

Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON WORLDWIDE
THREATS

Thursday, May 4, 2023

Washington, D.C.

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3 Thursday, May 4, 20234
5 U.S. Senate

6 Committee on Armed Services,

7 Washington, D.C.

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9 The committee met, pursuant to notice, at 9:30 a.m.,
10 in Room G50, Dirksen Senate Office Building, Hon. Jack
11 Reed, chairman of the committee, presiding.12 Committee Members Present: Senators Reed [presiding],
13 Shaheen, Gillibrand, Blumenthal, Hirono, Kaine, King,
14 Warren, Peters, Manchin, Rosen, Kelly, Wicker, Fischer,
15 Cotton, Rounds, Ernst, Sullivan, Cramer, Scott, Tuberville,
16 Mullin, Budd, and Schmitt.

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

3 Chairman Reed: Good morning. Before we begin today,
4 I would like to take a moment to acknowledge the passing of
5 General Vincent Stewart this past weekend. General Stewart
6 was an inspiring, trailblazing Marine who served the nation
7 with honor for more than four decades, rising from a tank
8 platoon leader all the way to director of the Defense
9 Intelligence Agency.

10 He committed himself entirely to defense of our
11 nation, and his leadership will continue to be felt
12 throughout the Marine Corps and the DIA for years to come.
13 My thoughts are with his wife, Phyllis, and his children
14 and family.

15 Now turning to today's hearing, the committee meets
16 this morning to receive testimony on the worldwide threats
17 facing the United States and our international partners. I
18 would like to welcome Director of National Intelligence,
19 Avril Haines, and Director of the Defense Intelligence
20 Agency, Lieutenant General Scott Berrier.

21 Thank you both for joining us, and please convey the
22 committee's gratitude to the men and women of the
23 intelligence community for their critical work. As the
24 DNI's annual threat assessment makes clear, the United
25 States faces threats from a number of state and non-state

1 actors, as well as health and environmental security
2 challenges.

3 Among these wide-ranging issues, there is a common
4 understanding that the future of our national security is
5 tied to the success of our strategic competition with
6 China. This competition is occurring across every field of
7 national power, military, economic, political,
8 technological, and more.

9 And of course, every region of the world. For several
10 decades, the People's Liberation Army has studied the
11 United States way of war and focused its efforts on
12 countering our advantages. China has invested in
13 offsetting technologies like anti-access and area denial
14 systems, artificial intelligence, hypersonics and, of
15 course, nuclear weapons.

16 Further, the PRC has leveraged a combination of
17 military and civil power against its neighbors, including
18 statecraft, economic pressure, coercion, and deception.
19 Beijing has sought ways to achieve its national objectives
20 while avoiding a direct confrontation with the United
21 States military.

22 As the Defense Department's new joint concept of
23 competing puts it, China seeks to win without fighting.
24 The strategy warns that if we do not adapt our approach to
25 compete more effectively, the United States risks ceding

1 strategic influence, advantage, and leverage, while
2 preparing for a war that never occurs. Indeed, the
3 document warns that the U.S. could lose without fighting.

4 Just as China's leaders have studied our way of war,
5 we need to study theirs. With that in mind, I would ask
6 our witnesses for their assessments of how China is
7 evolving in competitive strategies and objectives.

8 I would also appreciate an update on what military and
9 nonmilitary factors are most likely to impact Chinese
10 decision making with respect to a potential coercive action
11 against Taiwan and our other regional partners. Even as we
12 compete with China, we must address Russia's violent
13 destabilizing activities.

14 Ukrainians have fought with incredible courage and
15 skill to repel Russia's assault, defending the same values
16 and freedoms that we cherish. Ukraine has achieved some
17 very notable successes, but there is hard fighting ahead.

18 Let there be no doubt the United States will continue
19 to help Ukraine succeed on the battlefield. America's
20 assistance to Ukraine is also an investment in our own
21 national security. I want to commend the leaders of the
22 intelligence community for their skillful release of
23 intelligence throughout this conflict that has routinely
24 exposed Russia's intentions and aided Ukraine's
25 warfighters. Intelligence officials are understandably

1 cautious about revealing hard won insights on adversaries,
2 but this strategy has proven highly effective in
3 strengthening the international community's response and
4 creating dilemmas for Putin.

5 This is a great example of competing effectively in
6 the information domain, and I hope we will continue to make
7 use of this kind of creative tradecraft. With that in
8 mind, Russia's initial strategy in Ukraine was an abject
9 failure, and the Kremlin's objective seemed to be changing.
10 Director Haines, General Berrier, I would ask for your
11 assessment of the Ukraine conflict in the larger context of
12 the evolving international order.

13 I hope you will also address the extent to which
14 Russia and China are aligning under their so-called no
15 limits partnership and potential implications for U.S.
16 national security. Finally, nations like Iran and North
17 Korea continue to push the boundaries of military
18 brinkmanship and issues like terrorism and climate change
19 remain persistent.

20 Iran has made concerning advances in its nuclear
21 programs and is reportedly seeking Russia's help to make
22 even further gains. Its proxies continue to mount drone
23 and rocket attacks throughout the Middle East, including
24 against bases in Iraq and Syria with a U.S. military
25 presence.

1 North Korea has conducted nearly two dozen missile
2 tests this year, including ICBMs and cruise missiles, and
3 has reportedly stopped its routine military to military
4 communications with South Korea.

5 And I understand it is the intelligence community's
6 view that climate change will continue to exacerbate risks
7 to U.S. national security as issues like rising
8 temperatures, poor water governance, pollution, changing
9 precipitation patterns, and other climate effects are
10 likely to lead to an array of human challenges such as food
11 and water insecurity, and threats to human health.

12 I would appreciate our witnesses' perspectives on each
13 of these complex challenges. Thank you again for your
14 participation, and I look forward to your testimony. As a
15 reminder for my colleague, there will be a closed session
16 immediately following this hearing in room. SVC-217. Now
17 let me turn to the Ranking Member, Senator Wicker.
18 Senator.

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1 STATEMENT OF HON. ROGER WICKER, U.S. SENATOR FROM
2 MISSISSIPPI

3 Senator Wicker: Thank you, Mr. Chairman. I want to
4 congratulate you on your statements concerning the threat
5 we see from China and Russia. And also, I want to join you
6 in observing and memorializing the life of General Vincent
7 Stewart and his untimely death. And I want to thank our
8 witnesses for being here today. It comes at a pivotal
9 time.

10 The United States is confronted with the most complex
11 and dangerous global security environment since the Second
12 World War. Our adversaries are growing in their military
13 capabilities and engaging in provocative and destabilizing
14 behavior across the spectrum of competition and conflict.

15 They are actively trying to displace the United States
16 as the global leader and weaken longstanding and critical
17 alliances and partnerships. We are at an inflection point.
18 The decisions we make this year will have far reaching
19 implications for the United States military, whether it is
20 properly positioned and equipped to deter our adversaries,
21 and if necessary, to defeat them in conflict.

22 Regrettably, the President's budget request lacks the
23 urgency this moment requires and fails to make the
24 necessary investments in our nation's defense. For the
25 third year in a row, the budget request cuts defense

1 spending. Make no mistake, our adversaries are taking
2 notice. And I do believe on a bipartisan basis, we will
3 rectify this failure.

4 Our foremost adversary, the Chinese Communist Party,
5 is in the midst of an unprecedented buildup of its
6 conventional, strategic, and asymmetric military
7 capabilities, under the direction of its most powerful and
8 ruthless leader since Chairman Mao. At the same time,
9 Vladimir Putin's brutal and unprovoked attack against
10 Ukraine has entered its second year and has upended global
11 security, caused untold loss of life, and further isolated
12 his autocratic regime.

13 Now is not the time to question our commitment to
14 Ukrainian partners. To protect U.S. interests, we need to
15 provide Ukraine with the tools it needs to bring this war
16 to a successful conclusion. Not to be outdone, North Korea
17 may now possess enough missiles to overwhelm our homeland
18 missile defenses, and Iran inches closer to developing a
19 nuclear weapon of its own while it continues to sow chaos
20 across the Middle East through its terrorist proxy network.

21 Additionally, President Biden's disastrous and chaotic
22 withdrawal from Afghanistan has emboldened terrorist
23 networks around the world. ISIS and Al-Qaeda affiliates
24 across the Middle East, Africa and South Asia are re-
25 constituting their capabilities and remain intent on

1 killing Americans.

2 I am deeply disturbed by the scope and severity of the
3 recent disclosure of classified materials and the impact
4 such disclosure has on military operations, intelligence
5 collection, and cooperation with key allies.

6 Although I understand multiple investigations are
7 ongoing, I expect this committee will be kept fully
8 informed when details become available and corrective -- as
9 a corrective actions are taken. This committee deserves
10 answers on how such a junior service member in a support
11 role was able to access, print, and post online highly
12 classified documents for over a year without detection
13 -- for over a year.

14 We need to understand whether the Department of
15 Defense's insider threat and security procedures failed or
16 simply were not followed. Again, I thank the witnesses for
17 being here. I thank you, Mr. Chairman, and look forward to
18 a very important discussion.

19 Chairman Reed: Thank you, Senator Wicker. Thank you
20 very much. And let me now recognize Director Haines.

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1 STATEMENT OF HON. AVRIL D. HAINES, DIRECTOR OF
2 NATIONAL INTELLIGENCE

3 Ms. Haines: Thank you very much, Chairman Reed,
4 Ranking Member --

5 Chairman Reed: Could you bring that microphone close
6 as possible?

7 Ms. Haines: Is that better?

8 Chairman Reed: That is.

9 Ms. Haines: Okay. Good deal. Sorry about that. No,
10 and thank you very much for your kind words about General
11 Stewart, who really was just an extraordinary leader in the
12 intelligence community and somebody who has inspired a lot
13 of our folks over the years and brings together sort of
14 integrity and skill in a way that's quite rare and
15 extraordinary.

16 I am thank you for the opportunity to be here today
17 alongside my wonderful colleague, General Berrier, and for
18 your steadfast support for the men and women of the
19 intelligence community who serve our country. I am
20 grateful for the opportunity to present the annual threat
21 assessment, and we just want to acknowledge the many people
22 who have contributed to this work, from the collector to
23 the analysts to everyone in between.

24 This assessment is a product of their effort, and they
25 have our gratitude. This year's report notes that during

1 the coming year, the United States and its allies will face
2 an international security environment dominated by two
3 strategic challenges that intersect with each other and
4 existing trends to intensify their national security
5 implications.

6 First, great powers, rising regional powers, and an
7 evolving array of non-state actors are vying for influence
8 and impact in the international system, including over the
9 standards and rules that will shape the global order for
10 decades to come.

11 And second, challenges that transcend borders,
12 including climate change, transnational criminal activity,
13 health and human security, and economic needs made worse by
14 energy and food insecurity, as well as Russia's invasion of
15 Ukraine, are intensifying as the planet emerges from the
16 COVID-19 pandemic.

17 And further, compounding this dynamic is the impact
18 that rapidly emerging technologies are having on
19 governance, economies, communities around the world. The
20 intersection of these challenges underscores the importance
21 of working together with partners and allies to address the
22 threats we face, and how critical it is to counter efforts
23 to undermine the global norms, principles and mechanisms
24 that promote and underpin national -- transnational
25 cooperation, which is an implicit theme in this year's

1 threat assessment.

2 The report starts with the People's Republic of China,
3 as it is increasingly challenging the United States
4 economically, technologically, politically, militarily, and
5 from an intelligence standpoint around the world.

6 And I will spend most of my time on China and Russia,
7 which are among our top priorities, and focus on updating
8 our views with the latest rather than repeating what is in
9 the annual threat assessment. We assess that the Chinese
10 Communist Party, or CCP, under President Xi Jinping, will
11 continue efforts over the next year to achieve Xi's vision
12 of making China the preeminent power in East Asia and a
13 major power on the world stage.

14 What is perhaps most concerning is that the CCP is
15 increasingly convinced that it can only fulfill Xi's vision
16 at the expense of U.S. power and influence, and through
17 tools of coercion, using demonstrations of strength, as
18 well as economic and political coercion, to compel
19 governments to acquiesce to the CCP's preferences,
20 including the land, sea, and air claims in the region and
21 its assertions of sovereignty over Taiwan.

22 And the relationship between the United States and
23 China has consequently become more challenging. Xi's
24 public reference to America's suppression of China in March
25 of this year reflects his longstanding distrust of U.S.

1 goals and his belief that the United States seeks to
2 contain China.

3 Xi's speech was the most public and direct criticism
4 that we have seen from him to date, and probably reflects
5 growing pessimism in Beijing about China's relationship
6 with the United States, as well as his growing worries
7 about the trajectory of China's domestic economic
8 development and indigenous technology innovation, which he
9 now seeks to blame on the United States.

10 And even as the rhetoric has become more heated, we
11 continue to assess that Beijing wants to preserve stability
12 and avoid triggering additional technology restrictions or
13 sanctions from the United States and our partners, as they
14 seek to narrow the gap in their economic and technological
15 competition with us.

16 Perceiving the United States as a threat, the PRC
17 seeks to undercut U.S. influence, and is looking to portray
18 the United States as the root of global problems. China
19 seeks to divide us from our allies and partners, frame U.S.
20 actions as provocations that provide a basis for planned
21 PRC aggression, which they then claim are simply responses,
22 such as China's expansion of its military presence
23 surrounding Taiwan, which the PRC asserted was in response
24 to President Tsai's recent transit through the United
25 States, as well as her meetings with two speakers of the

1 House over the past year. And China's leaders are focused
2 on spurring domestic economic growth this year, but in the
3 long run, spurring indigenous technology innovation is
4 paramount.

5 President Xi remains confident that Beijing can
6 innovate its way to the technological frontier, regardless
7 of U.S. and allied restrictions, and that doing so will
8 give China the competitive advantage that is crucial to
9 achieving his vision for China as a world power.

10 Nonetheless, we are likely to see more dissonant
11 messaging and actions coming out of Beijing, such as the
12 recent charm offensive by Premier Li Keqiang, welcoming
13 foreign direct investment at the China Development Forum
14 juxtaposed against Beijing's pressure on foreign firms and
15 executives, including investigations of U.S. firms and a
16 clampdown on previous non-sensitive data flows out of
17 China.

18 And the IC assesses that China's long term economic
19 growth will continue to decelerate, because China's era of
20 rapid catch-up growth is ending, and structural issues such
21 as debt, demographics, inequality, overreliance on
22 investment, and inadequate domestic consumption remain.

23 And although the CCP may find ways to overcome its
24 structural challenges over the long term, in the short
25 term, it continues to take an increasingly aggressive

1 approach to external affairs, often to bolster its domestic
2 agenda.

3 China's leaders are increasing their investment in a
4 world class military, expanding their country's nuclear
5 arsenal and cyber threat capacity, pursuing counterspace
6 weapons capable of targeting U.S. and allied satellites,
7 forcing foreign companies and coercing foreign countries to
8 allow the transfer of technology and intellectual property
9 in order to boost indigenous capabilities, continuing to
10 increase global supply chain dependencies on China with the
11 possibility of using such dependencies to threaten and cut
12 off foreign countries during a crisis.

13 The CCP is also seeking to reshape global governance
14 in line with Xi's preferences and governance standards that
15 support the monopoly of power within China, and expanding
16 influence operations, including through the export of
17 digital repression technologies.

18 And furthermore, we have observed the expanding
19 strategic ties between China and Russia, as mentioned by
20 the Chairman, another critical priority for the IC, which
21 has been strengthened by the conflict in Ukraine.

22 We are now over a year into the war, which is
23 reshaping not only Russia's global relationships and
24 strategic standing, but also our own, strengthening our
25 alliances and partnerships in ways that President Putin

1 almost certainly did not anticipate, often precipitating
2 the very events he hoped to avoid, such as Finland's
3 accession to NATO and Sweden's petition to join, while also
4 increasing Xi's leverage over Putin.

5 On the battlefield, the fighting is principally
6 focused on the East around Bakhmut and Avdiikva and remains
7 a brutally grinding war of attrition in which neither
8 military has a definitive advantage with day to day
9 fighting over hundreds of meters. Russian forces gained
10 less territory in April than during any of the three
11 previous months, as they appear to transition from
12 offensive to defensive operations along the front lines.

13 Russian forces are facing significant shortfalls in
14 munitions and are under significant personnel constraints
15 but continue to lay minefields and prepare new defensive
16 positions in occupied Ukrainian territory. Both sides are
17 focusing on preparations for a potential Ukrainian
18 counteroffensive this spring or summer designed to push
19 Russia out of illegally annexed territory.

20 And the Ukrainian armed forces are still finalizing
21 the specific priorities, timing, and scale of the
22 offensive, and Western assistance will be crucial in
23 preparing both plans and forces. With the support of the
24 Congress, the United States is doing a great deal to
25 bolster Ukraine's chances for success. But even if

1 Ukraine's counteroffensive is not fully successful, the
2 Russians are unlikely to be able to mount a significant
3 offensive operation this year.

4 In fact, if Russia does not initiate a mandatory
5 mobilization and secure substantial third-party ammunition
6 supplies beyond existing deliveries from Iran and others,
7 it will be increasingly challenging for them to sustain
8 even modest offensive operations.

9 At the same time, of course, Ukraine remains heavily
10 dependent on external military aid and would likely be
11 unable to counter Russia's natural relative manpower and
12 resource advantages if most Western military aid ceased.

13 Furthermore, while we continue to assess that Putin
14 most likely calculates the time works in his favor and that
15 prolonging the war may be his best remaining pathway to
16 eventually securing Russia's strategic interests in
17 Ukraine, we assess that Putin probably has scaled back his
18 immediate ambitions to consolidate control of the occupied
19 territory in Eastern and Southern Ukraine and ensuring that
20 Ukraine will never become a NATO ally.

21 Putin's willingness to consider a negotiated pause may
22 be based on his assessment that a pause would provide a
23 respite for Russian forces as they could try to use that
24 time to regain strength before resuming offensive
25 operations at some point in the future, while buying time

1 for what he hopes will be an erosion of Western support for
2 Ukraine.

3 Yet he may be willing to claim at least a temporary
4 victory based on roughly the territory he is occupying.
5 And the challenge is that even as Putin may be scaling back
6 his near-term ambitions, the prospect for Russian
7 concessions to advance negotiations this year will be low
8 unless domestic political vulnerabilities alter his
9 thinking. And of course, as the conflict continues, the
10 human toll is only getting worse.

11 In addition to the many tens of thousands of
12 casualties suffered by Ukrainian and Russian militaries,
13 more than 8 million people have been forced to flee Ukraine
14 since Russia invaded. Moreover, in addition to Moscow's
15 continued assault on Ukraine's civilian infrastructure,
16 particularly its energy facilities and electrical grid,
17 there is widespread reporting of atrocities committed by
18 Russian forces.

19 Russia and its proxy groups are using so-called
20 filtration operations to detain and forcibly deport tens of
21 thousands of Ukrainian civilians to Russia. The IC is
22 engaged with other parts of the U.S. Government to document
23 and hold Russia and Russian actors accountable for their
24 actions.

25 Moscow has suffered military losses that will require

1 years of rebuilding and leave it less capable of posing a
2 conventional military threat to Europe and operating
3 assertively in Eurasia and on the global stage. But as a
4 result, Russia will become even more reliant on asymmetric
5 options, such as nuclear, cyber, space capabilities, and in
6 China. And our annual assessment also covers Iran, North
7 Korea, the many regional challenges we face, including in
8 Africa, where, of course, we have seen a recent outbreak of
9 fighting in Sudan, which is no stranger to conflict.

10 The fighting in Sudan between the Sudanese armed
11 forces and the rapid support forces is, we assess, likely
12 to be protracted, as both sides believe that they can win
13 militarily and have few incentives to come to the
14 negotiating table.

15 Both sides are seeking external sources of support,
16 which, if successful, is likely to intensify the conflict
17 and create a greater potential for spillover challenges in
18 the region. But even so, the fighting is exacerbating
19 already dire humanitarian conditions in Sudan, forcing
20 relief organizations to curtail operations, raising the
21 specter of massive refugee flows and aid needs in the
22 region.

23 Even before the fighting started, roughly one-third of
24 the population, or approximately 15.8 million people,
25 required immediate assistance because of disease outbreaks,

1 inflation, localized conflicts, internal displacement, and
2 weather-related food insecurity.

3 And throughout the world, as I noted at the outset,
4 the state actors challenges we inventory are undermining
5 our capacity to work together with our -- with other
6 countries to address what are utterly critical
7 transnational threats such as climate change, public health
8 challenges, such as the current COVID-19 pandemic, the
9 threat from illicit drugs terrorism, irregular migration.

10 Before concluding, I just want to raise with you a
11 legislative authority of fundamental importance to the
12 intelligence community and the work we do, which will
13 expire at the end of this year if Congress does not act. I
14 am referring to Section 702 of the Foreign Intelligence
15 Surveillance Act, and I can tell you without hesitation
16 that Section 702 was relied upon in gathering some of the
17 intelligence that form the basis of this assessment, as it
18 is hard to overestimate the importance of this authority to
19 our work more generally.

20 FISA Section 702 allows the intelligence community to
21 collect on the communication of specifically targeted
22 foreign persons who are located outside the United States,
23 and in doing so provides unique intelligence on foreign
24 intelligence targets at a speed and reliability that we
25 just simply cannot replicate in any other authority.

1 Section 702 was originally enacted to enable the U.S.
2 Government to quickly collect on the communications of
3 terrorists located abroad by allowing the IC to acquire
4 foreign intelligence from non-U.S. people located outside
5 of the United States who are using U.S. electronic
6 communication service providers.

7 And 702 is still vital to our counterterrorism
8 mission. But now it is also principally relied upon for
9 key insights across a range of our highest priority
10 threats. In fact, 702 acquired information has been used
11 to protect against a series of conventional and cyber-
12 attacks posed by China, Russia, Iran, and North Korea.

13 For example, I can tell you that 702 acquired
14 information enabled the United States to gain insights into
15 the PRC's efforts to monitor, track, and persecute Chinese
16 nationals believed to be dissidents. 702 acquired
17 information has also been used to identify multiple
18 ransomware attacks against U.S. critical infrastructure,
19 allowing the U.S. Government to respond to, mitigate, and
20 in some cases prevent attacks.

21 702 acquired information has been used to prevent
22 components for weapons of mass destruction from reaching
23 foreign actors. And 702 acquired information has resulted
24 in the identification and disruption of hostile foreign
25 actors' attempts to recruit spies in or send their

1 operatives to the United States.

2 And I realize that 702 is a powerful authority, and it
3 is incumbent on all of us in the intelligence community to
4 ensure the privacy and civil liberties of Americans are
5 built into its design and implementation at every level.

6 And over the last many years, we have significantly
7 expanded oversight and dedicated resources to compliance in
8 order to do just that, and we welcome the opportunity to
9 help you understand better the oversight framework we have
10 built, as we work to authorize this critical authority.
11 So, thank you so much for your patience and I look forward
12 to your questions.

13 [The prepared statement of Ms. Haines follows:]

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1 Chairman Reed: Thank you very much, Director Haines.
2 General Berrier, please.

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1 STATEMENT OF LIEUTENANT GENERAL SCOTT D. BERRIER,
2 USA, DIRECTOR OF DEFENSE INTELLIGENCE AGENCY

3 General Berrier: Chair Reed, Ranking Member Wicker,
4 distinguished committee members, thank you for the
5 opportunity to discuss the DIA's assessment of the global
6 security environment.

7 Before I begin, I too would like to take a moment to
8 recognize and honor Lieutenant General Vince Stewart, DIA's
9 20th Director. Vince passed away in his sleep last Friday.
10 We lost a giant, an intellectual giant, a trailblazer, and
11 a really good friend. Vince was a gifted and talented
12 Marine intelligence officer who positively touched the
13 lives of many in every organization he served in or led.

14 We mourn his loss. We grieve with his family, and we
15 honor his memory. I am pleased to join Director Haines
16 today to discuss the complex threat landscape and our work
17 to provide timely, insightful, and rigorous intelligence.
18 DIA and the Defense Intelligence Enterprise are
19 transforming our approach to meet threats to our nation
20 posed by strategic competition with China, Russia, and
21 other foreign nations.

22 With your continued support, DIA and the DIE will
23 continue to excel in providing all sorts of analysis,
24 HUMINT and technical collection, open-source collection,
25 material exploitation, modeling and simulations, and other

1 unique mission sets.

2 This will most likely be the last time I testify
3 before this committee as I approach my 39th year of service
4 in our Army, and pending retirement. It has become
5 somewhat reflective on -- I become somewhat reflective on
6 how the threat landscape has changed.

7 In 1984, it was a bipolar world. The U.S. and our
8 partners in a Cold War with the USSR. In my first
9 assignment, I served as an infantry battalion intelligence
10 officer or an S2 in Alaska. One of our missions was to
11 protect critical oil infrastructure in the high North from
12 a Spetsnaz attack.

13 My 23-year-old self didn't think much of that mission
14 at the time, wasn't very exciting, but in retrospect it was
15 an important mission then, and protecting critical
16 infrastructure is a really important mission today.

17 The difference is the threat landscape is
18 exponentially more dangerous today than it was in 1984. We
19 are now in a multipolar world with strategic competition at
20 the forefront. The events of the past year clearly
21 demonstrate that our competitors are emboldened and that
22 they are attempting to forcefully recast the rules based
23 international order and challenge U.S. interests.

24 From Russia's unprovoked and unjustified, full scale
25 invasion of Ukraine, to China's military assertiveness in

1 the Indo-Pacific region, to an unprecedented number of
2 North Korean missile launches, to Iranian directed action
3 against U.S. forces in the Middle East, the United States
4 now faces a multifaceted security environment in which
5 authoritarian regimes are testing our resolve through their
6 provocative military actions, developing capabilities to
7 hold the homeland at risk, and showing greater risk
8 tolerance for potential escalation.

9 Like you, I am very concerned about ongoing threats
10 from China, Russia, North Korea, Iran, and violent
11 extremist organizations, but China is our pacing challenge
12 and DIA's top priority. Beijing is expanding its global
13 influence and stepping up its multi-domain pressure
14 campaign against Taiwan, as observed by sharply increased
15 rhetoric and military activity over the last year.

16 Xi Jinping's attainment of a third term as a General
17 Secretary of the Chinese Communist Party positions Beijing
18 for further progress on military modernization and
19 operational goals that will challenge the U.S. during the
20 next year and beyond. The war in Ukraine is also a
21 priority for DIA, and for the Russian military, 2022 is not
22 a good year.

23 The new look army is gone, and in my view, we are at a
24 particularly dangerous place with Russia. Putin is not
25 seeking an off ramp and Moscow has asserted publicly that

1 it remains committed to achieving its objectives in Ukraine
2 through military force. China and Russia are seeking to
3 incorporate advanced technologies to erode our U.S.
4 technological advantage.

5 China is pursuing a whole of nation approach to
6 technology development, and the PLA believes that
7 integrating future technologies, especially AI and quantum,
8 will constitute a major revolution in military affairs. As
9 Director, I have pressed agency leaders to up our game,
10 relook business operations and transform our missions to
11 meet customer needs, and to address unprecedented national
12 security challenges.

13 Transformation and change are imperatives, and I am
14 pleased that DIA is making real more progress on our
15 mission sets. DIA has exceptional expertise,
16 responsibilities, and missions that you trust us to lead.
17 And as such, foundational military intelligence, defense,
18 human, and counterintelligence, measurement and signature
19 intelligence, or MASINT and JWICS.

20 Our strategic, operational, and tactical defense
21 intelligence supports warfighters, defense planners,
22 policymakers, and the acquisition community, and I look
23 forward to discussing real world examples of our progress.
24 One final area I would like to highlight is the workforce
25 of DIA.

1 As you know, our workforce spans the globe with
2 innovative and forward leaning officers, and these talented
3 and dedicated experts are making strides to defend the
4 United States and our allies. From our defense attachés to
5 analysts, to technical collectors, to our enabling force,
6 these professionals are mission focused and working
7 tirelessly behind the scenes for our nation.

8 DIA is investing in the workforce and the
9 infrastructure that supports their behind-the-scenes work,
10 bringing together talented officers with varied experiences
11 and giving them the tools and authorities to conduct the
12 intelligence that is at the core, and investing in our
13 people is a critical step to modernizing the next
14 generation of intelligence capabilities.

15 I am proud to represent a workforce that provides
16 intelligence on foreign actors to prevent and win wars, and
17 to illuminate opportunities to enable the United States to
18 outpace our strategic competitors. I welcome your
19 questions on the global threat environment and thank you
20 for your continued support and opportunity to testify
21 today.

22 [The prepared statement of General Berrier follows:]

23

24

25

1 Chairman Reed: Thank you very much, General. Thank
2 you both for your detailed and thoughtful testimony.
3 Director Haines, Secretary Yellen indicated that we will
4 exceed the debt limit by June 1st, requiring action before
5 that. Have the intelligence community assessed the
6 international consequences of default on our debt?

7 Ms. Haines: Thank you, Chairman. So, we don't have
8 certainty on the outcome of the financial markets nor
9 countries' opinions of sort of economic and political
10 leadership that might be affected by a default on the debt.

11 But I would say that what our assessment is, is that
12 regardless of its, you know, duration, of a default's
13 duration, almost certainly it would create global
14 uncertainty about the value of the U.S. dollar and U.S.
15 institutions and leadership, leading to volatility in
16 currency and financial markets and commodity markets that
17 are priced in dollars. And that is basically as far as our
18 analysts are able to provide.

19 Chairman Reed: Let me follow up -- and you might want
20 to take this for the closed session also but, our
21 adversaries, I presume, would want to exploit any type of
22 difficulty that we have. Do we have any indications that
23 China in particular is preparing for exploitation of this
24 via through disinformation in the United States or through
25 financial or other moves?

1 Ms. Haines: So, we don't have any information that
2 suggests that they are planning for that. But I think our
3 analysts would agree with you that it would be, you know,
4 almost a certainty that they would look to take advantage
5 of the opportunity.

6 And they generally, both Russia and China, would look
7 to perceive, you know, sort of narrate through information
8 operations such an event as demonstrating the chaos within
9 the United States that we are not capable of functioning as
10 a democracy, and sort of, you know, the governance issues
11 associated with it. They have done that on a range of
12 things.

13 Chairman Reed: Thank you. General Berrier, we had
14 General Cavoli here, who is doing a superb job, and he
15 indicated that Russia remains a formidable force despite
16 their significant losses in personnel in Ukraine, because
17 air, maritime, space, cyber and strategic forces have not
18 really been committed to that effort. What is DIA's
19 assessment of Russia's capacity?

20 General Berrier: Very similar. Still an existential
21 threat with a nuclear arsenal that they have. General
22 Cavoli is correct, that their strategic forces have largely
23 been untested here and still formidable.

24 Chairman Reed: So that the significant -- we just
25 -- our forces out of Europe, which will be a challenge

1 because of their existing capacities.

2 General Berrier: I think from a deterrence
3 standpoint, Russia fears strength. And so even though
4 their ground forces are degraded right now, they will
5 quickly build those back.

6 Chairman Reed: Thank you. And Director Haines, as I
7 said in my statement, the intelligence community has done
8 some remarkable work with respect to Russia and Ukraine by
9 exposing activities that the Russians were contemplating
10 before they could do it, not only embarrassing them, but in
11 many cases frustrating their ability to do it.

12 Are we ready to use that same approach to other
13 adversaries such as China in terms of strategically using
14 intelligence to disrupt their operations?

15 Ms. Haines: Thank you, sir. I think we can talk
16 about this also in closed session and bit more. But as a
17 general matter, we have learned some techniques and
18 mechanisms that will not be forgotten coming out of the
19 conflict with Ukraine that I think we can deploy in other
20 scenarios which have allowed us to do more sharing and
21 downgrading of information, kind of working as a team
22 across the IC to try to preserve sources and methods in
23 that process.

24 And I think we will look to do that. But I think it
25 will be more challenging in different areas depending on

1 what those sources and methods are, and how we can manage
2 that concern as we move forward.

3 Chairman Reed: Just quickly, from both of you, we
4 have had this incident with the Air National Guardsmen,
5 Teixeira, years before that, Snowden. So, this is not
6 really new. We thought and we think every time this
7 happens, we put in place things like keystroke logging,
8 more restrictive controls, but we are still having
9 problems. So just quickly, Director Haines, what can we do
10 to make sure we have more appropriate controls?

11 Ms. Haines: Yes. Thank you, sir. It has been
12 absolutely extremely frustrating, obviously, and
13 demoralizing for folks in the intelligence community who
14 work so hard, frankly, to put together the kind of
15 intelligence that then gets disclosed in leaks. And the
16 damage that it does to our national security is just
17 unacceptable on every level, obviously. And I appreciate
18 the support.

19 I think what I can tell you at this stage is only an
20 interim answer because we are still getting the information
21 from the investigation as to what exactly happened. And to
22 understand that is obviously then to have greater
23 confidence in saying that the things that we are doing are
24 going to make a difference to ensure that this doesn't
25 happen again.

1 And right now, what we are doing is looking to ensure
2 that we, in fact, have the best, you know, user activity
3 monitoring, other techniques that we use. That we are, you
4 know, again, scrubbing and reviewing our processes for
5 ensuring that there is only information provided on a need-
6 to-know basis.

7 That when there is user privileges, that they are
8 appropriately granted. That we have additional, you know,
9 controls around these issues. And we can obviously talk
10 about this more in closed session.

11 Chairman Reed: Thank you. Senator Wicker, please.

12 Senator Wicker: Thank you, Mr. Chairman. Director
13 Haines, I don't want to get into a long discussion about
14 the debt limit, but it is a fact, is it not, that the House
15 of Representatives has passed a bill that would raise the
16 debt limit, if it were passed by the Senate and signed into
17 law by the President, a default would be avoided. That is
18 correct, is it not?

19 Ms. Haines: Sir, I will confess that I am not
20 tracking the puts and takes of this, but I absolutely
21 -- I am sure you are right.

22 Senator Wicker: Well, I think -- I just wanted to
23 point that out that the House has done its work and the
24 Senate now needs to pass a bill and get it to the
25 President's desk. But let me ask you this, Director

1 Haines, the General said since he was a young officer, that
2 the threat has changed, the threat has exponentially
3 increased. Do you agree that this is the most complex and
4 dangerous threat environment since World War II? And I
5 will ask that to both of you. Director Haines first.

6 Ms. Haines: Sure. Thank you, sir. I feel as if you
7 always feel as if the time that you are in is the most
8 complex and most challenging. I do feel that way, but I am
9 a little bit conscious of the sort of cognitive bias that
10 is associated with time. But I think it is, you know, as
11 our annual threat assessment --

12 Senator Wicker: Well, this is a very complex and
13 dangerous threat environment, is it not? General, is this
14 the most complex and dangerous threat environment since
15 World War II?

16 General Berrier: Senator, I believe it is. When you
17 consider the advances in technology, the precision of
18 weapons, the globalization information, the rise of China,
19 along with what Russia has been up to. And then you
20 consider dangerous regional actors like Iran, North Korea,
21 and the continued threat of violent extremist
22 organizations, it seems like the most complex --

23 Senator Wicker: And do you then agree, General, that
24 the authorization bill and the appropriation bills that
25 Congress passes this year should represent acting

1 accordingly to address this greatest threat?

2 General Berrier: Senator, there is a threat there. I
3 support the President's budget and that is -- I will just
4 leave it there.

5 Senator Wicker: Okay. I think that answer speaks
6 loudly. China gives us a figure, General Berrier, about
7 how much they spend. They say \$224 billion annually on
8 their military. Do you agree that China spends
9 significantly more than they publicly admit? And what is
10 your best estimate of how much their annual defense
11 spending is?

12 General Berrier: Senator, there are a number of
13 factors that go into that estimate. I would be more
14 comfortable in a closed session to discuss that.

15 Senator Wicker: And Director Haines, I guess you
16 don't want to discuss that publicly also. Well, let's then
17 let both of you discuss what this Ukraine war has done to
18 Russia's military capability, not only today, but over the
19 next 10 to 15 years. General.

20 General Berrier: A number of factors as well.
21 Senator, I think, you know, just the combat losses, and I
22 spoke of this in my opening statement about the new look
23 army. The reorganization that the Russian military took in
24 the early 2000s meant that they would be better, faster,
25 smaller, if you will, from what they were in the Soviet

1 era.

2 That army largely is gone, and they are relying on
3 reserves and reserve equipment, older Soviet era kinds of
4 kit. It is going to take them a while to build back to
5 more advanced kit. The estimates go from 5 to 10 years
6 based on how sanctions affect them and their ability to put
7 technology back into their force.

8 So, I think they have had a setback in the ground
9 forces, but still very, very capable in their strategic
10 forces.

11 Senator Wicker: Director Haines, the next 10 to 15
12 years, based on what has happened to the Russian
13 conventional military capability so far.

14 Ms. Haines: Yes, I mean, I absolutely agree with
15 General Berrier. There is no question and I think
16 unanimity in the intelligence community, it will take years
17 for the Russians to build back up their ground forces.

18 They have really significantly degraded them, but they
19 nevertheless have, as indicated, strategic force, other
20 forces, and that doesn't mean that they are not a powerful
21 military force.

22 Senator Wicker: Okay. Well, then let me just say
23 this with regard to my previous question, there is an
24 unclassified Department of Defense annual China military
25 power report. That is not secret. It doesn't need to be

1 said, done in the schif.

2 It states that China's "actual military related
3 spending is likely significantly higher than what it states
4 in its official budget." You don't disagree with that,
5 Director Haines, do you?

6 Ms. Haines: No. I think one aspect of it is the
7 civil military fusion that we see in China, where so much
8 of, in fact, their civilian industry is actually adapted
9 and used by their military. And when you consider that, it
10 is a significant --

11 Senator Wicker: Thank you. Thank you very much.

12 Chairman Reed: Thanks, Senator Wicker. Senator
13 Shaheen, please.

14 Senator Shaheen: Thank you both for being here and
15 for your service to the country. Director Haines, I want
16 to go back to your comments about the 702 reauthorization,
17 because I returned from, along with a number of my
18 colleagues, including Senator Budd, we returned from South
19 America a couple of weeks ago where we visited four
20 countries, and the 702 really came up, or at least the
21 ability of the intel community to use those authorizations
22 to address the challenges facing the country.

23 And I was particularly interested in the
24 counternarcotics effort because we continue to have a huge
25 issue in New Hampshire with the opioid epidemic. So, I do

1 think it is very important for us to continue to have those
2 authorities.

3 But there are also some very real concerns about
4 privacy that we have heard. So, can you talk to how
5 important it is for these authorities to help us continue
6 with counter-narcotics efforts and also what we are doing
7 in terms of addressing the privacy concerns?

8 Ms. Haines: Yes, absolutely. And I think, you know,
9 this is one of the challenges for us, has been in the
10 intelligence community, frankly, trying to declassify
11 examples of how it is that we have used 702 so that the
12 public has a better understanding of the value of this
13 authority and the collection that we have.

14 But also, as a general matter, it has been an
15 important authority for use for in the context of
16 countering narcotics trafficking. And in many respects
17 used to help support our foreign partners in interdictions
18 as a general matter, and that is something that has been
19 critical.

20 In terms of the privacy and civil liberties pieces of
21 this, I mean, I just -- what I would say is, you know, we
22 have a number of things that we do in order to try to
23 monitor and assess our compliance, and then to ultimately
24 design the system in such a way as to incentivize and
25 promote compliance, making it, in other words, technically

1 hard to do things that are non-compliant.

2 And then ultimately have increased extraordinary
3 investments into training of folks who would use the system
4 and then to making adjustments as we go through the process
5 where we see something goes wrong and then actually
6 addressing it, and also holding people accountable in the
7 context of any compliance violations.

8 And just to give you a couple of things. On an annual
9 basis, the entire program is reviewed and recertified by
10 the foreign intelligence court, essentially, as one piece.
11 Also, we do semiannual compliance reports to Congress. We
12 have a joint 60-day review, my office and the Department of
13 Justice, of targeting decisions of any U.S. person queries,
14 if they are done through the databases that exist and
15 dissemination.

16 We have targeting and minimization procedures for each
17 element that are not just reviewed by the Attorney General
18 but go to the FISC court. Again, we go through a variety
19 of ways in which to try to ensure that we have created, in
20 effect, a virtuous cycle where we can ensure that
21 everything that we are doing is in fact promoting
22 compliance and then monitoring it to see if that is, in
23 fact, what is happening, and then addressing challenges as
24 they come and move forward.

25 And then we also have been providing reports publicly

1 about noncompliance incidents so that we can show the
2 American people, we can have all of you and your
3 constituents look at what is happening and see where we
4 make progress, where we make mistakes, how we address it,
5 and then how we move forward on it so that we can actually
6 build the trust that is necessary. Thank you.

7 Senator Shaheen: Good. Thank you. You both
8 mentioned cyber in your -- I think you both mentioned cyber
9 in your remarks, but I didn't hear either of you talk about
10 the efforts to address disinformation.

11 And one of the places where our adversaries have
12 certainly been very effective, I think more effective than
13 we have been in responding in many cases, has been in the
14 disinformation arena.

15 Can you speak to what we are doing and how we are
16 coordinating with other operations like the Global
17 Engagement Center at the State Department?

18 Ms. Haines: Sure. I will start and General Berrier,
19 if you want to add to this. But Congress put into law that
20 we should establish a foreign malign influence center in
21 the intelligence community.

22 We have stand -- you know, we stood that up and it
23 encompasses our election threat executive work, essentially
24 looking at foreign influence and interference in elections.
25 But it also deals with disinformation more generally.

1 And what we have been doing is effectively trying to
2 support the global engagement center, others throughout the
3 U.S. Government, in helping them to understand what are the
4 plans and intentions of the key actors in this space,
5 China, Russia, other, you know, Iran, etcetera, and then
6 give them a sense of what it is that we are seeing in terms
7 of the techniques that they use, how they go about this,
8 and provide that for policymakers so that they are able to
9 take that information and hopefully counter it and address
10 it.

11 Senator Shaheen: Thank you.

12 General Berrier: I think DIA's perspective on this,
13 Senator, is really speed. We want to be able to detect
14 that. It is really with our open-source collection
15 capability, working with our combatant command partners
16 where this is happening all over the world. And then the
17 ability to turn something quickly with them under the right
18 authorities to counter that disinformation or
19 misinformation.

20 Senator Shaheen: Thank you both.

21 Chairman Reed: Thank you. Senator Fischer, please.

22 Senator Fischer: Thank you, Mr. Chairman. And thank
23 you both for being here today. Director Haines, last year
24 you testified that, "China will continue to essentially
25 expand their nuclear arsenal and diversification for a

1 period of time." Has that assessment changed or does the
2 intelligence community still maintain it?

3 Ms. Haines: That assessment has not changed.

4 Senator Fischer: And in public reports, we have seen
5 that the DIA has assessed that China will deploy 1,500
6 warheads by 2035. STRATCOM Commander General Cotton, has
7 also publicly confirmed that U.S. -- China has now
8 surpassed the United States in the number of fixed and
9 mobile land-based launchers for ICBM. General Berrier, do
10 you agree with that assessment still?

11 General Berrier: I do agree.

12 Senator Fischer: Thank you. Director Haines, does
13 the Intelligence Committee assess that China has any
14 interest in pursuing arms control agreements that would
15 restrict their development of nuclear weapons?

16 Ms. Haines: No. As a general matter, we have not
17 seen China express interest in arms control agreements in
18 this area.

19 Senator Fischer: And General Berrier, we have seen
20 reports that Russia is providing China with plutonium for
21 Chinese fast breeder reactors. In fact, it was reported by
22 a UK think tank.

23 They noted that between September and December of
24 2022, Russia provided seven times more highly enriched
25 uranium to China than the United States and the

1 International Atomic Energy Agency have secured over the
2 past 30 years. What are the implications of that increased
3 level of cooperation of their nuclear programs?

4 General Berrier: The layers of cooperation between
5 China and Russia go very, very deep. I cannot speak to the
6 specifics of the uranium aspect of that. If true, it is an
7 acceleration of programs in development and technology
8 transfer.

9 Senator Fischer: And Director Haines, do you have
10 anything to add to that?

11 Ms. Haines: No.

12 Senator Fischer: Is there any movement within the
13 Administration to look at -- first of all, to set up
14 agreements again with Russia? And is there any, I would
15 say, false hope by this Administration to believe that they
16 could pull in Russia, let alone trying to pull in China in
17 those talks?

18 Ms. Haines: I couldn't speak to that just because it
19 is obviously in the policy community and I am not sure I
20 would know, frankly, what it is that they are looking at.

21 Senator Fischer: Okay. Thank you. Also, Director
22 Haines, looking at Afghanistan, do you assess that ISIS-K
23 still seeks to conduct external operations against the
24 United States, our forces, and our allies and partners?

25 Ms. Haines: Yes.

1 Senator Fischer: Do you agree with the assessment
2 that we had in March from General Kurilla about how long it
3 would take ISIS-K to generate the capability to conduct
4 external operations? He told us at that time that any
5 operation between -- or against the United States and
6 Western interests abroad could happen within six months
7 with little or no warning. Would you agree with that?

8 Ms. Haines: I would have to take that back, to be
9 honest. There has been a number of developments, even
10 since General Kurilla apparently testified on this issue,
11 of taking out key external ops folks within ISIS-K and I
12 think that might affect the timeline. But I would be happy
13 to take that for the record.

14 Senator Fischer: Do you feel that we have lost
15 information gathering capabilities and also CT operations
16 in Afghanistan since our withdrawal?

17 Ms. Haines: We certainly, the intelligence community
18 has been clear about the fact that we are not able to
19 collect as much information today as we were, obviously,
20 when the troops were in Afghanistan.

21 Senator Fischer: How would you, I guess, rate the
22 amount of intelligence that we are able to gather in
23 Afghanistan? Because it is my understanding our CT
24 operations are basically nil. We are looking at hardly
25 anybody on the ground to be able to help.

1 So how do you rate what we are able to get when we are
2 looking at a threat against not just United States
3 interests and persons, but also our Western allies, the
4 growing threats that we are facing there?

5 Ms. Haines: To be specific, we would have to do this,
6 I think, in closed session. But as a general matter, what
7 we have sought to do is to try to -- trying to think how to
8 do this in an unclassified way but develop enough
9 collection opportunities so that we can monitor the threat.
10 It is definitely, as you indicated, degraded from what we
11 had previously, and we can discuss the details in the
12 closed session.

13 Senator Fischer: Thank you. Thank you, Mr. Chairman.

14 Chairman Reed: Thank you, Senior Fischer. Senator
15 Gillibrand, please.

16 Senator Gillibrand: Director Haines, the DOD and the
17 IC are engaged in cyber operations against our adversaries
18 every day and gain intelligence about how these adversaries
19 operate and intend to operate in the cyber domain.
20 However, in the event of a large-scale cyber-attack on the
21 homeland, CISA is in the leading role. How much of your
22 intelligence on, for example, the PRC cyber threat, are you
23 able to share with CISA, and how much must remain inside
24 the DOD and the IC?

25 Ms. Haines: We share almost everything with CISA,

1 honestly. They get our analysis on these issues. They see
2 the raw intelligence. We have overlap in terms of even
3 intelligence that we get from commercial threat indexes and
4 so on. So, it is quite open sharing in that respect.

5 Senator Gillibrand: And when we rely on allies across
6 the globe for operations and assistance, are we able to
7 leverage our efforts with what we do with CISA, with those
8 allies?

9 Ms. Haines: Yes, it is a great question. In fact, I
10 mean, we have talked to allies about, for example,
11 recognizing that so much of the critical cyber threat
12 information exists in the commercial sector because we are
13 trying to see how it is that adversaries are attacking
14 them.

15 We have talked to allies about working together in
16 order to obtain and leverage each other's commercial threat
17 information, where that is permitted based on the
18 agreements that we have with the commercial sector.

19 And working with CISA to ensure that they have access
20 to that information. That is an example of working with
21 allies and partners in a way that can help CISA to better
22 have, you know, the landscape and the picture that they
23 need for the work that they do.

24 Senator Gillibrand: And in the event of a substantial
25 cyber-attack by China on our domestic infrastructure, what

1 would the chain of command look like in terms of defense
2 and response?

3 Ms. Haines: I think it would depend on -- this
4 probably is not the best question for me, but I think it
5 would depend on where the response is being conducted and
6 how they are approaching it. Obviously, the President is
7 the final authority in any event. But how it would work
8 through the system, I suspect might have some differences.

9 Senator Gillibrand: Lieutenant General Berrier, on
10 the same question.

11 General Berrier: Nothing to add to that, ma'am.

12 Senator Gillibrand: Our Government often talks about
13 how our allies and partners are our strategic advantage.
14 From the perspective of China, Russia, and Iran, who are
15 the allies and partners they are most concerned about
16 building closer relationships with, and how would building
17 closer relationships with those countries impact regional
18 deterrence?

19 And as context, I recently took a trip to the Middle
20 East to study the impact of the Abraham Accords on UAE, on
21 Morocco, Bahrain, and Israel. And with regard to that,
22 obviously there was concern when Saudi Arabia decided to
23 engage China in their negotiations with Iran.

24 What is the impact of being able to bring Saudi Arabia
25 into the Abraham Accords, in the context of the larger

1 question?

2 Ms. Haines: And Senator Gillibrand, forgive me. At
3 the very -- I missed the very first part of your question.
4 Can you just repeat the first sentence --?

5 Senator Gillibrand: Just that we often talk about how
6 our allies and partners are our strategic advantage. And
7 so, from the perspective of China, Russia, Iran, who are
8 they most concerned about?

9 And then as an example, the Abraham Accords, I think,
10 is a very strategic partnership for us that should be seen
11 as very powerful. And how did the recent efforts by China
12 to negotiate with Saudi Arabia and Iran affect that
13 strategic alliance.

14 And whether that was a powerful strategic alliance we
15 should have been pushing for?

16 Ms. Haines: Yes. So, I think what our analysts would
17 point to as a general matter would be a whole series of key
18 countries that are sometimes referred to as hedging states
19 that are in the space between, as you indicated, UAE is an
20 example of this in a sense.

21 You know, there may be others. It is probably easier
22 to talk about this in a closed session. But there are a
23 variety of countries where, in effect, they are looking at
24 the United States and China and Russia on the other side,
25 in effect, and trying to diversify their relationship in a

1 way that allows them to maximize their interests while at
2 the same time pursue, you know, sort of economic and other
3 security strategies in each of these bases.

4 I would say with Saudi Arabia in particular, that
5 -- and the Abraham Accords more generally, that we do think
6 there has been kind of a value of bringing these countries
7 together under certain circumstances. And in that that
8 interaction has provided some security benefits to the
9 United States and to others.

10 But I think it is, you know, each case would have to
11 be looked at on a case-by-case basis in order to sort of
12 identify what are some of the pros and cons. Not sure that
13 was very helpful. Apologies.

14 General Berrier: Senator, I would say that your
15 question is a bullseye on the discussion of strategic
16 competition and what strategic competition is. We know
17 that China and Russia are seeking partnerships with
18 countries that have historically been U.S. partners.

19 And this is the nature of the changing landscape and
20 the complexity of the environment that I described in my
21 opening statement. And we have to be there, and we have to
22 be a better a better solution, whether that is through
23 intelligence sharing or other partnerships.

24 I don't think it is a lost cause. I think there is a
25 lot we can do, and I think people see the goodness in what

1 the United States brings, and we have to go forward with
2 that.

3 Chairman Reed: Thank you, Senator Gillibrand.
4 Senator Cotton, please.

5 Senator Cotton: Thank you both for your appearance.
6 I would extend my condolences as well to the family of
7 General Stewart, who was a trailblazing Marine. I am
8 surprised it has gotten to me the seventh questioner and no
9 one has raised the fact that Russia's government has
10 accused Ukraine of trying to assassinate President Putin
11 and saying that the United States goaded them into it.
12 Seems like kind of a big deal. Big if true, as the kids
13 say today. Dr. Haines, what do you have to say about these
14 claims from Russia's government?

15 Ms. Haines: Well, obviously, you have seen the
16 Ukrainian government deny their -- you know, having engaged
17 in this. And at this stage, we don't have information that
18 would allow us to provide an independent assessment on
19 this.

20 Senator Cotton: Okay. General Berrier.

21 General Berrier: I think it gets after Senator
22 Sheehan's comment about misinformation.

23 Senator Cotton: Perhaps some grounds to think that
24 maybe these claims are exaggerated. One, do we know that
25 Vladimir Putin doesn't spend the night at the Kremlin all

1 that much? Is that correct, Director Haines?

2 Ms. Haines: Yes.

3 Senator Cotton: The Kremlin is not like the White
4 House, in other words. Is not the primary residence of the
5 President of Russia. Even if you were there, these drones
6 from the videos I have seen, they do not appear to be the
7 kind of the size of weapons that could do significant
8 damage to the Kremlin. Is that correct?

9 General Berrier: That is correct.

10 Senator Cotton: They also appear to be the kinds of
11 drones that would require relatively close line of sight
12 control, which means someone on the ground in Moscow, which
13 is not known as an open and friendly city to people who are
14 hostile to the Russian government. Is that correct,
15 General Berrier?

16 General Berrier: Potentially from the photos that I
17 have seen, yes.

18 Senator Cotton: In most attacks on Russian soil,
19 Ukraine's government has been ambiguous or silent about
20 responsibility for the attacks. Yet in this case, they
21 have explicitly disclaimed any responsibility. Is that
22 correct, Director Haines?

23 Ms. Haines: Yes.

24 Senator Cotton: All right. General Berrier, I think
25 you might have been on to something when you said that this

1 sounds like misinformation. I want to move on to another
2 matter, Director Haines, about Mexican drug cartels. They
3 are causing now more deaths in America than we lost every
4 year in the Vietnam War, or every year in America than the
5 entire Vietnam War. In fact, almost twice what we lost in
6 the Vietnam War due to fentanyl alone. Has the
7 intelligence community produced a national intelligence
8 estimate on the threat that the cartels pose to America?

9 Ms. Haines: No, we have not, sir.

10 Senator Cotton: So, the NIE is the most authoritative
11 written judgment on national security matters. Is that
12 correct?

13 Ms. Haines: It is authoritative. I suspect it would
14 be -- yes.

15 Senator Cotton: Do you have any plans to produce an
16 NIE on the threat that cartels pose to America?

17 Ms. Haines: We do actually have something on our
18 calendar that is on transnational criminal organizations,
19 including the cartels in this space.

20 Senator Cotton: Thank you. I think that is
21 warranted, and I look forward to seeing it. Director
22 Haines, you mentioned earlier that it will take Russia
23 years to rebuild its ground forces. And I believe you were
24 saying that to express agreement with General Berrier. Is
25 that correct?

1 And General Berrier, you believe it will take years
2 for Russia to rebuild its ground forces?

3 General Berrier: I do.

4 Senator Cotton: Most intelligence agencies
5 inaccurately judged the early days of the war. They
6 thought that Russia would roll into Kyiv very quickly and
7 conquer most, not all, of Ukraine. General Berrier, was
8 that a result of our intelligence agencies underestimating
9 the Ukrainians or overestimating the Russians?

10 General Berrier: Senator, I think it was a
11 combination of both.

12 Senator Cotton: Okay. When you are making your own
13 operational plans, you have to make assessments about the
14 adversary, correct?

15 General Berrier: Correct.

16 Senator Cotton: Okay. And that is true where they
17 operating at the platoon level or at the national strategic
18 level.

19 General Berrier: Yes.

20 Senator Cotton: So, it is fair to say, based on the
21 fact that we now know we overestimated Russia's
22 capabilities as of last February, and we have seen their
23 forces degraded to the point it will take years to rebuild
24 them, that they are a much weaker fighting force than we
25 thought 14 months ago, right?

1 General Berrier: That is what we currently assess,
2 yes.

3 Senator Cotton: Shouldn't our operational plans about
4 a potential war with Russia in Europe then be changed to
5 reflect that new understanding?

6 General Berrier: I think in the purview of U.S.
7 European Command and the Department of Defense, they are
8 looking at all that, Senator.

9 Senator Cotton: Yes. They need to urgently because
10 one of the reasons we have heard on this committee about
11 the slow pace at which we are delivering certain weapons is
12 that our operational plans require it.

13 And if our operational plan in Europe is based on what
14 we thought Russia was capable of 14 months ago versus what
15 they are capable now, it badly needs to be revisited.
16 Director Haines, one final line of questions about Russia.
17 They have gotten a lot more aggressive towards the United
18 States recently.

19 We all remember the Black Sea incident in one of their
20 aircraft downed, an MQ-9 drone. The head of U.S. Air
21 Force's Central Command recently said that Russia is,
22 "increasingly bellicose towards American aircraft in
23 Syria," suggesting they even are looking for a fight
24 -- they are spoiling for a dogfight.

25 And in third, the head of European Command, General

1 Cavoli, recently noted that Russian submarines have gotten
2 more active in the Atlantic than they have been in years.
3 One, are there other instances of growing Russian
4 aggression?

5 And two, why do -- what is the intelligence
6 community's assessment for why Russia has grown
7 increasingly aggressive in these ways?

8 Ms. Haines: Can we address this in closed session?

9 Senator Cotton: Sure.

10 Ms. Haines: Okay. Thank you.

11 Chairman Reed: Thank you, Senator Cotton. Senator
12 Kaine, please.

13 Senator Kaine: Thank you to our witnesses. Director
14 Haines, in your opening testimony, you said that the
15 Chinese are growing more and more pessimistic about the US-
16 China relationship. What is the source of that growing
17 pessimism?

18 Ms. Haines: I would say that there is a number of
19 factors that are leaning in that direction in the sense
20 that -- we can maybe do a little more in closed session to
21 get to what the root of this is -- but I think they are
22 increasingly perceiving the sort of zero sum game that I
23 mentioned effectively in the opening testimony, where in
24 essence, you know, we have always understood that they
25 perceive themselves, or for the last few years now, as

1 being on the rise and they perceive the United States as
2 being on the decline. And they ultimately are concerned
3 about the potential for conflict as we pass each other, or
4 sort of the classic frame through which they piece this.
5 The --

6 Senator Kaine: Is some of the pessimism related to
7 their perceptions of statements by American political
8 figures?

9 Ms. Haines: Sure. I mean, but it is all of the
10 larger piece, which is to say that I think that they
11 continue to perceive that they can't do what they want to
12 do without essentially pushing back on the United States
13 and ultimately countering us in ways that, you know -- and
14 our allies, frankly, in a variety of different --

15 Senator Kaine: A great President once said, speak
16 softly and carry a big stick. I will let my colleagues
17 -- we all have our own judgment about the size of the stick
18 we are carrying or should. I have noticed on the speak
19 softly side of the Roosevelt maximum, the -- we have been
20 getting louder and louder with respect to China concerns.

21 We had the hearing with the INDOPACOM leadership
22 recently, and the opening statement is a boilerplate at
23 that hearing. War with China is neither inevitable or
24 necessary, but then the remaining hours of the hearing was
25 just one statement after the next that someone trying to

1 perceive what the intentions were here might well lead to
2 the conclusion of, wow, you know, we are more pessimistic
3 because of statements that are being made.

4 How did, from an intelligence standpoint -- I was
5 concerned at the news that during the Chinese balloon
6 incident, Secretary Austin tried to call his counterpart
7 and the Chinese counterpart would not answer the phone. Is
8 that -- that was publicly reported. Is that accurate?

9 Ms. Haines: I believe it is. I will tell you that as
10 a general matter, the Chinese typically clamp down in a
11 crisis and they don't, you know, engage. And that is a
12 classic paradigm.

13 Senator Kaine: And the that is a little bit different
14 than Russia, correct? That even in tough times, at least
15 the lines of communication between the military to
16 hopefully de-escalate generally remain open with Russia.
17 Isn't that also the case?

18 Ms. Haines: Yes.

19 Senator Kaine: We want to try to be very strong to
20 deter war. We want to be prepared to win any war we should
21 need to. But we would also want to, a, avoid wars based on
22 bad intel. We have a recent history of getting into a war
23 against Iraq based on bad intel regarding Iraq's non-
24 existent weapons of mass destruction program.

25 But we would also want to do everything we could to

1 avoid wars based on miscommunication, misunderstanding,
2 unnecessary escalations. Is that correct?

3 Ms. Haines: Yes.

4 Senator Kaine: What is your -- as the DNI, what is
5 your current level of concern about the prospect of getting
6 into unnecessary military action based upon a
7 miscommunication or unnecessary escalation? Is that a
8 small concern or is that a concern that worries you?

9 Ms. Haines: Absolutely worries me. I mean, I think,
10 you know, that is part of the job, right, is that we need
11 to be as vigilant as we possibly can in order to be able to
12 help our policymakers, our decision makers, all of you have
13 a better understanding of what is actually happening so
14 that there isn't that kind of unintended escalation or
15 miscalculation.

16 And I think one of the challenges that we all
17 recognize in the context of our relationship with China is
18 that because there is that kind of clamp down during crises
19 that we were just talking about, it puts an extraordinary
20 premium on our capacity to be able to provide insight on
21 what is happening in those moments.

22 Senator Kaine: I think that is a wise concern to
23 have. Last thing I will just say is the unclassified
24 annual threat assessment that you shared with the committee
25 was 40 pages long. Two pages were pertaining to the

1 Western Hemisphere.

2 I also recently returned from a trip into the
3 Americas, and the issues there, whether it is fentanyl,
4 whether it is immigration challenges, whether it is
5 political instability, but also the fact that our
6 adversaries are investing so heavily in the Western
7 Hemisphere suggests to me that we ought to be paying more
8 attention.

9 Both the SOUTHCOM budget and some other budgetary
10 items suggest that we are really under-resourcing the
11 region, and that is something that I will try to work with
12 my colleagues on. But thanks to the witnesses for your
13 testimony and your service.

14 Chairman Reed: Thank you, Senator Kaine. Senator
15 Rounds, please.

16 Senator Rounds: Thank you, Mr. Chairman. And let me
17 begin by thanking both of you for your service to our
18 country. General Berrier, really appreciate 39 years, and
19 especially to your family. This is a lot of deployments, a
20 lot of time away from home, and it is truly deployments
21 that are handled not just by you but by your family as
22 well, and we thank you for that.

23 Let me begin with Director Haines. I think Senator
24 Shaheen began a series of questions regarding 702 and
25 asking for an explanation really about how it works and so

1 forth. I am just curious, with regard to our adversaries,
2 do you think that they believe that there is an opportunity
3 to manipulate or provide misinformation about some of the
4 programs that we have in this country?

5 And has there been evidence that they have tried to
6 manipulate public information or provide misinformation
7 concerning some of our more capable programs?

8 Ms. Haines: I am trying to think of a specific
9 instance. There is --

10 Senator Rounds: I prefer not to use a specific, just
11 not -- because we are in an unclassified discussion, but
12 just in general, do you think that they believe that they
13 can influence political decisions here by providing
14 misinformation publicly?

15 Ms. Haines: Yes, absolutely. They have typically
16 engaged in such activities in order to try to influence
17 public debate on issues that are of importance to them.

18 Senator Rounds: And 702 might be one of those as an
19 example.

20 Ms. Haines: Could be. I don't have particular
21 information that indicates that that is happening.

22 Senator Rounds: But General Berrier, would you
23 believe -- would there be assessments made that our
24 adversaries attempt to manipulate or to influence political
25 decisions with misinformation or propaganda being provided?

1 General Berrier: I think it is clear that they have
2 participated in that activity, and they would take
3 advantage of any opportunity that might present itself,
4 yes.

5 Senator Rounds: 702 might be one of those programs
6 that they would provide --

7 General Berrier: Potentially, yes.

8 Senator Rounds: Potentially. How about with regard
9 to some of our military capabilities and some of the
10 challenges that we sometimes have? They wouldn't be -- it
11 wouldn't be beneath them to try to manipulate decisions on
12 a public level that would influence our ability to defend
13 our country, if they -- if we had the opportunity. Fair
14 enough?

15 General Berrier: I agree with that.

16 Senator Rounds: Let me -- lately, I have been really
17 kind of following up on the issue of the sharing of
18 spectrum with regard to areas, particularly in the 3.1 to
19 3.45 gigahertz area. This is the S-band. And I am just
20 kind of curious. We have a number of different very, very
21 important missions that rely on that portion of the S-band.
22 Would that be a fair statement, General Berrier?

23 General Berrier: It would be, yes.

24 Senator Rounds: Are you aware of any of the more
25 capable -- defensive capabilities that we have that rely

1 specifically on radars, communications in that area?

2 General Berrier: Generally speaking, yes, but I am
3 not a technical expert.

4 Senator Rounds: Okay. Fair to say that the Aegis
5 destroyer systems that we rely on for protecting against
6 air attacks along our coastlines utilize -- I think
7 publicly we have talked about it already, about the fact
8 that our radars are in that region.

9 General Berrier: I think that is fair.

10 Senator Rounds: Okay. Not just the East Coast and
11 the West coast of the United States, but Alaska and Hawaii
12 as well.

13 General Berrier: Yes.

14 Senator Rounds: But we spent a lot of money
15 specifically in that particular area. Our adversaries know
16 that. It is a matter of public discussion. Fair enough.

17 General Berrier: Fair enough.

18 Senator Rounds: Right now, there is public discussion
19 about sharing a large amount of that area, or a discussion
20 about trying to share or take from the Department of
21 Defense portions of that spectrum.

22 Would that be an item of interest for our adversaries,
23 and would there be an advantage to our adversaries if for
24 any reason we were to lose that part of the spectrum for
25 defensive purposes?

1 General Berrier: I think that would be an item of
2 interest for our adversaries, and I could see them
3 potentially trying to take advantage of that discussion.

4 Senator Rounds: Director Haines, would you agree with
5 that?

6 Ms. Haines: Yes.

7 Senator Rounds: Thank you. Let me turn one other
8 area, Africa. Just really curious. I know that right now
9 China has been looking at the possibilities of bases in
10 Africa, along the Atlantic coast of Africa.

11 What would happen if Africa were to be able to -- or
12 if China were to be able to establish a base of operations,
13 or for that matter Russia, along the Atlantic coast of
14 Africa? What would that do in terms of defending our
15 homeland?

16 General Berrier: Senator, I think permanent bases
17 there would give them more reach and more access. And as I
18 think about strategic competition, it is one of those
19 things that we watch. And it is really DIA's job to keep
20 an eye on that and alert the department if we see that
21 happening.

22 Senator Rounds: Do you see it happening?

23 General Berrier: We do see China trying to make
24 inroads into Africa for sure. And we know that they would
25 like to expand their global bases.

1 Senator Rounds: Thank you. Thank you, Mr. Chairman.

2 Chairman Reed: Thank you, Senator Rounds. Senator
3 King, please.

4 Senator King: Thank you, Mr. Chairman. First, Mr.
5 Chairman, I would like to ask unanimous consent that a
6 response from the Congressional Research Service to a
7 letter that Senator Sullivan and I sent to them be included
8 in the record.

9 The research service provided an exhaustive report to
10 us in response to questions we had on how China invests in
11 national security, examining the investments of the PRC
12 that most contribute to the country's power and influence.

13 I want to thank the CRS team for the work on this.
14 This is a very informative report. I hope it can appear in
15 the committee's records.

16 Chairman Reed: Without objection.

17 [The information referred to follows:]

18 [COMMITTEE INSERT]

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1 Senator King: Thank you. Director Haines, I want to
2 talk about allocation of intelligence resources. Since we
3 have been sitting here this morning, about 15 people have
4 died in this country from drug overdoses, just in the last
5 hour and a half. In a couple of -- in about a week and a
6 half, as many as were killed on September 11th.

7 We are under attack and yet we are not really
8 responding. We are sort of numb to it. And particularly
9 we had testimony in a previous hearing that between one and
10 2 percent of the ISR resources globally under our control
11 are involved in looking at the drug importation problem
12 from South of our country.

13 I think that is a gross misallocation of resources.
14 If this were a terrorist attack killing 110,000 people a
15 year, we would be turning this country upside down to
16 counteract it, and to not be allocating the most basic,
17 important intelligence resources of ISR in this fight, I
18 think is unconscionable.

19 I hope that you will go back to the Administration,
20 and particularly to the intelligence community, and say
21 this is a worldwide threat that is the most immediate
22 threat to American lives. Can you make that commitment to
23 me?

24 Ms. Haines: Yes, absolutely, Senator. I think you
25 know that, and we have indicated this in other testimony,

1 but the leaders of the intelligence community completely
2 agree with you that this is absolutely critical. And we
3 are each of us involved in a whole series of efforts to try
4 to expand effectively our collection and our --

5 Senator King: Well, I have been asking these
6 questions for years, and everybody agrees, but I keep
7 saying 1 or 2 percent, so --

8 Ms. Haines: Insufficient.

9 Senator King: -- I am looking for action rather than
10 simply expressions of concern. General Berrier, do we have
11 any information that you can share in open session about
12 Chinese provision of munitions to the Russians in the
13 Ukraine war? Because in my view, that would change the
14 calculus if suddenly Russia had an infusion of ammunition
15 and other munitions in order to counteract the actions of
16 the Ukrainians.

17 General Berrier: Senator, we watch this very, very
18 carefully. And publicly, China has said that they would
19 remain neutral in this conflict. We continue to watch
20 them, and we can discuss it more in the closed session.

21 Senator King: Thank you. You mentioned in your
22 testimony, and I notice there is a little subtlety where
23 you said this has been a bad year for Russia and Ukraine.
24 But then I think in the next phrase you said, but Russia is
25 very dangerous. What is the analysis of the likelihood of

1 Putin using nuclear weapons? What would trigger it and how
2 likely is it?

3 General Berrier: Senator, there are a number of
4 scenarios that we have thought through, and I would be
5 happy to discuss those in a closed session.

6 Senator King: Well, I think in an open session,
7 though, can you tell me that whether you think there is
8 some likelihood or possibility of nuclear weapons being
9 used?

10 General Berrier: I think, you know, in the nature of
11 conflict, there is always that possibility. Right now, I
12 would say we think it is unlikely.

13 Senator King: Unlikely is good. I would rather hear
14 not happen, but we can discuss this further in a closed
15 session.

16 Ms. Haines: Can I --?

17 Senator King: Yes, go ahead, please.

18 Ms. Haines: I think from the IC perspective, it is
19 very unlikely is our current assessment.

20 Senator King: Thank you. We can discuss that further
21 in a closed session. Director Haines, yes or no question,
22 would the expiration of Section 702 be a major compromise
23 of national security?

24 Ms. Haines: Yes.

25 Senator King: And I think you have testified about

1 how important it is, but I don't think it really comes
2 across that this is one of the crown jewels of our
3 intelligence capability, is it not?

4 Ms. Haines: Yes. As an example of this, 59 percent
5 of every PDB, our President's daily brief articles, are
6 sourced to 702 information. It gives you a sense of just
7 how critical this is. It is utterly fundamental. I could
8 not overstate, frankly, the value of it.

9 Senator King: And I know you struggled with this in
10 your opening statement, but the problem is the importance
11 of it is hard to demonstrate to our membership without
12 compromising classified material. And that is the dilemma.
13 I think we have to accept your representation, which I
14 understand you are talking for the entire intelligence
15 community. This is an essential element of our ability to
16 protect this country. Is that true?

17 Ms. Haines: Yes, absolutely.

18 Senator King: Thank you. Thank you, Mr. Chairman.

19 Chairman Reed: Thank you, Senator. Senator Ernst,
20 please.

21 Senator Ernst: Thank you, Mr. Chair. And I also
22 would like to express my condolences to the family and the
23 friends of the late General Stewart. So good morning to
24 our witnesses and thanks for the testimony today. The
25 greatest military challenge that we face is a really a two-

1 front competition, as you have laid out so well this
2 morning, between China and Russia.

3 So, I do agree with your judgment that China and
4 Russia will maintain their strategic ties, which does
5 create great potential threats. And let's be clear, we
6 have heard you State over and over again, as we have seen
7 China and Russia advancing, they are clearly encircling us
8 around the globe. So, China proclaimed a no limits
9 partnership on the eve of Russia's invasion.

10 And Xi just went to Moscow and affirmed that
11 commitment. And we watched all of that unfold on our
12 television sets. And, Director Haynes, first to you. How
13 has Beijing's assessment of its junior partner in Moscow
14 changed since the invasion?

15 And then to you, General Berrier, do the recent joint
16 military exercises suggest a deeper or deepening military
17 commitment between the two countries?

18 Ms. Haines: Thank you, Senator. So, in terms of how
19 the relationship has changed, and in particularly China's
20 perception of it since the invasion of Ukraine, I will say
21 that even before the invasion of Ukraine, we recognized
22 that China and Russia were getting increasingly closer and
23 that was -- and that we were seeing cooperation across all
24 different sectors.

25 But to your point, since the invasion, that closeness

1 has accelerated to some extent. And in part this is due to
2 the fact that Russia is increasingly beholden to and needs
3 China. And China perceives Russia increasingly as, you
4 know, a country that was already in the sort of little
5 brother role is often how it is described, but nevertheless
6 is now even more beholden and therefore they have greater
7 leverage.

8 And that can sort of manifest itself in the context of
9 various aspects of the relationship, such as in the Arctic,
10 where they actually have differing interests, where, you
11 know, China is not an Arctic country but wants to be in
12 effect and wants to have more power and authority in that
13 area.

14 And Russia recognizes that they are going to need
15 China and their investment in order to get to some of the
16 resources that they are interested in the Arctic. And as a
17 consequence, that -- you know, China sees an opportunity
18 and an increasing one in light of the current scenario with
19 Russia.

20 And so, we see them now at sort of the peak of their
21 economic trade, continuing military exercises and other
22 types of collaboration and political and technical. And it
23 is moving even as we continue to assess from an
24 intelligence community perspective that there are limits
25 ultimately, that they are unlikely to get to the point of

1 being like NATO allies, for example, as we see them.

2 Senator Ernst: Great. Thank you. General Berrier.

3 General Berrier: Senator, I would describe it as
4 deepening and it has been gradual, but the complexity, the
5 scope, and the tempo of these joint exercises is increasing
6 mostly in the air domain, in the naval domain. We don't
7 have a lot of insight into more sensitive activities, but I
8 do believe that it is deepening and growing.

9 Senator Ernst: Thank you. And to both of you as
10 well, with this partnership and the deepening of their
11 military commitment through exercises and so forth, how can
12 we find a wedge and really divide the two countries by
13 driving a wedge between them? What can we find as a
14 strategy to separate those two powers?

15 Ms. Haines: Yes, it is a great question. We have
16 done some analysis and we can get you a more thorough
17 explanation rather than my quick remarks. But I would say
18 that we do see some challenges for them in getting, you
19 know, as they get closer and closer.

20 And largely, you know, one can recognize that there is
21 a tension where there is such an asymmetry in the power of
22 the relationship, where you can actually use that to some
23 extent to exploit some of the challenges.

24 But it is you know, I think that it is unlikely that
25 we will take them really off the trajectory of continuing

1 to get closer in the coming years.

2 General Berrier: Senator, I believe it is a really
3 tough problem and it is a great question. In a closed
4 session, there would be some things that we could discuss.

5 Senator Ernst: Okay, excellent. And with that, I
6 will yield my remaining time. Thank you.

7 Senator Hirono: Thank you. On behalf of the
8 chairman, I recognize myself for five minutes. Dr. Haines,
9 I do recognize the importance of the FISA Section 702
10 authorization. As you noted, 59 percent or so of the
11 information given to the President daily is sourced to 702.
12 However, Americans do have a Constitutional right to not be
13 searched without a warrant.

14 So, despite the efforts of Congress, there have been
15 reported examples of the intelligence community using 702
16 to target U.S. citizens. That is not supposed to happen.
17 So, your own office's annual transparency report estimates
18 that in 2021, the FBI conducted approximately 3.4 million
19 queries of Section 702 acquired data on U.S. citizens.

20 Clearly, existing safeguards are not enough. I have a
21 series of quick questions I would like to ask for your
22 responses. Director, would imposing a warrant requirement
23 before the Government searches Section 702 acquired data
24 for Americans' communications hamper your intelligence
25 gathering against malign foreign actors?

1 Ms. Haines: Thank you, Senator. So, a few things.
2 One is 702 is an authority that is -- only permits the
3 targeting of foreign persons outside of the United States.
4 So just to be clear, if a U.S. person were to be targeted
5 under 702, that would be unlawful, and that is something
6 that is noncompliant.

7 When you talk about the 3.4 million searches that the
8 FBI did, that is not where they are targeting U.S. persons.
9 So, what is happening there, is there is about -- it is a
10 less than 4 percent of the data that is brought in from
11 FISA that the FBI is able to search. And when they are
12 doing searches, often what they are looking for is
13 connections that allow them to identify victims of, for
14 example, cyber-attacks or other things like that.

15 So, they are searching through an existing database to
16 see if there is a connection that ultimately would allow
17 them to make that connection. And we can talk about this
18 more in in private -- in the closed session to give you
19 greater detail. But for example, within the 3.4 million,
20 1.9 million was related to a particular cyber-attack. So,
21 it just gives you a sense of the difference.

22 And that is not something that, you know, that is
23 necessarily -- in other words, it is not something that is
24 subject to a warrant, nor would it be subject to a warrant
25 per se. But as a general matter, if we had to seek a

1 warrant for every target of a foreign person abroad, there
2 is no question it would have an enormous impact on our work
3 and make it much more challenging.

4 Senator Hirono: Yes, but with 3.4 million inquiries
5 based on data collected through an appropriate 702 inquiry
6 of foreign citizens outside of the U.S. I think there is -
7 - there are concerns.

8 So, my next question is, would statutory limits and
9 judicial oversight to prevent the collection and the use of
10 American's communications and other Fourth Amendment
11 protected information, hamper your intelligence gathering
12 efforts against malign foreign actors?

13 Ms. Haines: Make sure that I am understanding you
14 correctly, if you are asking us what are additional reforms
15 that we would be willing to make? We are absolutely open
16 to considering reforms. Attorney General and myself wrote
17 a letter to Congress letting you know that that is
18 something we would be happy to discuss.

19 We, you know, have -- I mentioned that we have engaged
20 in a number of reforms in the last few years to try to
21 promote additional oversight, and we would be happy to talk
22 about whether or not those should be --

23 Senator Hirono: I am running out of time. So, there
24 are concerns about limiting the permissible pool of Section
25 702 targets and also perhaps removing barriers to existing

1 judicial review.

2 So, yes, I look forward to working with you. You did
3 mention in your testimony that you have the foreign malign
4 influence center, and you noted that China, Russia, and
5 Iran may be doing things that will interfere with our
6 upcoming elections.

7 Can you just give us like an example of the kinds of
8 tools that would use? And then how do you alert our
9 elections officials to this kind of interference?

10 Ms. Haines: Yes, absolutely. And we actually we do
11 and did relatively recently an intelligence community
12 assessment on election influence and interference. There
13 is a version of it that is unclassified that we can -- you
14 know that we have made public as well.

15 The kinds of things that we look at are, in fact,
16 efforts by adversaries, including Russia, obviously
17 engaging in information campaigns or in other types of
18 disinformation work to try to undermine, for example,
19 candidates or positions or things along those lines.

20 And we absolutely do share that information both with
21 the Department of Homeland Security, with FBI, with -- and
22 they tend to be the ones to make the connection directly to
23 the election officials within the United States. And there
24 is a fairly robust, you know, sort of network that has been
25 developed in order to provide this kind of information.

1 Senator Hirono: Thank you. General, thank you very
2 much for your 39 years of service. I did have some
3 questions for you that I will submit for the record. I
4 call on Senator Cramer.

5 Senator Cramer: Thank you, Senator Hirono. Thank you
6 both for being here and for your service. I was -- I had
7 to step out for a while to take a phone call from a
8 reporter in Grand Forks, North Dakota.

9 And the reason for the question was, as you know, the
10 Administration yesterday announced an expansion of scrutiny
11 over land purchases around military bases. They added, I
12 think, eight or nine bases in states like North Dakota,
13 South Dakota, Texas, Iowa, to the 100-mile radius for
14 highly -- as a highly sensitive base. In other words, it
15 was given CFIUS jurisdiction within 100 miles of these
16 bases.

17 One of them is the Grand Forks Air Force Base, another
18 the Minot Air Force base. You may recall there was -- you
19 know, we had quite a year last year dealing with a Chinese
20 purchase of some land near Grand Forks for a wet corn mill
21 facility.

22 Anyway, all of that, finally, the Air Force said, bad
23 idea, let's not do it. CFIUS didn't have jurisdiction
24 because it was only 12 miles from the base. I ask -- my
25 question isn't to comment specifically on Grand Forks and

1 cities, but rather is there an increased intelligence
2 involvement or scrutiny of land purchases by foreign
3 entities, particularly adversarial foreign entities?

4 Ms. Haines: Yes is the simple answer, in the sense
5 that over the last many years now, just as a broader
6 context, and I suspect you already know this, but
7 basically, as we have enacted tools such as CFIUS, for
8 example, using the Chinese as an example, they have figured
9 out ways to get around some of these issues in order to
10 still try to achieve the results that they are looking to
11 achieve.

12 And we have seen, you know, in the mechanisms that on
13 a bipartisan basis, Administrations have enacted, I think
14 expanding from the CFIUS statute, for example, to an
15 executive order that allows for the review of transactions
16 where telecom companies, for example, are purchasing land
17 and then selling, you know, telecom services to U.S.
18 citizens where that information may be then taken and
19 misuse.

20 So, there is a variety of examples, I think, of
21 scenarios in which that issue at least has come up.

22 Senator Cramer: No, well said. I appreciate it.
23 General, anything you would want to add to that?

24 General Berrier: Clearly, a counterintelligence
25 threat. Senator, you lay that out. And the purview of the

1 DOJ and the FBI here in CONUS. But from a foreign
2 perspective, we see this behavior and activity in other
3 countries around the world. Clearly a huge
4 counterintelligence threat.

5 Senator Cramer: Great. Thank you. With regard -- I
6 want to comment on Senator King's questions about ISR and
7 the 1 to 2 percent dedicated to specifically to drug
8 trafficking. Is that a priority -- simply a prioritization
9 issue, or do we just need more capacity to do really good
10 ISR? Because I want to be fair that 1 to 2 percent isn't
11 very much but do, we have enough in general to cover all of
12 the things that you have to, you know, watch.

13 General Berrier: Senator, every combatant commander
14 that speaks before this committee will say the same thing,
15 that they don't have enough ISR. I think it is a capacity
16 issue. Certainly, technology can help, advances in space,
17 and other sorts of sensing capabilities. But it is a
18 really difficult conversation with our SOUTHCOM partners on
19 how bad this problem is.

20 Senator Cramer: Yes. Great. Thank you. I suspected
21 as much. And you are right, it is unanimous among the
22 combatant commanders. So, Director Haines, I am going to
23 really shift gears here a little bit because we are talking
24 about worldwide threats, and it is easy to keep -- to talk
25 about the big ones that are obvious and always in front of

1 us.

2 But there are other smaller skirmishes here and there
3 that I think may not be as significant but still
4 significant. I would like your take on one in particular,
5 and that is what is going on in Haiti.

6 I have a number of friends that are involved in
7 charitable work. In fact, I am kind of stunned how many
8 friends I have involved in charitable work, and they are
9 just distraught about what is going on in Haiti.

10 Now, Haiti, you know, I don't have to tell you where
11 it is in its proximity, and it is -- maybe you could just
12 tell me a little bit about what you were seeing in Haiti?
13 What -- to the degree you are able to tell me what you
14 think -- what is being done and what can be done.

15 And these are policy questions, I understand that, but
16 I think we need to engage a little bit and not just let it
17 fall because -- for obvious reasons. Maybe just expand to
18 the last 30 seconds of my time on that.

19 Ms. Haines: Yes. Thank you. I couldn't agree more
20 with the fact that this is a really vexing issue and one
21 that should be focused on.

22 And I, you know, I can tell you that from an
23 intelligence community perspective, we have been looking to
24 try to find ways to support, in effect, what I understand
25 the policy community is looking at, which is a

1 multinational force that would try to address the situation
2 both from the perspective of training police and also to
3 sort of try to manage the violence that has erupted and the
4 gang control of territory in this area.

5 And it is -- I will say briefly that, first of all, we
6 have a lot of analytic products. I am happy to provide you
7 what I think is the best that we have on this. But it is
8 -- none of it is optimistic, which is to say that this is a
9 really challenging situation and it does not look as if it
10 is going to get better any time soon.

11 Senator Cramer: So, if I might, General, I mean, are
12 there security concerns in addition to just the moral and
13 ethical concerns?

14 General Berrier: I think there are security concerns,
15 and moral and ethical concerns. When I look at it, it is
16 sort of the loss of credibility in the government and
17 government's detentions, their ability to provide services,
18 a terrible economy, a population at risk.

19 And then and at the same time, this rise of these
20 organized criminal elements that seem to be taking over and
21 challenging the security forces. So really a perfect
22 storm, and I think in our hemisphere, we are paying
23 attention to that.

24 Senator Cramer: Thank you both.

25 Chairman Reed: Thank you, Senator Cramer. Senator

1 Warren, please.

2 Senator Warren: Thank you, Mr. Chairman. So,
3 cryptocurrency is now the method of choice for countries to
4 evade sanctions so that they can fund weapons programs,
5 support spying, and promote cyber-attacks.

6 Crypto crime is hidden, but we know that in 2022
7 alone, there was over \$20 billion in illicit transactions.
8 We also know that Russia, Iran, and North Korea moved
9 around at least \$8 billion using crypto.

10 So, let's focus for just a minute on North Korea.
11 This one country stole a record breaking \$1.7 billion.
12 According to the UN Security Council, North Korea uses its
13 crypto crime to fund its nuclear weapons development.

14 General Berrier, you lead the Defense Intelligence
15 Agency, which collects intel on foreign militaries,
16 including on North Korea. When North Korea launders
17 billions of dollars' worth of crypto and funnels it into
18 its nuclear program, does that threaten our national
19 security?

20 General Berrier: Certainly, Senator, as North Korea
21 steals that money and then tries to turn it into a legal
22 tender, which at great cost, as you know. That is helping
23 them build their nuclear capacity and that is a threat that
24 we recognize.

25 Senator Warren: Thank you. So, Director Haines,

1 earlier this year, the U.S. intelligence community, which
2 you lead, put out its annual threat assessment in which you
3 identified North Korean cryptocurrency heists as part of,
4 and I am going to quote you here, "sophisticated and agile
5 espionage, cybercrime, and attack threat." So, let me ask
6 you, does a sophisticated and agile espionage, cybercrime,
7 and attack threat undermine our national security?

8 Ms. Haines: Yes, absolutely. And just to pull it
9 apart, to say that it is not just -- although obviously the
10 funding is critical. It is not just the funding of
11 essentially nuclear programs that the DPRK may have
12 involved in, but it is also posing a cyber-threat to
13 important networks. And that is part of what it is that we
14 see as a national security threat.

15 Senator Warren: Thank you. So, let's move to another
16 example. A 2021 study found that nearly 5 percent of the
17 world's Bitcoin mining takes place in Iran. The biggest
18 crypto mine in the country is run by the Islamic
19 Revolutionary Guard Corps and is backed by Chinese
20 investment. How much sanctions evasion are we talking
21 about here?

22 Well, one crypto exchange alone, Binance, has processed
23 \$8 billion worth of Iranian transactions since 2018. So
24 General Berrier, when the Islamic Revolutionary Guard Corps
25 uses crypto mining to replace revenue that they lose

1 through sanctions, does that threaten our national
2 security?

3 General Berrier: Senator, I think it certainly
4 threatens our U.S. forces in the region. Cryptocurrency,
5 Bitcoin is one method of how they finance their operations,
6 so I think it is certainly a component of that, yes.

7 Senator Warren: Okay. Thank you. And I am going to
8 do one more and get one more example in here, and that is
9 Russia, because Russia is ransomware central. The most
10 prolific and dangerous ransomware gangs are thought to be
11 run by criminals in Russia.

12 Russia affiliated ransomware gangs have stolen from
13 American schools, American hospitals, American power
14 stations, and American businesses. Director Haines, do you
15 know what portion of ransomware is paid in crypto?

16 Ms. Haines: So, we assess that the vast majority of
17 modern ransomware operators demand cryptocurrency, and when
18 those demands are met, they probably, you know, are paid in
19 that form.

20 But part of the challenge for us in terms of
21 identifying specifically how much is being used -- you
22 know, is using cryptocurrency, is that we just -- all
23 ransomware incidents or payments aren't reported or
24 documented --

25 Senator Warren: Fair enough, fair enough. But when

1 the HSGAC committee, Homeland Security committee, put out
2 its report, it said basically it is 100 percent. Does that
3 sound about right to you? This is a business model built
4 on crypto, is it not?

5 Ms. Haines: Yes, I mean -- the vast majority, I think
6 over 90 percent, is perfectly reasonable.

7 Senator Warren: Okay. And then, General Berrier,
8 does the fact that ransomware gangs in Russia and around
9 the world are using crypto to demand ransoms from American
10 hospitals and schools and power stations and businesses,
11 does that threaten our national security?

12 General Berrier: I believe it does, Senator, yes.

13 Senator Warren: You know, I appreciate this. I
14 appreciate your answers. You know, just think about what
15 we are talking about here. North Korean nuclear weapons.
16 Iranian sanctions. Russian ransomware. Drug trafficking.
17 Human trafficking. Some of the major threats to our
18 national security are facilitated by crypto.

19 And that is why Senator Roger Marshall, and I will
20 soon reintroduce our bill to crack down on illicit crypto
21 activity. Our bill is not about SEC regulation or cracking
22 down on crypto investor scams, although I think we need to
23 do that.

24 Our bill is about law enforcement and national
25 security and keeping our country safe. Thank you, Mr.

1 Chairman.

2 Chairman Reed: Thank you, Senator Warren. Senator
3 Scott, please.

4 Senator Scott: Thank you, Chairman. Thanks, both of
5 you for being here. Xi, in the last 12 months, has given a
6 variety of speeches that he is preparing the Chinese
7 population for war. How do you -- what should we take from
8 that? How do you each of you assess that?

9 General Berrier: So, as we listen to Xi Jinping and
10 his style of communication, he has been on a long-term
11 campaign to oversee China's rise. Now that he is in his
12 third term, we see his rhetoric picking up. I believe that
13 there are a number of dates out there that mean different
14 things to different people. We have talked about 2025,
15 2027, 2035 and 2049. I think the bottom line is he has
16 told his military to be ready. For what, we are not sure.
17 When, we are not sure. DIA watches this very, very closely
18 and we evaluate closely every word that he says and where
19 he goes in his speeches.

20 Ms. Haines: Thank you. Just to add, but certainly
21 agree with everything that General Berrier said. I think
22 we continue to assess that he would prefer to achieve
23 unification of Taiwan through peaceful means, but the
24 reality is that he is and has directed his military to
25 provide him with the military option, essentially, to be

1 able to take it without concern of our intervention.

2 And that is something that will have a meaningful
3 impact on his capacity to do so and also his decision
4 making, presumably.

5 Senator Scott: Have you -- do you assess the position
6 the American economy would be in with our dependance on
7 communist China if they did decide to invade Taiwan and we
8 decided to come to Taiwan's aid? How -- what impact would
9 that have on our economy?

10 Ms. Haines: Yes. So, it is not -- obviously we can't
11 provide precision because the scenario will matter when it
12 happens. All of those kinds of things would be critical to
13 actually providing an assessment.

14 But it is without question, and there have been
15 studies done by external, you know, think tanks and others
16 on the impact, the economic impact that an invasion of
17 Taiwan would have on the global financial economy.

18 I will say that because TSMC, the manufacturer of
19 semiconductor chips on Taiwan, if that is blocked, it will
20 have an enormous global financial impact that I think runs
21 somewhere between \$600 billion to over \$1 trillion on an
22 annual basis for the first several years on the global
23 financial economy is the general estimate.

24 Because those chips, those advanced chips are -- and
25 over 90 percent, you know, come from Taiwan and they are in

1 almost every category of electronic device around the
2 world, and so therefore, until we would be able to sort of
3 make up the difference, they would have this enormous
4 impact.

5 It will also have an impact on our GDP if there were
6 such an invasion of Taiwan and that was blocked. It would
7 also have an impact if they start making chips on China's
8 economy, and I think that is another aspect of this and in
9 fact a more significant impact on their GDP if they were
10 unable to get those.

11 Senator Scott: You want to add anything?

12 General Berrier: Just that I think watching the
13 impact that -- the economic impact on Russia as they have
14 invaded Ukraine with the sanctions. Not an exact an
15 comparison, maybe apples and oranges, but I think it gives
16 us an idea of how to model this when it happens or if it
17 happens.

18 Senator Scott: What is your assessment of risk in
19 Latin America? Senator Cramer talked about Haiti, but we
20 know Cuba is a state sponsor of terrorism, and they have
21 allowed their -- you know, our adversaries to be in Cuba.

22 Maduro is doing the exact same thing in Venezuela.
23 So, what is your assessment of the risk of bad actors being
24 in Latin American? And what is the risk that Communist
25 China is going to be able to open up military bases in

1 Latin America?

2 General Berrier: For the time being, I would say the
3 risk is moderate. We do see Chinese and Russian actors in
4 Central and South America, something that we watch very,
5 very carefully. We have a consistent messaging campaign
6 through our defense attaché network in Central and South
7 America to talk about why this is a bad deal for them. We
8 watch it carefully. I don't think they are very, very
9 close to acquiring full up operational bases in Central or
10 South America right now.

11 Senator Scott: Anything you want to add? All right.
12 What is your assessment of the commitment that Germany has
13 to make sure that -- they will do everything under their
14 power to make sure Ukraine succeeds in a war against
15 Russia?

16 Ms. Haines: I think, honestly, that Germany has
17 exceeded our analysts' expectations prior to the war, for
18 example, in terms of its commitment to providing support to
19 Ukraine. And we have seen them be actually a stalwart ally
20 on this issue, and yes, moving forward.

21 General Berrier: Nothing that on that.

22 Senator Scott: All right. Thank you.

23 Chairman Reed: Thank you, Senator Scott. Senator
24 Peters, please.

25 Senator Peters: Thank you. And thank you, Mr.

1 Chairman. Thank you to both of you for your testimony here
2 today and for your service to our country.

3 Director Haines, the proliferation of cameras,
4 commercial satellite image, and social media have helped
5 create an environment where open-source intelligence is
6 often one step behind, but sometimes a step ahead from
7 traditional intelligence gathering efforts.

8 The buildup of Russian forces as they prepared to
9 invade Ukraine was well documented, with both domestic and
10 foreign observers able to confirm troop and vehicle
11 movements, even identify entire units who were moving to
12 the front.

13 I was also taken by article by the Modern War
14 Institute at West Point that talked and some quotes from
15 some intelligence operators. They were talking about, of
16 course, the intense need for intelligence as this war was
17 progressing. And in this saying, "we were collecting only
18 a fraction of what was needed.

19 This was not a surprise with the largest war in Europe
20 since World War II occurring. Intelligence capabilities
21 were in high demand. This did not, however, diminish the
22 frustration of walking out of the scif, turning on our
23 phones, and gaining access to more and more relevant open-
24 source content than we had actually at our workstations."

25 Open-source intelligence has uncovered fields of

1 Chinese nuclear silos, new PRC shipyard activity, the
2 buildup of PRC troops along the front in India. In short,
3 open-source intelligence seems to be democratizing the
4 intelligence field, and I want to make sure that we are
5 adequately prepared to harness this activity.

6 So, my question for you, and General, if you have
7 comments on those too, is what changes must the IC
8 community make to ensure that the United States is
9 maintaining a strategic advantage in espionage and
10 intelligence gathering, particularly as these new
11 technologies are coming on board and are democratized, and
12 our adversaries and others have access to this information
13 as well. How are we thinking this problem set through?

14 Ms. Haines: Yes, it is a multi-dimensional issue,
15 right? You know, and this is something that has been a big
16 focus. And I know General Berrier will have a lot to say
17 because the Defense Intelligence Agency does a lot in the
18 open-source sort of space for the intelligence community.
19 But first of all, we are in a position where really every
20 element has a version of open source that they are working
21 on.

22 However, we are not in a position where we feel as if
23 the entire intelligence community is leveraging sort of the
24 best of what we can do in this space yet, and that is
25 something that we have been focused on.

1 We have done a study to look at how we can improve our
2 efforts, how we can leverage each other's efforts in this
3 space, and you will hear from General Berrier about what
4 DIA does. But also, how we can invest in it in a way that
5 supports essentially what we collect clandestinely and, you
6 know, allow us to bring together the two sources of
7 information so that we can provide a complete picture that
8 is more insightful than what you might get from open
9 source.

10 But at the same time to recognize that there is value
11 in actually using open source to help to reveal a picture
12 of what is happening in different places and share that
13 with the world. At the same time, on the flip side, and
14 just mentioned two things that I think are worth noting is
15 that we are very conscious of the fact that in this area we
16 have to be extremely careful about how we approach privacy
17 and civil liberties issues.

18 And one of the issues that we know has been of concern
19 for many members of Congress is how we deal with, for
20 example, commercially available information. That is, for
21 example, information that we may purchase as part of our
22 efforts to engage in open source, and trying to make sure
23 that we are developing sophisticated policies and
24 frameworks to ensure that we are handling that information
25 appropriately.

1 And when we collect it, collecting it appropriately in
2 these places. And finally recognizing that spyware and our
3 adversaries' access to open-source information also makes
4 them far more sophisticated in their capacity to target and
5 to, you know, from a counterintelligence perspective affect
6 us. And that is something we are also looking to try to
7 manage and to counter appropriately.

8 Senator Peters: Great. Limited time, General, but I
9 want to hear your thoughts.

10 General Berrier: Yes. Just briefly. Senator, I
11 think open source is kind of the new frontier for the
12 intelligence community, but it is also a bit of a wild,
13 wild west. And so, in my role as the intelligence
14 enterprise manager for the Department of Defense on open
15 source, what I have to make sure is that the DOD entities
16 that are doing open-source collection and analysis are not
17 getting ripped off from the data sources and how much they
18 pay.

19 That we have the right tools and right training, the
20 right tradecraft so that we can go forward to make sure
21 that open source and its richness augments everything that
22 we do on the sensitive side for a more fulsome picture of
23 what is happening out there in the world. I appreciate
24 that question. Thank you.

25 Senator Peters: Thank you, General.

1 Chairman Reed: Thank you, Senator Peters. Senator
2 Tuberville, please.

3 Senator Tuberville: Thank you very much. Director
4 Haines, what is your assessment of Iran's seasoned its
5 second tank, old tanker in a week in international waters?

6 Ms. Haines: Sir, can we take that in closed session?
7 I think there is something to be said, but -- yes.

8 Senator Tuberville: Thank you very much. General
9 Berrier, SOUTHCOM Commander has been stating for years that
10 Chinese influence in Central and South America is
11 increasing and we are at risk of losing our status as a
12 partner of choice for many critical allies in the region.
13 I just spent a lot of time down in Panama. Do you agree
14 with this assessment? If so, what impact would this loss
15 of status have on the safety and defense of the homeland?

16 General Berrier: I do agree with General Richardson,
17 and I believe that we should be doing everything that we
18 can to talk to our partners and allies down in Central and
19 South America about the value that the United States
20 brings.

21 Senator Tuberville: Director Haines?

22 Ms. Haines: Completely agree.

23 Senator Tuberville: Same thing. Do you -- do we see
24 an imminent threat in that area?

25 General Berrier: Not an imminent military threat, but

1 I think there is a reputational threat. There is an
2 economic threat because they bring their resources quickly.
3 And I think we have to be insightful in thinking through
4 how we beat that.

5 Senator Tuberville: All right. Direct Haines, I am
6 concerned about -- we are all concerned about the rise
7 threat of terrorism, especially since the debacle in
8 Afghanistan. In March, General Kurilla told this committee
9 that in his estimation, ISIS-K could do an external
10 operation against the U.S. or Western interests abroad in
11 under six months with little or no warning. Do you agree
12 with this assessment?

13 Ms. Haines: Yes. One of your colleagues raised this
14 earlier. I would have to check with our analysts to see if
15 they still agree with that. There have been some
16 developments, that we can talk about in closed session,
17 since that statement was made that I think could affect the
18 timeline. But I agree that the -- that ISIS-K remains
19 intent on looking to do external attacks.

20 Senator Tuberville: General?

21 General Berrier: Senator, I think our line is
22 something like 6 to 12 months. I am not disagreeing with
23 General Kurilla's analysis or his team down at CENTCOM.
24 Sometimes at different points we might see it slightly
25 different, depending on where we are at and what we are

1 looking at.

2 Senator Tuberville: Thank you. I yield my time.

3 Chairman Reed: Thank you, Senator Tuberville.

4 Senator Rosen, please.

5 Senator Rosen: Well, thank you, Mr. Chairman. And
6 thank you both for being here today. And good to see you
7 here and the really thoughtful answers. I want to build a
8 little bit on what Senator Scott was talking about in
9 countering the rising Chinese influence. So, Director
10 Haines, of course, we know in recent months, China has
11 rapidly increased its engagement around the world.

12 This includes brokering, actually trying to broker
13 troubling agreements between -- to reestablish diplomatic
14 ties between Iran and Saudi Arabia, offering to broker
15 peace deals between Ukraine and the Russian aggressors.
16 So, these incidents, they highlight China's persistent
17 presence and intention to exert its influence and match the
18 U.S. as a global power.

19 So how can the U.S. address China's increasing
20 involvement in global diplomatic matters? And can we
21 expect to see more countries try to turn to China as a
22 mediator? And what do you think the implications of this
23 pivot would mean to us?

24 Ms. Haines: Thank you, Senator. It is very
25 thoughtful question. I think, obviously, China's engaging

1 in international fora in and of itself is not a challenger
2 problem. It is how they engage and the way in which they
3 use that engagement to actually undermine, for example,
4 global norms and the international order in the way that we
5 have designed it.

6 We have spent quite a bit of time in the intelligence
7 community trying to map out how they are approaching their
8 engagement in international fora in order to do just that.

9 And I would say that this is a place where we have
10 been looking at their efforts to essentially sort of garner
11 influence and change the direction of international
12 organizations so as to support their particular approach to
13 global norms, which is more aligned with an authoritarian
14 system.

15 And you look at organizations such as the ITU or the
16 International Telecommunications Union, and other places
17 where I think there have been concerns about China's
18 influence and efforts in those spaces.

19 And that is something I know the policy community is
20 focused on trying to manage. I think another aspect of it
21 is, as you rightly point out, their effort to try to create
22 coalitions. I would have to say that in that area we have
23 seen them have mixed success.

24 You know, there is sort of things like the 17+1 forum
25 and other things like that that they have tried to do,

1 where because they took quite a bullying approach to trying
2 to get other countries to do what they wanted to do, it
3 actually backfired to some extent on them, and they weren't
4 able to engage in as much influence as we thought. And
5 there are yet other variations on the theme that I think
6 are important to our work moving forward. Maybe General
7 Berrier has more.

8 Senator Rosen: Yes.

9 General Berrier: I believe China is trying to enhance
10 its reputation on the global stage. When I look at the
11 examples that you gave, we are a key security partner with
12 the Kingdom, and we are a key security partner with
13 Ukraine.

14 We also have influence, and we are in discussions with
15 those partners every single day on really tough issues.
16 And I think whether those are military diplomats and the
17 defense attaché service, or the work that our State
18 Department is doing, we have got a great message.

19 Senator Rosen: Well, I want to build on this because
20 China's gaining a hold in the Middle East. They want to
21 gain a hold there. And our partners in the region, they
22 want to hedge -- they may want to hedge what they could
23 perceive as America's diminishing global engagement.

24 So, building on what you are talking about, how does
25 the U.S., how do we reassure our allies and partners in the

1 Middle East, but more broadly, that we will remain a force
2 for stability and security and steadfast with them in the
3 region?

4 General Berrier: So even though our military
5 commitments have come down in the central region, U.S.
6 Central Command is still very active in this area. We have
7 a forward headquarters in Qatar.

8 We have deployed forces there still. And is not a
9 large number, but they are they are actively there. And we
10 have longstanding relationships with these partners. And
11 so, it is our ability to continue to communicate with them,
12 to demonstrate American resolve in the region, and to bring
13 what it is that the U.S. brings.

14 Senator Rosen: Director, anything? No. Yes, we had
15 a recent trip there, and I think that was the biggest
16 concern from at least the Abraham Accord countries that we
17 visited, that we would remain steadfast in the region.

18 And speaking of the region, I only have 33 seconds
19 left, so I will just ask this for the record, but I really
20 want to talk about Iran and Russia, their defense
21 cooperation, how concerned we are about the sale of Russian
22 aircraft and air defense systems to Iran.

23 I will take that off the record as I only -- unless
24 you can answer in about 30 seconds, I will just -- we know
25 what Iran is seeking from Russia.

1 General Berrier: Certainly. I think this is a
2 relationship of convenience at the moment, and I think the
3 Iranians are gaining some benefit for providing munitions,
4 UAVs, and such to the Russians. We are watching it very,
5 very carefully, and we will see where this relationship
6 goes.

7 Senator Rosen: Thank you.

8 Chairman Reed: Thank you, Senator Rosen. Senator
9 Mullin, please.

10 Senator Mullin: Thank you, Chairman. Thank you,
11 Director Haines and General, for being here. I am going to
12 -- I am just going to make a quick question about, you
13 know, I believe it is pronounced Vagner, but I believe the
14 media pronounces Wagner Group all the time. I am going to
15 hold out most of these questions for actually the closed
16 session.

17 But right now, we see -- I mean, in my opinion and I
18 would like to get your opinion. In my opinion, Putin is
19 using the Wagner group to kind of do his bidding around,
20 literally around the world.

21 They are -- and in my opinion, truly my opinion, they
22 are acting more like a terrorist organization than they are
23 a malicious group or a contracting group when they are in
24 sowing instability, supporting groups, spreading lies,
25 exporting critical minerals around the world, pressuring

1 governments to distance themselves from us.

2 Do you -- would you describe their behavior as more
3 acting, more like a terrorist group, Dr. Haines?

4 Ms. Haines: Yes, I would absolutely support the
5 perspective that Wagner is actively working in ways that is
6 actually driving tourism, particularly in the continent of
7 Africa, for example. And that is an example of what you
8 are describing.

9 Senator Mullin: General.

10 General Berrier: It is a really interesting question.
11 And when you look at their business model, how they try to
12 build security in nations and conduct paramilitary
13 operations and support those nations, there are some
14 atrocities that have been reported and committed. I don't
15 know that I would go as far as calling them a terrorist
16 organization right now. I would have to --

17 Senator Mullin: No, I wouldn't -- I am not, I am
18 saying acting. I was very careful in saying acting. I am
19 not calling them a terrorist organization. I am saying
20 acting more like that --

21 General Berrier: Certainly, you could draw a
22 conclusion like that, yes.

23 Senator Mullin: So, and we see, their behavior is
24 they typically go into these countries that are in disarray
25 and they offer to provide security for organizations.

1 Would you agree that is kind of how they get their footing
2 in these countries, a lot of times?

3 General Berrier: Certainly, along with business
4 opportunities to be developed.

5 Senator Mullin: Right. Now, I want to switch my
6 gears real quick to China. According to some open sources,
7 China now is controlling the inner river that runs through
8 Argentina in South America, and is charging tariffs, taxes
9 in the name of the PRC for goods being shipped in and out.
10 We also see that they have influence basically in all of
11 South America except one country. And General, you said
12 that we are fighting back with information.

13 But it seems like those countries are in more need of
14 infrastructure in dollars, which is what China is
15 investing. Are we winning or losing in South America with
16 information, technology, and providing the good deeds that
17 Oklahoma does -- not Oklahoma, but the United States does?

18 General Berrier: Well, certainly, I know that we are
19 talking to our partners about this issue every day.
20 Whether we are winning or losing, hard for me to judge
21 that. I am not tracking this river in Argentina where they
22 are collecting taxes, but I do know where there is
23 infrastructure, ports, airfields that they can build upon,
24 that they will take advantage of that business enterprise.

25 Senator Mullin: So, are you familiar with the

1 influence that they have, the strong influence that has
2 grown over the last ten years in Central and South America?

3 General Berrier: Yes, I am.

4 Senator Mullin: Are you familiar with the only
5 country that they are currently don't have a foothold in
6 South America? I find it -- and I am not -- General, I am
7 not -- this isn't an, I got you, question because I
8 honestly feel like you and I have been developing a
9 friendship over the last couple of years.

10 But I do find it somewhat concerning because that
11 information is not hard to find and it is nothing that
12 requires being read in on. It is concerning to me when I
13 have such a strong influence in Central America, which is
14 growing, but in South America, we are losing.

15 I would say it is -- we are not too far off from
16 losing control of the Panama Canal, too. And I believe you
17 would probably agree with that in some sense. If we don't
18 -- if course doesn't correct pretty quick, they are going
19 to control the main shipping lanes through there. Would
20 you agree?

21 General Berrier: I would say that that certainly
22 requires U.S. attention for sure, yes.

23 Senator Mullin: And that would play right into the
24 role of the Belt and Road Initiative, to which China is
25 trying to get all the world depended on.

1 General Berrier: Yes.

2 Senator Mullin: So, is information enough or should
3 we be looking at this in a different strategy to correct
4 course?

5 General Berrier: Ranging into the policy sector
6 there. Certainly, the more that we can bring, the better,
7 for sure.

8 Senator Mullin: Well, we need that information. I
9 think the American people need to know what threat is
10 really knocking on our back door and why it is a threat.
11 It is not just rhetoric. It is something that -- extreme
12 concern. I would say China is trying to fulfill what
13 Stalin said, trying to destroy America from within, and
14 that slowly, slowly choking us out. With that, I yield
15 back.

16 Chairman Reed: Thank you very much, Senator Mullin.
17 Senator Budd, please.

18 Senator Budd: Thank you, Chairman. General,
19 Director, thank you both for being here and for your
20 service as well. I would like to focus on the INDOPACOM
21 AOR for just a little bit. Director Haines, in this year's
22 annual threat assessment, it states expanded military
23 postures by both India and China along their disputed
24 border elevates the risk of armed confrontation between two
25 nuclear powers. What do you assess is the risk of India

1 and China's border dispute erupting into a conflict?

2 Ms. Haines: It is not insignificant. And this is on
3 the line of actual control between --

4 Senator Budd: Correct.

5 Ms. Haines: -- Indian and the Chinese border, as you
6 indicate. China has been building up its infrastructure
7 along the border and continuing to increase their presence.
8 And we have seen, eruptions at different times, but we have
9 obviously been working with India in order to try to ensure
10 that we are supporting them and their efforts to manage
11 this.

12 Senator Budd: Thank you. General, the buildup that
13 the Director just referred to along the line of actual
14 control. What assistance, if any, is DIA providing to our
15 Indian partners?

16 General Berrier: We have, through USINDOPACOM, joint
17 intelligence team there, have reached out to our Indian
18 partners. We have a relationship with them, and we are
19 attempting to support their needs.

20 Senator Budd: Thank you. Director, just last week,
21 the Chinese accosted a Philippine Coast Guard ship, as many
22 of us are aware of. I mean, it appears that these are
23 becoming more and more frequent. So, are these negligent
24 or intentional encounters? And what is the IC's assessment
25 of the purpose of China doing this?

1 Ms. Haines: Yes. We actually have some very good
2 products on this that if you are interested, we should get
3 to you. But this is --

4 Senator Budd: If you would, please.

5 Ms. Haines: -- what we have seen with China is they
6 have expanded significantly their coast guard over the last
7 many years. They have also begun to use their coast guard
8 in new ways. So, in other words, they pass laws that allow
9 them to use their coast guard to police, in effect, what
10 they perceive as being their rightful waters, and to use
11 even force under certain circumstances.

12 And so, no, I do see this as part of a larger
13 comprehensive effort that they have engaged in. And it is
14 -- there are sort of three different pieces to it. There
15 is the ships that they use that are part of militia that
16 are not actually part of the coast guard or the PLA.

17 And then there is the coast guard, and then there is
18 the PLA, and the relationship that they have with each of
19 these different sort of forces is related and sometimes
20 intersects.

21 Senator Budd: Thank you. And a question for both of
22 you, if you would. And Director, we will start with you.
23 What is your assessment of the Chinese military's ability
24 to conduct a cross-strait amphibious assault of Taiwan?
25 And, you know, they have now effectively practiced a

1 blockade, but are they ready for a major amphibious
2 landing? Director first.

3 General Berrier: Senator, we can --

4 Senator Budd: Director first, and then if you are
5 referring us to the closed session -- if there is anything
6 you can share in this setting, please do.

7 Senator Budd: Yes, I would honestly defer to General
8 Berrier on their capacity and probably would do it in a
9 close session.

10 Senator Budd: Understood. Director, any comments on
11 that?

12 General Berrier: I would just say a very, very
13 complicated military operation. We have we have observed
14 exercises where they review the points on an operation like
15 this, and we can provide more detail in a closed session.

16 Senator Budd: Thank you. And one final question for
17 you, General. So, DIA's China military power report came
18 out in 2019, so it is four years old now. If a new version
19 was published today, what would the top line changes be?
20 How has the military balance of power changed in Asia over
21 the last four years?

22 General Berrier: I think we would probably start
23 describing the advances that they have made in every domain
24 of their military capability in the short four years. They
25 have really advanced some of those capabilities.

1 We talk about space. We talk about their nuclear
2 -- expanded nuclear capacity, and we would probably also
3 talk about their expanded reach throughout the Indo-Pacific
4 and some of those things that we were talking about before,
5 like the maritime fishing police and the coast guard, and
6 those actions.

7 Senator Budd: Thank you, both, again for your time
8 and for your service. Chairman.

9 Chairman Reed: Thank you, Senator Budd. Senator
10 Schmitt, please.

11 Senator Schmitt: Thank you, Mr. Chairman. Director
12 Haines, I want to ask you, the CBP has reported that
13 thousands of Chinese nationals have come across the
14 Southern border. An increase of about 800 percent, I think
15 is the most recent estimate. I guess the question for you
16 is, what are some of the factors causing this?

17 Ms. Haines: Thank you, Senator. I don't have a full
18 answer to that. Why don't I get you that in writing, in
19 response?

20 Senator Schmitt: Okay. I don't -- I am not trying to
21 trip you up here, but it -- my hope would be that the
22 intelligence community has some idea why we are seeing this
23 increase.

24 Ms. Haines: Yes, we have done some analysis on this.
25 I have taken a look at it. They went back to look at more

1 questions and I would rather give you a full answer on
2 that.

3 Senator Schmitt: Okay. That is fair. And so, I
4 guess I will ask you, and if it is the same answer, I
5 understand. But do you expect or are you anticipating an
6 increase in the number of Chinese nationals seeking to
7 cross the Southern border?

8 Ms. Haines: Yes. I would rather give you the full
9 -- what I have seen is that it went up in than it seems to
10 have gone down a little bit is my recollection. And so
11 unclear what the trajectory is, and I think we should give
12 you something --

13 Senator Schmitt: Okay. My concern obviously with
14 Title 42 expiring, has accounted for about 50 percent of
15 all the expulsions I think, is very concerning if this is
16 an intentional effort by the CCP to send assets across our
17 Southern border.

18 I think the American people deserve to know what is
19 happening and I don't think we do. I just, it is a very
20 concerning development, and it is ongoing, and we have seen
21 an increase. And my concern is again, giving one of the
22 tools that has been useful in sending people back is going
23 away and we need to be prepared for that.

24 I guess switching gears, and this could be for either
25 one of you, but I will start with you, Director Haines.

1 During the disastrous withdrawal from Afghanistan, billions
2 of dollars' worth of valuable equipment were lost or left
3 behind, I should say, in addition, of course, to the brave
4 servicemen who lost their lives.

5 But just to put that in perspective, there was \$48
6 million worth of ammunition, 80 aircraft, 23,000 Humvees,
7 250,000 automatic rifles, 95 drones, 42,000 pieces of
8 sensitive military equipment, including night vision
9 goggles. How have the Taliban utilized this? What do we
10 know? Have they been selling this to adversaries? Where
11 is all this equipment and how is it being used?

12 General Berrier: Largely our understanding is that
13 the Taliban have organized their security forces, that they
14 have fallen in on this equipment. I haven't seen a lot of
15 reporting that would indicate that they are selling it. I
16 think they are trying to incorporate it into whatever
17 security force they develop.

18 Senator Schmitt: Do you have anything to add to that,
19 Director Haines? Okay. I do want to ask about an after-
20 action report on the withdrawal from Afghanistan that
21 obviously was a total mess.

22 What are your plans to provide an unclassified after-
23 action report here? I think there are only some Senators
24 who have been able to see it, but I think that given the
25 nature of this -- and there has been some public reporting

1 that -- about what is out there, that seems to just sort of
2 blame the previous Administration.

3 I mean, I think this was one of the more disturbing
4 failures in at least modern history. And I guess, what are
5 your plans to have sort of an accounting of this, of what
6 went wrong, and make sure this never happens again? Or do
7 you have plans to do that?

8 Ms. Haines: Not from the intelligence community. We
9 don't have any plans to provide an unclassified after-
10 action report on Afghanistan. I don't -- I can't speak --

11 Senator Schmitt: Well, I guess, and I will just close
12 with this. And I don't -- this is not a partisan
13 statement. I just -- the idea that what happened in
14 Afghanistan, the fact that the American people have not, to
15 this point, gotten an actual thorough review of an after-
16 action report of what went wrong and how we can make sure
17 this never happens again is deeply concerning.

18 And so, this question isn't just for you. It is being
19 asked of other people and we will continue to do that. But
20 I just think for the memory of the men and women who were
21 lost, all of the equipment that I mentioned, it was just a
22 total debacle and we have got to do better, and make sure
23 it never happens again.

24 So, I suppose we will be working with you to figure
25 out what information you can provide to more fully inform

1 the American people. Thank you.

2 Chairman Reed: Thank you very much. I have been
3 informed that Senator Sullivan is en route. And so, I will
4 take the opportunity to further ask a few questions and
5 give him the opportunity to get here, but it won't be
6 indefinite.

7 One of the issues that we are facing is the, as was
8 mentioned before, the proliferation of media, virtual
9 media, and now what is approaching is the next great step,
10 AI. Do you have any concerns that AI will disrupt our life
11 dramatically, and that there are steps that we should start
12 contemplating now?

13 I know the Administration has announced yesterday that
14 they are taking steps to protect AI. In terms of the
15 intelligence community, how are you doing this, Director
16 Haines?

17 Ms. Haines: Yes, thank you very much, Senator. I do,
18 I think you are wise to be focused on this and that it will
19 have disruptive impact. We are -- we have been writing
20 some analysis to try to look at what the potential impact
21 is on society in a variety of different realms, and
22 obviously see some impact in intelligence activities that
23 we would be happy to talk to you in closed session on.

24 But what we also recognize is that we do not yet have
25 our hands around what the potential is. And what we have

1 been doing in the intelligence community, there have been
2 many elements have themselves put together task forces,
3 experts who are looking at these issues, who are trying to
4 understand in particular the impact of generative AI, as
5 you have noted it.

6 And we have been trying to facilitate groups of
7 experts in the IC to essentially connect with those in the
8 private sector who are on the cutting edge of some of these
9 developments so that we can make sure that we understand
10 what they see as potential uses and developments in this
11 area as well.

12 Chairman Reed: Thank you very much. Just a quick
13 question, listening to the discussion about the withdrawal
14 of Afghanistan. Most of that equipment and supplies were
15 committed to the Afghan army, and that was a planned
16 commitment. That was not leaving, deliberately leaving
17 equipment behind. That was the tactical equipment for the
18 Afghan army, which we all hoped would continue to function.
19 Is that correct?

20 General Berrier: That was always the plan at those
21 Afghan cores that we stood up and trained --

22 Chairman Reed: And that plan was developed in the
23 Trump Administration after the Doha agreement?

24 General Berrier: That is correct.

25 Chairman Reed: And then also in terms of -- I think I

1 agree, obviously, that it has to be public, but we should
2 all be aware that the Congress and this committee
3 authorized a commission to study the entire situation in
4 Afghanistan over the 20-year period.

5 That commission is at work today and it will publish
6 the results and those results will be available to the
7 public. There might be some classified material, but it
8 will be available to the public. So, thank you. Senator
9 Sullivan, please.

10 Senator Sullivan: Thank you, Mr. Chairman. Thank you
11 for holding this open. Appreciate the witnesses being
12 here. DNI Haines, I want to just follow up a little bit
13 first, quickly, on the AI piece. Did you happen to read
14 the very long and insightful piece by Henry Kissinger and
15 Eric Schmidt, the Google founder and senior MIT professor
16 on AI? Did you read that?

17 Ms. Haines: I know exactly what you are talking
18 about, and it is on my pile, but I have not yet read it, so
19 I apologize.

20 Senator Sullivan: Yes, I would strongly recommend,
21 take a look. I think it is such a big topic. The
22 Economist has a whole focus on it today. There is all
23 these great opportunities. You know, Henry Kissinger still
24 going at it. I think he turned 100 or he is turning 100
25 here very soon. Incredible mind. He brings some insights

1 that are very chilling to the uses of AI and what it could
2 mean, particularly on the national security front.

3 And I think it would be good for you guys to do a deep
4 dive on this and come back to the committee. We are all
5 trying to figure it out. You have tech companies saying it
6 is the best thing since sliced bread. You have other
7 people saying it is going to doom the world.

8 And, but I think putting the tech companies fully in
9 charge, I don't think it is a good idea either. So, we
10 really need your guy's insight, and I think it would be
11 good if you can come back to the committee, either
12 classified or unclass on that topic.

13 Take a look at that piece. So, it is really well
14 written and pretty scary, to be honest, and these aren't
15 people who are prone to be Pollyannish. Let me turn to my
16 --

17 Ms. Haines: I will do that.

18 Senator Sullivan: Thank you. Let me turn to my
19 favorite topic, energy. I always like to recount this
20 story. It is now quite a sad story because some -- I am
21 sure you know, Vladimir Kara-Murza was in jail for 25
22 years, unjustly sentenced. I hope we can keep beating the
23 drums to tell Putin to let them out. All he was doing was
24 speaking the truth about democracy and freedom in Russia.

25 A very courageous man. I was in a meeting with him a

1 number of years ago. Just me, him, and Senator John
2 McCain. And I asked him what was the most important thing
3 we could do to undermine the Putin regime, the kind of
4 mafia grip that he has on his society, and the danger he
5 presents to the world. And Vladimir Kara-Murza looked at
6 me and said, it is easy, Senators, it is an easy answer,
7 produce more American energy -- produce more American
8 energy.

9 That is what Russia fears. So, can you talk about two
10 things? One, is Russia's attempt to use energy as a weapon
11 -- they are pretty good at it. Now, we have blunted it to
12 some degree. And then two, on the flip side, I read the
13 Intel a lot about what the Chinese leadership thinks, what
14 Xi Jinping thinks. They are very scared of American energy
15 dominance. Very scared. So, can you talk about that as
16 well?

17 I know, I think it is some of the products you guys
18 have produced. And then maybe I know you don't provide
19 policy, but, you know, we do have this kind of element in
20 American society, and to be honest, in the Biden
21 Administration, and some of my colleagues in the Senate who
22 are like, oh my God, we can't produce any more oil and gas.
23 That is horrible, climate bomb. No offense, it is
24 ridiculous, right.

25 We need oil and gas for decades to come. Places like

1 my State, Alaska, have the highest standards in the world
2 aren't producing it. If we are going to need it, we should
3 produce it, not let Russia and Venezuela and hell Saudi
4 Arabia.

5 So, any thoughts on that, too? And I am talking all
6 energy. I love renewables, but we need oil and gas. Now,
7 people close their eyes and scream climate bomb, and we
8 can't produce in Alaska.

9 They have no idea what they are talking about. And
10 you guys do. So please enlighten us because, and don't be
11 political here. I know the Biden Administration -- you are
12 an independent operator. John Kerry, and everybody, they
13 go around the world, oh, my God, quit by an American LNG.
14 These people are idiots, and they are undermining our
15 national security.

16 The facts are there. China is fearful of American
17 energy dominance. Putin wants to use energy as a weapon.
18 And the best way to do it as Vladimir Kara-Murza's advice
19 to me and John McCain, produce more American energy.

20 That is how you undermine Putin and scare the Chinese.
21 What are your thoughts on all of those very important
22 topics that the media gets wrong, the far left puts its
23 head in the sand on? We need factual analysis on this
24 really important topic from you.

25 Ms. Haines: Thank you, sir. I know how passionate

1 you are on these issues and knowledgeable. So, I won't be
2 political, that is for sure. But I also won't touch on
3 policy.

4 Senator Sullivan: Okay. You don't have to.

5 Ms. Haines: It is not my role.

6 Senator Sullivan: That is not your role.

7 Ms. Haines: But I will say, absolutely. The
8 intelligence community believes that Russia uses energy as
9 a weapon. I know that doesn't come as a surprise to you.
10 That is something they have continued to try to do during
11 the course of the conflict. And in fact, you know, is part
12 of their calculation for invading Ukraine.

13 One of the things that we know that they were focused
14 on were the high energy prices for Europe and how that
15 would affect essentially, in their view, Europe's
16 calculation on sanctions. They turned out to be wrong,
17 which I am quite glad about. In any event, that is
18 certainly a part of the picture, I think.

19 From the Chinese perspective, I would tell you that an
20 area that we have spent a lot of focus on is on actually
21 China's efforts to try to control global supply chains that
22 relate to clean energy production and work. And that is a
23 place where we see them very consciously looking to try to
24 control the global supply chains related to the critical
25 minerals that are relevant to clean energy work. And we

1 have some really interesting analysis on that and happy
2 also to provide that to you, if it is useful. And maybe
3 leave it at that, and I don't know --

4 Senator Sullivan: Yes. And General, if you don't
5 mind. And sorry, Mr. Chairman, just a follow-on question.
6 It is related. We did ask in the NDAA last year our
7 military to look at options, you know, in the event of a
8 conflict with China to choke off oil and gas supplies to
9 them. Our navy could do that. And if you have any
10 thoughts on that, or maybe we should talk about it in a
11 classified setting.

12 General Berrier: I do have thoughts, Senator. To
13 start on Russia weaponizing energy, I think they have used
14 it as a carrot and stick, right. And so, they have really
15 made it painful for our European partners early in the war.

16 And then they offered it to other partners, nefarious
17 partners, for nefarious reasons, to acquire more military
18 hardware. So, your comment about weaponization, I think,
19 is really, really accurate. I don't disagree with you that
20 China fears us, about our potential for energy production
21 increase.

22 I think they fear a lot of our economic power all the
23 time. To the point in the NDAA, I think those really are
24 in the purview of the INDOPACOM team and their planning
25 efforts as those proceeds, and then we can talk more in the

1 closed session.

2 Chairman Reed: Thank you, Senator Sullivan.

3 Senator Sullivan: Okay. Thank you, Mr. Graham.

4 Chairman Reed: We have a vote going on, for the
5 benefit of my colleagues. I would suggest that we
6 reconvene in SVC-217 at 12:15 p.m., giving an opportunity
7 to reorganize a bit. And I will at this point adjourn the
8 open session and we will reconvene at 12:15 p.m. Thank you
9 very much.

10 [Whereupon, at 11:58 a.m., the hearing was adjourned.]

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