



# Richard Shelby

United States Senator • Alabama

*FOR IMMEDIATE RELEASE*  
*January 28, 1998*

## **Statement of U. S. Sen. Richard C. Shelby**

### **Chairman, Senate Select Committee on Intelligence**

### ***Current and Projected National Security Threats to the United States***

Last year marked the 50th anniversary of the enactment of the National Security Act, the legislation that created the Central Intelligence Agency and established the national defense and intelligence structure for the Cold War era.

This year, we approach an equally significant anniversary — November 1999 will mark the tenth anniversary of the fall of the Berlin Wall, the beginning of the end of the Cold War, and the beginning of the post-Cold War era.

Today, it is fitting that the Committee meet publicly, at the beginning of a new session of Congress, to hear the Intelligence Community's views regarding the nature and extent of the changing national security threats to the U. S.

The identification and analysis of these threats are crucial to defining and conducting our nation's foreign policy. Our intelligence on these threats provides the basis for our defense strategy and planning, informs our budget and procurement choices, and supports our military forces when they go into action.

To be useful, intelligence must be timely and accurate.

Equally important, the Intelligence Community must "call it as it sees it" — reporting the facts to policy makers without bias, even if the intelligence findings do not support a particular policy or decision.

Every day, U.S. policy makers and military forces rely on Intelligence Community reporting. By its very nature, most of this information must be classified to protect the sources and methods from which it is derived.

Today we meet in open session so that, at a time of waning interest in international affairs, the American people may learn about the very real threats that we face in the post-Cold War era.

We look forward to hearing from Director Tenet and other witnesses on the broad range of threats to U.S. national security.

Many of the issues we will discuss bear directly on critical policy choices facing the administration and the Congress today and in the near future, and raise a number of complex questions. For example:

Once again, Iraq is refusing to allow UN inspectors full access to its weapons programs.

How strong is Saddam Hussein within his own country that he can defy the international community?

Is he, in fact, better off than he was before he instigated the current crisis over weapons inspections? What is the status of the Iraqi weapons programs? How quickly could these programs be expanded or revived if sanctions were removed?

Is it true, as has been suggested in the press, that Iraq tested biological and/or chemical weapons on human beings? Will Saddam Hussein ever comply with the UN resolutions?

And on the other side of the Shatt al Arab, we have Iran. Many of us saw Iranian President Khatami's recent television interview. What do his remarks then and subsequently -- and the response of his hardline opponents -- augur for U.S.-Iranian relations?

Most critically, has the Intelligence Community seen any reduction in Iranian support for international terrorism, or slackening in Iran's pursuit of weapons of mass destruction, since the election?

How soon will Iran deploy new ballistic missiles capable of threatening Israel and other U.S. allies?

Iran of course is only one of a dozen or so countries which possess or are developing ballistic missile systems, and one of over two dozen nations that are developing these or other weapons of mass destruction.

I am extremely concerned of the potential that such weapons will be used, or that someone somewhere will plausibly threaten to use such weapons, against the United States, our troops, our allies or our interests in the not too distant future.

After all, it has already happened — the single greatest loss of life by American forces in the Persian Gulf War came when an Iraqi SCUD crashed into a barracks in Saudi Arabia.

How does the Intelligence Community assess the global ballistic missile threat to the United States -- the greatest single threat to our national security?

The Committee is looking forward to reviewing in the near future the updated National Intelligence Estimate on this subject, but we hope the witnesses will provide us with a preview today.

The 1995 National Intelligence Estimate of ballistic missile threats to North America was the subject of extensive, and in my view largely justified, criticism.

What steps have been taken in the current intelligence estimation process to address those criticisms? In particular, I would be interested to hear how Iran's faster-than-expected progress in its missile program comports with the assumptions underlying both the 1995 National Intelligence Estimate and the planned update?

And of particular concern to this committee is the status of North Korea's missile and nuclear programs. How does the Community view the unfolding political, military and economic developments in North Korea?

On another front, I would like to commend the Intelligence Community for its support for the arrest of a suspected war criminal in Bosnia last week.

Although that matter did not receive the attention it deserved, I know that your efforts were critical to the success of that operation.

But the tough question remains: what are the prospects for a meaningful peace in Bosnia? When, if ever, will conditions there permit the withdrawal of U.S. forces? What is the potential for a terrorist attack on U.S. troops deployed in Bosnia and the region?

On the terrorism front, I am pleased to note that the past year has yielded some significant successes, including the rendition and conviction of Mir Aimal Kasi, who killed two CIA employees outside CIA headquarters in 1993, and the recent sentencing of Ramzi Yousef for his role in the World Trade Center bombings and his plot to blow up U.S. airliners.

However, numerous other terrorist threats remain--in Bosnia, in the Middle East, and around the world.

These include both traditional state-sponsored terrorist groups, and other more independent actors such as Usama Bin-Laden. Furthermore, the murderers of 19 U.S. servicemen in the Khobar Towers bombing have yet to be brought to justice. I hope Director Tenet and Deputy Director Bryant will provide us a status report on that investigation, including the cooperation of the Saudi government, and any indications of whether the government of Iran should be held responsible.

Turning now to one of our most significant foreign policy and intelligence challenges of the 21st century: China.

I look forward to hearing the Community's assessment of the status of China's proliferation of nuclear, missile, chemical, biological and advanced conventional weapons technologies to Iran, Pakistan, and other countries.

We will also want to hear how China's extensive military modernization is complicating our ability to carry out military missions in support of key U.S. interests in the region, as well as the extent and purpose of China's nuclear force modernization.

Nearly a decade after the end of the Cold War, the United States continues to face a serious counterintelligence threat. We look forward to hearing from Deputy Director Bryant on the extent and the sources of this threat.

In particular, we hope the FBI will be able to share with the American public its findings to date with respect to allegations that the Chinese government has attempted to illegally influence the American political process.

We are also interested in the recent revelation that a former U.S. government physicist passed classified information to the Chinese government, and in other Chinese government intelligence activities aimed at the United States.

While China poses new challenges for the U. S., Russia still remains the only nation with the power to destroy the United States with intercontinental ballistic missiles. The security of Russia's nuclear arsenal, and the integrity of Russian nuclear command and control systems, are of vital importance.

So too are Russian sales of missile and other technologies of mass destruction to Iran and elsewhere. We look forward to hearing your assessments of the nature and extent of these programs.

In addition to the traditional threats of a massive nuclear attack, terrorism, espionage, and the proliferation of advanced weaponry, we face new threats to our critical information infrastructure from hostile states, terrorist groups, and organized crime.

Recall the enormous disruption to the northeastern United States and Canada caused by recent power outages. These disruptions were caused by an ice storm.

Imagine if a computer operator in Tehran or Pyongyang could create the same havoc and confusion — or worse — with a few keystrokes.

We look forward to hearing the Intelligence Community's current assessment of these threats.

U.S. businesses today also face an unprecedented level of industrial and economic espionage.

A recent report cited in the Los Angeles Times estimated that U.S. businesses lost \$300 BILLION worth of information in 1997 alone.

We look forward to hearing from Deputy Director Bryant on the extent of this threat -- the countries involved, their methods, and what U.S. technologies are most at risk.

I have spent enough time outlining my concerns and raising questions regarding threats to the United States — it is time to hear from the real experts — our witnesses.

Director Tenet will begin by giving his statement. After Director Tenet's opening statement, he will be joined at the witness table by: FBI Deputy Director Bob Bryant, Assistant Secretary of State for Intelligence and Research (INR) Phyllis Oakley, and Lt. General Patrick Hughes, Director of the Defense Intelligence Agency. These witnesses will provide their perspectives on the current and projected threats to U.S. national security.

At 2:30 p.m. this afternoon in the Committee's SH-219 hearing room, the Committee will meet in closed session to discuss classified matters related to threats posed to the national security of the United States.

Director Tenet, Deputy Director Bryant, Assistant Secretary Oakley, and General Hughes -- thank you for appearing before us today.

Today's hearings mark the first time that the FBI has been asked to participate in our annual threat hearings, and represent Mrs. Oakley's first appearance before our Committee in her new capacity. We look forward to hearing your perspectives on these important issues.