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Statement for the Record

By

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Before the

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Subcommittee on Intelligence, Emerging Threats and Capabilities

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### INTRODUCTION

Chairman Thornberry, Ranking Member Langevin, and distinguished Members of the Subcommittee, I am pleased to appear before you today with the Directors of the Defense Intelligence Agency and the National Geospatial-Intelligence Agency and the Deputy Director of the National Security Agency to discuss the fiscal year (FY) 2015 budget request for Defense Intelligence programs and resources. I note that the Director of the National Reconnaissance Office, Ms. Betty Sapp, testified yesterday before the HASC Strategic Forces Subcommittee on the FY 2015 budget request for “National Security Space Activities”. While the unclassified nature of our opening remarks precludes us from discussing in detail many aspects of Defense Intelligence and the Military Intelligence Program (MIP), we welcome the opportunity to meet in closed session to more fully discuss these topics with you.

Intelligence is a major source of U.S. advantage. It informs wise policy and enables precision operations. It is our front line of defense. A climate of declining budgets, a war weary public, insider threats, unauthorized disclosures of classified information, and increased desire for transparency create the challenging environment in which we work. At the same time as our intelligence and defense budgets are declining, the challenges we face are increasing and becoming more complex. We must continue to provide decisive intelligence and decision advantage to national policy makers and our operators, and posture ourselves to prevent strategic surprise, all while preserving the continued economic leadership of the United States as the foundation upon which our long-term national security rests.

As the Under Secretary of Defense for Intelligence (USD(I)), I am the Principal Staff Assistant and advisor to the Secretary and Deputy Secretary of Defense regarding intelligence, intelligence-related sensitive activities, counterintelligence (CI) and security matters. I exercise

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the Secretary's authority, direction, and control over the defense agencies and Department of Defense (DoD) field activities that are defense intelligence, CI, or security components.

In addition to the MIP, I have oversight authority delegated by the Secretary of Defense for the Battlespace Awareness (BA) Joint Capability Area (JCA) portfolio. The Department's FY 2015 MIP budget request for base appropriations is \$13.3 billion, which does not include Overseas Contingency Operations (OCO) funds. The BA portfolio includes significant additional resources. Defense Intelligence collectively encompasses the defense portion of the National Intelligence Program (NIP), the MIP and the BA portfolio.

In an era of declining resources, our FY 2015 MIP budget request reflects the essential choices necessary to address critical intelligence requirements in support of today's operations, while making the investments necessary to maintain our intelligence advantage. This year's budget reflects a reduction of \$1.3 billion and a nearly one percent reduction in manpower from last year's budget request. The reduction's impact should also be understood within the context of reduced buying power from inflation since last year's budget. The OCO request will be submitted by the Administration at a later date when policy decisions for Afghanistan are finalized.

**FY 2015 INTELLIGENCE CHALLENGES AND DEFENSE INTELLIGENCE PRIORITIES**

To ensure Defense Intelligence resources are invested wisely, we continuously refine our strategy and operational priorities in order to define what capabilities are required to achieve success. This strategy and the associated priorities and capabilities maximize the Defense Intelligence contribution to the Department and the National Intelligence Program. My close

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relationship with Director of National Intelligence (DNI) Clapper enables DoD and the Intelligence Community to work seamlessly to manage, resource, and apply intelligence capabilities in pursuit of our national security objectives while avoiding duplication of effort.

Key Defense Intelligence operational priorities in unclassified terms for FY 2015 include:

- Counterterrorism, particularly the threat posed by al-Qa'ida.
- Countering the proliferation of weapons of mass destruction and associated delivery systems.
- Countering the actions of repressive governments against their people, such as in Syria.
- Countering State-on-State aggression.
- Countering cyber threats.

### **KEY DEFENSE INTELLIGENCE CAPABILITY PRIORITIES**

To meet these challenges and overcome the intelligence gaps that exist within these operational priority areas, we are enhancing Defense Intelligence capabilities in five major areas:

- Expanding global coverage.
- Improving our ability to operate in anti-access/area denial (A2/AD) environments.
- Sustaining counterterrorism (CT) and counter proliferation (CP) capabilities.
- Continuing to develop cyber operations capabilities.
- Strengthening counterintelligence capabilities and reforming the security clearance process to minimize “insider threats.”

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### FY 2015 PROGRAMMATIC ADJUSTMENTS

In light of these capabilities and intelligence priorities, FY 2015 MIP budget resources were allocated to programs that allow the Department to best meet its intelligence mission. Highlighted below is a summary of the major Defense Intelligence and security program adjustments:

- The budget reduces Predator and Reaper combat air patrols (CAPs) from 65 to 55, allowing us to reduce airframe inventory while still maintaining the ability to surge for contingencies. Additionally, the MQ-1 Predator fleet will be drawn down as additional MQ-9 CAPs become available. By FY 2019, MQ-9s will comprise the entire fleet.
- The Air Force will transfer its fleet of 41 MC-12W Liberty aircraft to the Army and Special Operations Command (SOCOM). This retains the capable Liberty aircraft and avoids new procurement costs for Army and SOCOM replacement programs.
- Based on long term affordability, the Department will retain and enhance the RQ-4B Global Hawk Block 30 aircraft to fulfill high altitude intelligence, surveillance and reconnaissance requirements, and will retire the U-2 program in FY 2016.
- Due to programmatic delays recognized by Congress, the Navy's initial MQ-4C Triton procurement was shifted from FY 2015 to FY 2016. The Navy also delayed the planned retirement of the EP-3E and Special Project Aircraft programs by one year in order to align with the new Triton fielding schedule.
- The Department has initiated a program to develop a security clearance continuous evaluation capability for the defense intelligence workforce. This effort will build on continuous evaluation pilot programs which used existing systems at the Defense

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Manpower Data Center and leverage results of a continuous evaluation concept demonstrations sponsored by the Defense Security Enterprise.

- The OUSD(I) staff and budget, and the direct support staffs of the Combatant Command J2s/Joint Intelligence and Operations Centers, were all reduced. Additionally, the program management of the Battlefield Information, Collection and Exploitation System (BICES) and program execution of Foreign Materiel Acquisition and Exploitation (FMA&E) were realigned from the OUSD(I) staff to the Air Force. OUSD(I) will retain oversight of both programs and provide guidance and direction to the Air Force on their execution.

## CONCLUSION

We live in a dangerous world. Developing and sustaining intelligence advantage is challenging in the best of times; it is made even more difficult with declining resources. I am committed to working with the Congress to find the best way to continue delivering intelligence advantage to the nation. Thank you for the opportunity to address this Subcommittee today - we look forward to your questions.

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