allies and
18 partners, but are able to create additional opportunities to
19 better address future threats.

20 Thank you for your time, and I look forward to your
21 questions.

22 [The prepared statement of Admiral Haney follows:]
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1 Chairman McCain: Thank you.

2 General Selva, welcome.

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1 STATEMENT OF GENERAL PAUL J. SELVA, USAF, COMMANDER,
2 U.S. TRANSPORTATION COMMAND

3 General Selva: Chairman McCain, Senator Reed,
4 distinguished members of the committee, thank you for the
5 opportunity and the honor to represent the men and women of
6 the United States Transportation Command to this committee
7 here today.

8 I'm proud to be able to testify with two fellow
9 commanders and friends as we go through this hearing.

10 I have traveled the world in the last 6 months, and
11 watched the men and women of the United States
12 Transportation Command provide the distribution, deployment,
13 and sustainment solutions for our combatant commanders.
14 They do so without fanfare and often in stressful
15 conditions, supporting our soldiers, sailors, airmen,
16 marines, civilian employees, and their families at home and
17 abroad.

18 While U.S. Transportation Command is ready today to
19 face this challenge, we must pay attention to the health of
20 the global distribution enterprise of tomorrow. We rely on
21 our service component commands along with contracted
22 commercial augmentation to provide the distribution services
23 that make us successful. The readiness of our components
24 and commercial providers is key to our success in this
25 global mission. Maintaining the necessary commercial and

1 organic readiness of U.S. TRANSCOM's fleet is our most
2 significant challenge.

3 As the Department's demand for commercial sealift and
4 airlift decreases, U.S. TRANSCOM must continue to ensure
5 these required surge and force sustainment capabilities are
6 available when needed. Finding the right balance of organic
7 and commercial utilization will require us to carefully
8 coordinate across the entire enterprise with all of our
9 partners using all of the available authorities that exist
10 in current law and executive policy.

11 To secure our sealift surge capacity, we continue to
12 work with the Department of Transportation's Maritime
13 Administration to ensure the health of the Maritime Security
14 Program, which brings us 60 militarily useful ships to meet
15 combatant commander requirements, and the Voluntary
16 Intermodal Sealift Agreement, which gains us access to over
17 \$300 billion of commercially owned sealift capacity and
18 inland transportation infrastructure. We must assure that
19 we are able to support the full spectrum of defense needs
20 with these capabilities. Both programs provide critical
21 sealift capacity and trained merchant mariners during
22 national security contingencies and humanitarian relief in
23 disaster assistance responses. I appreciate this Congress's
24 attention to full funding for the Maritime Security Program,
25 which reaffirms our commitment to industry and is mitigating

1 future risk to our strategic commercial sealift capacity.

2 Of significant concern to me is the need to
3 recapitalize 1.6 million square feet of our organic roll-
4 on/roll-off military capability. We're working closely with
5 the United States Navy to develop a plan that meets
6 combatant commander requirements and is sensitive to the
7 capability that will be required during future service force
8 developments. This plan will look beyond the near-term
9 capability requirements and will be informed by the Defense
10 Department's ongoing study and the -- sealift study -- and
11 the Maritime Administration's national maritime strategy.

12 I'm also concerned about the long-term health of our
13 merchant mariners. This the group of civilian merchant
14 mariners who crew our ships, both military and commercial,
15 during crisis. These patriotic Americans have crewed
16 America's merchant marine vessels for the entire history of
17 this Nation.

18 We're also in the process of implementing several of
19 the Civilian Reserve Air Fleet program changes that are a
20 result of a recently concluded Civil Reserve Air Fleet
21 study. When implemented, these changes will ensure the
22 continuation of a viable and ready Civil Reserve Air Fleet
23 that is capable of answering any future requirements and
24 provide best value to the United States Government. We have
25 worked closely with our commercial partners and responded to

1 many of their concerns as we navigate these changes.

2 The transportation and distribution enterprise remains
3 ready today to respond to any contingency or to sustain our
4 forces in the field for any length of time. But, to ensure
5 that this command is ready to respond anytime with our
6 commercial carriers' assistance, I have directed that all
7 contract acquisitions for transportation now consider
8 readiness-related criteria, including the relationship of
9 performance and cost to enterprisewide readiness, as a
10 factor in any decision to let a contract. We will continue
11 to work across the Defense Department to ensure that
12 TRANSCOM has the necessary organic and commercial surge
13 capabilities to respond when called upon.

14 Chairman McCain, Senator Reed, and all members of this
15 committee, thank you for the continued support that you have
16 given to United States Transportation Command and all of the
17 men and women that provide for the deployment, distribution,
18 and sustainment of our services abroad.

19 I would ask that my written statement be submitted for
20 the record.

21 And I look forward to your questions.

22 Chairman McCain: Without objection.

23 [The prepared statement of General Selva follows:]

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1 Chairman McCain: Thank you.

2 Admiral Rogers.

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1 STATEMENT OF ADMIRAL S. ROGERS, USN, COMMANDER, U.S.
2 CYBER COMMAND / DIRECTOR, NATIONAL SECURITY AGENCY / CHIEF,
3 CENTRAL SECURITY SERVICES

4 Admiral Rogers: Chairman McCain, Ranking Member Reed,
5 and distinguished members of the committee, I am honored to
6 appear before you today to discuss our military cyber
7 posture. And I'd like to thank you for convening this
8 forum.

9 I'd also ask that my full statement be made part of the
10 record.

11 I'm equally pleased to be sitting alongside my
12 colleagues from U.S. Strategic Command and United States
13 Transportation Command.

14 It gives me great pride to appear before you today to
15 highlight and commend the accomplishments of the uniformed
16 and civilian personnel of U.S. Cyber Command. I'm both
17 grateful for, and humbled by, the opportunity I have been
18 given to lead our cyber team in the important work they do
19 in the defense of our great Nation and our Department.

20 The current cyber threat environment is uncertain and
21 ever changing. What is certain, however, is the pervasive
22 nature of those cyber threats and the increasing
23 sophistication of adversaries. Our military networks are
24 probed for vulnerabilities literally thousands of times per
25 day. The very assets within our military that provide us

1 formidable advantages over any adversary are precisely the
2 reason that our enemies seek to map, understand, exploit,
3 and potentially disrupt our global network architecture.

4 The cyber intruders of today, in many cases, not only
5 want to disrupt our actions, but they seek to establish a
6 persistent presence on our networks. Quite simply, threats
7 and vulnerabilities are changing and expanding at an
8 accelerated and alarming pace in our mission set.

9 Compounding this threat is our national dependence on
10 cyber space. Operating freely and securely in cyber space
11 is critical not only to our military and our government, but
12 also to the private sector, which is responsible for
13 maintaining much of the Nation's critical infrastructure.
14 The bottom line is, weakness in cyber space has the
15 potential to hold back our successes in every field where
16 our Nation is engaged.

17 An additional critical concern is the budget
18 uncertainty that will be caused by a potential return of the
19 Budget Control Act funding levels. To echo Senator Carter's
20 testimony to the House Armed Services Committee yesterday,
21 the proposed across-the-board cuts will significantly impact
22 our defense strategy; and, as a result, we run the very real
23 risk of making our Nation less secure. Given the evolving
24 threat and our increased dependence on our critical
25 infrastructure, it is vital that we continue and commit to

1 our investment in the cyber mission forces. If we do not
2 continue to invest in our existing and future capabilities,
3 we will lack the necessary capacity and risk being less
4 prepared to address future threats.

5 U.S. Cyber Command has no flexibility in its base
6 budget to absorb a sequestration cut. Any reductions will
7 have immediate direct and indirect effects throughout our
8 force and the service cyber component commanders, including
9 slowing the necessary improvements to our network
10 structures, including improving the -- excuse me --
11 including slowing the necessary improvements to our network
12 structures. Such cuts will slow the build of our cyber
13 teams, their integration into the broader defense structure,
14 and, most importantly, slow the growth of our capacity to
15 form essential missions, which provides a real potential
16 advantage to adversaries. Your continued leadership in
17 providing the necessary resources to our servicemembers and
18 civilians dedicated to the success of our mission is
19 critical to defending our Nation, now and in the future.

20 Despite this challenging threat and fiscal environment,
21 I'd like to assure the committee that U.S. Cyber Command has
22 made considerable progress to date. We are achieving
23 significant operational outcomes, and we have a clear path
24 ahead.

25 With that, thank you again, Mr. Chairman and members of

1 the committee, for convening this forum and inviting all of
2 us to speak. Our progress has been made possible in no
3 small part because of the support from this committee and
4 other stakeholders. The global movement of activity in and
5 through cyber space blurs the U.S. Government's traditional
6 understanding of how to address domestic and foreign
7 military, criminal, and intelligence activities. While it
8 complicates our efforts to combat cyber threats, it also
9 creates opportunities for coordination and cooperation.
10 Unity of effort across the U.S. Government in this mission
11 set is essential. And I appreciate our continued
12 partnership as we build our Nation's cyber defenses.

13 And I welcome your questions.

14 [The prepared statement of Admiral Rogers follows:]

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1 Chairman McCain: Well, thank you, Admiral.

2 It's not very often we have a briefing that really has
3 significant impact, I think, on all members, but the
4 briefing and the information that you'll -- Admiral Haney
5 and Admiral Rogers provided for us the other morning is very
6 chilling and very disturbing, and I would like to, over
7 time, see some of that information being made known to the
8 American people, because it certainly should give us a wake-
9 up call about what our adversaries are doing throughout the
10 world.

11 Every once in a while, we read things, media reports
12 that get our attention. Admiral Haney, one is the New York
13 Times, March 11th, "Russia says has right to deploy nuclear
14 weapons in Crimea. Russia has the right to deploy nuclear
15 weapons in the Black Sea peninsula." Crimea, which Moscow,
16 a Foreign Ministry official said Vladimir Putin -- 15 March
17 -- Vladimir Putin prepared raising nuclear readiness over
18 Crimea. I'm sure you're aware of that, and much more,
19 Admiral Haney. What's your reaction to those kinds of news
20 reports, particularly about Vladimir Putin's apparent
21 willingness to sort of -- if not play the nuclear card,
22 certainly raise the nuclear issue?

23 Admiral Haney: Chairman McCain, you bring up very
24 important points here. It is interesting, in the open press
25 all the way through YouTube, the various signaling that

1 Russia has done associated with their strategic nuclear
2 capabilities, including the ones you mentioned there. They
3 are very provocative, and this, in combination with the
4 whole-of-whole, in terms of these demonstrations of their
5 capability during crisis, such as I mentioned -- the long-
6 range strategic aircraft flights, their violation of the INF
7 Treaty, et cetera -- really shows where we are as a world,
8 including as the United States, and where Russia is trying
9 to ascribe to be, in terms of coercion, including using
10 weapons of mass destruction.

11 Chairman McCain: Obviously, lending much greater
12 importance and emphasis on our modernization of our triad,
13 it seems to me. Would you agree?

14 Admiral Haney: Absolutely, Senator. It's very
15 important.

16 Chairman McCain: Admiral Rogers, also a Wall Street
17 Journal story, "NSA's Rogers Calls for More Forceful
18 Response to Cyber Attacks." Obviously, that's not going to
19 be possible if we proceed with sequestration, would you
20 agree?

21 Admiral Rogers: Yes, sir.

22 Chairman McCain: On -- and yet, I -- as I mentioned in
23 my earlier opening statement, the budget calls for 5.5
24 billion in cyber investment, but only 8 percent will go
25 towards your capabilities in Cyber Command and the

1 development of our cyber mission forces. Does this raise
2 the issue that you have talked about in the past as to
3 whether we have a policy, or not, as to what to do in the
4 event of cyber attacks? Do we just spend our time trying to
5 erect further defenses? And, by the way, I think most of us
6 agree, all of us agree, passage of legislation is important.
7 But -- or do we start devising ways to raise a price for
8 those attacks?

9 And you have said, earlier in the week, that right now
10 it is a -- you said, "Right now, if you're a nation-state,
11 if you're a group, if you're an individual, my assessment is
12 that most come to the conclusion that conducting a cyber
13 attack is incredibly low risk, that there's little price to
14 pay for the actions that they are taking." Doesn't that
15 mean that we should start devising methods and capabilities
16 to enact a price for these people to pay, whether they be
17 nation-states or rogue individuals or groups?

18 Admiral Rogers: Yes, sir. You look at our investment
19 strategy as part of a broader plan. We focus primarily on
20 the defensive piece, initially. I thought that was a sound
21 investment, but I think now we're at a tipping point, where
22 we not only need to continue to build on the defensive
23 capability, but we have got to broaden our capabilities to
24 provide policymakers and operational commanders with a
25 broader range of options. Because, in the end, a purely

1 defensive, reactive strategy will be both late to need and
2 incredibly resource intense. I don't think that's
3 necessarily in our best long-range interest. So, I have
4 been an advocate of -- we also need to think about how can
5 we increase our capacity on the offensive side, here, to get
6 to that point of deterrence as you've raised.

7 Chairman McCain: And right now, as far as you know,
8 that decision has not been made, which would come from the
9 President of the United States.

10 Admiral Rogers: Yes, sir, the President retains that
11 authority right now.

12 Chairman McCain: And that policy has not been decided
13 on, as far as any instructions to you are concerned.

14 Admiral Rogers: No, sir, no authority has been
15 delegated at my level for the offensive application of
16 cyber.

17 Chairman McCain: You think it might be time?

18 Admiral Rogers: I think we still need to work our way
19 through this. It's not unlike, in some ways, what we saw in
20 the history of the nuclear arena or in the post- --
21 aftermath of 9/11, as we were trying to figure out what --
22 at what level, for example, do -- were we comfortable making
23 the decision that we were going to shoot down, potentially,
24 a civilian airliner that we thought had potentially become a
25 weapon. We had much that same discussion. I think we need

1 to have that same discussion now. We've got to increase our
2 decisionmakers' comfort and level of knowledge with what
3 capabilities we have and what we can do.

4 Chairman McCain: But, right now, the level of
5 deterrence is not deterring.

6 Admiral Rogers: That is true.

7 Chairman McCain: Senator Reed.

8 Senator Reed: Well, thank you very much, Mr. Chairman.

9 Admiral Haney, we talked about the need to modernize
10 the triad. And the first step seems to be in terms of just
11 sequencing the Ohio-class replacement, but we also need to
12 begin to invest in a long-range bomber. And can you just
13 briefly describe the platforms that we have to invest in,
14 and also the need to start immediately?

15 Admiral Haney: Senator Reed, the -- look at the
16 platforms today. We have extended the Ohio, the current
17 SSBN, to the max extent possible. This was a platform
18 designed for 30 years, and we're taking it out to 42 years.
19 We cannot extend it any further. It has to be replaced.

20 When you look at our intercontinental ballistic
21 missiles -- systems, they, too, are starting to fray from
22 the maturity of those systems. They've been around since
23 the early '70s. As a result, there is an analysis of
24 alternative in progress, called the groundbased strategic
25 deterrent, that we have to continue to work towards, that

1 provides a very responsive capability for deterrence.

2 In the bombers, the last B-52 came off the assembly
3 line in 1962, and it will be around, even with the current
4 plan, to about 2040. Long time for that aircraft. And even
5 our B-2 aircraft has had to -- two decades of intensive
6 operations. So, the long-range strike bomber is also a must
7 that we have to recapitalize.

8 So, all three of those platforms are coming to a point
9 where we're getting all we can get out of them, and we have
10 to recapitalize them. The triad is important to our
11 strategic deterrence.

12 Senator Reed: Let me ask a related question. The air-
13 launch cruise missile, is that another system that should be
14 replaced or modernized significantly?

15 Admiral Haney: Senator, absolutely. The air-launch
16 cruise missile, the current one, was designed for 10 years.
17 It's at the 30-year point today. And it provides the
18 combination, when you take a credible bomber, a cruise
19 missile, as well as the gravity weapons -- the combination
20 of those provides the complexity by which an adversary would
21 have to think if they went to escalate their way out of a
22 conflict. Very important, particularly as we look at the
23 standoff. Standoff is still required. And -- having
24 combination of a credible bomber and standoff capability.
25 So, we must replace this air-launch cruise missile. So,

1 this long-range strike-option missile program is important
2 to me.

3 Senator Reed: Thank you, sir.

4 General Selva, you mentioned the various civilian
5 components of your, essentially, command. And one of them
6 is the CRAF, the Civilian Reserve Air Fleet. As operations
7 tend downward, in terms of Afghanistan, Iraq, and other
8 places, you can rely more upon your organic aircraft, U.S.
9 Air Force aircraft and other military aircraft. How are you
10 going to reconcile this decreased demand with the need to
11 maintain the capabilities of the civilian fleet?

12 General Selva: Thank you, Senator.

13 In order to do justice to the readiness requirements
14 for the organic and civil fleet, we're going to have to
15 balance how we use the aircraft to move the cargo and
16 passenger demand signal that exists within the Department.
17 It is markedly diminished, to less than half of what it was
18 just a year ago. We've implemented a process inside the
19 command, where we actually use a readiness determination to
20 allocate that lift.

21 But, there is a second part of the Civil Reserve Air
22 Fleet which is invisible to most users, and that is, the
23 incentive for carriers to come into the fleet is
24 governmentwide business that's managed through the
25 Government Services Administration. That represents several

1 billion dollars of annual spend on passenger and cargo
2 movement that only Civil Reserve Air Fleet carriers are
3 eligible to participate in. So, we have worked very, very
4 closely with the industry as well as the Government Services
5 Administration to make sure that we've closed any loopholes
6 in that process so that the carriers get access to the
7 business that they deserve. That will keep the fleets
8 healthy, as the civilian airlines go through what is likely
9 to be an economic consolidation of their assets over time.

10 Senator Reed: And what other agencies of the
11 government typically rely upon this other aspect, the
12 government business? Is it AID and entities like that?
13 What --

14 General Selva: Sir, as a consequence of the Government
15 Services Administration City Pairs Program, all Federal
16 agencies rely on the passenger part of the Civil Reserve Air
17 Fleet. On the cargo side, in 2012 the Congress gave U.S.
18 TRANSCOM and the Department of Defense the authority to
19 offer defense transportation system rates to the whole of
20 Federal Government, which we have done in order to bring
21 more mission set into the network.

22 Senator Reed: But, again, one of the unintended
23 consequences of sequestration is not only reduction in your
24 funds to do this program, but in every Federal department,
25 because I would assume one of the first things the

1 Department of Commerce or the -- it would start -- cut back
2 travel dramatically, et cetera, putting more pressure on
3 your ability to manage the CRAF. Is that correct?

4 General Selva: Senator, that's exactly correct. If we
5 lose that business, if we lose that mission set as a
6 consequence of sequestration, it'll have an immediate
7 readiness impact on the Civil Reserve Air Fleet.

8 Senator Reed: Not just directly -- again, my point,
9 not just directly from your efforts, but --

10 General Selva: Correct.

11 Senator Reed: -- governmentwide.

12 General Selva: Yes, sir.

13 Senator Reed: If you are spared, and every other
14 department, your Civil Reserve Air Fleet is in -- is really
15 in tatters. Is that correct?

16 General Selva: I wouldn't use the word "in tatters,"
17 but it'll make it a much more challenging process to keep it
18 going.

19 Senator Reed: Thank you.

20 My time's expected. But, thank you, Admiral Rogers.

21 Thank you, Mr. Chairman.

22 Chairman McCain: Senator Inhofe.

23 Senator Inhofe: Thank you, Mr. Chairman.

24 Admiral Haney, I don't think I've ever publicly thanked
25 you for the time and effort you spent -- it's been 2 years

1 now; it's hard to believe -- at the Joint Base Pearl Harbor,
2 and the dedication, the time that we spent there. That was
3 beyond the call of duty, and I thank you very much for that.

4 The -- I think that Senator Reed and Senator McCain
5 both talked about the nuclear arsenal and some of the
6 problems in the triad delivery system. I think we can talk
7 about the problems that we have with ours, the age of the B-
8 2 -- of the B-52, and the ICBM, 34 years old, and the fact
9 that we have -- our spending has just declined steadily
10 since the cold war. You know, we -- when you look at what
11 Admiral Rogers has taken on, our -- at least our spending
12 has increased in that area, but it's continued to decrease.
13 And I think you -- when you're talking about the triad, I
14 guess that Russia is the only country that has a triad
15 system, even though it's my understanding that China and
16 India are developing a -- such a system. Is that correct?

17 Admiral Haney: Senator, currently, China has both
18 submarines and intercontinental ballistic missiles, and they
19 are developing more and more of a bomber fleet. Their
20 intentions, as you know, in China are not very transparent.
21 So, time will tell on that answer.

22 Senator Inhofe: But, that's accurate, though. They're
23 not there yet, in terms of a triad.

24 Admiral Haney: That's correct. As you mentioned,
25 Russia not only is modernizing their triad, but they're also

1 modernizing their industrial base associated with it. And
2 that, too, is something that we have to integrate into our
3 calculus. And not just India, but Pakistan is also
4 developing --

5 Senator Inhofe: Where are they, now, in their delivery
6 system?

7 Admiral Haney: They have been clearly invested into
8 cruise missiles, and they have been recently -- just
9 recently having tested a intercontinental ballistic missile
10 capability.

11 Senator Inhofe: Well, you spent some time talking
12 about the problems that we have, and we -- you know, for the
13 last 20 years, we've been talking about this, and that --
14 and the system gets older and older, and we don't seem to do
15 anything about it. But, we don't talk as much about the
16 others. The other people out there, even Iran -- I think it
17 was -- General Stewart was here last week or the week
18 before, and he warned us that, in Iran, they're continuing
19 to develop the nuclear weapons and could soon test a space-
20 launch vehicle that could double as a long-range missile.
21 That's pretty frightening, because it's -- we're no longer
22 looking at just the superpowers that are developing this
23 capability.

24 Admiral Haney: That's correct, Senator. And very
25 recently, Iran also had a space-launch vehicle to send a

1 satellite in space. But, not just them; North Korea
2 frequently parades their KN-08 intercontinental ballistic
3 missile.

4 Senator Inhofe: Yeah. And the KN-11, I guess it is.
5 Well, then you agree with General Stewart --

6 Admiral Haney: Yes, Senator.

7 Senator Inhofe: -- that Iran is developing that
8 capability, too.

9 Admiral Rogers, I became very close to your
10 predecessor, Alexander. You and I have talked about that.
11 And one of the things that's interesting about the cyber
12 issue is, it's something that people don't know anything
13 about. Americans don't understand it. They think about
14 hackers and identity theft and that type of thing, but they
15 don't really know how it works. But, they know it needs
16 more funding. And that puts you in a different situation
17 than anybody else is in. Now, that's one of the few areas
18 where the DOD budget has been enhanced. Right now, it's up
19 -- it's 14 billion proposed increase in cyber security this
20 year, up 1 billion from last year.

21 Now, we have heard what would happen -- what would be
22 the first thing that you would have to do, and the
23 consequences, should the sequestration come in?

24 Admiral Rogers: The first impact I'd probably see is
25 that the services would tell me I can't generate the mission

1 force that you're counting on execute the mission, so I'd
2 have to go to my fellow commanders, operationally, and say,
3 "I'm either going to need to reprioritize and redistribute
4 existing manpower and capability, and remove it from you and
5 provide it to someone else, or you're just going to have to
6 go without."

7 The other thing that concerns me about sequestration --
8 because I still hear this from my civilian workforce; in
9 particular, at Cyber Command -- my workforce still talks, at
10 times, about the impact of the government shutdown, when
11 they didn't come to work. And I remember telling them at
12 the time, "Stay the course with us. The Nation needs you.
13 We need you. I believe that this is just a temporary
14 aberration and that, hopefully, over time, we'll have
15 stability, and you can build a long-term career with us."
16 Because, quite frankly, for most of the workforce that I'm
17 responsible for leading, they could make a whole lot more
18 money on the outside, and they are gobbled up -- it's --
19 whenever they decide they want to leave, they have no
20 problems getting jobs. If we go into the sequestration
21 scenario, one of my concerns is, Does the workforce say,
22 "Aha, this is just another example of how I cannot count on
23 stability with the government, so maybe I need to go to the
24 private sector"?

25 Senator Inhofe: Yeah. You know, that -- my time's

1 expired, but that was exactly the primary concern that
2 Alexander had when he was in that, because the people --
3 there's a huge market for your guys on the outside.

4 Thank you, Mr. Chairman.

5 Chairman McCain: Senator Heinrich.

6 Senator Heinrich: Thank you, Chairman.

7 Admiral Haney, as you're well aware, STRATCOM set the
8 requirement for a common warhead to be used for both the
9 military requirements of the ICBM and the submarine-launch
10 ballistic missile. And that warhead has now been shelved
11 for at least 5 years while we deal with other pressing
12 concerns. I wanted to ask you if it wouldn't make more
13 sense, potentially, that, instead of shelving the design,
14 to, rather, keep a low-level effort in place. And I raise
15 that issue, in large part, because of the necessity of
16 maintaining the requisite talent and design skills
17 capability among our physicists at Los Alamos National
18 Laboratories.

19 Admiral Haney: Senator Heinrich, I want to first
20 salute the work that the Laboratories do to support the
21 missions of U.S. Strategic Command. They are involved in a
22 lot of life extension program work for us, and surveillance
23 program, which is critical for us to be able to use these
24 warheads that now are of age of around 27 years.

25 And, in regards to your question, what we sometimes

1 call the "interoperable warhead," the business that we're
2 already working toward is where we can have commonality in
3 some of the electrical components and what have you. The
4 designers are working toward that.

5 As we've described here, the limits of sequestration in
6 our budget has required us to prioritize things. So, the
7 Nuclear Weapons Council, which is a big group that includes
8 both Department of Defense and Department of Energy and NSA,
9 have been working hard to get that prioritization right
10 while at the same time paying close attention to how we are
11 keeping the workforce employed. These life extension
12 programs are challenges, and they're working hard at those
13 designs, too.

14 Senator Heinrich: Would you say that the limits of
15 that sequestration are so limiting that you're forced to
16 make some decisions that may be penny wise and pound
17 foolish?

18 Admiral Haney: I wouldn't exactly -- I would say, with
19 sequestration, across our Department, absolutely we will be
20 making decisions --

21 Senator Heinrich: Yeah, not referring to the
22 President's budget, but if we go to full sequestration
23 Budget Control Act levels.

24 Admiral Haney: Absolutely, Senator.

25 Senator Heinrich: Admiral Rogers, I wanted to return

1 to something you sort of touched on tangentially in the
2 reality that it's evident that many of the good people who
3 do work for you could make a lot more money on the outside.
4 And we're seeing an increasing number of private-sector
5 firms that are collecting and analyzing, disseminating
6 cyberthreat intelligence for commercial customers. What do
7 you -- have you given much thought to what you think the
8 proper role is for the private sector to play in cyberthreat
9 intelligence collection and analysis? And, as the market
10 for cyberthreat intelligence continues to grow, how does the
11 IC plan to better leverage commercial efforts as part of its
12 overall mission balance?

13 Admiral Rogers: So, in the end, the nature of cyber,
14 this is the ultimate team sport, in my experience. This --
15 the key to our effectiveness as a Nation, I believe, in no
16 small part will be driven by, How can we bring together the
17 capabilities of the private sector and the public sector?
18 It's one reason, for example, why I believe that cyber
19 information-sharing legislation is so critical. We have got
20 to provide incentives and cover, if you will, for the
21 private sector to be able to move information to the
22 government, and for the government to be able to push
23 information to the private sector.

24 In terms of the way we partner, the aftermath of Sony
25 was a very good example, where we not only collaborated,

1 wearing my NSA hat, between NSA, the FBI, Sony, as well as
2 the private security firm they had hired. It's -- the four
3 of us collaborated together to come up with, Here's the
4 conclusion, and here's the basis out of the conclusion, the
5 fact that it was the North Koreans that did this. That was
6 really powered in no small part, and significantly aided by
7 the fact, that we were able to do it in partnership. That's
8 a model, to me, for the future.

9 Senator Heinrich: Thank you.

10 Mr. Chairman, I'll yield back the remainder of my time.

11 Chairman McCain: Senator Fischer.

12 Senator Fischer: Thank you, Mr. Chairman.

13 And thank you, gentlemen, for your service to our
14 country, and for being here today.

15 Admiral Haney, when we look at our nuclear force
16 structure, I understand that we're locked in with the
17 treaties that we have with Russia, but yet the United States
18 provides that extended deterrence, and we have commitments
19 with NATO and Australia, South Korea, Japan. As we look at
20 the world today, we hear a lot of concern about other
21 countries looking at developing or buying a nuclear weapon.
22 And when we look at that future proliferation that may be
23 out there, how challenging is it going to be for us to be
24 able to provide that extended deterrence to the allies that
25 we now have commitments to?

1 Admiral Haney: Senator Fischer, I would say, first and
2 foremost, the assurance we provide those nations you
3 mentioned is as important as deterrence, and we take that
4 mission very seriously. With it, the key is not to have
5 other nations go to nuclear capabilities. And in our
6 various talks with our key allies and partners, that piece
7 is something that we do talk about and -- to make sure
8 nations like North Korea, as you've mentioned, understand
9 that -- I'm sorry, South Korea -- understand that they are
10 under our umbrella, and that we take that mission seriously.

11 If we were to allow other nations -- if other nations
12 were to go off and build their own nuclear arsenal, the
13 problem would be worse, and my other mission set of
14 combating weapons of mass destruction at large would be
15 problematic -- problematic for the nation and for the globe
16 as a whole.

17 Senator Fischer: How would that change our force
18 structure? How would that change the plans we have for
19 future deployment?

20 Admiral Haney: That would more complicate our force
21 structure and operational planning associated with it.

22 Senator Fischer: And, historically, we've looked at
23 tactical nuclear weapons and our strategic nuclear weapons
24 differently. And they're considered differently when we
25 have our arms agreements. Is that correct?

1 Admiral Haney: Senator, they have, in the past; but I
2 will say that, if you had a nonstrategic or tactical nuclear
3 weapon go off anywhere in the world, that, too, would have a
4 strategic effect.

5 Senator Fischer: So, do you think the line between the
6 two is breaking down?

7 Admiral Haney: I wouldn't say the line is breaking
8 down. I think the business of making sure we can account
9 for both strategic and nonstrategic nuclear weapons is
10 important today as it is in our future. It's just the arms
11 control agreements we have today, such as New START Treaty,
12 does not cover the nonstrategic nuclear weapons.

13 Senator Fischer: Do we need to be looking at
14 considering that in future arms control treaties? How
15 important is that?

16 Admiral Haney: I believe it's very important, given
17 the numbers of nuclear weapons that are in this nonstrategic
18 category. And I've said that publicly before.

19 Senator Fischer: And, Admiral, when we look at cyber
20 space and cyber security, I've -- I appreciated Admiral
21 Rogers' comments about not just being on the defense, but
22 being on the offense. How important do you think that is?
23 What signals do we need to send, not just to nations, other
24 nations out there, but to the criminal element, to unsavory
25 characters that are continuing to attack our agencies and

1 private businesses? What kind of signals do we need to
2 send, and how are we going to be able to draw that line in
3 the sand to say that, "You can't cross this"?

4 Admiral Haney: Senator Fischer, I think it's
5 important, as we go forward, one, in working as we are with
6 other nations associated with cyber norms. I think the
7 definitions are required. And, as mentioned earlier in this
8 hearing, the business of solidifying policies, such that we
9 can share that piece, is required. So, we have to have the
10 whole of whole, from defense to offensive capabilities, in
11 order to address this problem and, again, to ensure others
12 understand they can't escalate their way.

13 Senator Fischer: And as we work on these policies,
14 should we be working with our allies on those policies, as
15 well, to make a stronger statement?

16 Admiral Haney: I fundamentally believe we have to,
17 because we have to have an international norm, but we have
18 to, as a country, galvanize around the policies, ourselves,
19 because the threat is on us today.

20 Senator Fischer: Thank you, sir, I appreciate your
21 comments.

22 Chairman McCain: Senator King.

23 Senator King: Thank you, Mr. Chair.

24 I'm sitting here listening particularly to Admiral
25 Haney's testimony about recapitalizing, and realizing one of

1 the wacky things about the Federal budgeting process is, we
2 have no capital budget. We're buying 30- and 40-year assets
3 out of cashflow. And there are things it's appropriate to
4 borrow for, including 30- and 40-year assets, whether
5 they're highways or strategic bombers or Ohio-class
6 submarines. And, of course, now we're borrowing to pay
7 salaries and park rangers and soldiers and sailors, so --
8 but, it's -- it is something -- it's a larger issue that we
9 should be talking about, in terms of the budget process.
10 I'm going from here to the Budget Committee, and I believe
11 the Chair of the Budget Committee feels the same way, that
12 we should have -- it's one of the few large institutions I
13 know of that doesn't have an operating budget and a capital
14 budget. And that would be -- it would be a lot more
15 sensible to buy a Ohio-class submarine and finance it over
16 30 years or 20 years, particularly at interest rates that we
17 have now. We're trying to capitalize out of cash, which
18 really doesn't make much sense.

19 Secondly, Admiral Haney, you've talked about the
20 nuclear deterrent. And clearly it's been effective and
21 important for almost 70 years. How do we deter nonstate
22 actors who are irrational? How does our deterrent -- our --
23 the theory of deterrence assumes a state actor who is at
24 least moderately rational and worries about losing their
25 lives or the lives of their -- people of their country. How

1 does -- how do we develop a new theory of deterrence, or
2 deterrence 2.0, that would have some impact on a terrorist
3 group that gets a hold of one of these warheads and tucks it
4 into the -- a container headed into the Port of Newark?

5 Admiral Haney: Senator King, very important questions.
6 As we look at deterring nonstate actors, as you stated, the
7 real key here still is a cost-benefit deterrence equation.
8 It's a foundation to deterrence at large. So, we have to
9 make sure it's extremely costly to prevent them from, first
10 off, eating their hands when a weapon of mass destruction --
11 in the first place; but making sure, every step of the way,
12 that we have to put enough inhibitors in place so that, in
13 order to even achieve the objective of obtaining one is
14 hard, and ultimately so that they won't be able to get the
15 benefit they seek to attain. And this is why efforts in
16 combating weapons of mass destruction are very important
17 today, in nonproliferation, so that --

18 Senator King: Intelligence, I assume, is big -- a big
19 part of --

20 Admiral Haney: Foundational intelligence is huge. And
21 the sharing of that intelligence from nation to nation is
22 also very important.

23 Senator King: I would just suggest that this is an
24 area that bears some very serious discussion and thought. I
25 know it's going on, but I think it is, as we think about

1 deterrence.

2 I will report some good news. The Intelligence
3 Committee, last week, reported out a cyber-sharing -- cyber
4 information-sharing bill, 14 to 1. We're hoping that will
5 move forward rather quickly. It's long overdue.

6 Admiral Rogers, I presume you are supportive of that.

7 Admiral Rogers: Yes, sir, I am.

8 Senator King: And finally, Mr. Chairman, I'd like to
9 associate myself with your comments. I -- the -- I just
10 think it's critical to develop an offensive cyber
11 capability.

12 And, by the way, developing it isn't enough. We have
13 to tell people that we have it; otherwise, it's not a
14 deterrent. There has to be a price to be paid. And I think
15 the escalation of this capability by our potential
16 adversaries is alarming and very real. And we've -- how
17 many -- I guess the question is, How many warning shots do
18 we have to have, between Target and Sony and the Sands
19 Casino, before we start telling the world, "If you do this
20 to us, you will pay a price"? Because right now, as I think
21 you testified, there's no price to be paid.

22 Admiral Rogers: Yes, sir, I agree very strongly with
23 the concerns you raise and the fact that we do have to take
24 a look at the offensive piece as a part of that whole
25 deterrent idea. Otherwise, we are on the wrong end of this

1 equation, from a cost and a results perspective, and that's
2 not a good place for us to be.

3 Senator King: But, remember Dr. Strangelove, "If you
4 build a doomsday machine, you've got to tell people you have
5 it. Otherwise" --

6 Admiral Rogers: Yes, sir. It's all part of that
7 deterrent idea.

8 Senator King: -- "the purpose is thwarted."
9 Thank you very much, Mr. Chair.

10 Chairman McCain: You're showing your age.

11 [Laughter.]

12 Chairman McCain: Senator Cotton.

13 Senator King: I could come back, Mr. Chairman, but I'm
14 not going to.

15 [Laughter.]

16 Senator Cotton: Hopefully, I won't show my age.

17 Thank you, gentlemen, for coming. Thanks, to all those
18 who sit behind you and all the ones you represent in your
19 various commands, and all the work they do to help keep our
20 country safe.

21 Admiral Rogers, thank you for hosting me recently at
22 the NSA and Cyber Command. General Selva, Admiral Haney, I
23 hope to be able to visit your commands sometime soon, as
24 well. Since they're not right down the street, it makes it
25 a little bit harder to get there.

1 I, too, want to support the statement of Senator King
2 and Senator McCain about the need to develop offensive cyber
3 capacities. It's far beyond the technical means that I
4 learned as an infantryman, but basic infantry doctrine said,
5 simply, "You're on the offense when you're moving, and
6 you're on the defense when you're not on the offense." So,
7 that means you're on the defense when you're sitting there
8 waiting for someone to attack you, which is not the posture
9 we want to have.

10 All of you have said in your statements, both written
11 and oral and in response to questions, about the ongoing
12 negative and severe impacts that sequestration has had on
13 our capabilities. We are now in a debate about what to do
14 on that topic. One proposal in the budgets of the House and
15 Senate Budget Committees, which are works in process -- I
16 don't expect you to comment on them -- is to leave the base
17 budget where it currently would be, at \$498 billion, and
18 potentially increase wartime spending or what we call
19 "overseas contingency operations" spending in this building
20 by up to \$90 billion. So, the total DOD budget would be
21 almost \$600 billion. I'd just like to get your thoughts --
22 again, not necessarily on those budget documents, but on the
23 general concept of keeping sequestration caps in place, but
24 having substantially higher overseas contingency operations
25 spending. We can start with Admiral Haney and move down the

1 line.

2 Admiral Haney: Senator Cotton, overseas contingency
3 operational funding can be problematic, in terms of what you
4 can use it for. And -- but, even more importantly, I think,
5 is the long-term planning. When we talk about having the
6 government, the military, operate more efficiently, we have
7 to be able to deal with it on more than just one year at a
8 time. And without the ability to have that long-term
9 planning and the flexibility, where you take cuts and what
10 have you, we will be even -- we will be inefficient, quite
11 frankly, and it will raise havoc, in terms of our joint
12 military force capability at large.

13 Senator Cotton: General Selva.

14 General Selva: Senator, I worry that an incremental
15 approach to sequestration relief will put us in a place
16 where, as Senator King said, we'll find ourselves being
17 penny wise and pound foolish. Inside the transportation and
18 distribution enterprise, when we see a decrease in the
19 demand signal that's the result of bringing forces out of
20 Afghanistan, that's a reason to celebrate. When we watch a
21 decrease in mission set that's a consequence of services
22 cutting their exercise and readiness programs, that also
23 plays a demand signal on the transportation enterprise.
24 That puts us in a place where we are likely to be less ready
25 than we ever have been in our prior history. And it's a

1 consequence of the services not knowing where the next
2 marginal dollar is going to come from.

3 So, if we take an incremental approach to sequestration
4 relief, you still create the same kind of uncertainty that
5 makes us inefficient and ineffective. And so, I would worry
6 that, with that proposal, not knowing any of the details
7 behind it.

8 Senator Cotton: Admiral Rogers.

9 Admiral Rogers: I would echo the comments of my
10 colleagues. The other point I would make, from a Cyber
11 Command perspective, is, we're a relatively young, immature
12 organization. We are just starting, if you will, the
13 buildout of our capabilities. I don't have decades of
14 investment that I can fall back on. So, this is all -- as
15 we're trying to build a long-term sustained plan in a high-
16 threat and ever-growing environment, this up-and-down annual
17 incremental approach to doing business makes it very
18 difficult for us to build a long-term sustainable plan in
19 the face of this ever-increasing threat.

20 Senator Cotton: So, if I could maybe synthesize what
21 I'm hearing from the three of you, this approach of
22 significantly increasing OCO spending, but leaving the base
23 budget where it is, may be better than nothing, only
24 slightly better, though, because of the inefficiencies and
25 the difficulty for the long-term planning you require?

1 Admiral Rogers: Yes, sir.

2 Admiral Haney: Absolutely. And I'd also say it's a
3 signal to our adversaries of how serious we are on
4 deterrence assurance and ensuring we have a military
5 capability.

6 Senator Cotton: Thank you.

7 Let me move to -- from one -- the very big topic to a
8 very small, but important, topic. General Selva, coming up
9 on the summer season, PCS season, big delays recently in
10 shipping privately owned vehicles, OCONUS for our troops
11 that are going overseas. It's a significant emotional event
12 whenever a family gets OCONUS and doesn't have their
13 vehicle. Can you talk to us about what we've done to avoid
14 that -- those kind of delays this year?

15 General Selva: Yes, sir. I had a meeting with the
16 contractor that holds that contract, on the 12th of
17 February, and the subject of the meeting was their training
18 program, their employment program, the number of employees
19 they have onboard, and the operational concepts that they
20 intend to use this summer to meet the -- what we would call
21 the "summer surge." We'll move about 40,000 cars through
22 the summer season as we move soldiers, sailors, airmen,
23 marines, coastguardsmen, and State Department employees
24 around the world. They presented a plan. The plan is
25 reasonable. We have looked at -- inside the Command, at all

1 of the metrics that we'll use to measure that execution.
2 And I demanded from the company that they provide me with
3 the underlying subcontracts that I can review with the
4 people that are going to provide those services. It is a
5 reasonable operational plan. It's their responsibility to
6 execute. I'll use all the tools that exist in the contract
7 to compel them to execute throughout the summer.

8 Senator Cotton: Good.

9 Thank you.

10 Chairman McCain: Admiral Haney and General Selva and
11 Admiral, if you had a choice between OCO and the present
12 sequestration level, which would you choose?

13 General Selva: Sir, that's a choice between the devil
14 and the deep blue sea, but to balance the checkbook, I would
15 take the OCO.

16 Chairman McCain: Admiral?

17 Admiral Haney: Senator McCain, obviously having more
18 money is better than having less, so obviously I would take
19 the choice of having OCO. But, it doesn't do much for U.S.
20 Strategic Command, because procurement in those kind of
21 things aren't what we use OCO for.

22 Chairman McCain: Actually, we're putting provisions in
23 to allow that procurement and modernization in the OCO
24 provision.

25 Admiral Rogers?

1 Admiral Rogers: Similar to General Selva, more money
2 is better than less. We -- clearly, you'd be presenting us
3 a challenge, but we get paid to deal with challenges and
4 work through them.

5 Chairman McCain: Thank you.

6 Senator Donnelly.

7 Senator Donnelly: Thank you, Mr. Chairman.

8 Thank you all for being here.

9 Admiral Rogers, the Naval Surface Warfare Center,
10 Crane, in Indiana, does a lot of work in counterfeit
11 activities, and I was wondering how you characterize this
12 threat and its potential impact on our systems.

13 Admiral Rogers: So, I assume we're talking about
14 substituting gray market or other --

15 Senator Donnelly: Correct.

16 Admiral Rogers: -- material in the supply chain.

17 Senator Donnelly: Yes.

18 Admiral Rogers: I apologize. I just want to make sure
19 we're not talking about counterfeit money.

20 Senator Donnelly: No. Good.

21 Admiral Rogers: That was my fault.

22 It's something that we clearly, the services, and
23 particularly because of their function in the man, train,
24 and equip, that's primarily a service responsibility. In my
25 previous job, where I was a service-focused individual, it's

1 a topic we spent a good deal of time on, particularly in the
2 more important higher-tiered areas of readiness -- for
3 example, in the nuclear arena, where we spend a lot of time
4 ensuring that the structure that we have purchased, that we
5 have put in place, does not have compromises and
6 vulnerabilities built within it. It's an area that I think
7 we're going to need to increase our focus over time. We
8 just went through an issue, for example, with one of the
9 services, where we found, in a particular system that they
10 had been buying, a handful of instances where the vendor had
11 not complied fully with the contract and had put some other
12 components in. So, it is a topic we see.

13 Senator Donnelly: Okay, thank you.

14 Admiral Haney, I'd like to get your thoughts on the
15 conventional prompt-strike research and development efforts
16 that are underway and what you feel the value of the system
17 is to STRATCOM.

18 Admiral Haney: Senator Donnelly, I fully support the
19 research we're doing associated with the conventional prompt
20 global strike capability. It's a capability I see some of
21 our adversaries are working on -- potential adversaries.
22 And to me, it's all about, How do you hold at risk the
23 enemy, particularly as I look at a lot of the capability,
24 whether it's counterspace, whether it's jamming equipment,
25 all the way to intercontinental ballistic missiles that are

1 on mobile transport capability. An ability to hold it at
2 risk in multiple ways is very important in the deterrence
3 equation. I think conventional prompt global strike
4 provides this, Senator.

5 Senator Donnelly: Thank you.

6 And this would be for any of you who want to answer.
7 We've seen some extraordinarily loose talk from Putin
8 recently regarding nuclear weapons, regarding using them as
9 an option in regards to Crimea, that he was thinking about.
10 They're presently involved in exercises, which have expanded
11 from the Arctic to include activities along the Finnish
12 border, the deployment of strategic weapon systems to
13 Kaliningrad in Crimea, positions across the Baltic fleet,
14 the Black Sea fleet, the western and southern military
15 districts. It seems to form a nuclear narrative. And, you
16 know, we have to take him at his word, it seems to me, in
17 his actions that he's showing and in what he's saying.

18 And, Admiral Rogers, I'll start with you. Do you see
19 this as a significant increase in the posturing there? And
20 how do you regard this as we move forward?

21 Admiral Rogers: If you look across the board, you've
22 seen -- other combatant commanders have testified in front
23 of you. I remember seeing Admiral Gortney's testimony,
24 highlighting that we're seeing a spectrum of operations.
25 Cyber is no different. I'm seeing a much more active Russia

1 in the cyber arena in a much more visible way. I think just
2 as we're seeing with their use of long-range aviation, their
3 public posturing, some of the statements you and other
4 members of the committee have referenced. I think our
5 Russian friends are definitely trying to send us a very
6 strong message about what is acceptable to them and what is
7 not.

8 Senator Donnelly: Admiral Haney, you are, I presume
9 that -- you know, we had talked before -- seeing the same
10 kinds of ramp-up in the cyber area. And what do you expect
11 in the years ahead?

12 Admiral Haney: Well, to enter the cyber domain, as has
13 been echoed by many folks, many pundits, it doesn't take a
14 lot of money to enter that domain, in terms of getting the
15 equipment. It does take money for adversaries to invest --
16 become high-end in it. I think Admiral Rogers would agree
17 with me there. So, consequently, I think it's very
18 important that we continue to work hard across the spectrum.

19 But, I will say, as we look at the future, we have to
20 look at cross-domain deterrence options and be mindful in
21 each. And, for strategic capability, I look at that in
22 cyber, space, and nuclear. Very important to not just look
23 at just one. We have to be effective across the whole of
24 whole.

25 Senator Donnelly: General?

1 General Selva: Sir, you're taking me out of my --

2 Senator Donnelly: Oh. Then I'll --

3 General Selva: -- comfort zone. But, I will say, the
4 buildup of the rhetoric puts us in a place where,
5 strategically, we have to be able to respond to that attempt
6 to intimidate the countries in Russia's near abroad. And
7 the two men sitting at both of my sides are the guys that
8 own the tools to do that.

9 Senator Donnelly: Thank you.

10 Thank you, Mr. Chairman.

11 Senator Reed: [presiding] Thank you, Senator.

12 Senator Lee, please.

13 Senator Lee: Thank you, Mr. Chairman.

14 Thanks, to all of you, for being here today.

15 My first question, I'll direct to Admiral Haney and
16 Admiral Rogers, or either one of you or both of you if you
17 both want to answer it. On March 11th, the Russian
18 government announced what it referred to as a "year of
19 friendship with North Korea." And it appears that Kim Jong-
20 Un will visit Moscow in May. Do you anticipate that the
21 enhancement of the Russian/North Korean relationship might
22 result in the expedited developed of North Korean nuclear
23 weapons or cyber capabilities? And can you speak to the
24 relationship, specifically the military relationship,
25 between these two countries?

1 Admiral Haney: One, I would say, to really get in
2 depth would require a classified setting. I will echo what
3 you said, though, it is problematic seeing Russia and North
4 Korea in working any form of a partnership, our ability to
5 see where this will go for the future. We know North
6 Korea's ambitions, in terms of their demonstrated cyber,
7 their ambitions for nuclear weapons, the tests that they've
8 already occurred. We think they already have miniaturized
9 some of these capability. And clearly we know where their
10 aspirations are. So, I see both nations -- Russia wanting
11 to have partnerships with others, and they're looking at
12 whatever mechanism they can to -- in order to reduce
13 strategic stability in their favor.

14 Admiral Rogers: I would echo Admiral Haney's comment.
15 Clearly, we're going to be spending a lot of time focused on
16 this, because a North Korea that is able to access nuclear
17 and cyber technology from Russia is of great concern to us.
18 So, it's something we'll be paying great attention to.

19 Senator Lee: Thank you.

20 And then, Admiral Haney, a recent report out of John
21 Hopkins University indicated that North Korea could possess
22 nearly 100 nuclear devices by 2019, while continuing to make
23 significant progress in its ballistics program. Does our
24 current schedule to deploy 44 ground-based interceptors and
25 upgrade their kill vehicles keep pace with the development

1 of the threat to the homeland that may be presented by North
2 Korea or perhaps other ballistic missile threats to the
3 United States?

4 Admiral Haney: Today, Senator, we are working to
5 ensure we have a system of systems, a layered system
6 associated with our missile defense capability, to include
7 the ground-based interceptors. Two areas I will highlight
8 that we have to work on -- and I think President budget '16
9 provides for that -- that is getting the kill vehicle right.
10 It has to be effective in order to enhance shot doctrine.
11 And also our ability to have more significant improvement in
12 discrimination is important in order to hold at risk things
13 that would come toward the homeland. And those are two
14 areas -- we can bean-count what North Korea may or may not
15 have and what we have and our capability, but we've got to
16 get those two pieces right, while, at the same time, when
17 you look at the whole of whole and other solutions. And in
18 order to get any further into that, I'd have to have a
19 classified setting.

20 Senator Lee: Okay. Thank you. I understand.

21 Admiral Rogers, what level of command and control by
22 the -- is there by the governments of Russia, China, and
23 Iran over their -- what we might call their cyber warriors?
24 In other words, do they report into some sort of centralized
25 command structure, or do they enjoy a degree of autonomy

1 that gives their governments plausible deniability for their
2 actions?

3 Admiral Rogers: In an unclassified structure, what I
4 would highlight is, each of the three use a slightly
5 different structure, but, in each case, the cyber activities
6 we have seen to date display a strong and direct linkage
7 between the individual actors doing the actual activity and
8 the nation-state directing it.

9 One of the things we'll be looking for in the future,
10 though, Do nation-states start to try to confuse our
11 attribution ability by creating different relationship, for
12 example, using other partners, trying to distance themselves
13 in a visible way so their activity is not as directly
14 attributable? I think that's a trend that we're going to be
15 looking for.

16 Senator Lee: Thank you.

17 Thank you, Mr. Chairman. I see my time has expired.

18 Senator Reed: Thank you, Senator Lee.

19 Senator Gillibrand, please.

20 Senator Gillibrand: Thank you, Mr. Chairman.

21 Admiral Rogers, CYBERCOM obviously, as we've discussed
22 today, has a wide range of responsibilities. How do you
23 deal with unexpected threats?

24 Admiral Rogers: Like any other military organization,
25 we quickly reprioritize and look to see where can we take

1 risk elsewhere.

2 Senator Gillibrand: Do you have the capability that
3 you need for those unexpected threats, particularly in
4 cyber?

5 Admiral Rogers: One of the issues that I've raised
6 internally in the Department, to be honest, is the idea
7 that, in creating the force, we've allocated it all very
8 specifically across the board. And so, one of the
9 implications, which I think goes to your point, is: So we
10 perhaps didn't build in as much flexibility as our
11 experience now is telling us perhaps we need. So, that's
12 something, to be honest, within the Department that we're
13 going to be looking at.

14 Senator Gillibrand: And is that --

15 Admiral Rogers: We need to --

16 Senator Gillibrand: -- sort of a perspective of --

17 Admiral Rogers: -- relook --

18 Senator Gillibrand: -- technology or personnel?

19 Admiral Rogers: It's less technology, to me, and it's
20 much more about just the resources, people, and the
21 equipment, and their focus.

22 Senator Gillibrand: And so, if you're going to create
23 a longer-term, more resilient strategy for getting the
24 personnel that you need and the expertise that you need and
25 the retention that you need -- because we talked about how

1 these guys, you know, are offered very high salaries at
2 Google, the minute they walk out -- how do you deal with
3 that?

4 Admiral Rogers: Knock on wood, across each of the
5 services we have met or exceeded all of our accession
6 targets, bringing manpower in, and our ability to retain
7 people. It will never be about competing head-to-head with
8 salary. Where we are going to compete, as we do in all --
9 in many other areas of the military -- is the ethos of our
10 organization, the culture of our organization which is
11 focused on service to the Nation, the fact that we are going
12 to give you an amazing mission that you can't do anywhere
13 else, the fact that we're going to give you a lot of
14 responsibility at a very young level. That's our model.
15 And then, lastly, we're going to let you do it in some
16 really interesting places around the world, to include, if
17 you're a real adrenaline junky, I can get you to
18 Afghanistan, I can get you to Iraq. We have capabilities
19 there that we're using on a regular basis.

20 Senator Gillibrand: So, we don't yet -- we haven't
21 developed a built-in surge strategy yet, so we don't have
22 the backup we would need, given a crisis, yet.

23 Admiral Rogers: So -- right, I have no capability
24 right now that we haven't allocated against the mission set.
25 It's not surprising -- if I could -- it's not surprising, in

1 the sense that we're in the early stage of this effort.

2 But, you do raise a concern that I have talked about.

3 Senator Gillibrand: And have you thought about
4 creating a stronger relationship with regard to that need
5 within the Reserve components?

6 Admiral Rogers: I would tell you that the Reserve
7 component is an active part of our -- and a very important
8 part of the entire structure. That structure we're
9 creating, of 6200 people, that isn't all Active. That isn't
10 all military, either.

11 Senator Gillibrand: Because I could imagine, given the
12 needs of current day, that you might even create a
13 complementary recruiting strategy among the Reserves, with
14 experts in the field. Meaning you go directly to the people
15 you actually want and say, "Would you consider joining the
16 Reserves?" Have you considered that kind of active
17 recruitment?

18 Admiral Rogers: In fact, right now we're actually
19 doing kind of even interesting test pilot with the Reserves
20 and the capability we're creating in Silicon Valley.

21 Senator Gillibrand: Exactly. That's --

22 Admiral Rogers: It's a kind of interesting --

23 Senator Gillibrand: -- exactly what I am talking
24 about.

25 Admiral Rogers: Right.

1 Senator Gillibrand: Well, to the extent this is an
2 approach of a strategy that you think is meaningful, I would
3 be grateful, to the extent you need support for that, to ask
4 the committee.

5 Admiral Rogers: Yes, Senator.

6 Senator Gillibrand: Because I've had a long-term
7 concern that we need to get the best and brightest to work
8 for us and to be part of our cyber support, and also we need
9 really strong cyber warriors. And you have to build them
10 over time, they have to understand how the military works,
11 and that takes investment and long-term --

12 Admiral Rogers: Right.

13 Senator Gillibrand: -- investment. And, frankly, very
14 flexible strategy. So, I'm grateful that you are starting
15 that pilot approach with Silicon Valley. I'd suggest that
16 you amplify that, because I think it is exactly where we
17 need to go, especially given budget concerns. If you --

18 Admiral Rogers: Right.

19 Senator Gillibrand: -- can't have everyone full-time,
20 and you can't have the full complement you need at all
21 times, at least create the support you need through the
22 Reserve components.

23 With regard to training, are you able to create the
24 training you need both with Active Duty and Reserve
25 components, and to keep it as up to date as necessary?

1 Admiral Rogers: To date, yes. But, I'll be honest,
2 because we're in the early parts of the journey, here. What
3 we need to do is generate more insight and knowledge to see
4 what's our ability to sustain this over time. Because we're
5 still really focused on the initial cadre. The challenge is
6 going to be, So how do you sustain it as people come and go?
7 That's something we're going to be, in the next year or two,
8 in particular, spending a lot of time on.

9 Senator Gillibrand: Well, again, I'd like to work with
10 you on meeting the needs that you have to meet these
11 requirements. I think it's vital that you have a very
12 active conversation with this committee so that we can
13 support you.

14 Admiral Rogers: Yes, Senator.

15 Senator Gillibrand: Thank you.

16 Admiral Rogers: Thank you for your concern.

17 Senator Gillibrand: Thank you, Mr. Chairman.

18 Senator Reed: Thank you very much, Senator Gillibrand.

19 Gentlemen, thank you for your testimony, thank you for
20 your service to the Nation.

21 And, on behalf of Chairman McCain, I would adjourn the
22 hearing.

23 [Whereupon, at 11:00 a.m., the hearing was adjourned.]

24

25