



**Press Briefing by Dr. Mathew J. Burrows
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MODERATOR: Hello, everyone, and welcome to the Washington Foreign Press Center. Today we have Dr. Mathew Burrows, who is counselor to the National Intelligence Council and Director of the Analysis and Production Staff. Today he's going to deliver an update on current global threats. Without further ado, here's the doctor.

DR. MATHEW BURROWS: Well, thank you. I'm very happy to be here and very happy to have a discussion with you on the threats that we see. Let me give you a few sentences on my background, role in the National Intelligence Council and then I'll give you a statement here on some of the top threats we see and give you some idea of why we see them as top threats.

So as I was introduced, I'm Mat Burrows, Counselor in the National Intelligence Council. The National Intelligence Council sits on top of the 16 intelligence agencies in the United States. We accomplish a number of roles, but one of them is, every year, put together an Annual Threat Assessment.

Now, the Director of National Intelligence testifies using that testimony every year to a number of committees in Congress. There's both the classified and unclassified portion of that. And what I'm going to talk from is essentially the material that is put together for his use in those sessions.

So I thought I would begin by giving you, as I say, some of the top threats, and I'll begin with one that is rising up there, I would say: cyber security. Every day, information technology brings services to make our lives better and more efficient. However, malicious cyber activity is growing at an unprecedented rate with extraordinary sophistication. In the dynamic of cyberspace, the technology balance favors malicious actors and it's likely to continue to do so for the foreseeable future. The growing role of international companies in supplying software and hardware for sensitive U.S. government and private networks increases the potential for subversion.

The recent intrusions reported by Google are another wake-up call to those who have not taken this problem seriously. Cyber crime is on the rise. Global cyber bank and credit-card fraud has serious implications for economic and financial systems. Attacks against networks controlling

critical infrastructure – energy or transportation – could create havoc. Cyber defenders have to spend more and work harder than the attackers and our efforts are not strong enough. The U.S. government and the private sector must do more to ensure that adequate cyber defenses are in place.

Let me turn next to the global economy, where the trends are more positive. A year ago, we, meaning the Intelligence Community, warned of the dangers of a global depression. Well, an unprecedented policy response by governments and central banks laid out a foundation for a global recovery that most forecasters expect will continue through 2010, although high unemployment will persist. Not all countries have emerged from the slump. Pakistan and Ukraine are still struggling to put their economic houses in order. Allies are trying to insulate spending on Afghanistan from budget cuts.

China is emerging with enhanced clout. Its economy will grow from being a third of the U.S. economy to about a half by 2015, assuming it maintains its rapid growth. Last year, Beijing contributed to the G-20's pledge to increase IMF resources, deployed naval forces to the international anti-piracy operation in the Gulf of Aden, and supported new U.N. Security Council sanctions against North Korea.

However, Beijing still believes the U.S. seeks to contain and transform it, reinforcing Chinese concerns about the internal stability and perceived challenges to its sovereignty claims. China continues to increase defense spending. Although preparation for a Taiwan conflict involving a U.S. intervention continues to dominate PLA modernization and contingency plans, China increasingly worries about how to protect its global interests.

Turning to violent extremism, we've been warning over the past several years that al-Qaida, al-Qaida-associated groups and al-Qaida-inspired terrorists remain committed to striking the U.S. We have seen this reality. Zazi and his two recently arrested coconspirators were allegedly trained with core al-Qaida members in Pakistan. The Nigerian, Umar Farouk Abdulmutallab, the Nigerian who allegedly attempted to down the U.S. airliner on Christmas Day, represents an al-Qaida-affiliated group. Maj. Nidal Hasan, who allegedly perpetrated the tragic attack at Fort Hood, is a homegrown, self-radicalized extremist.

And the violent extremist threat is evolving. We've made complex, multiple-team attacks very difficult for al-Qaida to pull off. As we saw with the recent attempted terrorist attacks, however, identifying individual terrorists or small groups with short histories as extremists using simple attack methods is more difficult. We did not identify Mr. Abdulmutallab before he boarded Northwest flight 253 on Christmas Day. We should have, and we are working to improve.

On a positive note, only a minority of Muslims support violent extremism, according to a number of international polls. But al-Qaida's radical ideology still seems to appeal strongly to some disaffected young Muslims, a pool of potential suicide bombers. This pool includes Americans. Although we don't have the high-level homegrown threat facing Europeans, we have to worry about the appeal that figures like Anwar al-Awlaki exert on young American Muslims.

However much we improve, we cannot count on intelligence to catch every threat. Intensified counterterrorist efforts in the Afghan-Pakistan theater as well as Yemen and Somalia, will be critical to further diminishing the threat. So working with allies is extremely important. Enhanced law-enforcement and security measures including immigration and visa controls and aviation and border security can disrupt terrorist plans. We need multilayered, dynamic defenses so we're supported by good intelligence.

Let me turn now to the outlook in Afghanistan and Pakistan. Since January 2007, the Taliban has increased its influence and expanded the insurgency while maintaining most of the Pashtun belt strongholds. The challenges in Afghanistan are clear – first, reversing the Taliban's momentum and reinforcing security elsewhere; second, improving Afghan security forces, governance and economic capability so that the security gains endure and responsibilities can be transferred to the Afghans.

Early successes in places like Helmand, where the Marines have been deployed for several months, where aggressive counter-drug and economic programs are in place and where local governance is competent, show that we can make solid progress.

The safe haven that Afghan insurgents have in Pakistan is the group's most important outside support. Disrupting that safe haven won't be sufficient by itself to defeat the insurgency, but disrupting the insurgent presence in Pakistan is a necessary precondition for making substantial progress. The increase in terrorist attacks in their country, meaning Pakistan, has made the Pakistani public more concerned about the threat from Islamic extremists and more critical of al-Qaida.

Pakistanis continue to support military force against the extremists. Islamabad has demonstrated determination and persistence in combating militants it perceives as dangerous to Pakistan's interests, but it also has provided some support to other Pakistan-based groups that operate in Afghanistan.

U.S. and coalition success against the insurgency in Afghanistan could provide new long-term incentives for Pakistan to take steps against Afghan-focused militants. Increased Pakistani cooperation is more likely if Pakistan is persuaded that the U.S. is committed to stabilizing Afghanistan and capable of doing so.

Finally, turning to Iran, the available intelligence continues to indicate that Tehran is keeping open the option to develop nuclear weapons. This is being done in part by developing various nuclear capabilities that bring it closer to the ability to produce such weapons. One of the key capabilities Iran continues to develop is its uranium-enrichment program. Published information from the International Atomic Energy Agency, the IAEA, indicates that Iran has significantly expanded the number of centrifuges installed at its facility at Natanz, but it has also had problems operating its centrifuges, constraining its production of low-enriched uranium.

The U.S. announced last September that Iran, for years, has been building in secret a second enrichment facility near the city of Qom. We continue to assess that Iran has the scientific, technical and industrial capacity to produce enough highly enriched uranium for a weapon in the

next few years, if it chooses to do so, and eventually to produce nuclear weapons. The central issue is the decision to do so.

Iran also continues to improve its ballistic-missile force, which enhances its power projection and provides Tehran a means for delivering a possible nuclear payload. We do not know if Iran will eventually decide to build nuclear weapons and continue to judge that Iran takes a cost/benefit approach in its nuclear decision-making. We judge that this offers the Intelligence Community – the international community opportunities to influence Tehran’s decision-making.

The regime has also found itself in a weaker internal political situation following Iran’s disputed presidential election and the crackdown on the protestors. Reacting to the stronger-than-expected opposition and the regime’s narrowing base of support, Supreme Leader Khomeini, President Ahmadinejad and their hard-line allies appear determined to retain the upper hand by force. They are also moving Iran in a more authoritarian direction to consolidate their power.

Other areas of our continued attention and focus, including security in Iraq, on the Korean Peninsula, WMD proliferation in general and our intelligence efforts right here in the Western Hemisphere, especially in helping Mexico with its efforts against the drug cartels, are also threats and challenges that we face.

Other important transnational issues like global health, international organized crime are ones that we are following more closely. And indeed the complexity of issues and multiplicity of acts, both state and nonstate, increasingly constitute one of the biggest challenges in tracking threats. I’m going to stop there and open it up to questions, and as I indicated, there are a lot of issues to discuss. I’m willing to entertain questions on any of them.

MODERATOR: Okay, please wait for the microphone, which could be coming from either side, and state your name and publication before you ask your question. Thank you.

QUESTION: Thank you. Could you elaborate more about the threat level posed by North Korea? And I want to ask you: In the Obama government, North Korea conducted their second nuclear test, and also a partial missile test. So do you think that the threat level has increased in the Obama government?

DR. BURROWS: I didn’t cover North Korea, but maybe I can give you some of the – go into a little bit more depth in answering your question. And actually, with some other prepared remarks, we’ll get at your question a little bit more. I would say that – let me just find the place here –

In general, we would say that the threat has been high for some time. And let me put this, as I said, into a little bit more context. So it’s not only that we worry about North Korea’s efforts to develop weapons but we’re also concerned about its proliferation, so North Korea’s export of ballistic missiles and associated materials to several countries, including Iran and Pakistan and its assistance to Syria and the construction of a nuclear reactor exposed in 2007 illustrate the reach of the North’s proliferation activities. And despite North Korea’s reaffirmed commitment not to

transfer nuclear materials in 2007, we remain alert to the possibility that North Korea could again export nuclear technology.

The North's probable nuclear test in May 2009 supports its claim that it's seeking to develop weapons with a yield of roughly a few kilotons TNT equivalent. And that was apparently a more successful test than 2006. And while we do not know whether the North has produced nuclear weapons, we assess that it has the capability to do so. And of course, it remains our policy not to accept it as a nuclear state. I hope that answers, you know.

QUESTION: Thank you. Because you mentioned about proliferation, recently there have been reports that North Korea exported enriched uranium material to Iran. Can you confirm that report?

DR. BURROWS: I can't comment on that particular report but that certainly is a concern about, as I indicated, their export of materials and knowhow to – and I indicated Iran and Pakistan and Syria, so that is a, I would very much say, a continuing concern of ours.

MODERATOR: Okay, let's break away and take a question from New York. Please go ahead, New York.

QUESTION: Thank you. Just two very quick and brief questions. I want to ask, has the Umar Farouk Abdulmutallab case – has that increased Nigeria's threat level from the point of view of the United States government?

And then, do you think that the blanket action of compelling all Nigerians to undergo enhanced airport screening when they are heading for the United States, do you think that will help the counterterrorism efforts or that it may actually isolate Nigerian Nigerians in helping out in this manner, which is a fear that a U.S. senator has actually expressed – that this action has the potential of isolating Nigerians from helping – considering the fact also that Mutallab's father actually alerted U.S. authorities at least twice before the incident? Thank you.

DR. BURROWS: Okay, well, you know, I'm from the intelligence world and we don't actually comment on policies but what I can tell you is that as I indicated in my earlier statement, we are concerned and it's just not about Nigeria and we wouldn't want to say that that is the only target of our concern despite the alleged Christmas Day attacker's origins.

We're concerned, as I have indicated, about extremist propaganda influence in a number of countries, including inside the U.S. We are of course, as I indicated, heightening the provisions for monitoring entry, disrupting possible entry by extremists. That is a very important part of our counterterrorist operations but I would not say it's directed solely at Nigeria.

QUESTION: Thank you, sir, for doing this and thanks to our friends at the NPC for arranging this.

We have our own threats and – (chuckles) – our own concerns, especially in the neighborhood. You probably know, sir, about the recent bizarre event where the Georgian television ran a pseudo-documentary on an invasion – on a fake invasion from Russia.

To you as an intelligence analyst, does this look like a rational act of influencing the public in your own country on the part of the Georgians? Because it was a station close to the government. And does this raise, in your opinion, the level of threat, concern, however you want to put that, of a new conflict, which is what we all hope to prevent? Thank you, sir.

DR. BURROWS: Well, we have a – I didn't cover it in the statement but we do have a concern about tensions in the Caucasus. I don't know enough about the recent television report to indicate whether that, you know, has raised it significantly. Our worry is that something like that could spark conflict. And so our concern would be trying to encourage restraint on all parties' sides.

QUESTION: Do you communicate that concern to – obviously, you communicate that to the government here but are there ways for you to communicate that to your foreign partners? As a matter of fact, do you have presence as your office in foreign countries? Thank you, sir.

DR. BURROWS: No, first, I mean, there is a separation between intelligence and the State Department, so the State Department would be handling the outreach and the diplomatic efforts in the region and with the various partners. I mean, we don't – we wouldn't be – that's not our role. I mean, we analyze what we see and report those concerns.

QUESTION: Mr. Burrows, as you've covered a whole range of threats, would you allow me to pose two very different questions. First one, concerning first what you started with, China. Does the U.S. Intelligence Community see the military upgrading of China's military as a potential threat to the United States in the long range?

And second, concerning al-Qaida, Leon Panetta said just a few days ago that – basically that the al-Qaida leadership is on the run. And what does this mean for al-Qaida's capability to strike the U.S.? Are they still capable of an orchestrated attack on the U.S.? Thank you.

DR. BURROWS: Okay, in the latter cases, I was trying to say in the earlier statement, al-Qaida's ability to mount what would be, like, a 9/11-style attack we see as vastly diminished. So I think that would be consistent with what the CIA director was also saying about al-Qaida Central being on the run. But that doesn't mean that threat from terrorism isn't still very high in our mind. And what our worry is, and again, I indicated there, is that you have more individual attacks – ones that are still inspired, supported or even more directly planned by al-Qaida – and that those are actually very difficult to track in time in order to disrupt. So that is our worry.

And on China, remains a – its military buildup remains a concern. I don't want to – as I indicated, China has very much integrated into the global economy; we have seen, as I mentioned, a number of efforts over the last year where we felt that they were moving towards assuming more global burdens and stepping up to the plate. At the same time, we do worry about their military buildup.

MODERATOR: Going to the middle? Gentlemen?

QUESTION: Thank you, sir. My question is the United States is holding a nuclear security summit next month. What's your assessment of terrorism threats involving fissile material around the globe and also to the United States, especially terrorism threats to United States, say, nuclear facilities? Thank you.

DR. BURROWS: Well, the nuclear terrorism or WMD terrorism, I mean, remains certainly an area – priority area – for us to analyze, to collect again. In line with what I was saying about orchestrating a large attack, we don't – so far, we haven't seen that they have the capability.

I mean, it's not that we don't have a watching brief on this. And of course, we follow up any reports on it. But in line with what I was saying before about their ability to mount a sophisticated attack, we don't see that as, as high a threat as we do the more individual attacks, which can still be very lethal.

MODERATOR: Okay, and we're going to break away to New York again. Please go ahead, New York.

QUESTION: Good afternoon, sir. Now, according to your observation, from what time did the cyber threat become so serious? And a related question, what event or events made you move cyber threat to the top of all threats facing the United States? Thank you.

DR. BURROWS: Thanks for asking the question. When we do – as I was indicating, we do a report or gather material every year. We began looking at the cyber threat long before the events surrounding Google in China came up. This is a concern and, in fact, if you go and look, there's a public document on the DNI's Web site called the "National Intelligence Study." It's a prospectus on the Intelligence Community programs over the next few years. You'll see this as one of the objectives is to begin to raise our defenses against cyber attacks. So this issue has actually been one that goes back now a couple of years. There was a previous DNI who has raised it systemically and repeatedly.

And as you see in this report, the present director also feels very strongly about this threat, and he would have raised it irrespective of whether the events surrounding Google occurred or not.

QUESTION: Thank you. I'd like to ask you about the Iranian threat. In your statements, you said what's important is the decision on the Iranians to go ahead with developing a nuclear weapon. In your assessment, has this decision been made, or do you think it's still something that hasn't been decided by the Iranian regime?

And also, I'd like to ask you, regarding the Iranian threat, is it simply within the nuclear context – nuclear weapons context – or do you also worry about Iran's influence in the region? Do you see that as a threat to U.S. national security interests? Thank you.

DR. BURROWS: Okay, in answer to your first question, we don't think the decision has been made, and that, actually, this is an area where we can possibly influence their decision. And hence, the efforts that are being made by the U.S., but also a lot of other countries around the world, to influence that decision. In terms of the second part, which – remind me.

QUESTION: Iranian influence.

DR. BURROWS: Iranian influence – yes, that is an area that, you know, maybe I can, in the broader report, give you a flavor – I'll find the place – but that is a worry of ours, and has been a real longstanding worry, in terms of its growing regional influence.

So let me just pick out a few questions or sentence there, just to – in Iraq, we expect Iran will focus on building long-term influence by ensuring the continued political dominance of its Shia allies. In Afghanistan, Iran is providing political and economic support to the Karzai government, developing relationships with leaders across the political spectrum.

In the Levant, Tehran is focused on building influence in Syria and Lebanon, expanding the capability of its allies. This, of course, includes support to Hezbollah, Hamas, Palestinian Islamic Jihad. Hezbollah is the largest recipient of Iranian financial aid, training and weaponry. Iran's senior leadership has cited Hezbollah as a model for other militant groups. So that gives you an idea that, yes, we're concerned. And this has been a longstanding concern for us.

QUESTION: Back to the cybersecurity, first of all, you mentioned that the U.S. government and private sector need to do more. I wonder, can you give more details about your recommendation? And secondly, after the Google incident, has national security – like, your agency ever make any briefing to the president regarding to how to enhance the cybersecurity? Or just, does the individual incident have any impact on the policymaking in the U.S. government? Thanks.

DR. BURROWS: You know, this is an interagency effort, and obviously, within the Intelligence Community, there is a team that the director has put together to look at this problem and to engage on, again, working with the private sector in thinking about defenses. But there is also a broader government effort, in which this – you know, the Intelligence Community works with and which they also engage with the private sector in developing defenses.

This is, as I want to underline, a very longstanding effort. This is something that, if you go back in other threat assessments that we have done, we have talked about extensively. We did not feature it as the top threat, the way we did this year. But as I said, that has nothing to do with the Google event. That has more with our concern that, as I indicated in the opening statement, that those doing cyber crime and other disruptive activities are gaining ground, and unless we do put up defenses, that we're going to be on the losing side.

QUESTION: Yes, hi. Thanks for doing this. I want to follow up on the Iran question. You mentioned that the U.S. still can influence Iranian decision-making. Can you elaborate on that? I mean, how much does the domestic – what's happening in the streets of Tehran influence that decision today?

And also, I want to ask you, on the peace process – on the Arab-Israeli conflict – we’ve been hearing a lot from Pentagon officials, from Gen. Petraeus, lately, at the Congress that the continuing of the conflict does impact U.S. national security. I mean, can you give us, where does the Palestinian-Israeli conflict stand, vis-à-vis the threats to the U.S.?

DR. BURROWS: Okay, starting with the last – the Israeli-Palestinian conflict – I mean – and we actually talk about it a little bit in the longer statement – it impacts in several different ways. First, in terms of instability in the region, I mean, all these forces that we talk about – Hamas, Hezbollah, others – in a sense, use the Palestinian plight to make their case about the perceived attack by the West on Islam. And to that extent, we worry about, you know, the fact that they can use that, and that, that is a mobilizing call for the extremists.

We also – Israel, of course, is an ally. And there is a worry that, without that stability, that it, in the region, can’t prosper. And I would say that, you know, most of this – the work on this is not something that we do. I mean, this is done by diplomats, State Department in trying to work this problem. I mean, what we talk about in our study is a concern of the lack of any peace settlement, and what that means for the region and how, as I said, that benefits others that we see are undermining stability in the region.

On Iran, on the U.S. influencing the situation, obviously, it’s U.S. with allies. And that is, again, something that, you know, the National Intelligence Council doesn’t carry out. Again, it’s the State Department working that issue to try to influence their decision-making. What we have talked about in the statement is that they do view this in a cost/benefit frame of mind. So in that sense, the degree to which we can influence their viewing of the cost of this, the more, the hope is anyways, that they will change their mind on the path they may be undertaking.

QUESTION: And do you have any information whether the domestic situation has, in any way, influenced their calculations, whether they go ahead with the nuclear weapon sooner or later? I mean, how is that playing?

DR. BURROWS: Well, our real worry there is that, on the domestic situation, what it has meant is that the more conservative forces are trying to lock down their power. And in that sense, I mean, that you have much more of a hold by the conservative forces on Iran, unless of a pluralistic political –

QUESTION: Hi, I have a follow-up on the cybersecurity. When you talk about the threat from cybersecurity, do you have a list of, you know, which countries might be posing these threats to the U.S.?

DR. BURROWS: You know, in our classified studies, yes, we follow countries. But we also follow – and this is important to underline – what we’d call non-state actors, which are criminal groups. And in some senses, they have as much capability as some countries.

QUESTION: Can you name the countries?

DR. BURROWS: I won't here. (Chuckles.)

MODERATOR: Okay, we have time for, maybe, one last question, perhaps from someone who hasn't asked a question yet.

QUESTION: Sir, could you comment on what is the National Intelligence Council assessment of ongoing trends in arctic region, because, as you probably know, there are, I would say, some kinds of tensions between countries which have access to arctic. Thank you.

DR. BURROWS: I don't think, at this point, we see those tensions rising up to the level of a huge concern. I mean, what our worries are – (chuckles) – more on the climate change aspects, which possibly could open up areas for competition. But at this point, we wouldn't – in this work, we haven't talked about that as an area of conflict, of worry about any sort of impending conflict. As I said before, we're much more concerned on other aspects of climate change.

MODERATOR: Perhaps we can take one more question, because that was a short one.

QUESTION: Thank you. Since you mentioned economic threats as one area of your concerns, I was wondering how you explain, analytically, the relative weakening of U.S. position in the world, in terms of the influence of the dollar and now, as you know, there are all these discussions about maybe finding a new reserve currency for the world. And whether that, in your mind, is connected to the end of the bipolar world, after the end of the Cold War? Thank you.

DR. BURROWS: Well, we have talked about – not so much in this study – but we did an unclassified study, which is called "A Transformed World," back in 2008. And we talked about, at that time, the end of the unipolar moment and a multipolar world. What we would see with the financial crisis is that, in some ways, that accelerated that trend.

So what we would probably emphasize is not so much the, you know, relative decline of the U.S., but rather the rise of other states. And you know, I think the dollar is really a separate question, and I don't think, you know – we're certainly not concerned about another currency displacing the dollar at this point.

QUESTION: You would not be prevented from going into there – like, I don't know, dollar is a very sensitive subject. Even when you talk about it to the Treasury, they always tell you, there are only maybe two people in the building who are authorized to talk about this. It would not prevent you from analyzing that as a threat if you see a threat coming, right?

DR. BURROWS: No, it doesn't prevent us from, you know, looking at the dollar. But I think they're probably – at least in my mind, when I've done these analyses, there are a lot more important factors, I think, playing into the position of the U.S., as well as other countries, other than the dollar, at least at this point.

MODERATOR: Thank you all for coming.



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