

1 HEARING TO RECEIVE TESTIMONY ON RECENT RANSOMWARE ATTACKS

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3

Wednesday, June 23, 2021

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U.S. Senate

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Subcommittee on Cybersecurity

7

Committee on Armed Services

8

Washington, D.C.

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10 The subcommittee met, pursuant to notice, at 2:00 p.m.

11 in Room SR-222, Russell Senate Office Building, Hon. Mike

12 Rounds, ranking member of the subcommittee, presiding.

13 Subcommittee Members Present: Senators Rounds

14 [presiding], Gillibrand, Ernst, and Blackburn.

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Stenographic Transcript
Before the

Subcommittee on Cybersecurity

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

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ON RECENT RANSOMWARE ATTACKS

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1 OPENING STATEMENT OF HON. MIKE ROUNDS, U.S. SENATOR
2 FROM SOUTH DAKOTA

3 Senator Rounds: Good afternoon. On behalf of Senator
4 Manchin, the chairman of our committee, I would like to call
5 this Cyber Subcommittee meeting to order. Senator Manchin
6 has been delayed, but in his usual bipartisan fashion he
7 asked that we get the meeting started and that he will be in
8 as quickly as he can.

9 I will begin with an opening statement, and then we
10 would love to hear from you, and hopefully by then Senator
11 Manchin will also be able to participate in this open
12 portion of the session.

13 So I would like to begin by first of all thanking
14 Senator Manchin for the bipartisan effort in which he allows
15 us to begin this process. And second of all, I would like
16 to thank all of our witnesses, Ms. Eoyang, Major General
17 Kennedy, and Rear Admiral Foy.

18 Our hearing today addresses an issue that has
19 unfortunately been a near-permanent headline over the last
20 year. Ransomware attacks have plagued businesses across the
21 United States, and it seems like no one is immune -- not
22 schools, not hospitals, or certainly not government systems.
23 Just in the last few months, several large ransomware
24 attacks of the Colonial Pipeline and the JBS meatpacking
25 company have disrupted the everyday lives of Americans.

1 These attacks shine a spotlight on several areas that we
2 need to pay closer attention to.

3 First, the capabilities of our adversaries are growing
4 rapidly, and their ability to execute increasingly
5 disruptive attacks is quite worrying. In this case of the
6 Colonial Pipeline attack, a single ransomware attacks was
7 able to disrupt gas availability across a large section of
8 the United States for almost a week.

9 Second, the ability of private businesses and
10 organizations in the United States to defend their digital
11 infrastructure needs significant improvement.

12 And third, the Federal Government's capabilities to
13 prevent and respond to these attacks also needs to improve
14 to meet this growing threat to protect not only the Federal
15 Government system but also the nation as a whole.

16 I believe that we need to have a robust national
17 dialogue on the shared responsibilities of the Federal
18 Government and the private sector in addressing these cyber
19 threats. We need to have a public policy debate on the
20 responsibilities of industry, for their own cybersecurity
21 competency, and their enforcement of cyber hygiene within
22 their organizations.

23 I believe we also need to improve information sharing
24 about cyberattacks. In a hearing in front of our committee
25 earlier this spring, General Nakasone, Commander the United

1 States Cyber Command and the Director of the National
2 Security Agency discussed cyberattacks being conducted
3 against the United States targets by foreign cyber actors by
4 describing that, and I quote, "It is not the fact that we
5 can't connect the dots. We can't see all of the dots," end
6 quote.

7 I think it is time to explore a requirement for
8 industry to make confidential disclosures of cyberattacks
9 above a certain threshold to the appropriate authorities to
10 strengthen our ability to more quickly find and respond to
11 these cyberattacks.

12 These topics for debate extend beyond the jurisdiction
13 of the Cyber Subcommittee of the Senate Armed Services
14 Committee, but I believe that we must address these issues
15 holistically, and I look forward to working with my
16 colleagues on the other committees of jurisdiction and with
17 industry to explore the policies necessary to better protect
18 our nation.

19 Now in addition to discussing the roles and
20 responsibilities of the private sector in defending
21 themselves against cyberattacks, it is also time to discuss
22 the roles and responsibilities of the Federal Government in
23 responding to ransomware attacks on private industry, and
24 any response must take a whole-of-government approach. In
25 the fiscal year 2021 National Defense Authorization Act, out

1 committee included a provision to establish a national cyber
2 director to act as an advisor to the President and
3 coordinate activities like cyber incident response across
4 the Federal Government and with private industry. I urge
5 the President to move quickly to stand up that office in
6 order to improve coordination across the Federal Government
7 in response to the ever-growing number of cyberattacks.

8 While the Department of Homeland Security and the
9 Department of Energy or the Department of Justice often
10 leads efforts in responding to these attacks, I think it is
11 important for our committee to assess what the appropriate
12 role is for the Department of Defense in defending the
13 nation from attacks that often are conducted by criminal
14 actors in foreign nations. I am sure that there are many
15 areas where improvements can be made across the entire
16 Federal Government in addressing this growing threat.

17 Now I want to be clear. The 2018 Department of Defense
18 Cyber Strategy defines three main cyber mission, one of
19 which is to defend the United States and its interests
20 against cyberattacks of significant consequence. I look
21 forward to hearing today about what has been the Department
22 of Defense's role in responding to recent ransomware
23 attacks. However, I would be interested in hearing what
24 additional efforts and capabilities could be provided by the
25 Department of Defense to deter and counter ransomware

1 attacks as part of a whole-of-government approach. I know
2 that there are many aspects of the cyber capabilities of the
3 Department of Defense that cannot be discussed in public,
4 and I look forward to hearing more in the closed session
5 later this afternoon.

6 Once again, I want to thank all of you for your
7 willingness to testify today, and I look forward to the
8 conversation here in this open session.

9 Now I would, at this time, on behalf of Chairman
10 Manchin, like to introduce our briefers here today and ask
11 you to give your testimony, and then when the chairman is
12 able to come back in we will have him give his testimony as
13 well.

14 We have Ms. Mieke Eoyang, Deputy Assistant Secretary of
15 Defense for Cyber Policy -- welcome; Major General Kevin B.
16 Kennedy, Director of Operations for the United States Cyber
17 Command -- welcome, sir; and Rear Admiral Ronald A Foy,
18 Deputy Director for Global Operations. You are all here to
19 share your thoughts, and we are here to listen to testimony
20 on ransomware.

21 And with that, Ms. Eoyang, I am not sure if you have a
22 plan sequence or not, but I would invite you to begin if you
23 would like.

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1 STATEMENT OF MIEKE EOYANG, DEPUTY ASSISTANT SECRETARY
2 OF DEFENSE FOR CYBER POLICY

3 Ms. Eoyang: Thank you, Senator Rounds, Senator Ernst.
4 I am pleased to be here with General Kennedy, Director of
5 Operations for U.S. Cyber Command, and Admiral Foy, the
6 Deputy Director of Global Operations for the Joint Staff, to
7 discuss the Department of Defense's role in addressing the
8 urgent threat of ransomware. I have submitted a joint
9 statement on behalf of all three witnesses and will provide
10 that and then turn to my colleagues for their additional
11 comments.

12 Senator Rounds: Your full written testimony will be
13 included for the record.

14 Ms. Eoyang: Thank you, Senator. And before I begin,
15 Senator Rounds, as you have noted, we are not able to
16 discuss sensitive military cyber operations in this open,
17 unclassified setting, and we look forward to providing you
18 additional details in the closed session that follows.

19 I can say this much, however. The Department
20 recognizes the seriousness of this threat to U.S. critical
21 infrastructure. Although the DoD Information Network, known
22 as the DoDIN, has not fallen victim to ransomware, we are
23 acutely aware of the threat to private companies that
24 comprise the defense industrial base and operationally
25 critical contractors.

1 But this is not just a DoD-centric concern. The recent
2 Colonial Pipeline and JBS compromises have demonstrated
3 ransomware's potential to disrupt the lives of everyday
4 Americans. Ransomware is increasingly emerging as a threat
5 to our national, homeland, and economic security, and
6 thwarting ransomware actors effectively requires a whole-of-
7 government response that is coordinated with the private
8 sector and our international partners.

9 I applaud the members for your bipartisan leadership to
10 ensure that the U.S. Government is able to counter this
11 threat. I understand that each of the states, which you
12 represent, has suffered at least one ransomware incident
13 involving essential public functions, including those
14 furnished by municipal governments, schools, and airports.
15 As demonstrated by the incidents affecting the Pleasant
16 Valley Hospital in West Virginia and law firms in South
17 Dakota, ransomware hurts people and disrupts lives. These
18 particular ransomware incidents happened recently, but the
19 list of American ransomware victims is long and grows every
20 day, as the threat becomes pervasive. And it is not just in
21 the United States. We have seen threats by ransomware to
22 our partners and allies throughout the world, from Ireland
23 to the U.K. to Brazil. This is a truly global problem. I
24 look forward to working with you as we take up the cause of
25 mitigating these disruptions to Americans' daily lives.

1 President Biden has made it a priority to address the
2 ransomware threat. This made clear the U.S. position that
3 attacks on, and disruption of, our critical infrastructure,
4 through the use of ransomware or any other cyber means, in
5 not acceptable. And in May, after the Colonial Pipeline
6 incident, the President signed an Executive order to improve
7 our nation's cybersecurity. The order calls for Federal
8 agencies to work more closely with the private sector to
9 share information, to strengthen cybersecurity practices,
10 and to deploy technologies that increase resilience.

11 Addressing the threat of ransomware will be a
12 challenge. Part of this challenge is the increasingly
13 blurry line between nation-state and criminal actors. We
14 have seen some governments let government-employed hackers
15 "moonlight" as cybercriminals for personal benefit, which is
16 not how responsible states behave in cyberspace. Our
17 adversaries have also created permissive environments for
18 criminal ransomware gangs, providing them safe haven within
19 their borders and shielding them from prosecution as long as
20 they avoid targeting the host country's businesses and
21 government systems. This scourge, again, is affecting
22 countries all throughout the world.

23 This is sometimes evident in ransomware code, as gangs
24 operating in Russia design their malware to avoid infecting
25 computers where Russian is the default language. The

1 administration has been clear that this is not acceptable,
2 and that responsible countries must take action against
3 criminals who conduct ransomware activities from within
4 their soil.

5 We cannot, however, expect these financially motivated
6 crimes to cease in the immediate term. The Department
7 currently works to counter ransomware threat as part of our
8 mission to defend the nation in cyberspace. We do this as
9 part of whole-of-government efforts, but the DoD has several
10 distinct roles in this effort.

11 First, the Department gains insights about hostile
12 cyber actors through Hunt Forward Operations on allied and
13 partner nation networks. We use those insights to improve
14 our own security posture and to enable appropriate actions
15 by our partners, domestically and internationally. We are
16 also prepared to take authorized actions to stop or degrade
17 activity.

18 Second, we take actions to increase the security and
19 resiliency of the defense industrial base and operationally
20 critical contractors. The DoD Cyber Crime Center and its
21 Defense Industrial Base Collaborative Information Sharing
22 Environment, have prioritized ransomware reporting and
23 content briefings in support of DoD's DIB Cybersecurity
24 Program Partners, emphasizing impacts, implications, and
25 threat mitigations.

1 Third, the Department continuously defends the DoDIN
2 from all malware, including ransomware. Our cyber forces
3 regularly hunt for adversaries on the DoDIN, and, as I
4 mentioned previously, we continue to leverage the insights
5 gained by operating on foreign networks to improve our
6 defenses, and we continue to strengthen our partnerships
7 with the Federal Bureau of Investigation and the Department
8 of Homeland Security in order to improve those cyber
9 defenses of Federal, State, and local level, as well as
10 those of the private sector.

11 The Department has the capability and capacity to
12 ensure the security and resiliency of its own networks and
13 to conduct operations in support of the Joint Force. Thus
14 far, ransomware perpetrators appear to be financially
15 motivated and therefore to have targeted private industry
16 for financial gain. These are crimes.

17 The Department stands ready to support our colleagues
18 at the FBI in their pursuit of these criminal actors.
19 Further, the Department may provide assistance, where
20 requested, to the Department of Homeland Security, which has
21 the lead for protecting domestic critical infrastructure.

22 In closing, I would like to thank the members once
23 again for your bipartisan leadership to enable the U.S.
24 Government to counter these threats and as we work with our
25 interagency partners in defending the nation against

1 ransomware. We know that Congress is a strong and willing
2 ally in this fight, and as Senator Rounds noted, a whole-of-
3 government response is necessary to address this threat
4 effectively. As the majority of U.S. critical
5 infrastructure is privately owned, combatting ransomware
6 requires a whole-of-nation response.

7 Thank you, and I will turn to my colleagues for their
8 remarks.

9 [The joint prepared statement of Ms. Eoyang, General
10 Kennedy, and Admiral Foy follows:]

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1 Senator Rounds: Thank you, Secretary Eoyang, and on
2 behalf of the chairman I would recognize Major General Kevin
3 Kennedy.

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1 STATEMENT OF MAJOR GENERAL KEVIN B. KENNEDY, USAF,
2 DIRECTOR OF OPERATIONS, UNITED STATES CYBER COMMAND

3 General Kennedy: Thank you, Senator Rounds. Ranking
4 Member Rounds, Senator Ernst, members of the Cyber
5 Subcommittee, I am Major General Kevin Kennedy, Director of
6 Operations at U.S. Cyber Command. And I am pleased to be
7 here today with Deputy Assistant Secretary of Defense Eoyang
8 and Rear Admiral Foy, and honored to represent the men and
9 women of U.S. Cyber Command, as we discuss this urgent
10 threat of ransomware.

11 As the action arm for the Department of Defense in
12 cyberspace, U.S. Cyber Command recognizes the serious nature
13 of the growing ransomware threat to our critical
14 infrastructure and military capabilities. Increasingly,
15 capable, organized criminal groups and opportunistic
16 criminals are exploiting victim data to extort and deny
17 access to crucial information and critical systems. The
18 growing list of municipalities, corporations, and private
19 citizens around the world who have been preyed upon by these
20 criminal demonstrates the broadening scope, scale, and
21 sophistication of this malicious cyber activity.

22 The number and size of ransomware incidents represents
23 a growing trend by cyber criminals to threaten companies and
24 government agencies. These malicious actors conduct their
25 criminal operations from within the boundaries of the United

1 States, exploiting gaps in our defenders' ability to see
2 malign activity in U.S. cyberspace infrastructure.

3 For U.S. Cyber Command to meet this threat, our special
4 partnership with the National Security Agency is paramount.
5 The intelligence and insights produce by the National
6 Security Agency are critical enablers for the law
7 enforcement community and U.S. Cyber Command to prevent,
8 blunt, and respond to malign activity with the speed and
9 agility required in cybersecurity. When authorized, U.S.
10 Cyber Command acts to disrupt, degrade, and defeat foreign
11 malicious cyber actors, to include organized criminal
12 groups. We also work with National Guard units to rapidly
13 share information about malicious cyber activity, thereby
14 enhancing their support to state and local incident
15 response.

16 U.S. Cyber Command is fully engaged with our
17 interagency partners. We provide critical threat
18 information and insights to the Federal Bureau of
19 Investigation and the Department of Homeland Security's
20 Cybersecurity Infrastructure Security Agency, enabling each
21 to act under their respective authorities.

22 Finally, we work with our industry partners to enhance
23 our shared understanding of the cyberspace environment so
24 that together we can increase the resilience of our nation's
25 information systems, both public and private.

1 Cyberspace affords our adversaries, to include cyber
2 criminals, many opportunities and means to threaten U.S.
3 interests. Our adversaries have proven to be creative and
4 adaptive. Ransomware is indicative of the evolving threat.
5 However, U.S. Cyber Command, in close partnership with the
6 National Security Agency, is adapting too. We persistently
7 engage these threats, as close as practical, to the source.
8 With our partners and allies at home and abroad, we are
9 proactively contesting these threats, posturing to respond
10 when necessary, and continuously seeking opportunities to
11 disrupt, deny, degrade, and defeat malign activity beyond
12 our shores.

13 The men and women of U.S. Cyber Command are grateful
14 for the support of this committee and Congress as we execute
15 our mission on behalf of the nation, and I now look forward
16 to your questions.

17 Senator Rounds: Thank you, General, and on behalf of
18 the chairman, Chairman Manchin, I would ask Rear Admiral Ron
19 Foy for your comments, sir.

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1 STATEMENT OF REAR ADMIRAL RONALD A. FOY, USN, DEPUTY
2 DIRECTOR FOR GLOBAL OPERATIONS, JOINT STAFF

3 Admiral Foy: Thank you, sir. Chairman Manchin,
4 Ranking Member Rounds, Senator Ernst, and distinguished
5 members of the subcommittee, thank you for the opportunity
6 to appear before you today with DASD Eoyang and Major
7 General Kennedy.

8 On behalf of the Joint Staff, the J-39, which I run,
9 focuses on enabling the DoD, with the requisite authorities
10 and processes, to conduct cyber effects operations. I
11 facilitate the interagency approval process for cyber
12 effects campaign plans, required under NSPM-13, to enable
13 USCYBERCOM to execute authorized missions against
14 adversaries outlined in the 2018 National Defense Strategy.

15 Since 2018, the Secretary of Defense has approved
16 multiple campaign plans that address adversaries noted in
17 the 2018 National Defense Strategy, and as a result of your
18 ongoing support the Department is postured with the
19 requisite authorities and interagency coordination
20 procedures to respond to and preemptively address malicious
21 cyber activities.

22 Again, thank you. I am honored to be here today, and I
23 look forward to a thorough and continued dialogue, and
24 welcome your questions.

25 Senator Rounds: Thank you, Admiral. And look, on

1 behalf of the chairman once again I want to thank all of you
2 for your comments and for participating in this open
3 session. We are in a position to where we will be able to
4 do a closed session as well.

5 Senator Ernst, I know that you have got questions as
6 well. Since I will be here for the hearing, I would defer,
7 if you would like to ask questions first. On behalf of the
8 chairman I would ask you if you would like to ask your
9 questions, and then we will move from there.

10 Senator Ernst: Thank you, Ranking Member Rounds. I
11 appreciate that very much. I will have another committee to
12 attend here in a moment. So again, thank you all for
13 appearing in front of us today, and specifically for
14 stepping up to the ransomware challenge.

15 Cyberspace has been a growing conflict domain now for
16 many years, but the American people have seen, over the past
17 several months, that ransomware has the capacity to strike
18 closed and closer to home. The Department of Defense should
19 not sit on the sidelines of this conflict, and this
20 discussion of how the DoD may be able to lend additional aid
21 to the fight against cyberattacks is a very productive
22 start. So once again thank you so much.

23 And Ms. Eoyang, what challenges does DoD face as it
24 aims to prevent and retaliate against ransomware attacks on
25 government contractors support DoD installations and key

1 defense industrial base capabilities?

2 Ms. Eoyang: Thank you, Senator. This is indeed a
3 challenge, and we have been very fortunate in the Department
4 that our own systems have not been affected by this, but we
5 do very much worry for our industrial base, and we have seen
6 some incidents where they have been targeted.

7 It is a challenge in that these are criminal acts
8 occurring on U.S. soil against U.S. contractors, and the
9 Department's focus has been largely to focus on the nation
10 state actors outside of our borders. So we work closely
11 with the FBI and the Department of Justice and our own law
12 enforcement agencies internal to the Department to be able
13 to identify the perpetrators and try and mitigate the impact
14 of any such incident.

15 Senator Ernst: And taking that just a little bit
16 deeper dive, what role is appropriate for the DoD as we play
17 a role in this arena in supporting the government's response
18 to those ransomware attacks on our critical infrastructure
19 or with those defense contractors? What is appropriate for
20 us?

21 Ms. Eoyang: So, Senator, one of the challenges --
22 well, the Department has three main missions in cyberspace:
23 defending the DoDIN, preparing to fight and win the nation's
24 wars, and defending the nation. We will not be able to stop
25 every attack from coming in -- the volume is just too much

1 -- but the Department can play a critical role in enabling
2 other departments and agencies, based on the insights that
3 we can generate overseas against these actors to help them
4 identify these individuals.

5 And I will turn to General Kennedy to give some more
6 specifics on how that works.

7 Senator Ernst: Thank you.

8 General Kennedy: Yes, Senator. So, Senator, I can
9 talk as far as the policy of what it should be. I can talk
10 about what we do do. And so right now there are kind of two
11 primary phases. The first one is any attack that we want to
12 see how we can prevent that from coming to fruition. And so
13 if we see indications of compromise or malware present in
14 the environment outside of the nation we take that
15 information and we provide those indicators of compromise to
16 our partners in the interagency, primarily through CISA and
17 through the FBI. They then would be able to share with
18 industry partners.

19 With respect to the defense industrial base and our DIB
20 contractors, DoD has the Defense Cyber Crime Center, and we
21 would share that information with them, and they have
22 information-sharing agreements in place that enables them to
23 help provide them that awareness.

24 After the fact, any kind of ransomware, malware present
25 that has an effect on our DIB partners, in this case, then

1 again, it would be information sharing of indication of
2 compromise with the incident response through those primary
3 organizations, and also emphasizing with our partners as we
4 continue to operate in cyberspace what was emphasized in the
5 National Security Council memo on the 2nd of June, of
6 treating this type of threat, it is more than information
7 loss. This is a continuity of business operations threat.
8 And if you approach it from that perspective, I think then
9 our corporations and our partners in industry would then
10 have a different mental model as they approach their
11 defense.

12 Senator Ernst: Thank you for that. And, General
13 Kennedy, while you have the floor, there are a number of
14 high- and low-tech common operating platforms like Windows,
15 Amazon Web Services, where government, military, and
16 civilian industries all conduct business. So how do we
17 improve the DoD's capability to integrate our defense
18 capabilities or simply conduct information sharing and
19 coordination across these common operating platforms and
20 industrial networks?

21 General Kennedy: Senator, the approach that we are
22 taking within the Department is an approach of looking at
23 how we move from boundary defense primarily to one of a
24 zero-trust type of environment, so we have more of a layered
25 defense. And the critical aspects of that are how we

1 encrypt our data at rest so that we can have access, how we
2 understand the identity of the people that have access to
3 the information within the networks, and also then how do
4 you determine who is the data layer type of data responses
5 that you put in place on your information, in addition to a
6 level of resilience and boundary defense. Just as I lock my
7 windows and doors on my house, although I know that is not
8 going to keep out a persistent adversary if they truly want
9 to come in, but then inside we have other types of active
10 defense and persistence that I have. The same holds true in
11 the information space.

12 Senator Ernst: Okay. And would that be then what we
13 call cyber hygiene and just making sure that those services
14 are enabled, or those defenses are enabled?

15 General Kennedy: Yes, ma'am. There are some core
16 practices of cyber hygiene that we practice in the
17 Department that we emphasize with our DIB partners as well.

18 Senator Ernst: Okay. Yeah, I appreciate that, and my
19 time has expired. Thank you, Ranking Member.

20 Senator Rounds: Thank you. And on behalf of the
21 chairman, and once again, we do this on a bipartisan basis,
22 and I really do appreciate the chairman allowing us to
23 proceed with this process. He is in the middle of an
24 infrastructure meeting right now and he is going to be here
25 as soon as he can, but I will ask my questions and then we

1 will move from there.

2 I want to begin by just kind of fleshing out a little
3 bit about the role of the Department of Defense with regard
4 to cyberattacks, and recognizing that the actual damage
5 being done is in the forms of, in the case of the demand for
6 a ransom to be paid, that occurs in the United States. But
7 the actual attack itself originates, in many cases, in most
8 cases, overseas.

9 We will have organizations, sometimes they are criminal
10 organizations that are not part of a government, but may
11 very well have found a safe harbor, so to speak, in another
12 country. They will perpetrate a crime using computer
13 systems, not only in their own country but in other
14 countries, that the other owners of those other computers
15 may not even know that their computers are being used. In
16 doing so, finding and directing and attributing, really, the
17 location of where the beginning of the attack is a
18 challenge, but it is one that we have become very good at.
19 But in the meantime, the damage being done is the demand of
20 ransomware being paid in the United States.

21 In an open, unclassified setting such as this, I wanted
22 to explore a little bit the public policy side and the
23 understanding that the Department of Defense really does
24 play a role. And I would ask you to comment on this
25 scenario. In the beginning years of our country, we made it

1 very clear that when pirates would attack shipping that was
2 vital to the United States we actually created the Marine
3 Corps, in a way, to actually go on out and find these
4 private citizens who were acting as pirates, and we
5 basically took them out, even though they had found a safe
6 harbor in other sovereign countries. In doing so, we had
7 extended and recognized that the defense of our country
8 included the defense of our assets. We did this using our,
9 at that time, Department of the Navy and the Marines, I am
10 going to say the Department of Defense today.

11 I think it still holds true with regard to
12 cyberattacks, and I think the Department of Defense clearly
13 has a role to play in extending, and in protecting, and I
14 think most citizens in the country believe that if someone
15 from out of the country is going to be attack us, either
16 critical infrastructure or, in the case of ransomware, if
17 there is a way for our Department of Defense to either stop
18 the incoming attacks or to respond accordingly, outside of
19 our country to those incoming attacks, it would seem to be
20 appropriate to do so, recognizing that this is not normal
21 just stealing of information and espionage. This is a
22 demand for payment or this is a direct attack on property
23 within the United States.

24 Secretary Eoyang, would you care to comment and share
25 your thoughts on whether or not you would agree with my

1 assessment or my analogy today?

2 Ms. Eoyang: Senator Rounds, a very much appreciate
3 your analogy to piracy because I have actually been thinking
4 a lot about the development of international law and piracy
5 as it relates to cybersecurity, and I think it is a very
6 instructive one for us, as a nation.

7 One of the challenges that we saw with piracy is that
8 territories at that time were either unwilling or unable to
9 do anything about the threats that emanated from their
10 territory. And I think this is a very important question
11 for us to be asking now, as we see these cyber actors who
12 are operating outside the United States. Are they operating
13 from territory where the host nation is unable to be able to
14 do anything about it, in which case we need to focus on how
15 we build capacity, how we build relationships with allies
16 and partners, how we ensure that they understand the
17 severity of the problem and are willing to cooperate with us
18 in bringing those perpetrators to justice as part of a
19 whole-of-government effort, or in those cases where there
20 are nations that are unwilling -- unable is one thing,
21 unwilling is another -- and when they are unwilling, then
22 that poses a diplomatic challenge, and a national security
23 challenge, and we have seen the President ask that question
24 directly of a territory where we have seen a number of
25 malicious cyber actors using a safe haven for their activity

1 to victimize countries around the world, and to make very
2 clear that they have a choice to make about whether or not
3 they are willing to do anything about this, and that they
4 will be held accountable for being unwilling to do so.

5 So I think it is an apt analogy in this space. I do
6 think international law has evolved somewhat since the days
7 of piracy, or at least I hope so, and we need to be able to
8 think about that analogy in the context of technology and
9 the complicated legal issues that arise.

10 Senator Rounds: Thank you. We do have with us, by
11 Webex, Senator Blackburn, and at this time I would ask
12 Senator Blackburn, on behalf of Chairman Manchin, if she
13 would like to ask questions.

14 Senator Blackburn: Yes indeed, Senator Rounds. Thank
15 you so much for that.

16 Ms. Eoyang, a couple of things that I wanted to ask you
17 about. I agree with you when you talk about our allies and
18 the way we focus on that. Let me bring that back home just
19 a touch.

20 Senator Rosen and I have introduced a bipartisan
21 Civilian Cyber Security Reserve Act, and this would
22 establish a pilot that you would see between DoD and DHS
23 that would have some cybersecurity-trained civilian
24 personnel to ensure that we have the talent that we are
25 going to need for rapid response and to address some of

1 these vulnerabilities that currently exist.

2 So from your perspective, do you feel like that we have
3 enough in the Federal Government, do you think we have
4 enough of a cyber-literate workforce? And then secondly,
5 would a civilian cybersecurity reserve force multiply the
6 capacity that we have currently at DoD and DHS when it comes
7 to responding to these attacks, or either being able to
8 forestall some of those attacks?

9 Ms. Eoyang: Senator Blackburn, thank you for that, and
10 I think you are certainly onto something when it comes to
11 the capacity of the workforce. And certainly this is a
12 national challenge. We have a cybersecurity literacy
13 challenge not just for the Department but for the nation.
14 And so focusing on training, focusing on developing that
15 workforce I think is very important. I cannot speak to the
16 specifics of the particular legislation, but that is
17 certainly something we would want to take a look at, and we
18 thank you for thinking creatively about how we can solve
19 this problem for the nation.

20 Senator Blackburn: Do you feel like that you have the
21 authorities that are necessary for you there at DoD, do you
22 have what you need to require or to push, or even support a
23 whole-of-government response when it comes to ransomware
24 attacks, or are there additional authorities that you would
25 need in order to have a rapid response?

1 Ms. Eoyang: Senator, the Department, at this
2 time, has all the authorities that it needs, and we really
3 appreciate some of the legislative fixes that Congress has
4 provided to us previously, and I am happy to address the
5 ways in which we use those authorities in the closed
6 session.

7 Senator Blackburn: Okay. Thank you. Another area
8 that Senator Rosen and I have decided to tackle is to look
9 at developing an emerging technology qualification program,
10 because our warfighters are not going to change the way they
11 fight unless we change the way they think and the way they
12 approach problem-solving, and the way they pull technology
13 into that. We really see this as we are looking at
14 artificial intelligence, as we are looking at autonomous
15 vehicles, as we are looking at the more widespread
16 utilization of 5G, and how you integrate that into modern-
17 day warfare.

18 So would an emerging technology qualification that
19 helps to identify talent to build a force, would that be
20 helpful to you all?

21 Ms. Eoyang: Senator, again you are prescient in
22 thinking about the ways the Department needs to incorporate
23 technology into the way that we operate. I think we see
24 this as two different challenge. One is how do we make sure
25 that people generally are aware of technology and how it

1 needs to be used for the Department, but then there is the
2 separate track of how we think about those who operate
3 technology and operate in that domain, and those are two
4 different levels of expertise and education.

5 We are in the process right now of reviewing education
6 and training requirements for cyber, for the Department, and
7 we would be happy to look at how this might fit into that
8 plan. Thank you.

9 Senator Blackburn: Well, that would be helpful to us.
10 I honestly believe if we can begin to make some of these
11 changes of how we are going to use this data, how we are
12 going to crunch these data sets, and how they are going to
13 help us with doing predictive analysis and then bringing
14 that to bear, that it is going to help you all with the way
15 you approach this and the way we deal with our allies and
16 the way we defeat our enemies. So thank you very much for
17 being with us today.

18 [Pause.]

19 Senator Rounds: -- recently. And second of all, I
20 would simply say that I would look forward to a closed
21 session discussion as well, and the chairman has indicated
22 that he will meet us there for that.

23 So at this time, unless you have any further comments
24 that you would like to make to the committee, if there are
25 any I would accept them at this time.

1 [No response.]

2 Senator Rounds: If not, we will close. On behalf of
3 Chairman Manchin we will close the open session and we will
4 meet you in the SCIF for the closed portion of the session.
5 This subcommittee meeting is adjourned.

6 [Whereupon, at 2:42 p.m., the hearing was adjourned.]

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