

Statement of

The Honorable Sheldon Whitehouse

United States Senator
Rhode Island
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Hearing on "Cyber Security: Responding to the Threat of Cyber Crime and Terrorism"

Today's hearing takes on a topic of vital importance: "Cyber Security: Responding to the Threat of Cyber Crime and Terrorism."

We live in the most connected and technologically advanced country in the world. Our electrical engineers, computer scientists, and technology companies have changed the way that the world does business, made our daily lives safer and more enjoyable, empowered free speech in repressive states, and brought the world closer together.

These remarkable innovations unfortunately also have given criminals, terrorists, and hostile states new opportunities to steal American property, disrupt our way of life, and compromise our national security.

American consumers now are subject to endless swindles achieved by spear fishing emails, malware that turns their computers into unwitting bots sending out malicious spam or the many varieties of identity theft cooked up by cyber crooks to steal hardworking Americans' privacy and money.

Our country's businesses likewise are under assault by foreign agents who seek to steal American intellectual property - a crime that has reportedly led to the loss of over a trillion dollars of value to date, and by criminal hackers who seek to empty out corporate accounts or to blackmail companies by threatening to release stolen trade secrets. These crimes hurt companies' bottom lines, and they rob us of American jobs, shuttering small businesses by stealing their core intellectual property, making a new product line unprofitable by letting a foreign company reap the benefit of American research and development, or even preventing the next great American company from bringing the next great innovation to market.

Key elements of our nation's critical infrastructure such as our electrical grid, financial services system, and telecommunications networks have been probed by malicious actors and in some cases compromised, with the possibility that hostile state actors have buried latent attacks that they can trigger when it would hurt us most.

Even our government's civilian and military networks are under constant and successful attack.

We need to do more to defeat the massive and worsening cyber threat. I am not alone in this belief. The Majority Leader has recognized that the Senate should act on cyber security

legislation. The Commerce, Homeland Security, Intelligence, and Armed Services Committees have been hard at work. This Committee, under Chairman Leahy's leadership, has reported data breach legislation and last week held a hearing that considered reform of the Electronic Communications Privacy Act. And we hope and expect the administration to weigh in shortly with its proposals to improve our nation's cyber security.

The Senate has important work ahead. It may be hard and complicated work, but I believe that we can accomplish this task in a bipartisan and well-considered fashion.

I particularly look forward to working on this vital national issue with the ranking member of this subcommittee, Senator Jon Kyl. I know that this is a topic of serious interest and prior work for you, Senator Kyl, and I believe we will make a lot of progress together. I am very happy, for example, to be working with you to improve public awareness of the cyber security threats facing our nation on a bill that I hope we can file shortly, and to go on to work on legislation to provide a safe space for joint defense by our private industries.

Today's hearing will explore the nature, scale, source, and sophistication of cyber attacks against consumers, government agencies, and businesses and industries, compared to the resources that our government currently brings to bear on these attacks, as well as investigative and prosecutorial successes and limitations. And it will consider the ways in which the private sector is able to collaborate with law enforcement to defend against and respond to cyber attacks.

We are lucky to have two very strong panels of expert witnesses from inside and outside the administration, including a distinguished professor from Brown University in my home state of Rhode Island, which, I am happy to note, is already at the forefront of the cybersecurity field. I thank all the witnesses for being here today.

Before I turn to Senator Kyl, let me flag my serious concern that our prosecutorial and investigative resources are not appropriately scaled to the threat we face. Even in this time of budget cutting, given the enormous stakes, the cyber threat is simply too dangerous to leave under-resourced.

Again, I thank the witnesses for being here, and now turn to the ranking member, Senator Kyl, for an opening statement.