

WORLDWIDE THREATS

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

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WORLDWIDE THREATS

TUESDAY, MAY 23, 2017

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:31 a.m. in Room SD-G50, Dirksen Senate Office Building, Senator John McCain (chairman) presiding.

Committee members present: Senators McCain, Inhofe, Wicker, Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Perdue, Graham, Sasse, Strange, Reed, Nelson, McCaskill, Shaheen, Gillibrand, Blumenthal, Donnelly, Kaine, King, Heinrich, Warren, and Peters.

OPENING STATEMENT OF SENATOR JOHN MCCAIN, CHAIRMAN

Chairman MCCAIN. The Senate Armed Services Committee meets this morning to receive testimony on worldwide threats.

We are pleased to welcome our distinguished witnesses, Dan Coats, who is the Director of National Intelligence, and Lieutenant General Vince Stewart, Director of the Defense Intelligence Agency.

Out of respect for the scheduling commitments of our witnesses and a unanimous request on the part of all our members, we will conclude this hearing at 11:30. In the interest of time and to ensure the members of the committee to be able to ask their questions, I will be very brief. I know that comes as a disappointment, especially to the Senator from South Carolina.

I would ask our witnesses to please submit their written statements for the record, if they can. That is not required.

Last night's horrific attack in Manchester was a gruesome reminder that the world is on fire. Everywhere we turn, we can see threats to the rules-based order that underpins global security and prosperity. Yet, when it come understood the great national security challenges we face, U.S. policy and strategy are consistently lacking. Whether it is China, Russia, North Korea, Iran, or radical Islamist terrorism, I have heard few compelling answers about how the United States intends to use its alliances, its trade, its diplomacy, its values, but most of all, its military to protect and defend our national interests and the rules-based order that supports them, especially with sequestration still the law of the land.

This is still a young administration. Cogent, coherent policy and strategy take time to develop. We should be ever mindful that our adversaries are not waiting for us to get our act together. Time is of the essence.

Senator Reed?

STATEMENT OF SENATOR JACK REED

Senator REED. Mr. Chairman, in keeping with your spirit, I will abbreviate my statement, but ask that the full statement be made part of the record.

Chairman MCCAIN. Without objection.

Senator REED. Thank you, Mr. Chairman, for holding this important hearing. I also want to thank our witnesses for appearing here today to provide their analysis of the national security threats and other challenges facing us around the world.

I would also like to welcome back our former colleague, Director Coats, for his first appearance before the committee and, General Stewart, thank you for your continued strong leadership of the intelligence professionals of the Defense Intelligence Agency.

The national military strategy is organized, appropriately so, around the so-called four plus one primary threats facing our nation today, namely Russia, China, North Korea, Iran, and the enduring non-state challenge of violent extremism, a tragic example of what we witnessed last evening in Manchester, England. Our hearts and prayers and thoughts go out to the people of England and people of the world. We are pursuing these issues, and I know you gentlemen are at the forefront in terms of our intelligence efforts, and I appreciate what you do.

The four plus one threats I have just touched upon inform the capabilities we develop, the size of the force we build, and the scenarios we plan against. However, to paraphrase former Secretary Gates, we have a near perfect record in predicting the nature of the next threat we will face: we have always gotten it wrong. We rely heavily on our intelligence community to highlight those emerging threats, the ones that we have not identified already, and I hope our witnesses will provide the committee with their candid thoughts on the other challenges we should pay close attention to moving forward, in addition to the four plus one that I have outlined.

Thank you, Mr. Chairman.

[The prepared statement of Senator Reed follows:]

PREPARED STATEMENT BY SENATOR JACK REED

Thank you, Mr. Chairman for holding this important hearing. I also want to thank our witnesses for appearing today to provide their analysis of the national security threats and other challenges facing us around the world today. I would like to welcome back our former colleague, Director Coats, for his first appearance before the committee and, General Stewart, thank you for your continued strong leadership of the intelligence professionals of the Defense Intelligence Agency.

The National Military Strategy is organized, appropriately so, around the so-called “Four plus one” primary threats facing our nation today—namely Russia, China, North Korea, Iran, and the enduring non-state challenge of violent extremism.

Our assistance to partners on the ground in Syria, Iraq, Afghanistan, and Libya is helping them to make steady progress in reclaiming areas once held by ISIS. Similarly, we continue to pressure al Qaeda in its various forms. I hope that our witnesses today will provide their assessment of the relative strength of these groups and where such threats are likely to metastasize next.

Russia is leveraging every tool at its disposal—including military, diplomatic, economic, and information operations—to assert its narrative of great power status in Europe, the Middle East, North Africa and elsewhere. President Putin is using the same finely-honed influence techniques that we saw in the 2016 presidential elections to influence Russia’s immediate neighbors; to undermine democratic processes

in France, Germany, and the Czech Republic; and to sow divisions within NATO and the European Union. We need to have a clear understanding from the intelligence community of what the Russian malign influence threat looks like, including in cyberspace, and how we can both defend against and deter these threats against the core institutions of our democratic societies.

North Korea presents one of the most difficult national security challenges our country faces today. North Korea's nuclear and missile programs are developing at an alarming speed, and we do not have a set of options that would lead to a quick and certain strategy to prevent North Korea from developing a nuclear missile that can reach the United States. The problem set presented by the North Korean programs will require a sustained and massive diplomatic effort by the State Department, international cooperation, and maintaining a range of military options.

The linchpin to deterring North Korea's nuclear and missile programs is cooperation from China. China provides the lifeline of funds and goods that keep the North Korean economy afloat. It is up to the Chinese Government to exert sufficient pressure on Kim Jong-un to bring him to the negotiating table. We need to work with China, and our allies in the region, to demonstrate that the denuclearization of the peninsula is the only path forward for North Korea.

Complicating this scenario is the fact that China itself poses a long-term threat to the rules based order in the Asia Pacific. One are that gives the international community concern is China's refusal to abide by the United Nations Convention on the Law of the Sea in resolving its maritime disputes with its neighbors. Another concern is China's use of economic coercion and bullying of its smaller and more vulnerable neighbors. The economic retaliation by China, for example, against our ally, South Korea, for accepting the THAAD deployment to help defend against the North Korean missile threat, is unwarranted. Instead of actions that destabilize the region, China should work with its neighbors to resolve its disputes peacefully, through existing legal mechanisms.

Lastly, with regard to Iran, the State Department and the IAEA have both recently certified that Iran is living up to its commitments under the Joint Comprehensive Plan of Action or JCPOA. These certifications are, in no small part, informed by the diligent work of our intelligence community in collaboration with our other international partners. While the JCPOA addressed the most significant threat posed by Iran, it did not cover other challenges including Iran's malign activities in Syria, Yemen, and elsewhere, or its ballistic missile development efforts. Iran may be at an inflection point following last Friday's Presidential vote in which President Rouhani was re-elected by a wide margin over other hardline candidates. I hope Director Coats and General Stewart will provide their assessment of Iran's behavior since implementation of the JCPOA and how last week's election may affect their behavior going forward.

The "4 plus one" threats I have just touched upon inform the capabilities we develop, the size of the force we build, and the scenarios we plan against. However, to paraphrase former Secretary Gates—we have a near perfect record in predicting the nature of the next threat we will face, we've always gotten it wrong. We rely heavily on our intelligence community to highlight those emerging threats and I hope our witnesses will provide the committee with their candid thoughts on the other challenges we should pay close attention to moving forward.

Thank you, Mr. Chairman.

Chairman MCCAIN. Since a quorum is now present, I ask the committee to consider 6 civilian nominations and a list of 818 pending military nominations. First, I ask the committee to consider the nomination of the Honorable David L. Norquist to be Under Secretary of Defense, Comptroller; Robert Daigle to be Director of Cost Assessment and Program Evaluation, Department of Defense; Elaine McCusker to be Principal Deputy Under Secretary of Defense, Comptroller; Kari Bingen to be Principal Deputy Under Secretary of Defense for Intelligence; Robert S. Karem to be Assistant Secretary of Defense for International Security Affairs; Mr. Kenneth P. Rapuano to be Assistant Secretary of Defense for Homeland Security and Global Security.

Is there a motion to favorably report these six nominations to—

Senator REED. So moved.

Chairman MCCAIN. Is there a second?

Senator INHOFE. Second.

Chairman MCCAIN. All in favor, say aye.

[Chorus of ayes.]

Chairman MCCAIN. The ayes have it.

[The list of nominations considered and approved by the committee follows:]

MILITARY NOMINATIONS PENDING WITH THE SENATE ARMED SERVICES COMMITTEE WHICH ARE PROPOSED FOR THE COMMITTEE'S CONSIDERATION ON MAY 23, 2017.

1. **BG Sean L. Murphy, USAF to be major general** (Reference No. 92)
2. **In the Navy there are 2 appointments to the grade of rear admiral (lower half) (list begins with John A. Okon)** (Reference No. 109)
3. **In the Navy there are 19 appointments to the grade of rear admiral (lower half) (list begins with Edward L. Anderson)** (Reference No. 111)
4. In the Navy there is 1 appointment to the grade of captain (Susan M. McGarvey) (Reference No. 147)
5. In the Navy there is 1 appointment to the grade of commander (Sheila I. Almendras-Flaherty) (Reference No. 168)
6. In the Navy there is 1 appointment to the grade of captain (Adrian D. Ragland) (Reference No. 170)
7. In the Marine Corps Reserve there are 5 appointments to the grade of colonel (list begins with Mark S. Jimison) (Reference No. 171)
8. In the Navy there is 1 appointment to the grade of captain (Christopher R. Desena) (Reference No. 207)
9. In the Navy there is 1 appointment to the grade of captain (Kenneth L. Demick, Jr.) (Reference No. 212)
10. In the Navy there is 1 appointment to the grade of captain (Michael C. Bratley) (Reference No. 214)
11. In the Marine Corps there is 1 appointment to the grade of lieutenant colonel (Jason G. Lacis) (Reference No. 233)
12. In the Marine Corps there is 1 appointment to the grade of lieutenant colonel (Kevin J. Goodwin) (Reference No. 235)
13. **MG Bradford J. Shwedo, USAF to be lieutenant general and Chief, Information Dominance and Chief Information Officer, Office of the Secretary of the Air Force** (Reference No. 300)
14. **MG Giovanni K. Tuck, USAF to be lieutenant general and Commander, Eighteenth Air Force, Air Mobility Command** (Reference No. 302)
15. **LTG James C. McConville, USA to be general and Vice Chief of Staff of the Army** (Reference No. 303)
16. **BG Stuart W. Risch, USA to be major general** (Reference No. 304)
17. **MG Thomas C. Seamands, USA to be lieutenant general and Deputy Chief of Staff, G-1, U.S. Army** (Reference No. 305)
18. **Col. Mark E. Black, USAR to be brigadier general** (Reference No. 306)
19. **Col. Matthew V. Baker, USAR to be brigadier general** (Reference No. 307)
20. **BG Chris R. Gentry, USAR to be major general** (Reference No. 308)
21. **BG Robert A. Karmazin, USAR to be major general** (Reference No. 309)
22. **BG Marion Garcia, USAR to be major general** (Reference No. 310)
23. **BG Joseph E. Whitlock, USAR to be major general** (Reference No. 311)
24. **Col. Miguel A. Castellanos, USAR to be brigadier general** (Reference No. 312)
25. **Col. Windsor S. Buzza, USAR to be brigadier general** (Reference No. 313)
26. **Col. Randall V. Simmons, Jr., USAR to be brigadier general** (Reference No. 314)

27. **Col. Michael D. Wickman, USAR to be brigadier general** (Reference No. 315)
28. **In the Army there are 32 appointments to the grade of major general (list begins with Carl A. Alex)** (Reference No. 316)
29. In the Army Reserve there is 1 appointment to the grade of colonel (Kalie K. Rott) (Reference No. 317)
30. In the Army there is 1 appointment to the grade of major (Norma A. Hill) (Reference No. 318)
31. In the Army there is 1 appointment to the grade of lieutenant colonel (Frank C. Pescatello, Jr.) (Reference No. 319)
32. In the Army there is 1 appointment to the grade of major (Basim M. Younis) (Reference No. 320)
33. In the Army Reserve there is 1 appointment to the grade of colonel (Stanley F. Gould) (Reference No. 321)
34. In the Army there is 1 appointment to the grade of major (Scott W. Fisher) (Reference No. 322)
35. In the Army Reserve there are 16 appointments to the grade of colonel (list begins with Gary L. Beaty) (Reference No. 323)
36. In the Army Reserve there are 2 appointments to the grade of colonel (list begins with Daniel J. Convey) (Reference No. 324)
37. In the Army there are 2 appointments to the grade of major (list begins with Sophia Dalce) (Reference No. 325)
38. In the Army there is 1 appointment to the grade of colonel (Dawn E. Elliott) (Reference No. 326)
39. In the Army there is 1 appointment to the grade of lieutenant colonel (D012528) (Reference No. 327)
40. In the Army there is 1 appointment to the grade of major (Benjamin W. Hillner) (Reference No. 328)
41. In the Army there is 1 appointment to the grade of major (Celina S. Pargo) (Reference No. 329)
42. In the Army there is 1 appointment to the grade of major (Paul R. Ambrose) (Reference No. 330)
43. In the Army there are 2 appointments to the grade of major (James L. Dungca) (Reference No. 331)
44. In the Army there is 1 appointment to the grade of colonel (Charles R. Burnett) (Reference No. 332)
45. In the Navy there is 1 appointment to the grade of commander (Evan M. Colbert) (Reference No. 333)
46. In the Navy there is 1 appointment to the grade of captain (Luciana Sung) (Reference No. 334)
47. In the Navy there is 1 appointment to the grade of captain (William A. Schultz) (Reference No. 335)
48. In the Navy there is 1 appointment to the grade of lieutenant commander (William L. McCoy) (Reference No. 336)
49. In the Navy there is 1 appointment to the grade of Captain (Chris F. White) (Reference No. 337)
50. In the Navy there is 1 appointment to the grade of lieutenant commander (Karl M. Kingry) (Reference No. 338)
51. In the Navy there is 1 appointment to the grade of commander (Michael A. Polito) (Reference No. 339)
52. In the Navy there is 1 appointment to the grade of lieutenant commander (Raymond J. Carlson, Jr.) (Reference No. 340)
53. In the Marine Corps there is 1 appointment to the grade of lieutenant colonel (Javier E. Vega) (Reference No. 341)
54. In the Marine Corps there is 1 appointment to the grade of major (Sergio L. Sandoval) (Reference No. 342)
55. In the Navy there is 1 appointment to the grade of lieutenant commander (Christopher M. Allen) (Reference No. 343)
56. **In the Army there are 3 appointments to the grade of brigadier general (list begins with Susan K. Arnold)** (Reference No. 377)

57. **Col. Richard J. Lebel, USAR to be brigadier general** (Reference No. 378)
58. **Col. Todd W. Lewis, USAR to be brigadier general** (Reference No. 379)
59. **In the Army there are 2 appointments to the grade of brigadier general (list begins with George N. Appenzeller)** (Reference No. 380)
60. **MG Steven R. Rudder, USMC to be lieutenant general and Deputy Commandant, Aviation, Headquarters, U.S. Marine Corps** (Reference No. 381)
61. In the Air Force Reserve there is 1 appointment to the grade of colonel (James E. Thompson) (Reference No. 382)
62. In the Army there is 1 appointment to the grade of lieutenant colonel (Pablo F. Diaz) (Reference No. 383)
63. In the Army there is 1 appointment to the grade of lieutenant colonel (Craig A. Nazareth) (Reference No. 384)
64. In the Army there is 1 appointment to the grade of lieutenant colonel (Brian C. McLean) (Reference No. 385)
65. In the Army there is 1 appointment to the grade of major (Raymond C. Casteline) (Reference No. 386)
66. In the Army Reserve there is 1 appointment to the grade of colonel (Daniel J. Shank) (Reference No. 387)
67. In the Army there is 1 appointment to the grade of lieutenant colonel (Christopher W. Degn) (Reference No. 388)
68. In the Army there is 1 appointment to the grade of colonel (Jason T. Kidder) (Reference No. 389)
69. In the Army there is 1 appointment to the grade of colonel (Tito M. Villanueva) (Reference No. 390)
70. In the Army there is 1 appointment to the grade of lieutenant colonel (Philip J. Dacunto) (Reference No. 391)
71. In the Army Reserve there is 1 appointment to the grade of colonel (Stephen R. November) (Reference No. 392)
72. In the Army there is 1 appointment to the grade of colonel (Luisa Santiago) (Reference No. 393)
73. In the Army Reserve there is 1 appointment to the grade of colonel (Robert J. Bonner) (Reference No. 394)
74. In the Air Force there is 1 appointment to the grade of major (Johanna K. Ream) (Reference No. 411)
75. In the Air Force Reserve there are 118 appointments to the grade of colonel (list begins with Paul R. Aguirre) (Reference No. 412)
76. In the Army there is 1 appointment to the grade of major (Mohamad El Samad) (Reference No. 413)
77. In the Army there is 1 appointment to the grade of major (Lana J. Bernat) (Reference No. 414)
78. In the Army there is 1 appointment to the grade of lieutenant colonel (Patrick K. Sullivan) (Reference No. 415)
79. In the Army Reserve there are 207 appointments to the grade of colonel (list begins with Derek L. Adams) (Reference No. 416)
80. In the Army Reserve there are 230 appointments to the grade of colonel (list begins with Rodney Abrams) (Reference No. 417)
81. In the Army Reserve there are 58 appointments to the grade of colonel (list begins with Christine N. Adams) (Reference No. 418)
82. In the Navy there is 1 appointment to the grade of lieutenant commander (Aaron L. Witherspoon) (Reference No. 430)
83. In the Navy there is 1 appointment to the grade of captain (John E. Fritz) (Reference No. 437)
84. In the Marine Corps there is 1 appointment to the grade of major (Michael S. Stevens) (Reference No. 451)
85. In the Marine Corps there is 1 appointment to the grade of major (Patrick J. Mullen) (Reference No. 452)
86. In the Marine Corps Reserve there are 45 appointments to the grade of colonel (list begins with Raymond L. Adams) (Reference No. 453)

87. **MG Laura J. Richardson, USA to be lieutenant general and Deputy Commanding General/Chief of Staff, U.S. Army Forces Command** (Reference No. 467)
88. **BG Charles N. Pede, USA to be lieutenant general and Judge Advocate General of the Army** (Reference No. 468)
89. **RADM Phillip G. Sawyer, USN to be vice admiral and Commander, SEVENTH Fleet** (Reference No. 469)
90. **MG Brian D. Beaudreault, USMC to be lieutenant general and Deputy Commandant for Plans, Policies, and Operations, Headquarters, U.S. Marine Corps** (Reference No. 473)

TOTAL: 818

Welcome to our old and dear friend, Director Coats, and Lieutenant General Stewart who continues to serve with distinction and with great honor. I thank you. Director Coats, given your advanced age, we begin with you.

[Laughter.]

STATEMENT OF HONORABLE DANIEL R. COATS, DIRECTOR OF NATIONAL INTELLIGENCE

Mr. COATS. Thank you, Mr. Chairman. You and I have an ongoing race between who is the more aged and experienced. You win every time—

[Laughter.]

Mr. COATS.—which is quite an accomplishment.

I am pleased to be before you, Chairman McCain and Ranking Member Reed, and members of the committee.

I must admit when I walked through the door, instinctively I made a right turn trying to find my seat up on the panel, and said, oh, yeah, that is right. I get to come down here.

Chairman MCCAIN. You are welcome at any time to come and take a trip down memory lane, Mr. Coats.

Mr. COATS. Thank you.

Let me just reiterate what the chairman said relative to what happened in Manchester last evening. I just returned from London a couple of days ago and met with all of my intelligence community colleagues there. We spent a significant amount of time discussing threats to our respective homelands and it is a tragic situation that we see all too much of happening in countries around the world, particularly our allies. It, once again, reminds us that this threat is real. It is not going away and needs significant attention to do everything we can to protect our people from these kinds of attacks.

I am here today with Lieutenant General Vince Stewart from the DIA [Defense Intelligence Agency] to discuss the IC's [Intelligence Community] assessment of the multitude of threats facing our country. Vince will give some brief opening comments as well, and I have tried to condense my opening remarks, knowing this is an unclassified session, so that we will have plenty of time for your questions.

We are here to describe in an unclassified way the complexity of the threat environment which is ever expanding and has challenged the IC to stay ahead of the adversary. This has not been an easy task. We appreciate the support from this committee to address these threats in a way that will give the President, the Con-

gress, and other policymakers the best and most integrated intelligence we can assemble.

In the interest of time, I will discuss just some of the many challenges that we currently face. The IC's written statement that was submitted earlier discusses these and many other threats in much greater detail.

Let me start with North Korea. North Korea is an increasingly grave national security threat to the United States because of its growing missile and nuclear capabilities, combined with the aggressive approach of its leader, Kim Jong-un. Kim is attempting to prove that he has the capability to strike the United States mainland with a nuclear weapon. We assess that all flight tests this year, including the two this month, have demonstrated capabilities short of an ICBM [Intercontinental Ballistic Missile] at this point in time. However, North Korea updated its constitution in 2012 to declare itself a nuclear power, and its officials consistently state nuclear weapons as the basis for regime survival, suggesting Kim does not intend to negotiate them away.

In Syria, we assess that the regime will maintain its momentum on the battlefield provided, as is likely, that it maintain support from Iran and Russia. A continuation of the Syrian conflict will worsen already dangerous conditions for Syrians in regional states.

Furthermore, as you all know, on April 4th, the Syrian regime used the nerve agent sarin against the opposition in Khan Shaykhun in what was probably the largest chemical attack by the regime since August 2013. Since that sarin attack, we have observed more than five allegations of Syrian regime chlorine use. We assess that Syria is probably both willing and able to use chemical weapons in future attacks. We are still acquiring and continue to analyze all intelligence related to the question of whether Russian officials had foreknowledge of the Syrian chemical weapon attack on April 4th.

Let me turn to cyber threats. Cyber threats continue to represent a critical national security issue for the United States for at least two key reasons.

First, our adversaries are becoming more bold, more capable, and more adept at using cyberspace to threaten our interests and to shape real-world outcomes. The number of adversaries grows as nation states, terrorist groups, criminal organizations, and others continue to develop cyber capabilities.

Second, the potential impact of these cyber threats is amplified by the ongoing integration of technology into our critical infrastructure and into our daily lives. We see this today in the form of the Wanna Cry ransomware attack, which victimized companies, services, and individuals in well over 100 nations within days of its 12 May release. As this activity continues, the U.S. Government investigation is ongoing.

The worldwide threat of terrorism is geographically diverse and multifaceted, and it poses a continuing challenge for the United States, for our allies and partners who seek to counter it. ISIS [Islamic State of Iraq and Syria] is experiencing territorial losses in Iraq and Syria. However, we assess ISIS will continue to be an active terrorist threat to the United States due to its proven ability to direct and inspire attacks against a wide range of targets around

the world. I might mention that ISIS has claimed responsibility for the attack in Manchester, although they claim responsibility for virtually every attack. We have not verified yet the connection.

Outside Iraq and Syria, ISIS is seeking to foster interconnectedness among its global branches and networks, align their efforts to its strategy, and withstand counter-ISIS efforts. We assess that ISIS maintains the intent and capability to direct, enable, assist, and inspire transnational attacks.

Al Qaeda and its affiliates continue to pose a significant terrorist threat overseas as they remain primarily focused on local and regional conflicts.

Homegrown violent extremists remain the most frequent and unpredictable terrorist threat to the United States homeland. This threat will persist with many attacks happening with little or no warning.

I would like to take a quick run through some key areas of the Middle East. In Iraq, Baghdad's primary focus through 2017 we assess will be recapturing and stabilizing Mosul and other territory controlled by ISIS. We assess that Iraq will still face serious challenges to its stability, political viability, and territorial integrity even as the threat from ISIS is reduced. Reconstruction will cost billions of dollars, and ethno-sectarian and political reconciliation will be an enduring challenge.

In Iran, Tehran's public statements suggest that it wants to preserve the Joint Comprehensive Plan of Action because it views the deal as a means to remove sanctions while preserving some nuclear capabilities. We assess that the JCPOA [Joint Comprehensive Plan of Action] agreement has extended the amount of time Iran would need to produce enough fissile material for nuclear weapons from a few months to about a year.

In the meantime, Tehran's malign activities continue. For example, Iran provides arms, financing, and training, and manages as many as 10,000 Iraqi, Afghan, and Pakistani Shiite fighters in Syria to support the Assad regime. Iran has sent hundreds of its own forces, to include members of the Islamic Revolutionary Guard Corps, the IRGC, and IRGC Quds Force to Syria as advisors.

The reelection on May 19th of President Rouhani suggests the Iranian populace also broadly supports the JCPOA. Shortly before the election, Rouhani criticized the IRGC for attempting to sabotage the deal and called for Iran to restart interaction with the world and not be under, quote, the evil shadow of war.

In Yemen, fighting will almost certainly persist in 2017 between Houthi alliance forces trained by Iran and the Yemeni Government backed by a Saudi-led coalition. Neither side has been able to achieve decisive results through military force. Al Qaeda in the Arabian Peninsula, AQAP, and an ISIS branch in Yemen have exploited the conflict in Yemen and the collapse of government authority to gain new recruits and allies and expand their influence.

The IC assesses that the political and security situation in Afghanistan will almost certainly deteriorate through 2018 even with a modest increase in military assistance by the United States and its partners. This deterioration is underpinned by Afghanistan's dire economic situation. Afghanistan will struggle to curb its de-

pendence on external support until it contains the insurgency or reaches a peace agreement with the Taliban.

Meanwhile, we assess that the Taliban is likely to continue to make gains, especially in rural areas. Afghan Security Force's performance will probably worsen due to a combination of Taliban operations, combat casualties, desertions, poor logistic support, and weak leadership.

Pakistan is concerned about international isolation and sees its position through the prism of India's rising international status, including India's expanded foreign outreach and deepening ties to the United States. Pakistan will likely turn to China to offset its isolation, empowering a relationship that will help Beijing to project influence in the Indian Ocean.

In addition, Islamabad has failed to curb militants and terrorists in Pakistan. These groups will present a sustained threat to the United States interests in the region and continue to plan and conduct attacks in India and Afghanistan.

Russia is likely to become a more assertive nation in global affairs, more unpredictable in its approach to the United States, and more authoritarian in its approach to domestic politics. We assess that Russia will continue to look to leverage its military support to the Assad regime to drive a political settlement process in Syria on Russia's terms. Moscow is also likely to use Russia's military intervention in Syria in conjunction with efforts to capitalize on fears of a growing ISIS and extremist threat and expand its role in the Middle East.

We also have noticed and discussed in significant detail and may do so during this session Russia's influence campaign and strategies to undermine democratic institutions and interfere with elections. As I said, I just returned from Europe. Clearly in France in its election, now in Germany with its pending election, in England with its pending election, we are seeing duplications of what has happened here in our election. The Russian strategy continues.

Let me talk a little bit about Ukraine and Russia. We assess that Moscow's strategic objectives in Ukraine, maintaining long-term influence over Kiev and frustrating Ukraine's attempts to integrate into Western institutions will remain unchanged in 2017. Russia continues to exert military and diplomatic pressure to coerce Ukraine into implementing Moscow's interpretation of the political provisions of the Minsk II agreement, among them constitutional amendments that would effectively give Moscow a veto over Kiev's strategic decisions.

I will finish up here with China. China will continue to pursue an active foreign policy, especially within the Asia-Pacific region, highlighted by a firm stance on competing territorial claims in the East China Sea and South China Sea, relations with Taiwan and its pursuit of economic engagement across East Asia. China, which views a strong military as a critical element in advancing its interests, will also pursue efforts aimed at fulfilling its ambitious One Belt, One Road initiative to expand China's strategic influence and economic role across Asia through infrastructure projects.

In the interest of time and to get to your questions, I will defer assessments on western hemisphere issues, which I trust we will discuss during the question period.

However, I would like to make one final point on a key authority for the IC going forward. As you are all well aware, section 702 of the FISA [Foreign Intelligence Surveillance Act] Amendments Act is due to expire at the end of the year. I cannot stress enough the importance of this authority in how the IC does its work to keep Americans safe. Section 702 is an extremely effective tool to protect our Nation from terrorists and other threats. As I described in my confirmation hearing, 702 is instrumental to so much of the IC's critical work in protecting the American people from threats from abroad. We are committed to working with all of you to assure that you understand not only how we use this authority, but also how we protect privacy and civil liberties in the process.

In conclusion, the intelligence community will continue its tireless work against these and all other threats, but we will never be omniscient. Although we have extensive insight into many threats in places around the world, we have gaps in others. Therefore, we very much appreciate the support provided by your committee and will continue to work with you to ensure that the intelligence community has the capabilities it needs to meet its many mission needs.

I will now turn to General Stewart for a few brief remarks.

[The prepared statement of Mr. Coats follows:]

Statement for the Record
Worldwide Threat Assessment
of the
US Intelligence Community
Senate Armed Services Committee



Daniel R. Coats
Director of National Intelligence
May 23, 2017

STATEMENT FOR THE RECORD
WORLDWIDE THREAT ASSESSMENT
of the
US INTELLIGENCE COMMUNITY

May 23, 2017

INTRODUCTION

Chairman McCain, Ranking Member Reed, Members of the Committee, thank you for the invitation to offer the United States Intelligence Community's 2017 assessment of threats to US national security. My statement reflects the collective insights of the Intelligence Community's extraordinary men and women, whom I am privileged and honored to lead. We in the Intelligence Community are committed every day to provide the nuanced, multidisciplinary intelligence that policymakers, warfighters, and domestic law enforcement personnel need to protect American lives and America's interests anywhere in the world.

The order of the topics presented in this statement does not necessarily indicate the relative importance or magnitude of the threat in the view of the Intelligence Community.

Information available as of April 24, 2017 was used in the preparation of this assessment.

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GLOBAL THREATS

CYBER THREAT

Our adversaries are becoming more adept at using cyberspace to threaten our interests and advance their own, and despite improving cyber defenses, nearly all information, communication networks, and systems will be at risk for years.

Cyber threats are already challenging public trust and confidence in global institutions, governance, and norms, while imposing costs on the US and global economies. Cyber threats also pose an increasing risk to public health, safety, and prosperity as cyber technologies are integrated with critical infrastructure in key sectors. These threats are amplified by our ongoing delegation of decisionmaking, sensing, and authentication roles to potentially vulnerable automated systems. This delegation increases the likely physical, economic, and psychological consequences of cyber attack and exploitation events when they do occur. Many countries view cyber capabilities as a viable tool for projecting their influence and will continue developing cyber capabilities. Some adversaries also remain undeterred from conducting reconnaissance, espionage, influence, and even attacks in cyberspace.

Cyber Threat Actors

Russia. Russia is a full-scope cyber actor that will remain a major threat to US Government, military, diplomatic, commercial, and critical infrastructure. Moscow has a highly advanced offensive cyber program, and in recent years, the Kremlin has assumed a more aggressive cyber posture. This aggressiveness was evident in Russia's efforts to influence the 2016 US election, and we assess that only Russia's senior-most officials could have authorized the 2016 US election-focused data thefts and disclosures, based on the scope and sensitivity of the targets. Outside the United States, Russian actors have conducted damaging and disruptive cyber attacks, including on critical infrastructure networks. In some cases, Russian intelligence actors have masqueraded as third parties, hiding behind false online personas designed to cause the victim to misattribute the source of the attack. Russia has also leveraged cyberspace to seek to influence public opinion across Europe and Eurasia. We assess that Russian cyber operations will continue to target the United States and its allies to gather intelligence, support Russian decisionmaking, conduct influence operations to support Russian military and political objectives, and prepare the cyber environment for future contingencies.

China. We assess that Beijing will continue actively targeting the US Government, its allies, and US companies for cyber espionage. Private-sector security experts continue to identify ongoing cyber activity from China, although at volumes significantly lower than before the bilateral Chinese-US cyber commitments of September 2015. Beijing has also selectively used offensive cyber operations against foreign targets that it probably believes threaten Chinese domestic stability or regime legitimacy.

Iran. Tehran continues to leverage cyber espionage, propaganda, and attacks to support its security priorities, influence events and foreign perceptions, and counter threats—including against US allies in the region. Iran has also used its cyber capabilities directly against the United States. For example, in

2013, an Iranian hacker conducted an intrusion into the industrial control system of a US dam, and in 2014, Iranian actors conducted a data deletion attack against the network of a US-based casino.

North Korea. Pyongyang has previously conducted cyber-attacks against US commercial entities—specifically, Sony Pictures Entertainment in 2014—and remains capable of launching disruptive or destructive cyber attacks to support its political objectives. Pyongyang also poses a cyber threat to US allies. South Korean officials have suggested that North Korea was probably responsible for the compromise and disclosure of data in 2014 from a South Korean nuclear plant.

Terrorists. Terrorists—to include the Islamic State of Iraq and ash-Sham (ISIS)—will also continue to use the Internet to organize, recruit, spread propaganda, raise funds, collect intelligence, inspire action by followers, and coordinate operations. Hizballah and HAMAS will continue to build on their cyber accomplishments inside and outside the Middle East. ISIS will continue to seek opportunities to target and release sensitive information about US citizens, similar to their operations in 2015 disclosing information about US military personnel, in an effort to inspire attacks.

Criminals. Criminals are also developing and using sophisticated cyber tools for a variety of purposes including theft, extortion, and facilitation of other criminal activities. "Ransomware," malware that employs deception and encryption to block users from accessing their own data, has become a particularly popular tool of extortion. In 2016, criminals employing ransomware turned their focus to the medical sector, disrupting patient care and undermining public confidence in some medical institutions.

Physical Consequences

Our adversaries are likely to seek capabilities to hold at risk US critical infrastructure as well as the broader ecosystem of connected consumer and industrial devices known as the "Internet of Things" (IoT). Security researchers continue to discover vulnerabilities in consumer products including automobiles and medical devices. If adversaries gain the ability to create significant physical effects in the United States via cyber means, they will have gained new avenues for coercion and deterrence. For example, a cyber attack on a Ukrainian power network in 2015 caused power outages for several hours.

Economic and Security Consequences

Adversaries will continue to use cyber operations to undermine US military and commercial advantage by hacking into US defense industry and commercial enterprises in pursuit of scientific, technical, and business information. Examples include theft of data on the F-35 Joint Strike Fighter, the F-22 Raptor fighter jet, and the MV-22 Osprey. In addition, adversaries often target personal accounts of government officials and their private-sector counterparts. This espionage reduces cost and accelerates the development of foreign weapon systems, enables foreign reverse-engineering and countermeasures development, and undermines US military, technological, and commercial advantage.

Psychological Consequences

The impact of cyber threats extends beyond the physical and commercial realms. Online threats—from both states and non-state actors—distort the perceptions and decisionmaking processes of the target, whether they are countries or individuals, in ways that are both obvious and insidious. Information from

cyber espionage can be leaked indiscriminately or selectively to shape perceptions. Furthermore, even a technically secure Internet can serve as a platform for the delivery of manipulative content crafted by foes seeking to gain influence or foment distrust.

Global Security, Diplomacy, and Norms

We assess that as foreign countries seek to balance security, economic growth, and interoperability objectives, many will implement new laws and technical changes to monitor and control access to information within and across their borders. Some states will continue to seek to control user access through means such as restrictions on encryption and steps to reduce anonymity online. However, these states will probably not significantly erode the overall global connectivity of the Internet. Furthermore, some state information control efforts will almost certainly be challenged by a broad coalition of states and non-state cyber stakeholders, including innovative technologists, industry leaders, privacy advocates, “hackers,” and others with an interest in opposing censorship or government control of cyberspace.

Although recognition is widespread that existing international law applies to states’ conduct in cyberspace, how that law applies to states’ use of information and communication technologies (ICT) remains a subject of significant international discussion. In addition, although efforts are ongoing to gain adherence to certain voluntary, non-binding norms of responsible state behavior in cyberspace, they have not gained universal acceptance, and efforts to promote them are increasingly polarized. Despite the existence and widespread ratification of the Budapest Convention—the treaty on cybercrime of the Council of Europe—some states have called for the drafting of new international treaties to regulate cybercrime and other cyber-related issues. Moreover, although some countries might be willing to explore limits on cyber operations against certain targets, few would likely support a ban on offensive capabilities.

EMERGING AND DISRUPTIVE TECHNOLOGIES

Strategic Outlook

Continued rapid technological progress remains central to economic prosperity and social well-being, but it is also introducing potential new threats. Artificial intelligence (AI) is advancing computational capabilities that benefit the economy, yet those advances also enable new military capabilities for our adversaries. Genome editing has the potential to cure diseases and modify human performance, which presents new ethical and security issues. The Internet of Things (IoT) is connecting billions of new devices to the Internet, but it also broadens the attack potential of cyber actors against networks and information. Semiconductors remain core to the economy and the military, yet new national security risks might arise from next-generation chips because of technology plateaus and investments by other states.

Artificial Intelligence

A surge of commercial and government research is improving AI capabilities while raising national security issues. Semi-autonomous cars, the victory of an AI-based system over the world champion in the game Go, and devices with AI-enabled personal assistants have drawn global attention to the field.

Corporations around the globe are investing in a range of AI applications including marketing, crime detection, health, and autonomous vehicles. Although the United States leads AI research globally, foreign state research in AI is growing. Foreign governments cite AI in their science and technology strategies or have planned specific efforts to enhance their AI capabilities. The implications of our adversaries' abilities to use AI are potentially profound and broad. They include an increased vulnerability to cyber attack, difficulty in ascertaining attribution, facilitation of advances in foreign weapon and intelligence systems, the risk of accidents and related liability issues, and unemployment.

Genome Editing

The development of genome-editing technologies is accelerating the rate at which we can develop new approaches to address medical, health, industrial, environmental, and agricultural challenges and revolutionize biological research. However, the fast pace of development and broad range of applications are likely to challenge governments and scientific communities alike to develop regulatory and ethical frameworks or norms to govern the responsible application of the technology.

Internet of Things

The widespread incorporation of "smart" devices into everyday objects is changing how people and machines interact with each other and the world around them, often improving efficiency, convenience, and quality of life. Their deployment has also introduced vulnerabilities into both the infrastructure that they support and on which they rely, as well as the processes they guide. Cyber actors have already used IoT devices for distributed denial-of-service (DDoS) attacks, and we assess they will continue. In the future, state and non-state actors will likely use IoT devices to support intelligence operations or domestic security or to access or attack targeted computer networks.

Next-Generation Semiconductors

Continual advancement of semiconductor technologies during the past 50 years in accordance with Moore's Law—which posits that the overall processing power of computers will double every two years—has been a key driver of the information technology revolution that underpins many US economic and security advantages. Industry experts, however, are concerned that Moore's Law might no longer apply by the mid-2020s as the fundamental limits of physics to further miniaturize transistors are reached, potentially eroding US national security advantages. Meanwhile, China is increasing its efforts to improve its domestic technological and production capabilities through mergers and acquisitions to reduce its dependence on foreign semiconductor technology, according to Western experts and business analysts.

TERRORISM

The worldwide threat from terrorism will remain geographically diverse and multifaceted—a continuing challenge for the United States, our allies, and partners who seek to counter it. Sunni violent extremists will remain the primary terrorist threat. These extremists will continue to embroil conflict zones in the Middle East, Africa, and South Asia. Some will also seek to attempt attacks outside their operating areas.

- Iran continues to be the foremost state sponsor of terrorism and, with its primary terrorism partner, Lebanese Hizballah, will pose a continuing threat to US interests and partners worldwide. The Syrian, Iraqi, and Yemeni conflicts will continue to aggravate the rising Sunni-Shia sectarian conflict, threatening regional stability.

Terrorist Threat to the United States

US-based homegrown violent extremists (HVEs) will remain the most frequent and unpredictable Sunni violent extremist threat to the US homeland. They will be spurred on by terrorist groups' public calls to carry out attacks in the West. The threat of HVE attacks will persist, and some attacks will probably occur with little or no warning. In 2016, 16 HVEs were arrested, and three died in attacks against civilian soft targets. Those detained were arrested for a variety of reasons, including attempting travel overseas for jihad and plotting attacks in the United States. In addition to the HVE threat, a small number of foreign-based Sunni violent extremist groups will also pose a threat to the US homeland and continue publishing multilingual propaganda that calls for attacks against US and Western interests in the US homeland and abroad.

Dynamic Overseas Threat Environment

The **Islamic State of Iraq and ash-Sham (ISIS)** continues to pose an active terrorist threat to the United States and its allies because of its ideological appeal, media presence, control of territory in Iraq and Syria, its branches and networks in other countries, and its proven ability to direct and inspire attacks against a wide range of targets around the world. However, territorial losses in Iraq and Syria and persistent counterterrorism operations against parts of its global network are degrading its strength and ability to exploit instability and societal discontent. ISIS is unlikely to announce that it is ending its self-declared caliphate even if it loses overt control of its de facto capitals in Mosul, Iraq and Ar Raqqa, Syria and the majority of the populated areas it once controlled in Iraq and Syria.

Outside Iraq and Syria, ISIS is seeking to foster interconnectedness among its global branches and networks, align their efforts to ISIS's strategy, and withstand counter-ISIS efforts. We assess that ISIS maintains the intent and capability to direct, enable, assist, and inspire transnational attacks. The number of foreign fighters traveling to join ISIS in Iraq and Syria will probably continue to decline as potential recruits face increasing difficulties attempting to travel there. The number of ISIS foreign fighters leaving Iraq and Syria might increase. Increasing departures would very likely prompt additional would-be fighters to look for new battlefields or return to their home countries to conduct or support external operations.

During the past 16 years, US and global counterterrorism (CT) partners have significantly reduced **al-Qa'ida's** ability to carry out large-scale, mass casualty attacks, particularly against the US homeland. However, al-Qa'ida and its affiliates remain a significant CT threat overseas as they remain focused on exploiting local and regional conflicts. In 2016, **al-Nusrah Front and al-Qa'ida in the Arabian Peninsula (AQAP)** faced CT pressure in Syria and Yemen, respectively, but have preserved the resources, manpower, safe haven, local influence, and operational capabilities to continue to pose a threat. In Somalia, **al-Shabaab** sustained a high pace of attacks in Somalia and continued to threaten the northeast and coastal areas of Kenya. Its operations elsewhere in East Africa have diminished after the deaths of many external plotters since 2015, but al-Shabaab retains the resources, manpower,

influence, and operational capabilities to pose a real threat to the region, especially Kenya. In North and West Africa, **al-Qa'ida in the Lands of the Islamic Maghreb (AQIM)** escalated its attacks on Westerners in 2016 with two high-profile attacks in Burkina Faso and Cote d'Ivoire. It merged with allies in 2017 to form a new group intended to promote unity among Mali-based jihadists, extend the jihad beyond the Sahara and Sahel region, increase military action, and speed up recruitment of fighters. In Afghanistan and Pakistan, remaining members of al-Qa'ida and its regional affiliate, **al-Qa'ida in the Indian Subcontinent (AQIS)**, continued to suffer personnel losses and disruptions to safe havens in 2016 due to CT operations. However, both groups maintain the intent to conduct attacks against the United States and the West.

WEAPONS OF MASS DESTRUCTION AND PROLIFERATION

State efforts to modernize, develop, or acquire weapons of mass destruction (WMD), their delivery systems, or their underlying technologies constitute a major threat to the security of the United States, its deployed troops, and allies. Both state and non-state actors have already demonstrated the use of chemical weapons in the Levant. Biological and chemical materials and technologies—almost always dual use—move easily in the globalized economy, as do personnel with the scientific expertise to design and use them for legitimate and illegitimate purposes. Information about the latest discoveries in the life sciences also diffuses rapidly around the globe, widening the accessibility of knowledge and tools for beneficial purposes and for potentially nefarious applications.

Russia Pressing Forward With Cruise Missile That Violates the INF Treaty

Russia has developed a ground-launched cruise missile (GLCM) that the United States has declared is in violation of the Intermediate-Range Nuclear Forces (INF) Treaty. Despite Russia's ongoing development of other Treaty-compliant missiles with intermediate ranges, Moscow probably believes that the new GLCM provides sufficient military advantages that make it worth risking the political repercussions of violating the INF Treaty. In 2013, a senior Russian administration official stated publicly that the world had changed since the INF Treaty was signed in 1987. Other Russian officials have made statements in the past complaining that the Treaty prohibits Russia, but not some of its neighbors, from developing and possessing ground-launched missiles with ranges between 500 to 5,500 kilometers.

China Modernizing its Nuclear Forces

The Chinese People's Liberation Army (PLA) has established a Rocket Force—replacing the longstanding Second Artillery Corps—and continues to modernize its nuclear missile force by adding more survivable road-mobile systems and enhancing its silo-based systems. This new generation of missiles is intended to ensure the viability of China's strategic deterrent by providing a second-strike capability. In addition, the PLA Navy continues to develop the JL-2 submarine-launched ballistic missile (SLBM) and might produce additional JIN-class nuclear-powered ballistic missile submarines. The JIN-class submarines—armed with JL-2 SLBMs—will give the PLA Navy its first long-range, sea-based nuclear capability.

Iran and JCPOA

Tehran's public statements suggest that it wants to preserve the Joint Comprehensive Plan of Action (JCPOA)—because it views the JCPOA as a means to remove sanctions while preserving some nuclear capabilities. It expects the P5+1 members to adhere to their obligations, although Iran clearly recognizes the new US Administration is concerned with the deal. Iran's implementation of the JCPOA has extended the amount of time Iran would need to produce enough fissile material for a nuclear weapon from a few months to about a year. The JCPOA has also enhanced the transparency of Iran's nuclear activities, mainly through improved access by the International Atomic Energy Agency (IAEA) and its investigative authorities under the Additional Protocol to its Comprehensive Safeguards Agreement.

Iran is pursuing capabilities to meet its nuclear energy and technology goals and to give it the capability to build missile-deliverable nuclear weapons, if it chooses to do so. Its pursuit of these goals will influence its level of adherence to the JCPOA. We do not know whether Iran will eventually decide to build nuclear weapons.

We judge that Tehran would choose ballistic missiles as its preferred method of delivering nuclear weapons, if it builds them. Iran's ballistic missiles are inherently capable of delivering WMD, and Tehran already has the largest inventory of ballistic missiles in the Middle East. Tehran's desire to deter the United States might drive it to field an intercontinental ballistic missile (ICBM). Progress on Iran's space program could shorten a pathway to an ICBM because space launch vehicles use similar technologies.

North Korea Continues To Expand WMD-Applicable Capabilities

North Korea's nuclear weapons and missile programs will continue to pose a serious threat to US interests and to the security environment in East Asia in 2017. North Korea's export of ballistic missiles and associated materials to several countries, including Iran and Syria, and its assistance to Syria's construction of a nuclear reactor, destroyed in 2007, illustrate its willingness to proliferate dangerous technologies.

North Korea has also expanded the size and sophistication of its ballistic missile forces—from close-range ballistic missiles (CRBMs) to ICBMs—and continues to conduct test launches. In 2016, North Korea conducted an unprecedented number of ballistic missile tests. Pyongyang is committed to developing a long-range, nuclear-armed missile that is capable of posing a direct threat to the United States; it has publicly displayed its road-mobile ICBMs on multiple occasions. We assess that North Korea has taken steps toward fielding an ICBM but has not flight-tested it.

We have long assessed that Pyongyang's nuclear capabilities are intended for deterrence, international prestige, and coercive diplomacy.

Chemical Weapons in Iraq and Syria

We assess the Syrian regime used the nerve agent sarin in an attack against the opposition in Khan Shaykhun on 4 April 2017 in what is probably the largest chemical weapons attack since August 2013. We continue to assess that Syria has not declared all the elements of its chemical weapons program to the Chemical Weapons Convention (CWC) and has the capability to conduct further attacks. Despite the

creation of a specialized team and years of work by the Organization for the Prohibition of Chemical Weapons (OPCW) to address gaps and inconsistencies in Syria's declaration, numerous issues remain unresolved. The OPCW-UN Joint Investigative Mechanism (JIM) attributed three chlorine attacks in 2014 and 2015 to the Syrian regime.

We assess that non-state actors in the region are also using chemicals as a means of warfare. The OPCW-UN JIM concluded that ISIS used sulfur mustard in an attack in 2015. ISIS has allegedly used chemicals in attacks in Iraq and Syria, suggesting that attacks might be widespread.

SPACE AND COUNTERSPACE

Space

Global Trends. Continued global space industry expansion will further extend space-enabled capabilities and space situational awareness to nation-state, non-state, and commercial space actors in the coming years, enabled by increased availability of technology, private-sector investment, falling launch service costs, and growing international partnerships for shared production and operation. Government and commercial organizations will increasingly have access to space-derived information services such as imagery, weather, Internet, communications, and positioning, navigation, and timing (PNT) for intelligence, military, scientific, or business purposes. For instance, China aims to become a world leader in PNT as it completes its dual-use global satellite navigation system by 2020.

Military and Intelligence. Russia aims to improve intelligence collection, missile warning, and military communications systems to better support situational awareness and tactical weapons targeting. Russian plans to expand its imagery constellation and double or possibly triple the number of satellites by 2025. China intends to continue increasing its space-based military and intelligence capabilities to improve global situational awareness and support complex military operations. Many countries in the Middle East, Southeast Asia, and South America are purchasing dual-use imaging satellites to support strategic military activities, some as joint development projects.

Counterspace

Space Warfare. We assess that Russia and China perceive a need to offset any US military advantage derived from military, civil, or commercial space systems and are increasingly considering attacks against satellite systems as part of their future warfare doctrine. Both will continue to pursue a full range of anti-satellite (ASAT) weapons as a means to reduce US military effectiveness. In late 2015, China established a new service—the PLA Strategic Support Force—probably to improve oversight and command of Beijing's growing military interests in space and cyberspace. Russia and China remain committed to developing capabilities to challenge perceived adversaries in space, especially the United States, while publicly and diplomatically promoting nonweaponization of space and “no first placement” of weapons in space. Such commitment continues despite ongoing US and allied diplomatic efforts to dissuade expansion of threats to the peaceful use of space, including international engagements through the UN.

Counterspace Weapons. The global threat of electronic warfare (EW) attacks against space systems will expand in the coming years in both number and types of weapons. Development will very likely focus on jamming capabilities against dedicated military satellite communications (SATCOM), Synthetic Aperture Radar (SAR) imaging satellites, and enhanced capabilities against Global Navigation Satellite Systems (GNSS), such as the US Global Positioning System (GPS). Blending of EW and cyber-attack capabilities will likely expand in pursuit of sophisticated means to deny and degrade information networks. Chinese researchers have discussed methods to enhance robust jamming capabilities with new systems to jam commonly used frequencies. Russia intends to modernize its EW forces and field a new generation of EW weapons by 2020. Iran and North Korea are also enhancing their abilities to disrupt military communications and navigation.

Some new Russian and Chinese ASAT weapons, including destructive systems, will probably complete development in the next several years. Russian military strategists likely view counterspace weapons as an integral part of broader aerospace defense rearmament and are very likely pursuing a diverse suite of capabilities to affect satellites in all orbital regimes. Russian lawmakers have promoted military pursuit of ASAT missiles to strike low-Earth orbiting satellites, and Russia is testing such a weapon for eventual deployment. A Russian official also acknowledged development of an aircraft-launched missile capable of destroying satellites in low-Earth orbit. Ten years after China intercepted one of its own satellites in low-Earth orbit, its ground-launched ASAT missiles might be nearing operational service within the PLA. Both countries are advancing directed energy weapons technologies for the purpose of fielding ASAT systems that could blind or damage sensitive space-based optical sensors. Russia is developing an airborne laser weapon for use against US satellites. Russia and China continue to conduct sophisticated on-orbit satellite activities, such as rendezvous and proximity operations, at least some of which are likely intended to test dual-use technologies with inherent counterspace functionality. For instance, space robotic technology research for satellite servicing and debris-removal might be used to damage satellites. Such missions will pose a particular challenge in the future, complicating the US ability to characterize the space environment, decipher intent of space activity, and provide advance threat warning.

COUNTERINTELLIGENCE

The United States will face a complex global foreign intelligence threat environment in 2017. We assess that the leading state intelligence threats to US interests will continue to be Russia and China, based on their services' capabilities, intent, and broad operational scope. Other states in South Asia, the Near East, East Asia, and Latin America will pose local and regional intelligence threats to US interests. For example, Iranian and Cuban intelligence and security services continue to view the United States as a primary threat.

Penetrating the US national decisionmaking apparatus and the Intelligence Community will remain primary objectives for numerous foreign intelligence entities. Additionally, the targeting of national security information and proprietary information from US companies and research institutions involved with defense, energy, finance, dual-use technology, and other areas will remain a persistent threat to US interests.

Non-state entities, including international terrorists and transnational organized crime groups, are likely to continue to employ and improve their intelligence capabilities including by human, technical, and cyber means. As with state intelligence services, these non-state entities recruit sources and perform physical and technical surveillance to facilitate their illicit activities and avoid detection and capture.

Trusted insiders who disclose sensitive or classified US Government information without authorization will remain a significant threat in 2017 and beyond. The sophistication and availability of information technology that increases the scope and impact of unauthorized disclosures exacerbate this threat.

TRANSNATIONAL ORGANIZED CRIME

Rising US Drug Threat

The illicit drug threat the United States is intensifying, as indicated by soaring US drug deaths, foreign drug production, and drug seizures.

- Deaths from synthetic opioids—including fentanyl and its analogues—increased 73 percent in 2015 compared to 2014, and mortality from all other illicit drugs increased 36 percent for the same period, according to the US Centers for Disease Control and Prevention (CDC). Preliminary data for 2016 from some states suggest that deaths have continued to increase.
- Seizures of cocaine and methamphetamine increased along the US southwest border in 2016 over 2015.

Rising foreign drug production, the staying power of Mexican trafficking networks, and strong demand are driving the US drug threat.

- In Mexico, the dominant source of US heroin, potential heroin production doubled from 2014 to 2016, according to the US Government estimates.
- Production of cocaine reached the highest levels on record for Colombia in 2016 and for Peru and Bolivia in 2015—the last years for which estimates are available—driven in part by a decline in coca eradication efforts.

Synthetic drugs from Asia—including synthetic opioids, cannabinoids, and cathinones—pose a strong and probably growing threat and have the potential to displace some traditional drugs produced from plants. Such drugs are often traded via the Internet or—in the case of cannabinoids and cathinones—sold over the counter in products marked “not intended for human consumption.” Counterfeit and substandard pharmaceutical trafficking is also on the rise, with the Internet being the primary means by which transnational criminal organizations target US citizens.

- Approximately 18-20 new illegal online pharmacy domain names are registered every day, according to estimates of the Food and Drug Administration, adding to the tens of thousands of existing illegal online pharmacies in operation.

Crime Enables Other Nefarious Actors

Transnational Organized Crime (TOC) will pose a continuing threat to the United States and its allies through close relationships with foreign states and non-state actors. Some states use TOC networks as proxies to engage in activities from which the states wish to distance themselves. TOC networks also have the ability to capture territory in states or portions of states and control it with violence and corruption of public officials. They often receive sanctuary as a result of providing social services, incorporating corruptive methods, and creating dependencies. TOC networks facilitate terrorism by providing money and services, such as selling weapons. They also engage in cyber-based theft and extortion and offer their capabilities to other cyber actors.

- Hong Kong police arrested six individuals with suspected Chinese organized crime links in connection with death threats to a lawmaker elected in September 2016 who advocated for greater autonomy from China.
- In 2015, MS-13 gang members in San Pedro Sula, Honduras provided meals to children and the elderly, shielded residents from rival criminals, meted out justice for unauthorized crimes, and halted criminals from unofficially taxing residents and small businesses. Such support to local communities undermines government legitimacy and engenders public support for the criminal groups.

Global Human Trafficking Risks Rising

The number of individuals at risk of human trafficking will almost certainly rise in 2017 because internal conflict, societal violence, and environmental crises are increasing the populations of refugees and Internally Displaced Persons (IDP). Risks of human trafficking vulnerability intensify during crisis situations when individuals often lose their support networks and sources of livelihood. In addition to crisis-induced displacement, entrenched structural factors—including political instability, government corruption, weak rule of law, soft economies, low levels of democracy, and discrimination toward women, children, and minorities—will very likely continue to increase potential victims' vulnerability to human trafficking worldwide.

Wildlife Trafficking and Illegal Fishing

Wildlife trafficking and poaching are widespread in many countries, especially those grappling with corruption, weak judiciaries, and scarce state resources. Some wildlife traffickers also move other contraband, such as drugs and weapons, at times relying on the same corrupt protectors. Awareness of wildlife crime and its impact is growing among source and demand countries, and regional leaders in Africa increasingly acknowledge the links among poaching, wildlife trafficking, instability, corruption, crime, and challenges to the rule of law.

Global fisheries face an existential threat in the decades ahead from surging worldwide demand, declining ocean health, and continued illegal, unreported, and unregulated (IUU) fishing. IUU fishing also harms legitimate fishing activities and livelihoods, jeopardizes food and economic security, benefits transnational crime, distorts markets, contributes to human trafficking, and undermines ongoing efforts to implement sustainable fisheries policies. It can also heighten tensions within and between countries and encourage piracy and frequently involves forced labor, a form of human trafficking.

ECONOMICS AND NATURAL RESOURCES

Global growth is likely to remain subdued in 2017 amid growing headwinds in China's economy and tepid growth in advanced economies. Worldwide gross domestic product (GDP) growth was virtually unchanged in 2016 from the previous year at 3.1 percent and is forecast to grow 3.5 percent in 2017, according to the International Monetary Fund (IMF). Improving growth in commodity-dependent economies is likely to boost global economic activity beyond 2017. Adverse shocks, however, such as a greater slowdown in China than the IMF projects or capital outflows from emerging markets stemming from rising US interest rates, would put the modest global economic recovery at risk.

Macroeconomic Stability

The outlook for emerging markets and developing countries is improving, primarily because of stabilizing commodity prices and increased capital inflows. The IMF forecasts that growth in emerging economies will accelerate to 4.5 percent in 2017 as recoveries start to take hold in several countries. However, rising non-performing loans in China could reinforce the deceleration in Chinese economic growth, weighing on global economic and financial conditions and dampening global demand, particularly for commodities. Moreover, the prospect of higher interest rates in the United States and a strengthening dollar might lead to sustained capital outflows again from emerging markets.

Continued solid performance by the United States and increasingly stable conditions in many European states will probably help to support growth in developed economies. Many European countries and Japan, however, continue to rely on low interest rates and accommodative monetary policies to counter weak demand. Policy uncertainty also poses risks to the global economy.

Energy and Commodities

Subdued growth, particularly in the industrialized economies, had a negative impact on commodity prices in recent years, which have been particularly harmful for emerging market economies, with the exception of net commodity importers, such as China and India. A collapsing economy in Venezuela—the result of the oil-price decline and years of flawed economic policy and profligate government spending—will leave Caracas struggling to avoid default in 2017. Saudi Arabia and other Persian Gulf oil exporters, who generally have more substantial financial reserves, have nonetheless seen a sharp increase in budget deficits that have forced politically unpopular fiscal reforms such as cuts to subsidies, government spending, and government jobs. In Africa, declining oil revenues, past mismanagement, and inadequate policy responses to oil price shock have contributed to Angolan and Nigerian fiscal problems, currency strains, and deteriorating foreign exchange reserves. The World Bank forecasts that prices for most commodities, however, will increase slightly in 2017 as markets continue to rebalance, albeit at lower levels than earlier in the decade.

Sluggish growth of global demand for oil and low prices continue to discourage plans to develop new resources and expand existing projects—particularly in high-cost areas such as the Arctic, Brazilian pre-salt region, or West Africa's deepwater. Projects already under development will probably be completed during the next five years, but longer-term prospects have been slashed, potentially setting the stage for shortfalls and higher prices when demand recovers.

The Arctic

Arctic countries face an array of challenges and opportunities as diminishing sea ice increases commercial shipping prospects and possible competition over undersea resources in coming decades. In August 2016, the first large-capacity cruise ship traversed the Northwest Passage, and more such trips are planned. In September 2016, NASA measured the Arctic sea ice minimum extent at roughly 900,000 square miles less than the 1981-2010 average. Relatively low economic stakes in the past and fairly well established exclusive economic zones (EEZs) among the Arctic states have facilitated cooperation in pursuit of shared interests in the region, even as polar ice has receded and Arctic-capable technology has improved. However, as the Arctic becomes more open to shipping and commercial exploitation, we assess that risk of competition over access to sea routes and resources, including fish, will include countries traditionally active in the Arctic as well as other countries that do not border on the region but increasingly look to advance their economic interests there.

HUMAN SECURITY

Environmental Risks and Climate Change

The trend toward a warming climate is forecast to continue in 2017. The UN World Meteorological Organization (WMO) is warning that 2017 is likely to be among the hottest years on record—although slightly less warm than 2016 as the strong El Nino conditions that influenced that year have abated. The US National Oceanic and Atmospheric Administration (NOAA) and the National Aeronautics and Space Administration (NASA) reported that 2016 was the hottest year since modern measurements began in 1880. This warming is projected to fuel more intense and frequent extreme weather events that will be distributed unequally in time and geography. Countries with large populations in coastal areas are particularly vulnerable to tropical weather events and storm surges, especially in Asia and Africa.

Global air pollution is worsening as more countries experience rapid industrialization, urbanization, forest burning, and agricultural waste incineration, according to the World Health Organization (WHO). An estimated 92 percent of the world's population live in areas where WHO air quality standards are not met, according to 2014 information compiled by the WHO. People in low-income cities are most affected, with the most polluted cities located in the Middle East, Asia, and Africa. Public dissatisfaction with air quality might drive protests against authorities, such as those seen in recent years in China, India, and Iran.

Heightened tensions over shared water resources are likely in some regions. The dispute between Egypt and Ethiopia over the construction of the massive Grand Ethiopian Renaissance Dam (GERD) on the Nile is likely to intensify because Ethiopia plans to begin filling the reservoir in 2017.

Global biodiversity will likely continue to decline due to habitat loss, overexploitation, pollution, and invasive species, according to a study by a nongovernmental conservation organization, disrupting ecosystems that support life, including humans. Since 1970, vertebrate populations have declined an estimated 60 percent, according to the same study, whereas populations in freshwater systems declined

more than 80 percent. The rate of species loss worldwide is estimated at 100 to 1,000 times higher than the natural background extinction rate, according to peer-reviewed scientific literature.

We assess national security implications of climate change but do not adjudicate the science of climate change. In assessing these implications, we rely on US government-coordinated scientific reports, peer-reviewed literature, and reports produced by the Intergovernmental Panel on Climate Change (IPCC), which is the leading international body responsible for assessing the science related to climate change.

Health

The Zika virus is likely to continue to affect the Western Hemisphere through 2017. Although it is causing minor or no illness for most infected people, it is producing severe birth defects in about 10 percent of babies born to mothers who were infected while pregnant and is likely causing neurological symptoms for a small number of infected adults. A separate strain of the virus will likely continue to affect Southeast Asia, where scientists believe it has circulated since the 1960s. However, scientists do not know whether the virus will cause a spike in birth defects there. Previous outbreaks in Asia and Africa might provide at least partial immunity and hinder the virus's spread in those regions.

The continued rise of antimicrobial resistance—the ability of pathogens, including viruses, fungi, and bacteria, to resist drug treatment—is likely to outpace development of new antimicrobial drugs. This resistance will result in increasingly difficult or impossible-to-cure infections of previously curable diseases. Drug-resistant forms of malaria and tuberculosis are on the rise, threatening progress in controlling these diseases. Meanwhile, some strains of gonorrhea are showing resistance to nearly all classes of antibiotics, leaving only treatments of last resort, greatly increasing the risk of incurable strains.

HIV/AIDS, malaria, and tuberculosis continue to kill millions of people annually and hinder development in many resource-constrained countries despite significant progress to alleviate the global burden of infectious diseases. Stagnating or declining funding for global health initiatives and lack of domestic resources threaten the continued progress against health threats despite the availability of more cost-effective treatments. Rapidly expanding populations, particularly in Sub-Saharan Africa, put additional stress on scarce resources. Malnutrition, weak healthcare systems, conflict, migration, poor governance, and urbanization will worsen the emergence, spread, and severity of disease outbreaks.

The emergence of a severe global public health emergency is possible in any given year and can have negative impacts on the security and stability of a nation or region. A novel or reemerging microbe that is easily transmissible between humans and is highly pathogenic remains a major threat because such an organism has the potential to spread rapidly and kill millions. Threats such as avian influenza and Middle East Respiratory Syndrome Coronavirus (MERS-CoV) have pandemic potential. The World Bank has estimated that a severe global influenza pandemic could cost the equivalent of 4.8 percent of global GDP, or more than \$3 trillion, during the course of an outbreak.

Atrocities and Instability

Risk of large-scale, violent or regime-threatening instability and atrocities will remain elevated in 2017. Poor governance, weak national political institutions, economic inequality, and the rise of violent non-state actors all undermine states' abilities to project authority.

- Weak state capacity can heighten the risk for atrocities, including arbitrary arrests, extrajudicial killings, rape, and torture.

Groups that promote civil society and democratization are likely to continue to face restrictions in 2017. Freedom House reported the eleventh consecutive year of decline in “global freedom” in 2017. Middle East and North Africa had ratings as one of the worst regions in the world in 2015.

Global Displacement

In 2015, the number of people forcibly displaced reached the highest levels ever recorded by the UN. In many cases, US partners and allies were either the source of refugees and other migrants—such as Afghanistan and South Sudan—or hosted them—such as Ethiopia, Europe, Jordan, Kenya, Lebanon, Turkey, and Uganda. These countries and others will look to the United States, the UN, and other international donors to help meet unprecedented assistance demands in 2017. Ongoing conflicts will continue to displace people, keeping displacement at record highs because few people can safely return home and family members seek to join those who left. Europe and other host countries will face accommodation and integration challenges in 2017, and refugees and economic migrants will probably continue to seek to transit to Europe.

- Primary drivers of global displacement include: conflicts, such as those in Afghanistan, Somalia, South Sudan, and Syria; weak border controls, such as in Libya, which broadened a route from Africa to Europe; relatively easy and affordable access to routes and information; endemic violence, such as in parts of Burundi, Central America, Nigeria, and Pakistan; and persecution, such as in Burma and Eritrea.
- The UN estimated that 65.3 million persons had been forcibly displaced worldwide at the end of 2015, including approximately 21.3 million refugees, 40.8 million IDPs, and 3.2 million asylum seekers. Refugees displaced for five or more years are more likely to remain in their host communities than to return home, according to academic research.
- In 2016, thousands of Syrian, Somali, Sudanese, and Afghan refugees who had fled their countries in preceding years were returned to their countries of origin, which are still undergoing intense conflict. These returnees are now internally displaced in areas still in conflict.

The scale of human displacement in 2017 will continue to strain the response capacity of the international community and drive record requests for humanitarian funding. Host and transit countries will struggle to develop effective policies and manage domestic concerns of terrorists exploiting migrant flows, particularly after attacks in 2016 by foreigners in Belgium, France, Germany, and Turkey.

REGIONAL THREATS

EAST ASIA

China

China will continue to pursue an active foreign policy—especially within the Asia Pacific region—highlighted by a firm stance on competing territorial claims in the East China Sea (ECS) and South China Sea (SCS), relations with Taiwan, and its pursuit of economic engagement across East Asia. Regional tension will persist as China completes construction at its expanded outposts in the SCS despite an overwhelmingly strong ruling against it by a UN Convention on the Law of the Sea (UNCLOS) arbitral tribunal in July 2016. China will also pursue efforts aimed at fulfilling its ambitious “One Belt, One Road” initiative to expand China’s economic role and outreach across Asia through infrastructure projects.

China will seek to build on its hosting of the G20 Summit in Hangzhou in September 2016, its “One-Belt, One-Road” initiative, and progress on launching the Asia Infrastructure Investment Bank to increase its global presence on international economic issues. China will increasingly be a factor in global responses to emerging problems, as illustrated by China’s participation in UN peacekeeping operations, its expanding counterterrorism cooperation, and infrastructure construction in Africa and Pakistan as part of the China-Pakistan Economic Corridor.

Domestically, Chinese leaders will move cautiously on their ambitious reform agenda, maintain their anti-corruption campaign, and try to manage China’s slowing economy. China’s economic growth continues to be driven by unsustainable debt accumulation, but Beijing has made limited progress on reforms needed to boost economic efficiencies. Debates among Chinese leaders over policy and personnel choices will intensify before the leadership transition at the 19th Party Congress in fall 2017 when Chinese President Xi Jinping will begin his second term as the head of the Chinese Communist Party.

North Korea

North Korea’s weapons of mass destruction program, public threats, defiance of the international community, confrontational military posturing, cyber activities, and potential for internal instability pose a complex and increasingly grave national security threat to the United States and its interests.

North Korea’s unprecedented level of testing and displays of strategic weapons in 2016 indicate that Kim is intent on proving he has the capability to strike the US mainland with nuclear weapons. In 2016, the regime conducted two nuclear tests—including one that was claimed to be of a standardized warhead design—and an unprecedented number of missile launches, including a space launch that put a satellite into orbit. These ballistic missile tests probably shortened North Korea’s pathway toward a reliable ICBM, which largely uses the same technology. Kim was also photographed beside a nuclear warhead design and missile airframes to show that North Korea has warheads small enough to fit on a missile, examining a reentry-vehicle nosecone after a simulated reentry, and overseeing launches from a submarine and from mobile launchers in the field, purportedly simulating nuclear use in warfighting scenarios. North

Korea is poised to conduct its first ICBM flight test in 2017 based on public comments that preparations to do so are almost complete and would serve as a milestone toward a more reliable threat to the US mainland. Pyongyang's enshrinement of the possession of nuclear weapons in its constitution, while repeatedly stating that nuclear weapons are the basis for its survival, suggests that Kim does not intend to negotiate them away at any price.

North Korea has long posed a credible and evolving military threat to South Korea and, to a lesser extent, Japan. North Korea possesses a substantial number of proven mobile ballistic missiles, capable of striking a variety of targets in both countries, as demonstrated in successful launches in 2016. Kim has further expanded the regime's conventional strike options in recent years, with more realistic training, artillery upgrades, and new close-range ballistic missiles that enable precision fire at ranges that can reach more US and allied targets in South Korea.

After five years in power, North Korean leader Kim Jong Un continues to defy international sanctions for his country's behavior and reinforce his authority through purges, executions, and leadership shuffles, restricting fundamental freedoms, and enforcing controls on information. He notably unveiled new ruling structures in conjunction with the first Korean Workers Party Congress in a generation, held in May 2016.

Southeast Asia

Democracy in many Southeast Asian countries will remain fragile in 2017. Elites—rather than the populace—retain a significant level of control and often shape governance reforms to benefit their individual interests rather than to promote democratic values. Corruption and cronyism continue to be rampant in the region, and the threat of ISIS and domestic terrorist groups might provide some governments with a new rationale to address not only the terrorist threat but also to curb political opposition movements, as some regional leaders did in the post-9/11 environment.

In the **Philippines**, aggressive campaigns against corruption, crime, and drugs will probably continue despite charges by Filipino critics and international organizations that it is fostering a permissive environment for extrajudicial killings. Philippine efforts to diversify Manila's foreign relations away from the United States have increased uncertainty about the future of Philippine-US security ties. **Thailand** is undergoing its most significant transition in 70 years following the death of the king. In **Burma**, the government led by the National League for Democracy (NLD) seeks to continue the country's democratic transition process, but the military, which has retained significant political and economic power and exclusive control over the security forces, sometimes undermines the civilian government's objectives. In addition, the NLD will be challenged by its lack of governing experience and provisions of the 2008 Constitution that do not align with democratic norms. Burma's Government will continued to be challenged in dealing with the status of the Muslim minority Rohingya in western Burma.

Cohesion of the Association of Southeast Asian Nations (ASEAN) on economic and security issues will continue to be challenged by differing development levels among ASEAN members, their varying economic dependencies on China, and their views of the threat of Beijing's regional ambitions and assertiveness in the SCS. Southeast Asian SCS claimants will continue to seek various ways to strengthen cooperation in the region and, in some cases, with the United States on maritime security issues.

RUSSIA AND EURASIA

Russia

In 2017, Russia is likely to be more assertive in global affairs, more unpredictable in its approach to the United States, and more authoritarian in its approach to domestic politics. Emboldened by Moscow's ability to affect battlefield dynamics in Syria and by the emergence of populist and more pro-Russian governments in Europe, President Vladimir Putin is likely to take proactive actions that advance Russia's great power status.

Putin will seek to prevent any challenges to his rule in the runup to presidential elections scheduled for 2018. Putin remains popular at home, but low turnout in the Duma elections in 2016 and sustained economic hardship will probably enhance Putin's concerns about his ability to maintain control. Putin is likely to continue to rely on repression, state control over media outlets, and harsh tactics to control the political elite and stifle public dissent.

Russia is likely to emerge from its two-year recession in 2017, but the prospects for a strong recovery are slim. Russia is likely to achieve 1.3 percent GDP growth in 2017 and 1.7 percent in 2018, according to commercial forecasts. Putin has long sought to avoid structural reforms that would weaken his control of the country and is unlikely to implement substantial reforms before the presidential elections.

We assess that Russia will continue to look to leverage its military support to the Asad regime to drive a political settlement process in Syria on its terms. Moscow has demonstrated that it can sustain a modest force at a high-operations tempo in a permissive, expeditionary setting while minimizing Russian casualties and economic costs. Moscow is also likely to use Russia's military intervention in Syria, in conjunction with efforts to capitalize on fears of a growing ISIS and extremist threat, to expand its role in the Middle East.

We assess that Moscow's strategic objectives in Ukraine—maintaining long-term influence over Kyiv and frustrating Ukraine's attempts to integrate into Western institutions—will remain unchanged in 2017. Putin is likely to maintain pressure on Kyiv through multiple channels, including through Russia's actions in eastern Ukraine, where Russia arms so-called "separatists." Moscow also seeks to undermine Ukraine's fragile economic system and divided political situation to create opportunities to rebuild and consolidate Russian influence in Ukrainian decisionmaking.

Moscow will also seek to exploit Europe's fissures and growing populist sentiment in an effort to thwart EU sanctions renewal, justify or at least obfuscate Russian actions in Ukraine and Syria, and weaken the attraction of Western integration for countries on Russia's periphery. In particular, Russia is likely to sustain or increase its propaganda campaigns. Russia is likely to continue to financially and politically support populist and extremist parties to sow discord within European states and reduce popular support for the European Union.

The Kremlin is also likely to continue to see defense modernization as a top national priority even as the cumulative effect on the economy of low oil prices, sanctions, and systemic problems serves as a drag on key military goals. Moscow is pursuing a wide range of nuclear, conventional, and asymmetric

capabilities designed to achieve qualitative parity with the United States. These capabilities will give Moscow more options to counter US forces and weapons systems.

Ukraine, Belarus, and Moldova

Russia's military intervention in eastern **Ukraine** continues more than two years after the "Minsk II" agreement concluded in February 2015. Russia continues to exert military and diplomatic pressure to coerce Ukraine into implementing Moscow's interpretation of the political provisions of the agreement—among them, constitutional amendments that would effectively give Moscow a veto over Kyiv's strategic decisions. Domestic Ukrainian opposition to making political concessions to Russia—especially while fighting continues in eastern Ukraine—will limit Kyiv's willingness and ability to compromise, complicating prospects for implementing the Minsk agreement. Russia largely controls the level of violence, which it uses to exert pressure on Kyiv and the negotiating process, and fluctuating levels of violence will probably continue along the front line. The struggle of Ukraine to reform its corrupt institutions will determine whether it can remain on a European path or fall victim again to elite infighting and Russian influence.

Rising popular discontent in **Belarus** will probably complicate the government's efforts to maintain its improved relations with the United States and the EU, which are aimed at bolstering its flagging economy and preserving some diplomatic maneuvering room with Russia. Minsk will continue close security cooperation with Moscow but will probably continue to oppose the establishment of Russian military bases in Belarus.

Moldova will probably also seek to balance its relations with Russia and the West rather than pursue a major shift in either direction. The Moldovan Government will almost certainly seek to move forward on implementing Moldova's EU Association Agreement despite the election of a more pro-Russian president. Settlement talks over the breakaway region of Transnistria will continue, but any progress is likely to be limited to smaller issues.

The Caucasus and Central Asia

In **Georgia**, the ruling Georgian Dream (GD) coalition's decisive electoral victory in 2016 is likely to facilitate GD's efforts to target the former ruling United National Movement and expand political control. GD will continue to pursue greater Euro-Atlantic integration by attempting to cement ties with NATO and the EU.

Tensions between **Armenia** and **Azerbaijan** over the separatist region of Nagorno-Karabakh flared in April 2016, and both sides' unwillingness to compromise and mounting domestic pressures suggest that the potential for large-scale hostilities will remain in 2017. In **Azerbaijan**, ongoing economic difficulties are likely to challenge the regime and increase its tendency to repress dissent to maintain power while it continues to try to balance relations with Russia, Iran, and the West.

Central Asian states will continue to balance their relations among Russia, China, and the West to pursue economic and security assistance and protect their regimes' hold on power. They remain concerned about the threat of extremism to their stability, particularly in light of a reduced Coalition presence in Afghanistan. Russia and China share these concerns and are likely to use the threat of instability in Afghanistan to try to increase their involvement in Central Asian security affairs. Economic

challenges stemming from official mismanagement, low commodity prices, declining trade and remittances associated with weakening economies of Russia and China, ethnic tensions, and political repression are likely to present the most significant threats to stability in these countries.

EUROPE

Key Partners

The severity of multiple crises facing Europe—irregular migration, security threats, slow economic growth, and protracted debt issues—will challenge European policy cohesion and common action. Additionally, the form and substance of the UK's exit (Brexit) from the European Union will distract European policymakers.

Migration

The EU-Turkey Statement addressing migration issues concluded in March 2016 and that tightened border controls in the Balkans will continue to limit migration to Europe. Preserving the EU-Turkey agreement, completing trade deals and making investments offered to five African countries, and ensuring the success of a repatriation deal with Afghanistan will likely remain a focus for Europe.

Security

Terrorists have taken advantage of the influx of migrants and a potential rise in returning foreign fighters from the conflicts in Iraq and Syria might compound the problem. Europe will remain vulnerable to terrorist attacks, and elements of both ISIS and al-Qa'ida are likely to continue to direct and enable plots against targets in Europe.

Some European states see Russia as less of a threat to Europe than others do, even as the Baltic states and Poland begin to host multinational battalions as part of NATO's enhanced Forward Presence.

Economic/Financial Issues

The European Commission projects that euro-zone growth will be about 1.6 percent in 2017. Its projections are based on weak investment growth, uncertainty stemming from Brexit, potential disruptions to trade, and political and practical limits to expanding monetary and fiscal efforts to support growth.

Turkey

President Recep Tayyip Erdogan's narrow win in the mid-April popular referendum on expanding his powers and the ruling Justice and Development Party's (AKP's) post-coup crackdowns are increasing societal and political tension in Turkey.

Turkey's relations with the United States are strained because Ankara calculates that the United States has empowered Turkey's primary security threat—the Kurdistan Workers' Party (PKK)—by partnering

with the Syrian Kurdish People's Protection Units (YPG), which Turkey alleges is aligned with the PKK. European admonition of Turkey's conduct during the referendum—including limitations European countries placed on Turkish campaigning on their soil—is further straining Turkish ties to the EU.

- Two major Turkish complaints are Washington's unwillingness to meet Turkish demands to extradite US-person Fethullah Gulen—accused by the Turkish Government of orchestrating the failed coup in July 2016—and US support to the YPG in Syria.
- In November 2016, the Turkish president indicated that he would be willing to consider joining the Russian-led Shanghai Cooperation Organization (SCO) as an alternative to the EU.

MIDDLE EAST AND NORTH AFRICA

Syria

We assess that the Syrian regime, backed by Russia and Iran, will maintain its momentum on the battlefield but that the regime and the opposition are not likely to agree on a political settlement in 2017. Damascus has committed to participate in peace talks but is unlikely to offer more than cosmetic concessions to the opposition. The opposition, although on the defensive, is able to counterattack, which will probably prevent the regime from asserting territorial control over western and southern Syria, and remains committed to President Bashar al-Asad's departure.

The Islamic State of Iraq and ash-Sham (ISIS) has lost about 45 percent of the territory it held in Syria in August 2014, but it still controls much of the eastern section of the country, including the city of Ar Raqqa. ISIS will likely have enough resources and fighters to sustain insurgency operations and plan terrorists attacks in the region and internationally.

Asad's foreign supporters—Russia, Iran, and Lebanese Hizballah—want to keep an allied regime in power and maintain their influence in Syria. Moscow's deployment of combat assets to Syria in late 2015 helped change the momentum of the conflict; Russia has provided combat aircraft, warships, artillery, arms, and ammunition. Iran provides military advice, fighters, weaponry, fuel, and Shia militants. Lebanese Hizballah provides fighters and helps control the Lebanon-Syria border.

Most opposition backers maintain their support, in part by linking Asad's regime to Iran's malign influence in the region, but their lack of unity will hamper their effectiveness.

Syrian Kurdish People's Protection Units (YPG) control much of northern Syria and have worked closely with coalition forces to seize terrain from ISIS. The YPG's goal to unite its "cantons" across northern Syria is opposed by most Syrian Arabs and by Turkey, which views these Kurdish aspirations as a threat to its security. To weaken ISIS and check the Kurds, Ankara has used Syrian opposition groups, backed by Turkish artillery, aircraft, and armored vehicles, to establish a border security zone in Syria.

The continuation of the Syrian conflict will worsen already-disastrous conditions for Syrians and regional states and maintain migration pressure on Europe. As of late March 2017, more than 4.9 million Syrians

have left the country from a pre-conflict population of approximately 23 million, and an additional 6.3 million were internally displaced. ISIS's presence in Syria and ability to stage cross-border attacks will continue to jeopardize Iraq's stability.

Iraq

The Iraqi Government's primary focus through 2017 will be recapturing and stabilizing Mosul, the largest urban ISIS stronghold in Iraq, and other ISIS-held territory. The Iraqi Security Forces (ISF) and Kurdish Peshmerga with coalition support and forces of the Shia-dominated Popular Mobilization Committee (PMC) are all involved in the Mosul campaign. Faced with the eventual loss of Mosul, ISIS is preparing to regroup and continue an insurgency and terrorist campaign.

- As the Mosul campaign progresses, Baghdad faces potential tensions between the Kurds and the Iranian-backed PMC members over disputed territory while also managing the Turkish presence in northern Iraq. Baghdad has rebuked Ankara for its presence at Bashiqa and warned of potential conflict if Turkey intervenes any farther in northern Iraq. Tensions might persist well after major counter-ISIS combat operations cease as external actors continue to pursue their political and strategic goals in Iraq.

Meanwhile, the Iraqi prime minister is trying to fend off political challenges and cope with an economy weakened by the fight with ISIS and depressed oil prices. A loose "reform" coalition in the Council of Representatives (COR) exploited political divisions in fall 2016 to remove the defense and finance ministers. Political factionalism has prevented the passage of needed political reform, heightened distrust among sectarian groups, and undermined governance.

- Iraq will probably need international financial support throughout 2017, but Iraq's finances could stabilize if oil prices continue to slowly rise and Baghdad makes progress on its reform program. In 2016, Iraq's revenue from crude oil sales averaged \$3.3 billion per month, less than half the monthly revenue in 2014, despite a rise in the number of barrels of oil exported. Oil sales account for about 90 percent of government revenues and make up almost 50 percent of Iraq's GDP. The United States and Iraq concluded a sovereign loan agreement in late January 2017 that could help Baghdad access international funds that it sorely needs to reconstruct areas liberated from ISIS.

Iraq will face serious challenges to its stability, political viability, and territorial integrity after control of Mosul is wrested from ISIS. More than 200,000 individuals have been displaced from Mosul due to the fighting. However, about a third have since returned to their homes, and as many as 1 million civilians might be eventually displaced, adding to the 3 million displaced persons in Iraq as of February 2016.

- Reconstruction of infrastructure and tens of thousands of civilian structures destroyed by fighting in Sunni areas once occupied by ISIS will cost billions of dollars and take years.
- Ethnosectarian reconciliation will also be an enduring challenge. Iraqi Shia, Sunnis, and Kurds increasingly view themselves as having diverging futures. ISIS will seek to exploit any Sunni discontent with Baghdad and try to regain Iraqi territory, whereas the Kurds will probably continue efforts to establish an independent state.

Iran

The Islamic Republic of Iran remains an enduring threat to US national interests because of Iranian support to anti-US terrorist groups and militants, the Asad regime, Huthi rebels in Yemen, and because of Iran's development of advanced military capabilities. Despite Supreme Leader Khamenei's conditional support for the JCPOA nuclear deal implemented in January 2016, he is highly distrustful of US intentions. Iran's leaders remain focused on thwarting US and Israeli influence and countering what they perceive as a Saudi-led effort to fuel Sunni extremism and terrorism against Iran and Shia communities throughout the region.

Iran is immersed in ongoing conflicts in Iraq, Syria, and Yemen. Iranian officials believe that engaging adversaries away from Iran's borders will help prevent instability from spilling into Iran and reduce ISIS's threat to Iran and its regional partners. Iran's involvement in these conflicts, including sending hundreds of its own forces plus arming, financing, and training thousands of Iraqi, Afghan, and Pakistani Shia fighters to support the Asad regime, has aggravated sectarianism and increased tensions with other regional states. Tehran's provision of aid to the Huthis, including unmanned aerial vehicles (UAVs), explosive boat technology, and missile support, risks expanding and intensifying the conflict in Yemen and the broader Iranian-Saudi dispute. We assess that Iran's leaders intend to leverage their ties to local actors in Iraq, Syria, and Yemen to build long-term Iranian influence in the region. Iran will also utilize its relationship with Moscow to try to expand Iranian influence and counter US pressure.

Hardliners, who believe that the West is attempting to infiltrate Iran to undermine the regime, have driven the increase of arrests of citizens since 2014 who are dual nationals. The Islamic Revolutionary Guard Corps (IRGC) will likely continue to scrutinize, arrest, and detain individuals with ties to the West, particularly dual US-Iranian and UK-Iranian citizens. This practice will weaken prospects of attracting foreign investment into Iran's economy.

Iran continues to develop a range of new military capabilities to monitor and target US and allied military assets in the region, including armed UAVs, ballistic missiles, advanced naval mines, unmanned explosive boats, submarines and advanced torpedoes, and anti-ship and land-attack cruise missiles. Iran has the largest ballistic missile force in the Middle East and can strike targets up to 2,000 kilometers from Iran's borders. Russia's delivery of the SA-20c surface-to-air missile system in 2016 provides Iran with its most advanced long-range air defense system.

IRGC Navy forces operating aggressively in the Persian Gulf and Strait of Hormuz pose a risk to the US Navy. Most IRGC interactions with US ships are professional, although US Navy operators consider approximately 10 percent to be unsafe, abnormal, or unprofessional. We assess that limited aggressive interactions will continue and are probably intended to project an image of strength and possibly to gauge US responses.

Yemen

Fighting in Yemen will almost certainly persist in 2017 despite international attempts to forge cease-fires between Huthi-aligned forces, trained by Iran, and the Yemeni Government, backed by a Saudi-led coalition. Neither the alliance between the Huthis and former Yemeni President Ali Abdallah Salih nor the government of Yemeni President Abd Rabuh Mansur Hadi has been able to achieve decisive results through military force, despite their prominent international backers. Efforts at peace talks are nascent, and both sides remain wary of the other's intentions.

As of late 2016, the fighting had displaced more than 2 million people and left 82 percent of Yemen's population in need of humanitarian aid. Temporary cease-fires have allowed for some increased access for humanitarian organizations, but relief operations are hindered by lack of security, bureaucratic constraints, and funding shortages. More than half the population is experiencing crisis or emergency levels of food insecurity.

AQAP and ISIS's branch in Yemen have exploited the conflict and the collapse of government authority to gain new recruits and allies and expand their influence. Both groups threaten Western interests in Yemen and have conducted attacks on Huthi, Yemeni Government, and Saudi-led coalition targets.

SOUTH ASIA

Afghanistan

The overall situation in Afghanistan will very likely continue to deteriorate, even if international support is sustained. Endemic state weaknesses, the government's political fragility, deficiencies of the Afghan National Security Forces (ANSF), Taliban persistence, and regional interference will remain key impediments to improvement. Kabul's political dysfunction and ineffectiveness will almost certainly be the greatest vulnerability to stability in 2017. ANSF performance will probably worsen due to a combination of Taliban operations, ANSF combat casualties, desertions, poor logistics support, and weak leadership. The ANSF will almost certainly remain heavily dependent on foreign military and financial support to sustain themselves and preclude their collapse. Although the Taliban was unsuccessful in seizing a provincial capital in 2016, it effectively navigated its second leadership transition in two years following the death of its former chief, Mansur, and is likely to make gains in 2017. The fighting will also continue to threaten US personnel, allies, and partners, particularly in Kabul and urban population centers. ISIS's Khorasan branch (ISIS-K)—which constitutes ISIS's most significant presence in South Asia—will probably remain a low-level developing threat to Afghan stability as well as to US and Western interests in the region in 2017.

Pakistan

Pakistani-based terrorist groups will present a sustained threat to US interests in the region and continue to plan and conduct attacks in India and Afghanistan. The threat to the United States and the West from Pakistani-based terrorist groups will be persistent but diffuse. Plotting against the US homeland will be conducted on a more opportunistic basis or driven by individual members within these groups.

Pakistan will probably be able to manage its internal security. Anti-Pakistan groups will probably focus more on soft targets. The groups we judge will pose the greatest threat to Pakistan's internal security include Tehrik-e Taliban Pakistan, Jamaat ul-Ahrar, al-Qa'ida in the Indian Subcontinent, ISIS-K, Lashkar-e Jhangvi, and Lashkar-e Jhangvi al-Alami. The emerging China Pakistan Economic Corridor will probably offer militants and terrorists additional targets.

Pakistan's pursuit of tactical nuclear weapons potentially lowers the threshold for their use. Early deployment during a crisis of smaller, more mobile nuclear weapons would increase the amount of time that systems would be outside the relative security of a storage site, increasing the risk that a coordinated attack by non-state actors might succeed in capturing a complete nuclear weapon.

India-Pakistan

Relations between India and Pakistan remain tense following two major terrorist attacks in 2016 by militants crossing into India from Pakistan. They might deteriorate further in 2017, especially in the event of another high-profile terrorist attack in India that New Delhi attributes to originating in or receiving assistance from Pakistan. Islamabad's failure to curb support to anti-India militants and New Delhi's growing intolerance of this policy, coupled with a perceived lack of progress in Pakistan's investigations into the January 2016 Pathankot cross-border attack, set the stage for a deterioration of bilateral relations in 2016. Increasing numbers of firefights along the Line of Control, including the use of artillery and mortars, might exacerbate the risk of unintended escalation between these nuclear-armed neighbors. Easing of heightened Indo-Pakistani tension, including negotiations to renew official dialogue, will probably hinge in 2017 on a sharp and sustained reduction of cross-border attacks by terrorist groups based in Pakistan and progress in the Pathankot investigation.

SUB-SAHARAN AFRICA

South Sudan

Clashes between Juba and the armed opposition will continue, heightening ethnic tensions and exacerbating the humanitarian crisis and famine amid a declining economy. Both sides' use of ethnic militias, hate speech, and the government's crackdown against ethnic minorities raise the risk of additional mass atrocities. The government will probably continue to restrict political freedoms and civil liberties and obstruct humanitarian assistance.

Sudan

Khartoum probably hopes to continue constructive engagement with the United States following Washington's decision in January 2017 to suspend some sanctions on Sudan. The regime will probably largely adhere to a cessation of hostilities in conflict areas—required to receive sanctions relief—but skirmishing between the Sudanese military and rebel forces is likely to result in low levels of violence and population displacement. The regime's military gains since March 2016 and divisions among armed opponents will almost certainly inhibit the insurgents' ability to make significant political or military gains.

Public dissatisfaction over a weakened economy and austerity measures, however, will test the government's ability to maintain order.

Nigeria

The Nigerian Government will confront a wide range of challenges in 2017, many of which are deeply rooted and have no "quick fix." Despite Nigeria's progress in 2016 reclaiming territory from ISIS in West Africa (ISIS-WA) and Boko Haram, both terrorist groups will remain a threat to military and civilians in northeastern Nigeria, as well as in neighboring Cameroon, Chad, and Niger. Moreover, Nigeria, with Africa's largest economy, is suffering a recession brought on by low oil prices and militant attacks on its oil infrastructure. This recession is handicapping Abuja's efforts to combat the terrorists and respond to a growing humanitarian crisis in the northeast.

Sahel

Governments in Africa's Sahel region—particularly Chad, Mali, Mauritania, and Niger—will remain at risk of internal conflict and terrorist attacks in 2017. The region's shared geography, ethnic and religious connections, and a pervasive lack of border security have facilitated a rise in extremist groups, traffickers, and antigovernment militias since the collapse of Libya in 2011 and the northern Mali uprising in 2012. Al-Qa'ida in the Lands of the Islamic Maghreb (AQIM), al-Murabitun, Ansar al-Din, and other violent extremist groups will continue attacking Western and local interests in the region.

Somalia

The Somali Government will continue to rely on international assistance, including in the areas of civilian protection, service provision, dispute resolution, security, and humanitarian relief. Progress in these areas is critical to maintain support from troop-contributing countries of the African Union Mission in Somalia (AMISOM), which plans to begin withdrawing from Somalia in 2018.

Ethiopia

Ethiopia has faced widespread public protests and ethnic tensions and will struggle to address the underlying grievances while preserving the power of the ruling party. The risk of instability is high. Addis Ababa declared a state of emergency in October 2016 and continues mass arrests, targeting opposition leaders.

Democratic Republic of the Congo

A deal between the government of the Democratic Republic of the Congo (DRC) and Congolese opposition and civil society over President Joseph Kabila's term extension has bought the regime time. Kabila named an opposition member as prime minister in April, but elections are unlikely to be held by the end of 2017 as called for under the agreement. Meanwhile, armed conflict in the east perpetrated by militia groups will exacerbate serious humanitarian challenges.

WESTERN HEMISPHERE

Mexico

The Mexican Government will focus on domestic priorities to help position the country for the presidential election in 2018 while also seeking to limit fallout from potential shifts in the bilateral relationship with the United States. Mexico will be challenged to make gains against corruption and rising crime and will continue to rely on the military to stymie criminal violence. Its \$1.1 trillion economy has benefitted from strong economic fundamentals and robust exports, but changes in trade relationships might weaken the export sector and slow economic growth. Mexican migration to the United States, which has decreased in recent years, might increase if economic opportunity at home declines. Apprehensions of undocumented Mexicans fell from about 268,000 in FY 2013 to 193,000 in FY 2016, according to DHS statistics.

Central America

Insecurity, lack of economic opportunities, desire for family reunification, and views of US immigration policy are likely to remain the principal drivers of migration from the Northern Triangle countries of El Salvador, Guatemala, and Honduras to the United States. Human smuggling networks will continue to help migrants navigate travel routes and security at the US and Mexican border. Homicide rates in these countries remain high despite a decline in 2016, and gang-related violence is still prompting Central Americans to flee. DHS apprehensions along the southwest border of migrants from the Northern Triangle reached nearly 200,000 in FY 2016 but have declined sharply since February 2017.

Colombia

The Colombian Government's ability to implement its historic peace deal with the Revolutionary Armed Forces of Colombia (FARC) in 2017 will be key to the country's prospects for fully harnessing economic and investment opportunities. The peace deal ended the country's 52-year civil war with the FARC and demobilized the Western Hemisphere's largest and longest-running insurgency. Colombia was already politically stable and markedly less violent than 20 years ago. Even so, some immediate post-conflict challenges will include stemming rising drug production and addressing social and economic inequality in rural areas.

Cuba

As Cuba heads into the final year of preparations for its planned historic leadership transition in early 2018, the government's focus will be on preserving the regime's hold on power and dealing with the falling economic growth rate. Cuba blames its slowing economy on lower global commodity prices, the US embargo, and the economic crisis in Venezuela, a top trade partner and important source of political support and petroleum at generous financing terms. Havana, however, has stalled implementation of its own reform program, including changes to investment laws needed to address longstanding investor concerns and plans to unify its dual currency and exchange rate system.

Some Cuban migration to the United States via land routes through Central America and Mexico—especially by Cubans already in transit—is likely to continue despite a significant decrease following the end of the US “Wet Foot, Dry Foot” policy in January 2017. That policy allowed most undocumented Cubans who reached US soil—as opposed to being intercepted at sea—to remain in the United States and then apply for lawful permanent residency status after one year under the Cuban Adjustment Act of 1966. In FY 2016, some 42,000 Cuban migrants arrived at the US southwest border and maritime flows exceeded 7,300 migrants because of poor economic prospects in Cuba and apprehension about potential US policy shifts.

Venezuela

Venezuela’s regime and the political opposition will remain at odds in 2017 as Venezuela’s domestic political and economic tensions intensify. The regime is struggling to contain spiraling inflation and finance imports, creating shortages of foodstuffs and medicines in the oil-rich country. The unpopular government charges that the opposition is waging an economic war and trying to stage a political coup and will probably ratchet up repression to maintain power. Shortages of food, medicine, and basic supplies will probably continue to stoke tensions through 2017.

**STATEMENT OF LIEUTENANT GENERAL VINCENT R. STEWART,
USMC, DIRECTOR, DEFENSE INTELLIGENCE AGENCY**

Lt. Gen. STEWART. Chairman McCain, Ranking Member Reed, members of the committee, thank you for this opportunity appear with DNI [Director of National Intelligence] Coats to provide an assessment of the threats to our national security.

I concur with the Director's statement in its entirety. However, I would like to reinforce for this committee and, by extension, the American people your Defense Intelligence Agency's view on five military threats facing the Nation. We in DIA call these our no-fail missions because the risk is too high for us to fail in pursuing these missions. They include a nuclear-capable and increasingly provocative North Korea, a resurgent Russia, a modernizing China, an ambitious regional power in Iran, and violent extremist organizations, the last category encompassing ongoing operations in Afghanistan, Iraq, Syria, and elsewhere.

The world is focused on events in Pyongyang and for good reasons. Since assuming power, Kim Jong-un has conducted three nuclear tests, and the regime has tested an unprecedented number of ballistic missiles of varying ranges over the past year. Although shortfalls remain, key milestones have been met in specific systems, and they continue to obtain valuable data and insights from each test. Let me be very clear on this point. If left on its current trajectory, the regime will ultimately succeed in fielding a nuclear armed missile capable of threatening the United States homeland. While nearly impossible to predict when this capability will be operational, the North Korean regime is committed and is on a pathway where this capability is inevitable.

Russia views military power as critical to achieving its key strategic objective and devotes significant resources to its military modernization program. The Russian Government seeks to be the center of influence in what it describes as a multi-polar, post-West world order. To support this world view, Moscow pursues aggressive foreign and defense policies by employing a full spectrum of influence and coercion aimed at challenging U.S. interests around the globe. Out-of-area operations remain a priority, as demonstrated by its ongoing deployment to Syria and long-range aviation approaching United States airspace.

China is in the third decade of an unprecedented military modernization program involving weapon systems, doctrine, tactics, training, space and cyber operations. It now stands firmly in the category as a near-peer U.S. competitor. New bases are being built in the South China Sea, and evidence suggests that these outposts will be used for military purposes. A key component of China's strategy for a regional contingency is planning for potential United States intervention in a conflict in the region. Its navy remains on a course for 350 ships by the year 2020, and anti-access/area denial capabilities continue to improve.

Turning to Iran, despite sanctions, Tehran is putting considerable resources into conventional military priorities such as ballistic and cruise missiles, naval systems, unmanned aerial vehicles, air defense systems that could threaten the United States and our interests in the region. Iran's conventional military doctrine is designed to protect Iran from the consequences of its assertive re-

gional policy spearheaded by the Iranian Revolutionary Guard's Quds Force and its regional proxy, Lebanese Hezbollah, and in concert with certain Iraqi Shiite militias and the Houthis. We should expect Iran to continue to undermine the current regional security architecture using terrorist organizations and proxies to complicate United States efforts throughout the region.

Finally, we are making steady progress against trans-regional terrorism but still have a long way to go. ISIS has been greatly diminished in Libya, will soon lose control of Mosul, and the capital in Raqqa is nearly isolated. We have killed many ISIS and Al Qaeda leaders and numerous terrorist plots have been averted. The trend lines are moving in the right direction, but this fight will not end soon. The enemy remains highly adaptable and capable, and instability and under-governed territory may give them opportunities to resurge. I am particularly concerned about the long-term impact of returning foreign fighters and the potential for these groups to capitalize on the proliferation of armed unmanned aerial vehicles to do harm to U.S. and our allied interests.

Mr. Chairman, the men and women of your DIA are providing unique defense intelligence around the world and around the clock to warfighters, defense policymakers and planners, and the defense acquisition community. They are doing so on the battlefield at combatant commands, headquarters, here on the banks of the Potomac, and in the capitals of the world through our defense attache service. It has been a privilege to serve with them the last 2 and a half years and see firsthand their service and contribution to our country.

I look forward to the committee's questions.

[The prepared statement of General Stewart follows:]

STATEMENT FOR THE RECORD

WORLDWIDE THREAT ASSESSMENT

ARMED SERVICES COMMITTEE

UNITED STATES SENATE



Vincent R. Stewart, Lieutenant General, U.S. Marine Corps

Director, Defense Intelligence Agency

23 May 2017

Information available as of May 17, 2017 was used in the preparation of this assessment.

INTRODUCTION

Chairman McCain, Ranking Member Reed, and members of the committee, thank you for the invitation to provide the Defense Intelligence Agency's assessment of the global security environment and to address the threats facing the Nation. The international order that was established after the Second World War and developed throughout the Cold War largely ensured peace and stability even as it saw new conflicts—large and small—take place in different regions of the world. This post–World War II era, underwritten primarily by the strength of the United States, also gave rise to the greatest period of prosperity in history and witnessed countries rebuild from war or emerge from colonialism to become vibrant and viable nation-states. Following the collapse of the Soviet Union, the United States emerged dominant militarily, economically, and diplomatically, but soon thereafter that dominance was increasingly challenged. Today, the United States faces an increasingly complex array of challenges to our national security. We are faced with the rise of foreign militaries with ever-improving capabilities, threats from cyberactors, highly adaptive terrorist organizations, aggressive nonstate actors, and hostile foreign intelligence services—capabilities and intentions that I will assess here in some detail. These challenges must be seen in the broader context of a highly connected and interdependent strategic environment, characterized by the emergence of new political, military, and economic centers and affected by technology and mass communication, mass migration, and urbanization. The threat environment also serves to highlight the critical need for us to operate in close collaboration with our Five Eyes partners, NATO, and other allies across the globe. This Statement for the Record is organized regionally, followed by transnational issues. Taken together, they reflect the diversity, scope, and complexity of today's challenges to our national security.

The men and women of DIA are stationed around the globe, leading the Intelligence Community in providing strategic, operational, and tactical defense intelligence. They deliver decision advantage to warfighters, defense planners, the defense acquisition community, and policymakers. DIA's men and

women—uniformed and civilian—know they have a unique responsibility to the American people and take great pride in their dedication and analytic integrity. I am privileged to serve with them and present their analysis to you. My hope in this hearing is to help the Nation—through the important oversight role of Congress—to better understand these global challenges and to support this committee in identifying opportunities and possible responses to the threats. On behalf of the entire Defense Intelligence Enterprise, thank you for your continued confidence. Your support is vital to us.

REGIONAL THREATS

EUROPE/EURASIA

RUSSIA

Moscow views military power as critical to achieving key strategic objectives and has devoted significant resources to modernizing its forces. Russian leadership considers a capable, survivable nuclear force as the foundation of its strategic deterrent and modern, agile general purpose forces as vital for power projection in the region and expeditionary deployments far outside its borders. Moscow will continue to aggressively pursue its foreign policy and security objectives by employing the full spectrum of influence and coercion, including cyberoperations. Its powerful military, coupled with the actual or perceived threat of intervention, allows its whole-of-government efforts to resonate widely. We expect 2017 levels of military activity to be similar to those seen in recent years, although Moscow's military modernization efforts will be complicated by economic and demographic challenges.

Vladimir Putin's views drive the policies of a resurgent Russia. Putin has referred to the collapse of the Soviet Union as "a major geopolitical disaster of the (20th) century." Putin views Russia as a global superpower that has been denied its rightful place by an aggressive U.S. and Western policy that aims to keep Russia in a subservient role; protecting Russians has become one pretext for expanding his reach into sovereign states that were part of the former Soviet Union more than 25 years ago. Russia's most

recent National Security Strategy characterizes NATO, further expansion of the alliance to include former Soviet bloc countries, and the location of NATO military infrastructure closer to Russian borders as threats to Russia's national security. Following Russia's occupation and attempt to annex Crimea, Putin characterized the United States by warning "the USA prefers to follow the rule of the strongest and not by international law" and is "convinced that they have been chosen and they are exceptional, that they are allowed to shape the destiny of the world..." The Russian leadership would have the world believe that Russia's actions are a defensive reaction to U.S. aggression, but the truth is that our values do not align, our interests are often at odds, and we will always compete with Russia for influence around the globe.

Since Putin came to power, Russia has repeatedly denied gas supplies to Ukraine and Central Europe, occupied and attempted to annex Crimea, destabilized eastern Ukraine, and deployed its military to Syria to prop up the Assad regime.

In 2016, Moscow improved its mobilization readiness, rehearsing mobilization processes in the KAVKAZ-16 military exercise, the culminating exercise of the training year. This emphasis on preparing the state and society for wartime mobilization probably will continue during 2017. Moscow places a priority on modernizing its strategic forces, precision-strike capabilities, and asymmetric tools because of an enduring concern about the decisive, rapid character of the initial period in modern conflict. In light of perceived external and internal threats to regime stability, President Putin authorized the creation of a new National Guard in 2016, consisting of about 400,000 troops largely drawn from the former Ministry of Internal Affairs Internal Troops. The National Guard is directly subordinate to the president and has broad domestic and external legal authorities.

Russia continues to invest heavily in forcewide modernization efforts, emphasizing joint force interoperability, technologically advanced command and control systems, and defense-industrial

capacity. Russia's ambitious rearmament program will remain challenged by corruption, industrial inefficiency, Western sanctions, and the generally poor state of the Russian economy. Nonetheless, Moscow will press its military modernization efforts forward, giving priority to certain major programs. State deliveries to the Ground Forces in 2015 and 2016 have included modernized T-72B3 tanks, BMP-3 infantry fighting vehicles, and BTR-82A armored personnel carriers. Naval modernization efforts are largely focused on the submarine fleet and equipping surface and subsurface vessels with Kalibr land-attack cruise missile systems. Plans to modernize Russia's aging aircraft include procurement of new Su-34 and Su-35S multirole fighters and unmanned aerial vehicles, as well as upgrades to airframes, technological components, and munitions for the fighter and strategic bomber forces.

Russia is establishing three new motorized rifle divisions near the border with Ukraine. The basing of division-sized formations along Russia's western periphery will reduce the warning time for NATO to respond to Russian incursions into neighboring states, while at the same time providing Russian leaders greater flexibility, political leverage, and combat power for force generation in a crisis.

Over the past 8 years, the Russian military has focused on improving its command and control (C2) structure, systems, and underground facilities to be better suited to confront modern threats. New C2 systems are allowing commanders to access data in real time and to synchronize actions across services and geographically separated elements. The Russian General Staff is able to monitor operations in Syria from its premier national-level headquarters, the National Defense Management Center, via new automated C2 systems. Russia is also pressing ahead with developing larger and more effective unmanned aerial vehicles, which are being used in support of strike missions in Syria. Overall, Russia's reforms are progressing and effectively building a more agile force that is capable of conducting expeditionary operations and providing support to combat operations outside Russia.

Russia's military intervention in Syria, which began in September 2015, has significantly bolstered Syrian President Bashar al-Asad's military position and sought to assert Moscow's status as a regional power broker and capable military force. Russia has used the Syrian intervention to showcase its modern military and expeditionary capabilities, conducting its first deployment outside Russia's immediate neighborhood since the fall of the Soviet Union. In November 2016, Moscow's sole aircraft carrier, the *Admiral Kuznetsov*, launched its first combat operations into Syria. The Russian Navy and Aerospace Forces have conducted long-range cruise missile strikes into Syrian territory. These operations serve strategic messaging purposes, provide combat experience, and allow newer Russian systems to be field-tested. Russia has also deployed advanced area-denial capabilities to Syria, including Bastion coastal defense systems and long-range surface-to-air missiles, strengthening Moscow's ability to complicate U.S. and allied operations in Syria, the eastern Mediterranean, and even NATO's southern flank.

The conflict in eastern Ukraine between Russian-backed separatists and the Ukrainian government is likely to persist throughout the coming year as hopes dim for full implementation of the Minsk Agreements, negotiated by Russia, Ukraine, Germany, and France to provide a roadmap for resolving the situation. Russia is unlikely to abandon its destabilizing actions, short of seeing Ukraine capitulate to Russian demands, because the conflict remains the Kremlin's most effective leverage over Kyiv. Ukraine will not implement controversial elements of the Minsk Agreements, such as granting a special status to certain parts of the Donbas, until Russia follows through with its security commitments. Violence along the Line of Contact probably will remain limited to smaller engagements, although Russia retains a ready capability to escalate the conflict.

Russia continues to place a priority on modernizing its strategic nuclear forces, focusing primarily on land-based intercontinental ballistic missile (ICBM) upgrades, with modest improvements to both strategic air and naval capabilities. Russia has completed more than 50 percent of its planned road-mobile force upgrades, with SS-27 Mod 2 ICBM deliveries to four divisions, and it intends to complete

rearming of its entire ICBM inventory with new systems by 2022. Development of the silo-based RS-28 ICBM continues with engine and warhead tests, and we expect the first test launches by 2018. Moscow is resuming production of the Soviet-era Tu-160M2 strategic bomber to supplement its aging bomber force, and it is modernizing the Tu-95MS bomber to launch Kh-101/102 cruise missiles. Russian strategic naval forces have taken delivery of the third Dolgorukiy class nuclear-powered ballistic missile submarine to replenish the aging fleet. We expect a total of eight Dolgorukiy submarines in the coming years.

Russia has concluded that gaining and maintaining control in space will have a decisive impact on the outcome of future conflicts. Russia assesses that having the military capabilities to counter space operations will deter aggression by space-enabled adversaries. These counterspace capabilities could include strikes against satellites or ground-based infrastructure that supports space operations. Russian government and military officials have publicly stated that Russia is pursuing diverse antisatellite weapons. One of the primary satellite constellations owned and used by Russia is the GLONASS system, the Russian navigational equivalent of GPS. Russia is modernizing the constellation with its GLONASS-K satellites, but Russian officials claim technology sanctions against Russia are delaying the process.

Russia views the Arctic as a future arena of international competition because of increasingly accessible natural resources and shipping routes due to climate change. The Kremlin has pursued its 10-year Arctic development plan by continuing construction of military facilities in the region, and it strengthened its area-denial capability in the Arctic with the deployment of Bastion coastal defense missiles on the Kola Peninsula in 2016.

EAST ASIA**China**

In East Asia, China is pursuing a long-term military modernization program. China continues to move forward with reforms aimed at strengthening the Chinese Communist Party's control over the military and enhancing the ability of the People's Liberation Army (PLA) to fight in regional conflicts and operate at greater distances from the Chinese mainland. China's leaders are seeking ways to leverage China's growing military, diplomatic, and economic position to advance the country's international influence.

In 2016, President Xi Jinping stated that it was China's "strategic task" to build a powerful army commensurate with China's international status and "an army that can fight and fight to win."

China is improving the PLA's capability to fight short-duration, high-intensity regional conflicts by undertaking a long-term, comprehensive military modernization program. In 2016, the PLA increased its preparations for contingencies along China's periphery, including conflicts in the East and South China Seas, at the same time that planning for a Taiwan contingency continued to drive military modernization efforts.

The PLA is implementing massive structural reforms designed to improve leadership, administration, and command of joint operations across the force by 2020. Changes include rebalancing the forces to raise the relative importance of the Navy and Air Force and establishing a theater joint command system for the five theaters of operation. Recent military reforms in China created the Strategic Support Force, designed to consolidate the PLA's cyber, space, and electronic warfare capabilities.

We anticipate that China will continue its robust defense spending growth for the foreseeable future. In March 2017, China announced a 7-percent inflation-adjusted increase in the annual military budget, bringing it to \$148.4 billion, continuing more than two decades of annual defense spending increases.

China is developing capabilities to dissuade, deter, or if ordered, defeat possible third-party intervention during a large-scale theater campaign, such as a Taiwan contingency. China's military modernization plan includes the development of capabilities to attack at long ranges adversaries that might deploy or operate within the western Pacific Ocean in the air, maritime, undersea, space, electromagnetic, and information domains. China has fielded CSS-5 antiship ballistic missiles specifically designed to hold adversary aircraft carriers at risk 1,500 kilometers off China's coast. In 2016, Chinese official media confirmed China's intent to go forward with midcourse missile defense capabilities on both land and sea assets, reflecting work on ballistic missile defense dating back several decades.

China has long identified the protection of its sovereignty and territorial integrity as a "core interest." In the South China Sea, China has embarked on a multiyear, whole-of-government approach to securing sovereignty, principally through maritime law enforcement presence and military patrols. In 2016, China rejected the international arbitration ruling on its excessive South China Sea claims, built infrastructure at its manmade outposts on the Spratly Islands, and for the first time, landed civilian aircraft on its airfields at Fiery Cross Reef, Subi Reef, and Mischief Reef. China will be able to use its reclaimed features as persistent civil-military bases, which will enhance its presence and its ability to control the features and nearby maritime space. Beijing recognizes the need to defend these outposts and is prepared to respond to any military operations near them.

A key component of PLA strategy in a regional contingency is planning for potential U.S. intervention. The PLA Rocket Force has given priority to developing and deploying regional ballistic and cruise missiles to expand its conventional strike capabilities against U.S. forces and bases throughout the region. In addition to the Rocket Force's fielding of an antiship ballistic missile, China is fielding an intermediate-range ballistic missile capable of conducting conventional and nuclear strikes against ground targets in the Asia-Pacific region as far away as Guam. China's military capacity is complemented by the use of

underground facilities for warfighting protection and concealment, with particular emphasis on command, control, communications, computer, and intelligence functions as well as missile assets.

China has fielded and is developing numerous cruise missiles for land and maritime targets, to be launched from its most advanced air, ship, and submarine platforms. China is working to upgrade its surface and subsurface naval fleet with advanced longer-range antiship cruise missiles, some of which will reach supersonic speeds and could be fielded on China's most capable surface combatants. The PLA is also upgrading its aircraft with antiship and air-launched cruise missiles for land-attack and surface ship targets, and with two, new air-launched ballistic missiles, one of which may include a nuclear payload.

The PLA is modernizing its nuclear forces by enhancing silo and road-mobile ICBMs and adding other road-mobile systems. The PLA Navy's Jin class nuclear-powered ballistic missile submarine, when armed with the JL-2 submarine-launched ballistic missile, will provide Beijing with its first sea-based nuclear deterrent. China probably continues nuclear R&D, maintenance of existing warheads, and production of new nuclear warheads. The country has the industrial capacity to enrich uranium and process plutonium for military requirements.

China has also invested heavily in improving its space capabilities, with particular emphasis on satellite communications, intelligence, surveillance, reconnaissance, navigation, and meteorology, as well as unmanned, interplanetary space exploration and, most recently, manned spaceflight programs. In addition to on-orbit assets, China's space program has built a vast ground infrastructure supporting spacecraft and space launch vehicle manufacturing, launch, C2, and data downlink. China's space station is likely to achieve a full operational capability by 2022, and it could become the only operational space station if the International Space Station does not receive funding beyond what is currently programmed to end in 2024. In parallel with its space program, China continues to develop a variety of

counterspace capabilities designed to limit or to prevent the use of space-based assets by the PLA's adversaries during a crisis or conflict.

North Korea

North Korea is an antagonistic state actor and remains a critical security challenge for the United States. Pyongyang is committed to developing a long-range, nuclear-armed missile that is capable of posing a direct threat to the United States, as demonstrated by two probable nuclear tests and an unprecedented level of ballistic missile launches in 2016. Last year, the North flight-tested over a dozen theater ballistic missiles as well as its submarine-launched ballistic missile system and launched a satellite into space. It also conducted an unusual number of displays in 2016 of its missile programs—including a reentry vehicle heat shield test and ground-level propulsion tests. Earlier this year, North Korea launched what it claimed to be a land-based variant of its submarine-launched ballistic missile and paraded a variety of missiles, including some new systems. More recently, on 13 May, North Korea tested another ballistic missile—successfully launched from western North Korea and impacting in the Sea of Japan. Taken together, these activities highlight Pyongyang's commitment to diversifying its missile forces and nuclear delivery options while strengthening missile force survivability.

Kim Jong Un views nuclear weapons as the principal tool of regime survival against outside threats—a view underpinned by North Korea's constitution. In 2016, Kim noted that the main mission of North Korea's nuclear force was to deter a nuclear war, adding that “the stronger our nuclear strike capability gets, the more powerful our deterrent to aggression and nuclear war grows.”

North Korea continues efforts to expand its stockpile of weapons-grade fissile material. It claimed that its last nuclear test, in September 2016, was a “standardized” nuclear warhead for a ballistic missile. This test followed its fourth test in early January 2016, after which North Korea issued a statement claiming it had successfully carried out a test of a “hydrogen bomb.” We remain concerned about North Korea's

proliferation activities in contravention of multiple UN Security Council Resolutions including most recently, Resolution 2321 passed in November 2016.

North Korea also maintains a large, conventional, forward-deployed military and continues to improve its ability to launch rapid, small-scale attacks against South Korea, despite UN sanctions, significant resource shortfalls, and aging hardware. Underground facilities support nearly all essential functions, and thousands of them are located throughout the country, intended to protect and conceal key C2, forces, warfighting stores, and other significant infrastructure.

Internally, in the face of deepening political and economic isolation, Kim Jong Un maintains a tight grip on power while giving preferential treatment to the privileged elite in Pyongyang and selected military units, and justifies internal security controls and vast military expenditures through ideological indoctrination and intimidation.

SOUTH ASIA

Afghanistan and the Taliban

In South Asia, over the past year Afghan National Defense and Security Forces (ANDSF) responded to Taliban pressure on population centers, while sustaining operations against al-Qa'ida and ISIS-Khorasan, which helped to restrict ISIS-Khorasan's territory. Despite some improvements to command and control and integration of air capabilities, the ANDSF remains beset by persistent shortfalls in combined arms and intelligence integration, as well as overall force generation and sustainment.

In 2017, we believe the ANDSF will incrementally improve its capabilities to challenge the Taliban, but military operations will not be decisive. We expect the Taliban to further consolidate control mostly in rural terrain and continue to pressure provincial capitals in Helmand, Uruzgan, and Kunduz Provinces.

At the tactical level, we judge the Taliban will keep trying to overrun vulnerable ANDSF positions and

population centers and will conduct intermittent high-profile attacks in key cities to degrade confidence in Afghan government-provided security.

We believe the ANDSF will need to increasingly focus on long-range planning to improve endemic institutional deficiencies in leadership, force generation, and sustainment in order to defeat the Taliban. Coalition train, advise, and assist efforts in 2017 will be critical to improving the ANDSF's ability to forestall Taliban advances beyond rural areas and in improving ministerial planning and development.

Pakistan

In 2017, Islamabad is likely to slowly shift from traditional counterinsurgency operations along Pakistan's western border to more counterterrorism and paramilitary operations throughout the country, which have had some success in reducing violence from militant, sectarian, terrorist, and separatist groups. Anti-Pakistan groups probably will respond to this sustained pressure by focusing their efforts against soft targets. Pakistan's nuclear stockpile continues to grow. We are concerned that this growth, as well as an evolving doctrine and inherent security issues associated with Pakistan's developing tactical nuclear weapons, presents an enduring risk. Islamabad is taking steps to improve its nuclear security and is aware of the extremist threat to its program.

India

India is modernizing its military to better posture itself to defend New Delhi's interests in the broader Indian Ocean region and reinforce its diplomatic and economic outreach across Asia. Bilateral relations between India and Pakistan worsened following several terrorist attacks in India. Continued threat of high level terror attacks in India, violence in Kashmir and bilateral diplomatic recriminations will further strain India-Pakistan ties in 2017. Following a terrorist attack on an Army base in Indian Kashmir last September, New Delhi conducted a highly publicized operation against militants across the Line of Control. In 2016, Indian and Pakistani forces exchanged some of the heaviest fire in years along the Line

of Control in Kashmir, and each expelled a number of the other's diplomats amid growing tension. India has sought and continues to move to isolate Pakistan diplomatically and is considering punitive options to raise the cost to Islamabad for its alleged support to cross-border terrorism.

MIDDLE EAST/NORTH AFRICA

The Middle East faces multiple, simultaneous challenges. Drivers of unrest include authoritarian leaders, civil conflict, ungoverned spaces, displaced populations and refugee flows, insufficient economic opportunity, and corruption. These factors are compounded by growing Iranian involvement, terrorism, and conventional military threats. The self-proclaimed Islamic State of Iraq and ash-Sham (ISIS) has been substantially degraded on numerous battlefields, yet the group remains the most significant terrorist threat to the United States and our allies. My comments on this volatile and important region will focus on Syria and Iraq, related ISIS developments, Iran, Yemen, and North Africa.

Syria

The Syrian regime entered 2017 in its strongest position against the opposition since the war began in 2011. Over the past year, regime forces—with the critical support of Russia, Iran, and Lebanese Hizballah—recaptured strategic areas along Syria's western spine, including Aleppo and most of the Damascus countryside.

The Syrian opposition has lost significant territory as a result of proregime military operations, longstanding divisions and competition among the opposition groups, sporadic infighting, and inadequate access to resources. These deficiencies are driving some opposition groups to merge with terrorist groups, such as the al-Qa'ida affiliate al-Nusrah Front, to survive regime offensives. Despite these losses, most opposition forces will continue to fight against the regime for ideological reasons.

We anticipate that during 2017 the regime's strategy will be to seize more territory and to isolate and contain the opposition, particularly in Idlib Province. In addition, the regime will increasingly conduct counter-ISIS operations, seeking to expand its presence and influence in the eastern part of the country. We also anticipate that the coalition-backed Syrian Democratic Forces will continue to push toward ISIS's de facto capital of Raqqa but are incapable of capturing it without continued U.S. assistance.

We judge the Syrian regime conducted a sarin weapons attack against the opposition on 4 April 2017 in Idlib Province. The nerve agent probably was delivered by regime Su-22 aircraft that we assess took off from the regime-controlled Shayrat Airfield. We further assess that the Syrian regime has not declared all the elements of its chemical warfare program to the Organizations for the Prohibition of Chemical Weapons (OPCW). Despite the work of the Declaration Assessment Team to address gaps and inconsistencies in Syria's Chemical Weapons Convention declaration, numerous issues remain unresolved, and a recent OPCW Executive Council decision noted that Syria has not submitted an accurate and complete declaration. As of October 2016, the OPCW–United Nations Joint Investigative Mechanism—a joint body charged with determining the individuals or groups responsible for perpetrating chemical attacks in Syria—found that the Syrian Armed Forces were responsible for three chemical attacks in 2014 and 2015. We judge the Syrian regime has used chemicals as a means of warfare every year since acceding to the Chemical Weapons Convention in 2013.

Iraq

In 2016, Iraq's various security forces made significant progress in reclaiming much of Iraq's territory from ISIS control. Baghdad realized these gains, in no small measure, due to substantial external support—most notably U.S.-led coalition airpower and support from Iran. The threat from remaining ISIS elements and a potential renewed Sunni insurgency will continue to require significant foreign assistance to bolster the Iraqi security forces throughout 2017 and beyond. Despite ongoing coalition

efforts to build partner capacity, the Iraqi Army and police forces remain undermanned, undertrained, and underequipped, plagued by a host of institutional deficiencies, including weak leadership, inadequate logistics, poor force-generation capability, and systemic corruption. In addition, the Counterterrorism Service—Iraq’s most professional and capable security force—has experienced heavy losses during the counter-ISIS fight. The Counterterrorism Service’s focus on conventional operations comes with a cost to its precision counterterrorism capability, which will impede the service’s ability to effectively conduct future counterterrorism operations on its own and will necessitate significant retraining and other force-generation efforts.

Iraqi security forces’ shortcomings are likely to prompt a continued security role for the Popular Mobilization Forces (PMF), the umbrella for a diverse array of militias largely dominated by Iranian-aligned Shia militia groups, which have gained popularity and political influence with some officials and probably much of the Shia populace in Iraq as a result of their successes in most counter-ISIS battles in 2016. Iraq’s parliament passed a law in November 2016 that formalized the PMF in Iraq’s security apparatus, enabling these forces to endure as an official arm of the Iraqi security forces even after ISIS is expelled. The presence of the PMF in areas liberated from ISIS would likely increase ethnic tensions with the Kurds and Sunni Arabs and may lead to violent clashes.

The Kurdish security forces are likely to remain effective at defending Kurdish-controlled territory from most insurgent attacks, having built up defenses along their frontlines throughout the counter-ISIS fight. However, financial shortcomings and institutional limitations of the Kurdistan Regional Government will continue to limit Kurdish forces’ military and counterterrorism capabilities. Iraqi Kurds have stated that they intend to seek greater autonomy from Baghdad—up to and including independence. As part of this effort, Kurdish leaders are seeking to hold a nonbinding referendum, which could be held concurrently with Kurdish elections scheduled for fall 2017.

Iraq's security agencies, with support from Iran and the United States, are seeking to reclaim Mosul and its environs. The Iraqi security forces are making slow progress despite casualties to clear Mosul, ISIS's last major stronghold in Iraq; they have cleared the city's eastern half and currently are working to retake the western half containing Mosul's dense old city. Iraqi officials aim to limit the number of militants who escape Mosul and flee to remote pockets of Iraq's Anbar Governorate and across the border into Syria. Once Mosul is captured, Iraqi forces are likely to focus on clearing the remaining ISIS pockets of territory.

ISIS Developments in Syria and Iraq

ISIS has lost more than 60 percent of its territory in Iraq and about 45 percent of its territory in Syria since the group's height in August 2014. In 2016, coalition-backed operations liberated ISIS-held areas in northern Syria along the border with Turkey. In August 2016, Turkey launched Operation EUPHRATES SHIELD to clear ISIS from Turkey's border areas and prevent gains by the Kurdish People's Protection Units, a group affiliated with the Turkey-based Kurdistan Workers' Party, an insurgent group against which Turkey has been fighting for decades. We estimate these efforts substantially degraded ISIS's ability to freely move personnel, foreign fighters, weapons, and equipment into Syria through the cross-border area. Coalition airstrikes in Syria also removed some of ISIS's top leadership figures, including its spokesman, Abu Muhammad al-Adnani.

Coalition airstrikes against ISIS oil assets and a weakened tax base resulting from territorial losses have reduced ISIS's total revenues. Reductions in revenue have been partially offset by falling costs associated with fewer combatant forces and declining territorial control. Despite its loss of terrain and resources, ISIS retains strong military capabilities, leadership, and command and control, and it remains capable of presenting a strong defense against numerically superior forces, even when its opponents are supported by the counter-ISIS coalition and Iran.

ISIS is likely to lose control of Mosul and Raqqa in the coming year, assuming disparate counter-ISIS forces do not allow their differences on other issues to distract from defeating the group. Once ISIS loses these cities, it is likely to revert to a more classic terrorist organization, conducting terrorist attacks globally and insurgent-style attacks in Iraq and Syria aimed at wearing down hold forces. ISIS has demonstrated its ability to adapt and rebound from losses and still retain influence, particularly in undergoverned pockets of western Iraq and eastern Syria. From its stronghold of al-Qaim in Anbar Governorate, ISIS probably will be able to remain a capable threat to the security and stability of Iraq and to U.S. advisers in 2017.

ISIS has prepared for the loss of key territory in Iraq and Syria by publicly deemphasizing the importance of territorial holdings to the caliphate's survivability. How successful this messaging will be is not clear because ISIS built its reputation and realized recruitment growth based on its military success and territorial gain. The group is also moving key leaders and functions out of Mosul and Raqqa, relocating them to safehavens along the Euphrates River in Syria and Iraq. We anticipate that ISIS will attempt to maintain its narrative as the true defender of Muslims around the globe and will continue to plan and execute attacks against the United States and the West.

Iran

Iran remains a significant challenge to the United States within the Middle East and Southwest Asia. Although it continues to implement the Joint Comprehensive Plan of Action (JCPOA), Iran is engaged in the region's conflicts to further its security goals and expand its influence with neighboring countries. To that end, Iran remains committed to modernizing its military; building the capacity of its partners across the region, including designated terrorist organizations; and forging new partnerships, while balancing a desire to gain from its reintegration into the global economic system.

Iran's national security strategy continues to focus on deterring and, if necessary, defending against external threats, undermining the current regional security architecture, seeking new partnerships, and expanding its efforts to complicate U.S. actions. Competition with other regional powers, such as Saudi Arabia, could exacerbate sectarian tensions in the region beyond those already fueled by ISIS.

Iran also faces several significant domestic political and economic challenges, such as government and financial sector inefficiencies and state involvement in the private sector, that have consequences for Tehran's security policies. Internal political debates between pragmatic conservatives led by President Ruhani and traditional conservatives, including several leaders in the Islamic Revolutionary Guard Corps (IRGC), will shape the outcome of Iran's presidential election in 2017 and influence the degree of Iran's integration into the global economic system.

The JCPOA has curtailed Iran's nuclear program and has established benchmarks for the lifting of UN restrictions on the import and export of certain advanced conventional weapons and ballistic missiles through 2020 and 2023, respectively—pending Iran's continued compliance. If the International Atomic Energy Agency (IAEA) reaches the "broader conclusion" that Iran's nuclear program is peaceful before those dates, these restrictions will end. Since implementation of the JCPOA, the IAEA has been monitoring Iran's nuclear-related obligations under the agreement. The agency continues to verify and report that Iran has not enriched uranium above allowable levels, maintains limits on centrifuge numbers, allows the IAEA to monitor nuclear fuel and heavy water stocks, and has been conducting enrichment R&D within JCPOA-prescribed limits.

Iran will look to the UNSCR 2231 and JCPOA dates as benchmarks to expand its military modernization. The regime will also seek to distribute some financial gains from the JCPOA to its security forces, although we believe domestic social and economic expenditures will remain the priority for Tehran in the near term.

Iran's conventional military doctrine is designed to protect Iran from the consequences of its assertive regional policy, spearheaded by the Islamic Revolutionary Guards Corps—Qods Force. Iran employs a complex set of military and national security capabilities, including unconventional military forces and cyber capabilities, which serve as force multipliers. Iran also dedicates elements of its military to counter localized insurgencies among its minority groups, particularly against the Kurdish and Baloch elements.

Iran continues to pursue new military capabilities and enhance existing weapon systems. In 2016, Supreme Leader Ayatollah Khamenei stated that Iran needed to enhance its defensive and offensive power, and he asked senior military officials to push forward the country's arms development programs. We expect Iran to give priority to improving its ballistic missile, air and air defense, and maritime forces.

Iran has the region's largest ballistic missile arsenal, consisting of at least five different systems. Tehran has claimed its missiles can strike targets throughout the region, up to 2,000 kilometers from Iran's border. Iran will continue to improve the range, lethality, and accuracy of some of those systems and will pursue the development of new systems, despite restrictions placed on development of nuclear capable ballistic missiles by UNSCR 2231. Tehran has claimed it is also pursuing long-range, precision cruise missiles, which will present an increased threat in the region. In addition, Iran maintains the largest underground facility program in the Middle East and primarily uses this capability to protect and conceal many aspects of its missile program. In 2016, Iran publicly unveiled two new short-range ballistic missiles, which Tehran claims are capable of striking targets in a 500-km and 700-km range. Iran will continue to develop space launch vehicles—boosters that are capable of ICBM ranges if configured for that purpose.

We expect Iran to integrate the recently delivered Russian S-300 air defense systems into its network as part of an effort to strengthen its defenses against air and standoff munition attacks. Iran aspires to purchase an array of advanced conventional weapon systems, but we have no indication that any major

purchases are imminent. Both the Iranian Navy and the IRGC Navy will field increasingly lethal weapons, including more advanced mines, small submarines, armed unmanned aerial vehicles, attack craft, and ship- and shore-based antiship cruise missiles.

Led by the IRGC–Qods Force, Iran’s regional efforts remain focused on operations in Syria and Iraq. We anticipate that large numbers of Iranian troops and Shia foreign fighters will remain engaged in proregime operations in Syria and that Tehran’s cooperation with Damascus and Moscow will deepen. Iran continues to support Shia militia forces in Iraq and provide training and equipment to the Iraqi government. Although the long-term nature of Iran’s relationships remains unclear, Iran has expanded its influence through the Shia militias in Iraq, and we expect that it will seek lasting influence in Syria.

The IRGC–Qods Force also is likely to maintain support to the Huthis in Yemen. Several coalition interdiction of Iranian shipments during the past year demonstrated Iran’s persistent efforts to support the Huthis, probably as a counter to Saudi Arabia and to expand Tehran’s overall regional influence.

Yemen

Fighting in Yemen almost certainly will persist despite international attempts to forge cease-fires between Huthi-aligned forces, backed by Iran, and the Yemeni government, backed by a Saudi-led coalition. Neither the alliance between the Huthis and former Yemeni President Ali Abdallah Salih nor the exiled government of Yemeni President Abd Rabbuh Mansur Hadi has been able to achieve decisive results through military force, despite prominent international backers. Efforts at peace talks are stalled, and both sides remain wary of the other’s intentions.

In 2016, the Huthis began launching ballistic missiles into Saudi Arabia, impacting near key cities such as Taif and possibly Riyadh. In August, the Huthis unveiled the Burkan (Volcano) missile, probably a Scud variant with an 800-km range, and earlier in 2016, displayed the Qahir, a modified SA-2 surface-to-air missile designed to strike military and infrastructure targets at a range of up to 350 kilometers.

The fighting has displaced more than 2 million people and has left over 80 percent of Yemen's population in need of humanitarian aid, but relief operations are hindered by insecurity, bureaucratic constraints, and funding shortages. More than half the population is experiencing crisis or emergency levels of food insecurity. Temporary cease-fires allow for delivery of some humanitarian assistance, but fundamental economic problems will persist, even in postconflict Yemen.

Al-Qa'ida in the Arabian Peninsula and ISIS affiliates in Yemen have exploited the conflict and the collapse of government authority to gain new recruits and allies and to expand their territorial control. Both groups threaten Western interests in Yemen and have conducted attacks on Huthi, Yemeni government, and Saudi-led coalition targets. Spillover from the conflict poses a threat to vital international shipping lanes through the Red Sea.

North Africa

Libya's ongoing civil war, coupled with the active extremist presence in the country, poses the greatest security challenge to the North African region and has contributed to historic levels of migration to Europe. The UN-backed Government of National Accord is struggling to gain legitimacy and has been unable to unite rival political and military factions. A Government of National Accord-aligned military offensive dealt a strategic setback to the ISIS branch in Libya by defeating the group in its Surt stronghold. Al-Qa'ida and its extremist allies also remain active in Libya. Prospects for developing an effective national unity government with capable security institutions remain poor.

In August 2016, Libya sent its remaining chemical warfare agent precursors to Germany for elimination, completing a dismantlement program begun in 2004.

Libya's terrorist groups are particularly troubling for the stability of Tunisia's fledgling democracy. Neighboring Algeria warrants close monitoring as it confronts an eventual political transition and reduced hydrocarbon revenues.

AFRICA SUBCONTINENT

The governments of Africa are struggling to respond to an array of internal and external threats, including armed conflicts, insurgencies, civil disorder, humanitarian crises, and transnational criminal and terrorist networks. The relatively low price of global commodities has persisted, forcing African economies that depend on extractive industries to make deeper cuts to services, increasing socioeconomic stressors. Support to regional security organizations has been particularly affected; governments have had to choose between countering proximate internal security threats and sustaining their commitments to African Union and UN missions.

West Africa and the Sahel

West African and Sahelian countries face an evolving extremist landscape with very limited resources. In Mali, renewed competition between rival northern militias and the southward expansion of terrorist and criminal groups have exacerbated instability despite the presence of French forces and UN peacekeepers. Partner nations are working with Bamako and its neighbors to help reform and improve military capacity, but much work remains to be done. West African security services are struggling to prevent attacks from ISIS–West Africa and Boko Haram in the Lake Chad region and in northeastern Nigeria following the terrorist groups’ organizational split. These attacks are likely to continue despite the combined military efforts of Nigeria, Niger, Cameroon, and Chad. The results of recent counterterrorism victories have been limited, and efforts to address the sociopolitical drivers of ISIS–West Africa’s and Boko Haram’s success have lagged.

East Africa

East Africa is at risk of increasing instability over the next year as enduring conflicts, persistent extremism, and growing population displacement strain an already fragile security environment. Violence in South Sudan and refugee flows into neighboring states will continue as the government

attempts to quell the proliferation of opposition groups. Kenya plans to close its largest refugee camp and repatriate the inhabitants to Somalia, which is ill-prepared to receive such an influx. Uneven counterterrorism pressure in Somalia has yielded limited gains against al-Qa'ida affiliate al-Shabaab, which retains its strongholds in southern Somalia, while ISIS has claimed a foothold in the country's north.

Central Africa

The risk of episodic violence in Central Africa is likely to persist despite peace and stability efforts. In the Democratic Republic of the Congo, President Kabila's delay of elections to at least 2018, which has allowed him to remain in power past his constitutionally mandated term, will probably trigger protests in major cities later this year. In Burundi, opposition to President Nkurunziza's third term probably will further jeopardize internal stability, with potentially destabilizing regional implications. Armed groups remain active in the Democratic Republic of the Congo and the Central African Republic, posing a persistent threat to national sovereignty and security in the region.

Southern Africa

The sudden death or incapacitation of Zimbabwe's President Mugabe could spark a succession struggle that would risk destabilizing the region. In addition, ongoing political conflict and the economic crisis pose further risks to regime stability.

LATIN AMERICA

Countries throughout Latin America and the Caribbean remain challenged by drug production and trafficking, human and weapon smuggling operations, and the resilient networks that enable these flows. Security and stability in the region remain vulnerable to these illicit networks as well as to

extraregional state actors seeking to gain military and political influence. The region has also produced a small but concerning number of ISIS supporters who have traveled to fight in the Middle East.

Mexico

Violent trafficking organizations continue to exploit Mexico, making the country the principal vector for U.S.-bound cocaine and the primary source of methamphetamine, heroin, and marijuana. In the past few years, Mexican production of heroin has been on the rise, correlating with increases in U.S. deaths attributable to heroin abuse.

Central America

Competition between drug trafficking groups as well as intragang rivalries have made El Salvador, Guatemala, and Honduras three of the most violent countries in the world.

Colombia

Colombia signed a historic peace accord with the Revolutionary Armed Forces of Colombia (FARC) last year, but implementation will take time, and broader, countrywide peace will be difficult to obtain because the FARC, the National Liberation Army, and criminal gangs continue their involvement and competition in the violent drug trade. As the peace accord is implemented, Colombia is likely to remain a strong U.S. partner in exporting security assistance to Central American partner nations to counter our collective security threats.

Venezuela

Tensions are rising in Venezuela, as evidenced by more than a month of violent antigovernment protests. The country's polarization and deteriorating economy—marked by continued shortages of food and medicine and by triple-digit inflation—are fueling sustained protests for the first time in 3 years. Venezuela's security services have responded aggressively to the protests, leading to hundreds of

injuries and some deaths. President Maduro's recent decree to modify the country's constitution is indicative of his unwillingness to work with the opposition. Russia continues to seek security-related influence in the region, particularly with Venezuela, but also with Cuba and Nicaragua.

Trinidad and Tobago

At least 120 individuals from Trinidad have traveled to fight with ISIS. This is the highest total of ISIS volunteers from any country in the region. We remain concerned that these individuals will return with operational experience, ties to global terrorist networks, and an intent to harm Western interests. Likewise, we remain concerned about other individuals who wish to join ISIS but are unable to do so.

TRANSNATIONAL THREATS

CYBER

In the coming year, we will need to consider the global cyberthreat within an increasingly complex digital environment. Our networks, systems, and information are at risk from a wide array of malicious cyberactivities. Cyberespionage is a persistent threat, from efforts focused on compromising potential U.S. military technological superiority in fields such as precision guidance and autonomous systems to the targeting of U.S. military personnel on social media to gain insight into the disposition and movement of our forces. The cyberthreat to operational systems delivering critical public services, such as electricity, water, communications, and transportation, remains a major concern because many of these systems are connected directly or indirectly to the Internet. Common techniques, from spear phishing to gain network access to distributed denial-of-service attacks, enable the majority of malicious cyberactivities. Distributed denial-of-service attacks, such as the high-volume October 2016 attack on a domain name system provider that made dozens of popular websites unavailable, highlight the need to be continually vigilant.

We face a wide range of potential cyber adversaries with varying capabilities. Our adversaries use both sophisticated state resources and deniable proxies to achieve their goals, challenging our ability to trace and attribute their activities with confidence. Nations such as Russia and China will increasingly integrate cyberattack capabilities into their militaries, seeking to deny or disrupt our networked forces and infrastructure. Lesser state cyberactors, such as Iran and North Korea, are capable of conducting disruptive cyberattacks against regional adversaries or of using their cyber capabilities as asymmetric responses to perceived challenges in political, military, or economic domains. Continuing to partner with our allies to help them improve cyberdefenses could limit this threat in those regions. Globally, terrorist organizations continue to effectively use the cyber domain to enable recruitment and disseminate propaganda. Attributing malicious cyberactivities is an enduring challenge, and the potential for unintended escalatory consequences from a cyberattack remains a concern.

TERRORISM

Over the past year, the terrorism landscape has experienced significant changes. ISIS has been degraded on numerous battlefields, losing territory and senior leaders to U.S. and allied operations in Iraq, Syria, Libya, Afghanistan, and Egypt. Yet the group remains the most significant terrorist threat to the United States and our allies, as demonstrated by high-profile attacks and plots this past year, including terrorist attacks in Florida, Belgium, Bangladesh, France, Turkey, Sweden, and Germany. All eight official ISIS branches remain a threat to local and regional Western interests, and the group continues to support terrorist networks in Africa, Asia, and Europe.

In his November 2016 speech, ISIS leader Abu Bakr al-Baghdadi reinforced previous statements of waging “grand jihad” against adversaries and encouraged followers to conduct attacks at home if unable to travel to Iraq and Syria. This kind of rhetoric and ISIS’s anti-Western propaganda continue to resonate

with lone attackers, who in 2016 carried out some of the group's most lethal attacks in Europe and the U.S. homeland.

We anticipate that ISIS will be in transition over the coming year, shifting toward more traditional terrorist operations rather than conventional military engagement in Iraq and Syria. ISIS will continue to lead, enable, and inspire terrorist attacks, both unilaterally and with the assistance of its formal branches and networks, and will try to attack the United States and U.S. interests globally, although its ability to maintain the current high tempo of external attacks will be challenged as it loses key urban terrain and direct access to the Turkish border. Removing territory from ISIS control is only one step in permanently degrading the group and its global network. The ISIS narrative will continue to inspire lone actors, making homegrown violent extremist attacks and propaganda an enduring threat. Lone actors will continue to maximize impact with low-budget attacks that do not require significant resources or outside training. European tourist sites, such as cultural monuments, transportation hubs, shopping malls, and restaurants will almost certainly continue to be targeted because they are easily accessible. In the past year, ISIS use of unmanned aerial systems (drones) for surveillance and delivery of explosives has increased, posing a new threat to civilian infrastructure and military installations.

Al-Qa'ida remains a serious and persistent threat to U.S. interests worldwide. In particular, the group's relatively robust presence in Syria and Yemen is cause for concern because it offers opportunities for a reconstituted al-Qa'ida external attack capability. Al-Qa'ida leader Ayman al Zawahiri's 2013 guidelines for jihad, intended to "exhaust America and bleed her to death," still resonate with the group. Al-Qa'ida's additional affiliates in Somalia, North Africa, the Sahel, and South Asia also present threats to local stability and regional security and have the potential to support or sponsor attacks against U.S. interests.

International focus on ISIS may allow al-Qa'ida to recover from its degraded state, even as it continues to lose veteran leaders as a result of coalition and allied efforts. Al-Qa'ida and ISIS share the same underlying ideology, which has traction with populations made vulnerable by deep-rooted socioeconomic issues.

FOREIGN INTELLIGENCE THREAT

Finally, foreign intelligence services present a grave threat to DoD's ability to plan and execute strategic operations across the globe. Russia and China are preeminent among the foreign intelligence threats to DoD and U.S. national security through their robust use of traditional and nontraditional collection efforts against U.S. personnel, operations, and capabilities. Iran and Cuba also pose persistent foreign intelligence threats to the United States. Cuba's intelligence apparatus, for example, maintains a robust capability and an intent to give priority to collection on the United States.

These threats are more diverse and complex than at any time in history. Avenues for traditional and nontraditional espionage are expanding, creating challenges to DoD supply chains, critical infrastructure, and emerging technologies that will support current and future DoD activities. Our adversaries are seeking advantage in these areas by leveraging the openness of the U.S. system to identify legal loopholes affording them access to sensitive information. Smaller nations and nonstate actors are acquiring commercial, off-the-shelf technology to quickly develop means to target the United States. DoD continues to aggressively develop programs to identify insider threats in order to protect intelligence and other assets from compromise.

In conclusion, the future threat environment will be shaped by competing, and often antagonistic, forces. The continued rise of powerful competitor states will take place against a backdrop of the weakening or dissolution of state structures in regions with longstanding ethnic and sectarian divisions. The vacuum created by weakening state security mechanisms across much of the world will be filled by

groups competing to defend their equities or to advance their ethnic, political, or sectarian positions—further increasing political and social instability. Greater access to mass communications, hidden encrypted tools for communication and data sharing, and biotechnology will render nonstate entities and individuals increasingly capable of generating highly disruptive global effects.

The military environment has shifted away from the existence of the United States as the single “hyperpower” to a situation in which foreign militaries are emerging with near-peer and, in some areas, peer capabilities. Adversaries have studied the American way of conflict and have developed, and will continue to develop, capabilities to mitigate or directly challenge longstanding U.S. military dominance in all warfighting domains—terrestrial, maritime, air, space, and cyber—and to raise the level of complexity and risk to the United States for intervention in conflict. Competitor states will employ all diplomatic, economic, political, and covert mechanisms of influence and coercion available to them in advancing regional agendas, with the implied or actual use of military force acting as the amplifier that allows these whole-of-state efforts to resonate. Finally, nuclear weapons will continue to be viewed by many states as both the guarantor of regime survival and as a critical capability in a conflict with a conventionally superior adversary.

Chairman MCCAIN. Thank you very much.

Director Coats, according to the “Washington Post” story this morning, President Trump asked two of the Nation’s top intelligence officials in March to help him push back against an FBI [Federal Bureau of Investigation] investigation into possible coordination between his campaign and the Russian Government. According to current and former officials, Trump made separate appeals to the Director of National Intelligence, Daniel Coats, and to Admiral Michael S. Rogers, the Director of the NSA [National Security Agency], urging them to publicly deny the existence of any evidence of collusion during the 2016 elections. Coats and Rogers refused to comply with the request, which they both deemed to be inappropriate.

Is that an accurate reporting, Director Coats?

Mr. COATS. Mr. Chairman, as the President’s principal intelligence advisor, I am fortunate to be able and need to spend a significant amount of time with the President discussing national security interests and intelligence as it relates to those interests. We discuss a number of topics on a very regular basis. I have always believed that given the nature of my position and the information which we share, it is not appropriate for me to comment publicly on any of that. On this topic, as well as other topics, I do not feel it is appropriate to characterize discussions and conversations with the President.

Chairman MCCAIN. Is it not true that some of these leaks can be damaging to national security, Director Coats?

Mr. COATS. Leaks have become a very significant—played a very significant negative role relative to our national security. The release of information not only undermines confidence in our allies but our ability to maintain secure information that we share with them. It jeopardizes sources and methods that are invaluable to our ability to find out what is going on and what those threats are. Lives are at stake in many instances, and leaks jeopardize those lives.

Chairman MCCAIN. Thank you.

In light of the tragedy in Manchester last night, does it not lend significant urgency to retaking Raqqa where all this originates?

Mr. COATS. Well, that will not solve the problem, particularly the homegrown and inspired attacks. Clearly going to the heart of ISIS and driving a stake through that heart we assess will significantly improve the situation, the plotting and the planning that comes from a centralized caliphate or safe haven for ISIS. We have seen the damage that has occurred. We do assess, however, that its ideology and methods have spread like tentacles into many places, most of them ungoverned countries, and sent some foreign fighters back home that might want to carry on their mission. Clearly the strategy I believe is the right strategy and that is to go to the heart and disperse their planning and their leadership.

Chairman MCCAIN. The Defense Science Board told this committee at least in the next decade, the offensive cyber capabilities of our most capable adversaries are likely to far exceed the United States’ ability defend key critical infrastructure. Do you agree with that assessment?

Mr. COATS. I do. I do. I think cyber has risen to the top, close to the top of one of the most serious challenges that we face. As I mentioned in my opening statement, we need to see this as a very significant challenge to our public safety, as well as the public health.

Chairman MCCAIN. 2 years in a row we have authorized the provision of defensive lethal weapons in the defense authorization bill to Ukraine. Do you believe that we should seriously consider that in light of continued Russian aggression in the country?

Mr. COATS. Well, Mr. Chairman, that is a little bit outside my portfolio. It is a policy decision that perhaps General Stewart may want to discuss. We want to try to continue to provide the intelligence that would shape and fashion that decision among our policymakers, General Mattis and others.

Chairman MCCAIN. Finally, on the issue of cyber, right now we have no policy nor did we for the previous 8 years of the last administration. Therefore, without a policy, we do not have a strategy. So, therefore, when we do not have a strategy, we do not know how to act.

Is that a true depiction of the scenario as we see it as far as cyber is concerned?

Mr. COATS. Well, I think we are learning that we do need to take this seriously, which we do. We do need to fashion a means by which we address these cyber attacks that are growing by the day. Our critical infrastructure is at risk. Our personal lives are at risk. Our financial community, commercial communities, military, and other entities that are important to our national security are at risk, and shaping a policy and a plan to address this I think rises to a top priority.

Chairman MCCAIN. I want to thank you and General Stewart for your outstanding work for our country.

Senator REED?

Senator REED. Thank you very much, Mr. Chairman.

Thank you both, gentlemen.

Director Coats, apparently the alleged call was prompted by the testimony of Mr. Comey that the FBI was conducting an investigation into the nature of any links between individuals associated with the Trump campaign and the Russian Government and whether there was any coordination between the campaign and Russia's efforts. In your capacity as Director of all the intelligence services, including many aspects of the FBI, are you aware of such an investigation?

Mr. COATS. Well, I am aware of the investigations that are underway both by the House and the Senate, now special counsel.

Senator REED. The FBI.

Mr. COATS. The FBI, yes.

Senator REED. Do you have any reason to question the appropriateness of the investigations?

Mr. COATS. No. I think these investigations are in place to get us to the right conclusion so that we can move on with a known result.

Senator REED. There are other allegations in the article which suggests that either the President or White House personnel contacted other people in the intelligence community with requests to

drop the investigation into General Flynn. Are you aware of any other contacts, not just yourself personally but to others in the intelligence community to conduct such activity?

Mr. COATS. I am not aware of that.

Senator REED. You have and General Stewart have painted a very challenging picture of the threats that face us. Let me raise two specific issues.

One, with respect to Iraq, there have been discussions in the Kurdish community of a referendum to declare essentially their independence or their desire for independence. In your estimation, Director Coats, then General Stewart, what would that do to the ability of the Iraqi Government to come together after the defeat of ISIS?

Mr. COATS. Well, it certainly adds an issue that is going to need to be worked through. As complicated as the situation is, it would add one more complication. I would turn to General Stewart relative to the military aspects of that.

Lt. Gen. STEWART. Once ISIS is defeated in Mosul, the greatest challenge to the Iraqi Government is to reconcile the differences between the Shiite-dominated government, the Sunnis out west, and the Kurds to the north. Resolving the Kirkuk oilfield, the revenues associated with the oilfields, resolving the ownership of the city of Kirkuk will be significant political challenges for the Iraqi Government. Failure to address those challenges, coming up with a political solution, will ultimately result in conflict among all of the parties to resolve this and going back to what could devolve into civil strife in Iraq. Those are significant challenges. Kurdish independence is on a trajectory where it is probably not if but when, and it will complicate the situation unless there is an agreement in Baghdad, an agreement that all of the parties can live with. This is a significant referendum that comes up in October this year.

Senator REED. Director Coats, just for a moment going back, I understand that you feel that you cannot comment on any communications between you and the President. Just hypothetically if a President reached out to the Director of National Intelligence and made such a request, would you think that would be appropriate?

Mr. COATS. Mr. Vice Chairman, I made it clear in my confirmation hearing before the Senate Select Committee on Intelligence that my role and the role of the Director of National Intelligence is to provide intelligence information relevant to policy-makers so that they can base their judgments on that. Any political shaping of that presentation or intelligence would not be appropriate. I have made my position clear on that to this administration, and I intend to maintain that position.

Senator REED. Thank you, Mr. Director.

Thank you, Mr. Chairman.

Chairman MCCAIN. Senator Inhofe?

Senator INHOFE. Director Coats, in your opening statement, you just made a couple of brief comments about what happened in Manchester last night, and then you responded to a couple questions. Is there anything that you would like to elaborate on that incident last night, particularly when we have witness after witness coming in here talking about the threat which you have talked

about to this country? It is only a matter of time. Anything else that you would like to add in terms of last night's attack?

Mr. COATS. Well, in my discussions with my counterparts in London, MI5, MI6, the various intelligence agencies, and my counterpart to my position, their greatest concern was the inspired or homegrown violent extremist attacks because they are very hard to assess and detect. Initial reports that we have received are that it was, indeed, a suicide attack. Whether there were others implicated in that is under assessment.

My counterpart actually will be boarding a plane to come to the United States to testify before—I am not sure which committee it is—and I am sure he will have some information on that. I have a call in to him to try to see what the latest information is—

Senator INHOFE. You have had conversations since this happened this morning?

Mr. COATS. Pardon?

Senator INHOFE. You have had conversations with these counterparts since this happened?

Mr. COATS. My colleagues in the IC have been talking. My direct discussion with my counterpart—he was actually briefing the Prime Minister at the time. We have call teed up as soon as this hearing is finished.

Senator INHOFE. Okay.

On North Korea, we all know the significance of May 14th, the capability that is there, the anticipation that they are going to have the capability to do something with the payload that they can survive the exit and reentry strategy. That is of great concern, but it already was a concern to us.

Now, I understand and I have heard from different witnesses that intelligence gathering in North Korea is more difficult than it is in other parts of the world. You cannot use whistleblowers and some other things. Could you talk about the difficulty that is unique to North Korea in gathering information?

Mr. COATS. It is one of the hardest, if not the hardest, collection nation that we have to collect against. You know, if you look at that satellite picture of the lights at night from the satellite, there is one dark area with no lights on, and that is North Korea. Their broadband is extremely limited. Using that as an access to collection—we get very limited results. We do not have consistent ISR [Intelligence, Surveillance, and Reconnaissance] capabilities. There are gaps. The North Koreans know about these. It becomes a difficult challenge relative to a society as closed and as isolated as North Korea is to get the right intelligence that we need.

Senator INHOFE. Well, I know it is a problem. That has to make us question the accuracy of the product a little bit more than we would some of the other countries that we are involved in in intelligence.

Mr. COATS. Clearly.

Senator INHOFE. The last hearing that we had, we talked quite a bit in some detail about the fact that we know in North Korea the big problem is that it is unpredictable. It is managed by someone who may be mentally deranged, and so we have things that are true there that are not elsewhere when we talk about the danger that is there.

They did also say in the last hearing that we had last week—they talked about maybe one of the opportunities we have is a new awakening in China, that China now may no longer be as close to them as they had been in the past. Do you see an opportunity? I noticed when you went over and did an excellent job the seven different areas of problems, the last one was China. You did not say anything about maybe a change that will enable us to make a little bit more progress in North Korea.

Mr. COATS. Well, as you know, the President had a very positive meeting with Prime Minister Xi. Our Secretary of State and others have been working very closely with the Chinese. We see them as playing a very integral role in dealing with the situation in North Korea, and there is a strategy in place relative to sort of a ratcheting up of efforts with China to influence North Korea to cease and desist their nuclear weapons goals. That, along with the election in South Korea with its new president, is part of our strategy to leverage efforts against North Korea to get them to reassess their current strategy.

Senator INHOFE. Thank you, Director Coats.

Chairman MCCAIN. Senator Shaheen?

Senator SHAHEEN. Thank you, Mr. Chairman.

Thank you both for being here this morning.

Director Coats, you talked about Russia's influence campaign and its effort to undermine Western elections as we saw here in 2016, we saw in France, we are seeing in Germany. We have failed to hold Russia accountable for that interference which, would you agree, sends a message to other countries that would threaten our cybersecurity here at home that we have failed to hold Russia accountable?

Mr. COATS. Well, I think we are looking at every opportunity to hold Russia accountable. I think it is still in process in determining what kind of actions that we should take. There clearly is a consensus that Russia has meddled in our election process, as it is in Germany. I was in France just after the election of Macron, and that clearly had Russian influence attempting to address that election. I was in Berlin. Germany is facing the same thing. The UK [United Kingdom] is experiencing the same thing with an election coming up. We see this happening all across Europe. Russia has always been doing these kind of things with influence campaigns, but they are doing it much more sophisticated through the use of cyber and other techniques.

Senator SHAHEEN. They have not actually tried to influence the outcome of our elections in the past in the same way that they did in 2016, as we heard from our intelligence community.

Do you think it would be helpful for Congress to increase sanctions on Russia that would be a response to what they did in our elections? There is a bipartisan bill in Congress that has been introduced that would have a significant impact on Russia.

Mr. COATS. Well, I would leave that to my former colleagues. I have had to remove my policy hat, which has not been easy after a career in politics, and put on my intelligence hat. My job now is to provide you with the intelligence to make those decisions. I keep having to correct myself and say, whoops, I am not supposed to go

there. That is up to our executive and congressional branch to make the policy that they feel is necessary to address the problem.

Senator SHAHEEN. Well, I certainly hope that the administration will come out with a proposal that will hold Russia accountable at some point in the near term.

Let me ask you, though, about pointing to the events of last night in Manchester, that horrible tragedy, and the threat posed by transnational terrorism. Both of you have talked about that. I think that points to the need for robust intelligence sharing. What kind of message does it send to our allies that we have revelations that classified information was disclosed in a meeting with Minister Lavrov? Just let me point out this is an issue that has been raised with me recently by a high-ranking official of one of our closest allies, about whether their country could count on information that was shared with us with being kept secret.

Mr. COATS. Well, one of the purposes of my trip was to ensure that we maintain that kind of relationship that you are talking about. It is essential, given the threats that we face today, that we are all in dealing with this issue. There is no safe haven anymore among our allies in terms of being a target for an attack, and the better that we can share information, the better that we can maintain our relationships and trust those relationships, the better able we are to prevent these kinds of attacks.

I would say two things. One, we have had some significant successes in providing information back and forth relative to preventing attacks. Secondly, to a country, the consensus is the most difficult attack to prevent is that which is inspired by an individual——

Senator SHAHEEN. Sure. I think the members of this committee——

Mr. COATS.—by someone who just has a hatred and wants to do damage.

Senator SHAHEEN. I do not want to interrupt, Director Coats, but I think all of us on this committee understand that. I am about out of time, and I do want to ask you have you reassured our own men and women in the intelligence community that their work to protect this country and the relationships will be safeguarded?

Mr. COATS. Oh, absolutely. My initial message to all of the intelligence community is do your job, provide us the best intelligence of any entity in the world, keep your focus on what we are here to do. I am confident that that is what is happening. I know General Stewart wanted just to make a comment.

Lt. Gen. STEWART. We remain focused on our missions. Nothing has changed. Our relationships with our partners have grown over the last year. I have seen no indication that our partners are walking away from us in collaborating and sharing insights on the threats that we face around the world. None.

Senator SHAHEEN. Thank you.

Chairman MCCAIN. They are very worried, General.

Senator FISCHER?

Senator FISCHER. Thank you, Mr. Chairman.

I want to thank both of you gentlemen for being here today and for your service to this country.

General Votel and General Nicholson have both testified about Russia's assistance to the Taliban, and recent news reports have suggested that it is increasing, to include weapons, logistical and financial support, and even medical treatment to Taliban fighters. What do each of you assess Russia's goal to be in Afghanistan? General, if you could also discuss the impact that this assistance has had on the battlefield.

Lt. Gen. STEWART. Russia continues to view itself, as I mentioned earlier, as a global power. It is going to be influencing actions around the world. Its narrative is that primarily ISIS in the Khorasan Province is a threat to the Central Asian states and ultimately a threat to Russia. That is their argument. It is a pretty weak argument, and they use that argument as the avenue to get the Taliban forces to fight ISIS Khorasan Province. They are in conversation with the Taliban. We have seen indications that they have offered some level of support, but I have not seen real physical evidence of weapons or money being transferred. They have had conversation because they want to be part of the solution, quote/unquote, in the Afghan theater. They are going to continue to meddle. They are going to continue to bet on all of the horses, including Taliban, so that they will have a say at the seat when there is a political solution.

Senator FISCHER. Director?

Mr. COATS. Well, I am privileged to be able to serve with General Stewart. One of the great things about this job that I inherited is that I inherited a group of people that are experienced in the areas that they direct. They have been enormously supportive and helpful.

I think it points out the fact that the IIRTPA [Intelligence Reform and Terrorism Prevention Act], which was passed in about 2005 I believe it was and enacted in 2006, has really benefited in terms of our ability to reach out to all of the 16 agencies to collect the information necessary to integrate that into a coherent and effective intelligence assessment.

Senator FISCHER. Would you agree with the General's assessment of Russia's involvement then?

Mr. COATS. I agree with that. Yes, I do.

Senator FISCHER. Thank you.

Both of you in your opening statements, you note that increasing investments are being made by other nations with regard to their nuclear forces, especially Russia and China. Director and General, how does that discussion of the escalate to deescalate approach to nuclear weapons effect a change in the Russian thinking or planning with respect to the use of nuclear weapons?

Lt. Gen. STEWART. Russia builds nuclear capability with the intent of using it on the high end of conflict for war termination or escalate to deescalate or some people call it escalate to terminate idea that if the crisis is going in a decidedly negative way for Russia, that the tactical use of nuclear weapons will discourage further actions by NATO [North Atlantic Treaty Organization] or United States Forces. The idea is tactical use of nuclear weapons causes us to pause, causes us to think about whether we want to continue the fight and create the opportunity where they can settle the contest in more favorable terms.

They are the only country that I know of that has this concept of escalate to terminate or escalate to deescalate, but they do have that built into their operational concept. We have seen them exercise that idea, and it is really kind of a dangerous idea because it could escalate to further escalate.

Senator FISCHER. Have you seen any indication that they are changing their path on that at all?

Lt. Gen. STEWART. None. No, Senator.

Senator FISCHER. With regard to China and their modernization efforts, do you see any of their views with nuclear weapons—do you see any of their views changing?

Lt. Gen. STEWART. Certainly nuclear weapons and modernization of their nuclear force is an integral part. All of these countries view nuclear weapons as the guarantor of their regime. It is much like North Korea. China continues to modernize all levels, including nuclear forces, including capability to deter United States Forces from entering the west Pacific. They do not talk about a first use, but they do talk about use of nuclear weapons as part of warfighting.

Mr. COATS. I might add to that despite the heroic and really incredible efforts by former Senators Nunn and Lugar toward minimizing and reducing the use of nuclear weapons, the success we had in Libya, the success we had in Ukraine—unfortunately, the lessons learned have been if you have nuclear weapons, never give them up because it is a deterrent from other actors who may want to interfere in your country. If you do not have them, get them. We see what has happened in Ukraine. It probably would not have happened if they had maintained nuclear weapon capability. We see what is happening in North Korea who believes that regime survival is dependent solely on becoming a nuclear power. We, unfortunately, tend to be moving in the wrong direction as countries around the world think that gaining nuclear capability is a protection, either a deterrent or for survival of their country or potentially it could be used for offensive capabilities.

Senator FISCHER. If I could follow up with you later, Mr. Director, I would appreciate it. Thank you.

Chairman MCCAIN. Senator Gillibrand?

Senator GILLIBRAND. Thank you, Mr. Chairman.

Director Coats, if a memo exists documenting you or Admiral Rogers' conversations with the President regarding the Russian investigation, will you make those documents available to Special Counsel Robert Mueller and the congressional Intelligence Committees?

Mr. COATS. I have no documents to make relevant.

Senator GILLIBRAND. In an opinion piece in the "New York Times" last week, it called Israel the eyes and ears of the United States in the Middle East when it comes to intelligence. Would you agree with that assessment?

Mr. COATS. Israel is a very valued partner in terms of supporting us in any number of ways, including intelligence sharing.

Senator GILLIBRAND. The piece also suggests that President Trump's alleged unsanctioned sharing of highly sensitive information that we received from Israel could do permanent damage to the special intelligence relationship. Without speaking to what President Trump may have revealed to Foreign Minister Lavrov

and Ambassador Kislyak, could the unsanctioned sharing of highly classified information from Israel or other countries with whom we have intelligence partnerships harm those relationships and therefore our ability to gather intelligence and protect Americans?

Mr. COATS. I have not seen any evidence of that or any reporting relative to anything that would lead to that conclusion.

Senator GILLIBRAND. With regard to the documents, whether they exist or not, if you get called in front of the Intelligence Committee, will you share your conversations with President Trump in that hearing in that setting?

Mr. COATS. Well, as I mentioned to Senator McCain in answer to his question, I do believe that the information and discussions that I have had with the President are something that should not be disclosed. On the other hand, if I am called before an investigative committee, I certainly will provide with them what I know and what I do not know.

Senator GILLIBRAND. Reports indicate that Moscow is a lifeline to Pyongyang in a way that might undermine international pressure to convince North Koreans to give up their nuclear programs. Please describe what you can tell us in an open setting about the extent of Russia's ties to North Korea.

Mr. COATS. I am sorry. Would you repeat that last statement?

Senator GILLIBRAND. Can you describe to us in this open setting the extent of Russia's ties to North Korea?

Mr. COATS. That is something I think I would rather reserve for a classified session.

Senator GILLIBRAND. Researchers at Kaspersky Labs reportedly found evidence linking the recent global ransomware attack to North Korea cyber operatives. The North Korean threat is clear and present. So too is the cyber threat that the country poses to us and our allies.

How do you think about the most recent attack, if it was by the North Koreans, fits into your plans?

Mr. COATS. Well, I am sorry. Would you state that question again?

Senator GILLIBRAND. How do you think this most recent attack, if it was by the North Koreans, fits into their plans?

Mr. COATS. Well, we do not have evidence yet to confirm that. There has been that link. We do know North Korea possesses the capability of doing this kind of thing, but we are still assessing as to what the source is.

Senator GILLIBRAND. Do you feel we are prepared to meet further cyber challenges from North Korea and other actors?

Mr. COATS. I think we need a constant evaluation and engagement in terms of how we deal with cyber and the threats that it poses to us. The question was asked earlier and I agree. This has risen to a significant, if not the most significant, threat to the United States at this current time, and our policymakers need to be fully engaged I believe in how we deal with these both from a defensive and offensive way of addressing this particular issue. I have been outspoken relative to the need to do this, and we will continue to provide as much intelligence as we can to support that view.

Senator GILLIBRAND. Do you believe that our voting infrastructure is critical infrastructure, and do you believe we should have a national security plan so that each of the States have to be certified for cyber compliance and cyber resiliency?

Mr. COATS. I think those are two very relevant issues that ought to be thought through and policy ought to be devised and defined in terms of how we best address that. On the critical infrastructure side, we are so interconnected now that it poses a major threat to the United States and our individual States also.

Chairman MCCAIN. Senator Rounds?

Senator ROUNDS. Thank you, Mr. Chairman.

Gentlemen, first of all, thank you for your service to our country.

Director Coats, you began a conversation in response to Senator Fischer's question with regard to nuclear weapons, and you made an interesting statement that what we are learning is that if you have nuclear weapons, you keep them, and if you do not have nuclear weapons, you get them. For a lot of years now, many of our allies have depended upon arrangements or agreements with the United States in which we are carrying nuclear weapons and that we, in many cases, are responsible for carrying that nuclear deterrent so they do not have to, which keeps nuclear weapons out of other countries' hands, but it also requires a responsibility for us.

You have suggested something here which is critical, and that is that those countries out there are learning a different understanding of the world that perhaps is not consistent with our message to them. Could you elaborate on this in terms of your analysis of the information, and why is it you believe right now that that is their belief, that if they have them, they keep them, and if they do not have them, they need to get them?

Mr. COATS. Well, it is just an assessment of mine. It is almost a personal—I was not quoting an intelligence community report. I was simply saying it appears that based on what has happened in past years here relative to the nuclear capability question, that—

Senator ROUNDS. Is it due, sir, to a policy that was not followed up on?

Mr. COATS. No.

Senator ROUNDS. Was it something that we failed to follow up on to reassure our allies?

Mr. COATS. Well, I think that is a relevant question that you ask, and I do not know that I have the answer. I do know—I do not know, but I believe and have heard that some of the narrative out there relative to the situation in Ukraine has led some thinking along the regard of—and then watching what is happening in North Korea and how they have basically linked nuclear weapon possession and capability even by amending their constitution to declare themselves a nuclear state.

Senator ROUNDS. Would it be fair to say that for those who are our allies, that it would be appropriate for us to reinforce our policy provisions in defense of their own security where we have made that commitment? Would that be appropriate?

Mr. COATS. I think it would be appropriate. I think we want to reassure our policy allies that we have the capabilities to provide that. At the same time, we are basically saying, you know, we have

to up our game, whether it is conventional or whatever, because these threats are real and having the capability to address these.

I would like to turn to General Stewart to let him follow up.

Lt. Gen. STEWART. If I can offer this. I think our allies are very comfortable with the arrangements, the protection that comes from our nuclear umbrella. It is the rogue states. It is not just about nuclear capability. Rogue states are looking for anything that will guarantee their survival, their hold on power. One of those things that they believe guarantees their hold on power is to have a nuclear device that can threaten either its neighbors or the United States.

Senator ROUNDS. General, you would not consider Ukraine a rogue state, would you?

Lt. Gen. STEWART. No.

Senator ROUNDS. Yet, they must have that thought process there, and I would consider them to be an ally of ours.

Lt. Gen. STEWART. I do not know if they fall in the ally category, to be honest. I know they are a strong partner. I do not know that we have an alliance with Ukraine, but I suspect that the Ukrainian Government probably views that the fact that they gave up much of their capability as part of the disarmament put them at greater risk and greater pressure from the Russian Government. I would imagine that right now they probably wish they had some lethal—to go back to Senator McCain's question, some lethal capability that could hold at risk Russian interference in their government and in their way of life.

Senator ROUNDS. Among our allies, you are suggesting that they have a strong belief that we would respond, if necessary, and you do not see our allies who do not currently have nuclear weapons as feeling that our policies are clear and that our resolve is clear as well?

Lt. Gen. STEWART. That is a fair statement, Senator.

Mr. COATS. I agree with that assessment. I was not attempting to suggest otherwise, but rogue states or marginal states I think are thinking on a different level than that, not our allies.

Senator ROUNDS. Thank you, Mr. Chairman.

Chairman MCCAIN. Senator Heinrich?

Senator HEINRICH. Director Coats, you have refused today to confirm or deny whether the President asked you to intervene with Director Comey. If you are asked for those details by Special Counsel Bob Mueller, will you be forthcoming?

Mr. COATS. Yes, I will.

Senator HEINRICH. You said earlier lives are at stake and leaks jeopardize those lives. If the President held any other position in our government, what he told the Russians could be considered the mother of all leaks. Was it dangerous for the President to share that classified information with the Russian Government?

Mr. COATS. Well, I was not in the room and I do not know what the President shared. All I have read is the public—

Senator HEINRICH. You have not discussed this? All you have read is the public reports?

Mr. COATS. I have not expressed that. First of all, I have been on travel, and secondly—

Senator HEINRICH. You have been on travel.

Mr. COATS. I have not discussed this issue with the President.

Senator HEINRICH. I find that troubling.

Mr. COATS. Well, I was in Europe, and he was in the White House.

Senator HEINRICH. Can you describe the interagency process that the intelligence community undertakes when deciding what intelligence information can be shared with a foreign government?

Mr. COATS. Well, we work through a process. I cannot specifically describe that process here today. I am new to the job, weeks in. There are procedures and processes in place. I will be happy to get those back to you.

Senator HEINRICH. Did the Trump administration undergo that interagency clearance process prior to the President's May 10th meeting with the Russian Government?

Mr. COATS. I have no awareness of that.

Senator HEINRICH. Sir, if they did, you are not aware of it.

Mr. COATS. I am not aware of it, no.

Senator HEINRICH. That is disappointing, but shifting gears, I have got another question I want to get to the bottom of having to do with whether or not the Office of the Director of National Intelligence has received any guidance from the Trump administration, either written or verbally, that the ODNI [Office of the Director of National Intelligence] or any other agency, for that matter, is not to respond to oversight inquiries from Members of Congress.

Mr. COATS. I am not aware of any information to that extent.

Senator HEINRICH. No information to say that they will only respond to chairs and ranking members?

Mr. COATS. To my knowledge, no.

Senator HEINRICH. Thank you.

Mr. Chair, I am going to yield back.

Chairman MCCAIN. Senator Ernst?

Senator ERNST. Thank you, gentlemen, for being here today.

Director Coats, we do expect an announcement on the President's new strategy in Afghanistan shortly. What I hope we do not hear is an accelerated plan of what we have already been doing in Afghanistan. I do hope that we see some new ideas. Hopefully the plan that we see is one that will take into account a broader strategic problem. Something that we all understand and know is that we cannot address terrorist groups in Afghanistan on the ground without addressing their safe havens in Pakistan.

My question to you is what steps do we need to see Afghanistan's neighbors take to help stabilize that region, and how do we make sure that they are following through?

Mr. COATS. Well, once again, we provide the intelligence relative to the policymaking, but to directly answer your question, I think certainly an evaluation of how we work with Pakistan to address the situation of the harboring of terrorist groups would be essential to a strategy that affects Afghanistan going forward in Afghanistan because that is potentially a very disrupting situation, putting our own troops at risk and undermining the strategy of dealing with the Taliban and local groups that are trying to undermine the government. It is a very clear link that I think would have to be addressed in conjunction with whatever is done in Afghanistan.

Senator ERNST. Thank you.

General Stewart, I had the pleasure of flying into Afghanistan with you last year at Thanksgiving time. It was very good to catch up with you.

Besides more troops, which I anticipate might be part of the plan that we see, do we need to implement a different strategy on the ground in Afghanistan?

Lt. Gen. STEWART. Thanks, Senator. Again, I hate to talk about either policy or strategy, not just intel. Let me frame the response this way.

Pakistan views Afghanistan—desires for Afghanistan some of the same things we want, a safe, secure, stable Afghanistan. One addition: one that does not have heavy Indian influence in Afghanistan. They view all of the challenges through the lens of an Indian threat to the state of Pakistan. They hold in reserve a terrorist organization. We define terrorist organizations. They hold them in reserve so that if Afghanistan leans towards India, they will no longer be supportive of an idea of a stable and secure Afghanistan that could undermine Pakistan interests.

We have got to get a couple of things. One, very clear that Afghanistan's security and stability is in the interest of all of the parties in the region and does not pose a threat to Pakistan.

We got to convince Pakistan that if they are harboring of the Haqqani Network members that it is not in their interest to continue to host the Haqqani Network, that we ought to be working together to go after those 20 terrorist organizations that undermine not just Afghanistan, not just Pakistan, but all of the region. We have got to make sure we are pushing them to do more against the Haqqani Network.

They separate the Taliban from the Pashtun. They want a Pashtun-dominated Afghanistan.

We got to get the conversation going again with Pakistan about their role in not harboring any of these terrorists, helping to stabilize Afghanistan, and I think maybe we will have some progress. They also have some influence in bringing the parties to the table. We got to get them to think about reconciliation, that the status quo is not in their best interests.

Senator ERNST. Do you think that we can frame the intelligence in a way that would state that we need Pakistan to be a good friend to not only Afghanistan and the United States in order for the United States to be a good friend to Pakistan?

Lt. Gen. STEWART. I am hoping to do just that in the weeks ahead, ma'am.

Senator ERNST. Okay. Thank you.

I will yield back my time. Thank you, Mr. Chair.

Chairman MCCAIN. Senator Donnelly?

Senator DONNELLY. Thank you, Mr. Chairman.

I want to thank both the witnesses for being here. We are greatly appreciative of your hard work. Director, everyone back home in Indiana is very, very proud of you, and we feel more safe in our country having you in that position.

In February, North Korea tested a solid fuel missile which we were told caught the United States by surprise. My understanding from STRATCOM [Strategic Command] is that the type of fuel, the launcher erector, and even the location of the tests were not antici-

pated. Just over a week ago, North Korea tested a missile they say is capable of carrying a nuclear warhead.

One at a time. Are either of you able to confirm whether the recent missile tested is in fact capable of carrying a nuclear warhead?

Lt. Gen. STEWART. I would prefer not to talk about that in this setting, Senator.

Mr. COATS. I was just about to say that, the same thing.

Senator DONNELLY. General Stewart, can you speak to what technological hurdles North Korea would need to overcome in order to successfully mate a nuclear warhead to an ICBM capable of reaching the U.S. and surviving reentry?

Lt. Gen. STEWART. The technical hurdle remains in the survival of the reentry platform. They have certainly demonstrated a range of missiles, a range of fuel types, a range of boosters. They have the Taepodong 2 that launched a space launch vehicle. That, if modified, could have intercontinental range. The single hurdle that we have not seen all the pieces put together is the reentry vehicle surviving the atmosphere. That is really a matter of enough trial and error to make that work. They understand the physics, but it is just a matter of design.

Senator DONNELLY. I was just going to talk to you about the trial and error. You hear sometimes folks almost smile that they have had a failure or something in their testing. To me—and I want to check with you—the way you learn is by trying and by doing. The fact that it is a failure is not so much a failure for North Korea. They are learning all the time and it is becoming of increasing concern. Would you agree with that?

Lt. Gen. STEWART. They not only are learning with every test, but they are not encumbered by some of the challenges we have in our safety and acquisition program. They will take greater risk. The timeline where we would see things and we would say, based on our model, it will take 7 years, they are accelerating that timeline because they are not encumbered by some of the bureaucratic burdens that we have in our weapons acquisition program.

Senator DONNELLY. Understanding that North Korea may not currently be able to deliver a nuclear weapon to the continental United States, can you speak to their capability to use a nuclear weapon against South Korea where we have 30,000 troops stationed or Japan where we have 50,000 troops stationed?

Lt. Gen. STEWART. I would not want to answer that in this hearing, Senator.

Senator DONNELLY. Thank you.

Let me ask you about something else, and that would be the Chinese and their efforts to try to affect the decision-making by Kim Jong-un. Have you seen any indication that they have become more serious in this effort, that they are taking the kind of steps necessary to alter Kim Jong-un's decision-making process? Have you seen that they are aware of the sufficient, grave situation we have here? Then as a follow-up on that, what do you think are the kind of steps that China could take that might actually get Kim Jong-un's attention?

Mr. COATS. We certainly have been able to get their attention, and they have taken some steps. At this point, it has not produced the results that we had hoped. Secretary Tillis defines this as a se-

ries of steps relative to increasing pressure on North Korea and that we are just at the early stages of that. Clearly China's engagement in helping us address this issue is critical, deemed that way, and we continue to work with the Chinese in that regard. Beyond that I would think the opportunity to address that to Secretary Tillis—Tillerson—I mentioned one of my colleagues.

Senator DONNELLY. I knew who you meant.

Mr. COATS.—Tillerson to get a better detail of what we are trying to do. Clearly China needs to play a role.

It has been suggested that—speaking of Senator Tillis, he just walked in. I equated you with the Secretary of State. You are smiling. I am not sure you want that job.

It has been publicly stated that China has rejected some coal imports from North Korea to somewhat significant efforts. There is a question about oil that is provided and other economic issues. It really falls outside of my category and more into the Secretary of State's category.

Senator DONNELLY. Understood.

Thank you both.

Thank you, Mr. Chairman.

Chairman MCCAIN. Senator Graham?

Senator GRAHAM. Thank you both for very compelling testimony. When it comes to Russia, former Director of the CIA [Central Intelligence Agency] Brennan said today that Russia brazenly interfered in our 2016 election. Do both of you agree with that?

Mr. COATS. I agree. We have high confidence from all of our sources that there was a significant involvement.

Senator GRAHAM. You agree with that, General?

Lt. Gen. STEWART. Yes, Senator.

Senator GRAHAM. Iran. The President said this morning, I think, in Israel that Iran will not be allowed to get a nuclear weapon. Director Coats, do you believe that the current agreement with Iran regarding their nuclear program will accomplish this goal?

Mr. COATS. No. I think it was made clear that it would not accomplish this goal. It would only accomplish a deferment relative to their having a free hand at developing nuclear capability.

Senator GRAHAM. Do you agree with that, General?

Lt. Gen. STEWART. It defers the effort, and I do not see any indication that Iran is pursuing breaking out of that deal at this point.

Senator GRAHAM. The question is, does it accomplish the goal of denying them nuclear capability?

Lt. Gen. STEWART. Ultimately it does not deny forever. It defers for 10 years, if I understand the agreement.

Senator GRAHAM. Iran, do you agree, is more aggressive since the agreement in terms of activity within the region?

Mr. COATS. We have seen a lot of malign efforts on the part of Iran that are very provocative. On the confirmation of the last 90-day certification that has to be signed every 90 days relative to the Iranian compliance with JCPOA, while the intelligence did not suggest a breach that would deny confirming that—

Senator GRAHAM. The question is have they been more aggressive in the region.

Mr. COATS. Absolutely more aggressive.

Senator GRAHAM. Do you agree with that, General?

Lt. Gen. STEWART. I do not know that I would necessarily say they are more aggressive. Their actions in Syria were the same.

Senator GRAHAM. What about Yemen?

Lt. Gen. STEWART. In Yemen, that has picked up because—

Senator GRAHAM. Would you say they are a destabilizing force in the region?

Lt. Gen. STEWART. Absolutely.

Senator GRAHAM. Is there any indication they have taken the sanctions money and put it in rogue schools and hospitals?

Lt. Gen. STEWART. That would be impossible to detect.

Senator GRAHAM. Is it fair to say that they have increased their military capabilities since the agreement?

Lt. Gen. STEWART. Some of the money that they have gained has gone to the military. The preponderance of the money gone to economic development and infrastructure.

Senator GRAHAM. Is Iran a greater threat or lesser threat since the agreement, or the same?

Mr. COATS. I would say it is certainly a threat to the region. Whether it is greater or lesser, based on the agreement, I am not sure I can assess that.

Senator GRAHAM. How do you get on the ballot in Iran to run for president?

Mr. COATS. The question is how do you—

Senator GRAHAM. Yes. How do you get on the ballot to run for president in Iran?

Mr. COATS. It looks like you can get on the ballot, but you can get kicked off.

Senator GRAHAM. Who has the final say who gets on the ballot?

Mr. COATS. I think it is the Supreme Leader.

Senator GRAHAM. Do you agree with that, General Stewart?

Lt. Gen. STEWART. Yes, sir.

Senator GRAHAM. Nobody is on the ballot he does not want.

North Korea. Is it the policy of the United States to stop North Korea from developing a missile with a nuclear weapon on top that could hit America, or is it the policy of the United States to contain that threat by trying to shoot it down if they launch it?

Mr. COATS. It is the policy of the United States to prevent it.

Senator GRAHAM. Do you agree with that, General Stewart?

Lt. Gen. STEWART. Yes, Senator.

Senator GRAHAM. That would mean all options are on the table to prevent it. Is that correct?

Lt. Gen. STEWART. I am certainly not in a position to remove any of the options.

Senator GRAHAM. ISIL [Islamic State of Iraq and the Levant]. Our strategy to take Raqqa back has a heavy reliance on YPG [People's Protection Units] Kurds. Are you both familiar with that?

Mr. COATS. Yes.

Lt. Gen. STEWART. Yes.

Senator GRAHAM. Is that creating friction with Turkey?

Mr. COATS. Yes.

Lt. Gen. STEWART. Yes.

Senator GRAHAM. Do you agree that it would be better if we had more Arabs in the fight and less Kurds from a regional point of view?

Mr. COATS. I think General Mattis is the best person to answer that question. I think he is very comfortable with what the balance is.

Senator GRAHAM. From an intelligence point of view, do you see growing friction between Turkey and Kurdish elements in the region?

Mr. COATS. It appears likely.

Senator GRAHAM. Is that being driven by our policy to arm the YPG Kurds with heavy weapons?

Mr. COATS. I think it contributes to it.

Senator GRAHAM. Do either one of you know anything about bitcoin?

Mr. COATS. You know, I tried to figure out what it was and I never got a good answer or at least one that I could comprehend. I am still using dollars and coins.

Senator GRAHAM. Me too. Could you do me a favor and look at that issue and report back to the committee whether or not you believe bitcoin will become the currency of terrorists and criminals down the road?

Mr. COATS. We would be happy to look into that. I think there is some indication that it is being used for that purpose, but we can give you an assessment of that.

Senator GRAHAM. Sequestration would be a disaster for both of your agencies if it kicked back in?

Lt. Gen. STEWART. It would continue to cut into real capability.

Senator GRAHAM. The same for you?

Mr. COATS. It is a little difficult for me to answer that question relative to the community as a whole, but it would depend on what other supplemental measures of resources would be available.

Senator GRAHAM. Thank you both.

Senator REED [presiding]. On behalf of Chairman McCain, Senator Warren, please.

Senator Warren: Thank you.

I do not want to duplicate the questions that others have asked, important questions. What I would like to do is just take up another area about a serious threat to our security and economic issues around the world, and that is climate change. The science is unmistakable. Human activities are releasing greenhouse gases into the atmosphere and contributing to climate change.

A Defense Department report from 2 years ago observed global climate change will have wide-ranging implications for U.S. national security interests over the foreseeable future because it will aggravate existing problems such as poverty, social tensions, environmental degradation, ineffectual leadership, and weak political institutions. In short, this DOD report describes climate change as a threat multiplier.

Director Coats, do you agree?

Mr. COATS. I do not know if I would describe it as a threat multiplier, although our job is simply to assess the consequences of potential changes in climate relative to migration, relative to humanitarian issues. The science falls to other federal agencies.

Senator Warren: That is the question I am——

Mr. COATS. I think there have always in the history of the world been reactions to different climate changes, and it is an issue that continues.

Senator Warren: Well, and the Department of Defense report has identified that climate change exacerbates, aggravates—this is their words—existing problems, poverty, social tensions, environmental degradation, ineffectual leadership, and weak political institutions. Do you disagree with any of that?

Mr. COATS. No, I do not disagree. I am simply saying that I think that has been an ongoing issue throughout the ages.

Senator Warren: Let me ask the question this way then. How should we be integrating climate change risks into our national security strategy?

Mr. COATS. We should be assessing the consequences of changes that are relevant to security issues. That should be part of the assessment, and it is.

Senator Warren: Climate change is clearly a threat to international peace and security, and I just think it is critically important that we take this seriously and we adapt accordingly.

Let me ask you another question. Others have asked about the interference of the Russians in our election and now in other elections. You talked about this in your opening statement. The question I want to ask about is we all agree that interference by foreign actors in our democratic process is unacceptable, but right now, it does not seem like we are doing enough about it.

My question, Director Coats, is what more do we need to do to make sure the United States is sufficiently prepared to defend against Russian-style cyber attacks on our elections and particularly those that could escalate to attempted manipulation directly of voting machines or alteration of registration rolls in our 2018 and 2020 elections?

Mr. COATS. Well, that is a matter for those of you sitting on the dais here. That is a policy decision that the country needs to make. We provide the intelligence and the basis of the accuracy, to the best that we can, of what has happened. The response to what has happened is something that the executive—

Senator Warren: You do not have any advice on this?

Mr. COATS. My job is to provide the intelligence. My job is not to make policy. It used to be when I sat up there.

Senator Warren: Could I ask it differently? Do you think we should treat our election systems as critical infrastructure and provide cybersecurity assistance directly to state and local officials?

Mr. COATS. Oh, I think that is something we certainly should do. Anybody who is trying to undermine the democratic institutions of the United States—it ought to be addressed.

Senator Warren: Thank you.

You know, when he recently testified before a Judiciary subcommittee on Russian interference in our elections, your predecessor, James Clapper, said our election apparatus should be considered critical infrastructure and should have the protections that are attendant to that. I think he is right on this. Protecting our election systems from vulnerability should be part of our cyber defense strategy.

Mr. COATS. I agree with that.

Senator Warren: Good. I am glad to hear that. Thank you very much.

Thank you, Mr. Chairman.

Mr. COATS. I might add to that that we do not have an assessment that any of our voting machines were tampered in this election.

Senator Warren: I understand your point. Thank you.

Senator REED. On behalf of Chairman McCain, Senator Tillis, please.

Senator TILLIS. Thank you, Senator Reed.

Director Coats, it is great to see you. We miss you here, but we are glad you are where you are.

Mr. COATS. There are days when I miss you.

Senator TILLIS. Not all days.

General Stewart, thank you for being here and for your service.

Just a quick follow-up question. To what extent do you think the aggressive actions of Russia, Iran, ISIS, North Korea, and China, their current strategies, the threat that they represent today are inspired by their concern with climate change based on your intelligence assessments?

Lt. Gen. STEWART. I have not seen anything in intelligence circles that says their policies, their approach is driven by climate change.

Senator TILLIS. Any. Thank you.

I want to spend most of my time—and I am going to be brief so that we have got a vote coming up and defer to my colleagues. I want to go back to your opening statement, Director Coats. You were talking about section 702 and the need for reauthorization. Can you give us some sense for public consumption of how that tool has been used to identify real threats and potentially intervene before a bad action takes place, some rough order of magnitude if not specific numbers?

Mr. COATS. A lot of our threats have come from foreign sources, and when we have information that leads us to a potential foreign source, then examination of that in terms of what they might be planning to do, who they may be talking to in terms of—accomplish an attack on the United States has been an invaluable piece of information that has prevented many, many attacks. As I mentioned earlier, it is also to the great gratitude of our allies in Europe and elsewhere—have prevented numerous, numerous threats that could have turned into disastrous attacks. It has been a very essential element of our collection process.

Obviously, as we all know, we are talking here about foreign non-U.S. persons that have bad intentions toward the United States. It may be that those persons are connecting with someone here in the United States, and we want to make sure what is being transferred in that regard.

During that process, it is possible that U.S. citizens? Names are mentioned in an email, mentioned in a verbal way. We give immediate attention to what we call minimization, and that is we want to make sure we are not doing collecting on those persons.

The program has adapted to ensure that we provide privacy protections for U.S. persons. There is a process that we go through, minimization being one of those.

We also have oversight. It is the most overseen effort that the United States has against any policy matter or agency in government. All three branches have oversight capability in the program to ensure the privacy of individuals.

I think there is a lot of misunderstanding about what 702 is and what it is not. We have scheduled and will continue to schedule specific meetings with the relevant committees in the Congress to describe exactly what is done and what is not done and make sure the public itself is fully aware of the importance of the program but also the privacy protections that have been put upon it and the oversight.

Senator TILLIS. Would it be fair to say that if we failed to reauthorize it, even if we address some of the concerns that came up with the unmasking of maybe U.S. citizens—but would it be fair to say that if we failed to reauthorize 702, that it is probably going to lead to disastrous consequences?

Mr. COATS. I believe it would, and I think a lot of Americans will die unnecessarily.

Senator TILLIS. Thank you.

Senator REED. Thank you very much.

On behalf of Chairman McCain, Senator Peters, please.

Senator PETERS. Thank you, Senator Reed.

Thank you to our witnesses today for your testimony.

We know that China is currently executing a multi-decade strategic plan to acquire the United States' technologies that they believe will be foundational both to their future economic growth, as well as to their military strength. The primary tool that we use is to block or mitigate foreign investments that pose a national security

risk is the Committee on Foreign Investment in the United States, or CFIUS. Both of you, I know, are very familiar with this and because the intelligence community plays a key role in the process, developing the national security threat assessment used to inform committee decisions.

Based on its current mandate, however, CFIUS reviews transactions just on a case-by-case basis rather than a strategic assessment of acquisitions or acquires and only those transactions that involve a controlling interest by foreign investors. However, as we have seen recently and continue to see on a regular basis, other transaction types such as joint ventures and minority investments also can result in the transfer of key technologies that are outside of CFIUS' jurisdiction.

At the same time, the intelligence community CFIUS workload is also increasing rapidly, a workload marked by increased Chinese investment in the very technologies that are the key to United States innovation and military advantage, including autonomous vehicles, artificial intelligence, robotics, virtual reality, as well as gene editing.

So, Mr. Coats, my question is CFIUS remains a voluntary process, which I think underscores the importance of the intelligence community to identifying both unreported and non-notified transactions that may pose a national security risk. What are some of the challenges in finding the technical expertise necessary to un-

derstand and resolve potential national security implications across this very diverse threat spectrum?

Mr. COATS. I would like General Stewart to address this also.

This issue has been raised and it is under consideration. I think your questions are very valid relative to the current status of CFIUS and whether or not adjustments need to be made.

Relative to finding the right technical capabilities to assess this, we are in contest with the private sector, the private sector that offers significantly higher compensation for the people they hire and probably a better work schedule. Nevertheless, we are blessed with people who want to give service to their government and to work longer hours with lesser pay but bring technical capabilities. We are out trying to recruit these people constantly, whether you are talking to Admiral Rogers at the National Security Agency or other of our agencies. We need to understand that at a certain point to gain the kind of technical capabilities that we need, we may have to look at our salary structure because just about every major corporation in America now, whether it is cyber or other issues, are looking to find people with these capabilities.

Nothing is more important than protecting the safety of Americans, and that is the first responsibility of government. I do think on two areas, on the basis of what you have said, we ought to do a significant review of the current CFIUS situation to bring it up to speed, number one, and then look at how we can get the best and the brightest to be able to help us with that.

Senator PETERS. Before that answer, General, so I could take from your answer that we need to really fully examine the CFIUS authorization and have a top-to-bottom review of that. Would you agree, General?

General, if you would also respond to the fact that right now you have a considerable workload before you now that continues to expand and how that reauthorization may be necessary to help you—

Mr. COATS. I was not trying to give Vince more work.

[Laughter.]

Lt. Gen. STEWART. That is okay. I will take it.

Yes. China has approached leap-ahead technology with a legal or illegal transferring intellectual property, transferring of knowledge, acquiring corporate sector, private sector, industry to get that technology, insertion of students into the upstream development of technology and the capabilities.

So, yes, all of that needs to be reviewed especially in light of the fact, voluntary primarily, and the workload continues to grow. We did 174 CFIUS cases last year. We are on a pace for 250 this year and no growth built in. This is going to get harder, more demanding, and we are going to lose opportunities if we do not review the authorization.

Senator PETERS. Right. Thank you, gentlemen.

Senator REED. Thank you.

On behalf of the chairman, Senator Perdue, please.

Senator PERDUE. Thank you both for being here.

General Stewart, you said in your opening remarks that we have gone from a one plus one strategy in our military to today we have

four plus one. You just mentioned five: North Korea, Russia, China, Iran, extremists. On top of that we have cyber and space.

The question I have—I am sort of a bottom line guy. I want to talk about China and Russia, our two symmetric contrarian threats I believe. China is spending—right now this year it is projected in real equivalent purchasing power parity terms, they will spend \$826 billion on their military. We will spend directionally \$600 million. I would argue that today we have the smallest Army since World War II, the smallest Navy since World War I, and the smallest and oldest Air Force ever.

Sir, in your mind, what is China's purpose in this massive build-up that they are in the midst of right now?

Lt. Gen. STEWART. Purpose number one, to be able to fight and win in the Pacific.

Senator PERDUE. Would you say they are on parity with us in the Pacific today? Does your intelligence reveal that?

Lt. Gen. STEWART. In some aspects—and I will not talk about them here—there is parity, but in some areas we are still far superior. We look at them in all domains, space, cyberspace, air, land, sea, and surface. We are competing in all those domains.

Primary objective, fight and win in the Pacific. Be prepared if the United States entered a conflict in the Pacific and increase the cost of any of our actions in the Pacific.

Senator PERDUE. Are you concerned about the PLA [People's Liberation Army] reorganization in China? What effect does our intelligence say it will have on our ability to stand up to them?

Lt. Gen. STEWART. They not only continue to reorganize, they continue to refine tactics, they continue to refine doctrine. We have not seen them do the major end-to-end full-scale rehearsal that says all of those pieces are stitched together in a real warfighting capability. They are building pieces but it is not fully integrated.

Senator PERDUE. Director—it is hard to call you ?Director? but I am glad I can. Thank you.

Today Africa is a major involvement for China economically, militarily. They are building a base right now in Djibouti just miles away from our base at Lemonnier. What is the purpose of that base, and are you concerned? What does our intelligence say that their objective is in Africa?

Mr. COATS. Well, the Chinese are expanding their influence globally. They are looking at areas of the world that you would not necessarily think a regional power like China would want to be engaged in, but whether it is Africa, whether it is Latin America, whether it is any number of places, the Chinese are making substantial investments and sometimes linking that, as you mentioned, with Djibouti and building a base there. I think they view that as part of their long-term strategy to become a global power, not just a regional power. They are spending an extraordinary amount of effort and investment. That One Belt road situation gives them expedited access to Europe but access also to the Indian Ocean region and the Middle East. They have been very aggressive in pursuing those types of initiatives I think with a long-term strategy in mind of being a global power.

Senator PERDUE. General, Russia—

Lt. Gen. STEWART. Can I answer, if I could?

Senator PERDUE. Yes, sir.

Lt. Gen. STEWART. One Belt, One Road is about getting access to resources and access to markets. If you have access to resources, access to markets, you got to build infrastructure to defend your economic lifeline.

Senator PERDUE. I want to get to Russia, but history says that the country with the largest and strongest economy will have the largest and strongest military. Today China's economy is on parity with the United States when adjusted for purchasing power parity. They have a much stronger growth rate, and I think that is one of the things we have to deal with.

I want to move to Russia very quickly. I only have a minute left. General, Russia in the last 5 years has dramatically changed their global footprint. They have Murmansk, Kaliningrad, Crimea now, and now Tartus and Latakia on the coast of Syria.

In your mind, what does our intelligence say that Russia intends to do with that encircling of that part of the world with those major bases, now warm water and cold water?

Lt. Gen. STEWART. The encirclement, as you describe it, the Western anti-access barrier, runs from the Arctic through Murmansk, through Kaliningrad, Crimea, and down is to break out of the encirclement—their words—caused by NATO countries in their near abroad. So, again, the anti-access/anti-denial capability is to increase the cost of any United States-NATO action against Russia and to protect to give them buffer space. I do not think they are done. I think they would like to extend that barrier down through the Mediterranean. I am worried about actions that they might take in Libya to increase that barrier. That is about breaking out of the NATO encirclement.

Senator PERDUE. Thank you, sir.

Thank you.

Senator REED. On behalf of Chairman McCain, Senator McCaskill, please.

Senator MCCASKILL. Thank you, Mr. Chairman.

I was pleased that the President went to an Arab nation, a Muslim country, as his first visit, signaling to the world that we want to have allies in the Muslim world, that this is very important.

My question to the two of you is, are we sending enough signals like that to the American Muslim community? I think I have you all and others that have jobs like yours in our government say that the biggest threat is the radicalization of people that are legally in this country, not Syrian refugees, not people traveling here from other countries, but what we have seen is the radicalization of people that either are American citizens or are legally in the country and have been for some time.

Do you all feel comfortable that we are doing enough to reach out to the American Muslim community, especially the personnel that we can use as maybe our most valuable assets in terms of what you all need to do within the intelligence community?

Mr. COATS. I do not have an assessment of how we are reaching out to the American Muslim community. In general, I can say, relative to our intelligence community, we realize that the diversity of ethnic, cultural, any number of ways is important for us to understand the world that we live in and get a better understanding

from people who bring different assessments in different cultures and give us the diversity we need to fully understand what is going on. That is very much a part of our recruiting process.

Senator MCCASKILL. What worries me is that in America, there are too many people I have talked to, wonderful American Muslims, who feel very disconnected right now, and there is a tendency when that happens to internalize and not come forward and especially if they have some concerns about somebody being radicalized. Do you all share that concern and are you all taking steps with the intelligence community to deal with that concern?

Mr. COATS. Well, we do not see that as the role of the intelligence community except in the area of, as I described, how we hire, promote, train, and incorporate people from different cultures, different ethnic backgrounds.

Senator MCCASKILL. Let me interrupt you just for a second, Director. When you see evidence that someone might be radicalized through the gathering of intelligence here in America, do you hand that intelligence off to someone who could then circle around to people within that Muslim community in that geographical area to try to get confirmation or additional evidence that would allow us to put people in prison like we did Nassir when we thwarted his effort on the New York subway system? He is in our prisons now for 40 years.

Mr. COATS. Well, the FBI is a part of the intelligence system, but there is the division between the investigatory and potential criminal activity that the FBI has control over relative to the intelligence aspect of the FBI. That is something that if information is garnered, it is passed on to the FBI to determine whether or not there is an investigation or potential criminal element in play.

Senator MCCASKILL. Okay.

Let me briefly because I only have a minute left. I am worried about chemical weapons in North Korea. Open source reporting has indicated that Kim Jung-un's half brother may have been assassinated with VX gas. There are those who have—the Nuclear Threat Initiative has indicated they have 5,000 metric tons of chemical weapons in North Korea. Can you confirm that VX was used to kill Kim Jong-un's half brother?

Mr. COATS. That is something that I would have to get back to you with.

Senator MCCASKILL. We train on chemical weapons defenses at Fort Leonard Wood, and I know obviously with the proximity of so many millions of people in South Korea and the delivering especially of VX could be in such a way that it would be devastating. I am wondering if we have enough assets. Admiral Harris is trying to check to see if we have enough assets on the ground as it relates to chemical weapons.

Lt. Gen. STEWART. Chemical weapons is assessed to be part of the North Korean arsenal.

Senator MCCASKILL. If there is any other information you all can provide me on that in terms of our capabilities in terms of defense of that, I would be very appreciative.

Thank you both for your service to our country.

Senator REED. Thank you very much.

Because of the pending vote, I must depart. Let me recognize Senator Sullivan and ask him to further recognize members in order of their appearance, if the chairman does not return. We expect he will return shortly.

Senator SULLIVAN. Okay, Mr. Chair. I am going to go vote myself after these questions.

Senator REED. Okay. Then let me go ahead and recognize Senator Sullivan, then Senator King, then Senator Kaine, unless a Republican member intervenes, and then that person will be recognized. Senator Blumenthal also. I will try to get back here as quickly as I can. Senator Sullivan, please.

Senator SULLIVAN. Thank you, Mr. Chair.

Gentlemen, thank you for your testimony.

Director Coats, great to see you.

I appreciate your focus in your written statement on the North Korean ICBM threat with regard to nuclear weapons. It is obviously a new direct threat to the United States. There has been testimony across the board in terms of our military and intelligence officials' public testimony that it is no longer a matter of if but when Kim Jong-un is going to have the capability to hit not just a state like mine Alaska or Hawaii, which are much closer in range, but the lower 48, the continental United States with an intercontinental ballistic nuclear missile at some point.

I and a number of members of this committee, bipartisan, have introduced a bill yesterday. It is looking at significantly enhancing and advancing our homeland missile defense.

I would like to get your sense in terms of the estimates. What do you think the estimates are with regard to when Kim Jong-un will be able to have this capability? I think it is a very important question. I know that you do not have a precise date, but I think that the American people need to know it is probably a lot sooner than most people anticipate. Can you give us a range of—you know, a window on when you think that capability is going to exist for this very unstable leader who has threatened to shoot nuclear missiles at our homeland?

Mr. COATS. I would like to be able—I will turn to General Stewart, but I think we would both like to be able to talk to you about that in a classified manner, session.

I would say this. I mean, we certainly assess that this is the intent of North Korea and Kim Jong-un. It has been publicly stated that they would like to have intercontinental ballistic missile capability—nuclear capability that could reach the United States, and they are on that goal. Relative to exactly where we are and what and when, of course, is dependent on their testing and ability. As I testified in my opening statement here, they have not reached that capability yet.

Senator SULLIVAN. All right. There has been public testimony from military leaders, intel leaders that they are going to get it, not if but when. I know that we have estimates. I know that some of them are classified. I actually just think it is very useful to let the American people know. This is not 15 years off. This is not 10 years off.

General, can you give us an estimate just, you know, within a couple years? I mean, it is actually a really important issue. People

are going to wake up to it some day relatively soon. This is an enormous threat, and I think the more we are able to be public about it, the better.

Let me just repeat it has been stated in open testimony a number of times before this committee it is going to happen. It is going to happen. He is going to have that capability. Can you just give us a window of what the best estimates are on that intel?

Lt. Gen. STEWART. As I said earlier, left unchecked, it is going to happen.

Senator SULLIVAN. How about a window?

Lt. Gen. STEWART. If I gave you a window, it would be a potential to reveal the insights that we have on the capability. We will not do that here. It is inevitable if left unchecked.

Senator SULLIVAN. Let me turn to Iran. You know, under the Iran nuclear agreement, Iran is restricted to 130 metric tons of heavy water. However, in 2016, the IAEA [International Atomic Energy Agency] reported that they had in fact—they, Iran—surpassed that threshold twice. Do you believe that Iran is in violation of the agreement right now?

Mr. COATS. The intelligence assessment relative to the certification that was signed perhaps, I think, 3 or 4 weeks ago—

Senator SULLIVAN. That was the certification by the IAEA. Correct?

Mr. COATS. That is the certification that we have to provide to the Congress every 90 days.

Senator SULLIVAN. Is that not based on IAEA's assessment?

Mr. COATS. It is based on IAEA assessments, as well as our own assessments.

Senator SULLIVAN. Well, how much confidence do we have in that assessment that said Iran was in full compliance when in 2016, the IAEA said that they violated the heavy water provisions twice. It is something that I think is a real disconnect between what the facts seem to be and what Secretary Tillerson stated and what our intel community is saying. How can you say they are in compliance—

Chairman MCCAIN. I apologize to the Senator, but we agreed at the beginning that Director Coats and General Stewart would be out of here in 5 minutes, and we have—

Senator SULLIVAN. Mr. Chairman, can I just get an answer to that question?

Chairman MCCAIN. No. We have got three people to be in 5 minutes. I apologize.

Senator Blumenthal, would you do me the favor of asking one question and allowing the other two to ask a question? would that be agreeable to you, Director Coats? One question each.

Mr. COATS. I appreciate that, Mr. Chairman. I apologize—I mean, I do not apologize, but I have an event at the Supreme Court with the Chief Justice. We want to not be late on that.

Chairman MCCAIN. I understand.

Would that be agreeable to the members to have a question each?

Senator Blumenthal?

Senator BLUMENTHAL. Director Coats, thank you very much for being here, and I know that given the oath that you have taken

and your long record of public service, you would never allow anyone, including the President of the United States, to discourage or deter you from a lawful investigation. Your non-denial of the ?Washington Post? report I think should lead to even more intensive investigation of the alleged effort by the President to enlist you in shutting down or stifling that investigation. This evidence, if true, goes to criminal intent and constitutes mounting evidence of obstruction of justice. You are aware that obstruction is a crime, and I am sure that you will cooperate in an investigation of that crime. I presume that you would not agree with the President of the United States that this investigation of Russian meddling and possible collusion by the Trump campaign in that interference in our election is a witch hunt.

Therefore, I want to ask you whether you have discussed efforts by the President to stifle or stop the investigation or enlist you or Admiral Rogers in denying that such an investigation of collusion focused on him, whether you have ever discussed these reports with anyone, including Admiral Rogers.

Mr. COATS. Well, Senator, as I said in my opening statement, I am not going to characterize my conversations that I have had with the President.

Senator BLUMENTHAL. I am not asking about your conversation with the President. I do not mean to be misunderstood. Have you talked about this issue with Admiral Rogers?

Mr. COATS. That is something that I would like to withhold that question at this particular point in time.

Senator BLUMENTHAL. I am going to assume that in withholding the question, the implicit answer is that, yes, you have. I would like to know in another setting, if necessary, what the substance of that conversation was.

Chairman MCCAIN. Let me just say for the record, Director Coats, your response to my question in no means meant yes or no. It meant that your conversations with the President are private. Senator Blumenthal can have his interpretation. My interpretation of your answer to my question was that it is privileged conversations between the President and members of his team.

Senator King?

I in no way interpret your response to my question as inferring anything except that you are keeping with the tradition of privacy of conversations between members of the President's national security team and the President.

Senator BLUMENTHAL. Mr. Chairman, I respect that point. Thank you.

Chairman MCCAIN. Senator King?

Senator BLUMENTHAL. Thank you.

Chairman MCCAIN. Thank you.

Senator King?

Senator KING. Is the intelligence community, Director Coats, doing an assessment of the nature and impact of the information revealed to the Russian Ambassador and Russian Foreign Minister by the President?

Mr. COATS. I am sorry. Would you—

Senator KING. Is there an assessment being done or that has been done of the significance and impact of the release of that information?

Mr. COATS. We have not initiated an assessment of that. There are procedures that we go through to determine when assessments have been made or need to be made. There is a process that we go through. It is my understanding we have not initiated that.

Senator KING. Has there been any reaction from other countries to the intelligence community about the revealing of this information to the Russians and a reaction from other countries to the intelligence community?

Mr. COATS. I do not—of course, I am just back from some of those countries. The issue was not raised during my time there on that specific question.

Senator KING. The intelligence communities of other countries did not raise this issue with you at all on your trip?

Mr. COATS. They did not raise that specific question.

Senator KING. Thank you, Mr. Chairman.

Chairman MCCAIN. Senator Kaine?

Senator KAINE. Thank you to the witnesses.

Chairman MCCAIN. I thank the members' indulgence.

Senator Kaine?

Senator KAINE. Thank you, Mr. Chair.

In the aftermath of the recent budget deal that was reached here in Congress in late April, the President tweeted out something that it might be time for a, quote, good shutdown, close quote, in September. With respect to the missions of both of your agencies, the DIA and then the Director of National Intelligence, in terms of dealing with worldwide threats, the topic of today's hearing, would there be anything good about a shutdown of the government of the United States?

Mr. COATS. Well, there might be some good and some bad. I mean, if the shutdown involved functions that were not producing or essential, but if you are talking about an across-the-board shutdown, I have never believed that that is the way we ought to handle our business here and that definitely it could potentially have an impact on our ability in collection.

Senator KAINE. General Stewart?

Lt. Gen. STEWART. Not only would it impact our operations, but it has a debilitating effect on the workforce every time we talk about shutting down and they have uncertainty as to how they are going to get paid the next payday. A debilitating effect.

Senator KAINE. Thank you.

Thanks, Mr. Chair.

Chairman MCCAIN. I thank you, Director Coats and General Stewart. I know this is a very difficult time, and I appreciate your candor. I also know that the committee understands there are areas that simply are protected by the relationship that the President has with his team and the people he relies on.

I would like to repeat again that there is a lot more to be found out, but also these leaks are not good for your business. Is that not correct?

Mr. COATS. That is absolutely correct. They are devastating. As I have said, disclosing methods and sources put our patriot people

who are doing great service for this country—it puts their lives at risk and it puts the lives of Americans at risk because it details the methods with which we have gained information that has prevented attacks against the United States.

Chairman MCCAIN. Do you believe that there are lives at risk because of these leaks?

Mr. COATS. Potentially yes.

Chairman MCCAIN. I thank you.

Did you want to say anything else?

Senator KING. Well, I wanted to ask the witness in follow-up to your question. Which would you consider worse? A leak to the American people or a leak to the Russian Foreign Minister?

Chairman MCCAIN. This hearing is adjourned.

Senator BLUMENTHAL. Mr. Chairman, can I ask one quick question?

Chairman MCCAIN. No.

Senator BLUMENTHAL. That is all right. Thank you.

Chairman MCCAIN. I did assure. We will be seeing him again, unfortunately for him.

[Whereupon, at 11:34 a.m., the committee was adjourned.]

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR TOM COTTON

OPEN SKIES TREATY

Senator COTTON. Lt. Gen. Stewart, in previous testimony on the Open Skies Treaty you have stated that “The things that you can see, the amount of data you can collect, the things you can do with post-processing, allows Russia, in my opinion, to get incredible foundational intelligence on critical infrastructure, bases, ports, all of our facilities . . . So from my perspective, it gives them a significant advantage.”

1. Lt. Gen. Stewart, is this still the case? Can you please describe how Russia has used its new Open Skies Treaty sensor and what they’ve overflown? Please elaborate.

Lt. Gen. STEWART. [Deleted.]

2. Senator COTTON. Lt. Gen. Stewart, we also know that Russia is restricting United States. Open Skies Treaty over parts of Russia. I know that there was a working group to try and resolve those compliance issues. Is DIA supporting that effort? Can you provide an update as to if any progress has been made?

Lt. Gen. STEWART. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR DAN SULLIVAN

NORTH KOREAN THREAT

3. Senator SULLIVAN. Director Coats and Lt. Gen. Stewart, in your testimony, you stated that North Korea is “one of the hardest nations that we have to collect against” due to its insular society, gaps in United States ISR, and its limited broadband internet connectivity. Given these challenges, can we truly have high confidence that we know all of North Korea’s capabilities?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

4. Senator SULLIVAN. Director Coats and Lt. Gen. Stewart, Victor Cha, an expert from the Center for Strategic and International Studies, stated that the success of Kim Jong-un’s most recent launch “demonstrates that we have once again underestimated North Korea’s . . . capabilities.” What are the consequences if we end up underestimating the pace at which North Korea can improve its ballistic missile and nuclear capabilities?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

5. Senator SULLIVAN. Director Coats and Lt. Gen. Stewart, in light of this possible or even likely underestimation, what should the U.S. be doing to evolve our capabilities—to include our missile defense capabilities—not just to pace, but to outpace potential threats?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

RUSSIA'S MILITARIZATION OF THE ARCTIC

6. Senator SULLIVAN. Director Coats and Lt. Gen. Stewart, Secretary Mattis has stated, “the Arctic is key strategic terrain . . . and Russia is taking aggressive steps to increase its presence there.” Over the past year, has Russia’s militarization of the Arctic continued to increase? If so, how?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

7. Senator SULLIVAN. Director Coats and Lt. Gen. Stewart, in your assessment, what is Russia’s impression of the lack of visible United States presence in the Arctic?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

8. Senator SULLIVAN. Director Coats and Lt. Gen. Stewart, in April, Russia unveiled a large new military base in the Far North, and even published a virtual tour of this new base online for the world to see. In your assessment, what is Russia’s intent in publicizing the opening of a huge military base in the Arctic?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

9. Senator SULLIVAN. Director Coats and Lt. Gen. Stewart, the current DoD Arctic Strategy identifies significant shortfalls in U.S. domain awareness in the Arctic. Given Russia’s continuing military buildup of the Arctic region, what capabilities and intelligence-gathering systems do you both need to fill this critical intelligence gap and help us better discern Russia’s plans and intentions in the Arctic?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

CYBER THREAT AND INFORMATION WARFARE

10. Senator NELSON. Director Coats and Lt. Gen. Stewart, on the cyber threat—I’m concerned, despite the improvements we’ve made to our cybersecurity, that we’re too focused on cyber defense, and not on countering information operations. For example, Russia’s attempts to influence our election and elections around Europe are conducted mostly online, using relatively unsophisticated techniques. The intent is to shape the way people think, and the potential consequences for democratic institutions are serious. Do you share that concern? When thinking about the cyber threat, does the Intelligence Community include the threat of information warfare—from Russia or any other adversary?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

VENEZUELA

11. Senator NELSON. Director Coats, in the last several months, the situation in Venezuela has gone from very bad to even worse. Maduro—with the help of his cronies—has once again cracked down on protestors and sought to undermine Venezuela’s democracy, including using the courts to try to strip the National Assembly of its powers. All the while, the Venezuelan people suffer. In your view, what are the risks for the United States and the region of Maduro’s creeping dictatorship and continued unrest and suffering in Venezuela?

Director COATS. [Deleted.]

TRANSNATIONAL CRIMINAL NETWORKS

12. Senator NELSON. Director Coats and Lt. Gen. Stewart, in your written testimony, you highlight the continuing threat posed by transnational organized crime networks—many of which have close relationships with terrorist groups and even

some governments. What can you tell us about the role of organized crime in both drug trafficking and cyber?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

NORTH KOREA CHEMICAL AND BIOLOGICAL WEAPONS PROGRAMS AND USAGE

13. Senator MCCASKILL. Director Coats and Lt. Gen. Stewart, has the intelligence community been able to assess whether or not VX was used to assassinate Kim Jong-un's half-brother, Kim Jong-nam?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

14. Senator MCCASKILL. Director Coats and Lt. Gen. Stewart, has the intelligence community been able to assess whether or not North Korea was responsible for the assassination of Kim Jong-nam?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

15. Senator MCCASKILL. Director Coats and Lt. Gen. Stewart, what is the known status and disposition of North Korea's chemical and biological weapons programs?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

16. Senator MCCASKILL. Director Coats and Lt. Gen. Stewart, what does the intelligence community know about North Korea's ability to deliver chemical and biological weapons?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR KIRSTEN GILLIBRAND

17. Senator GILLIBRAND. Director Coats, I asked whether you would make any documentation from you or Admiral Rogers (regarding conversations with the President on Russian interference in the 2016 U.S. election) available to special counsel Robert Mueller and the congressional intelligence committees—if such a document exists. You told me that you have “no documents” to make available. According to an NBC News report, you and Admiral Rogers were “sufficiently concerned about the [President's] requests that one of [you] wrote a memo about it” and you “exchanged notes about [your] conversations with the president.” Please clarify, in writing, your response to my earlier question in which you claimed you have “no documents” to make available documenting your conversations with the President or exchanges with Admiral Rogers. Do you, or did you, have any documentation, notes, recordings, or other records of your conversations with President Trump or subsequent correspondence with Admiral Rogers?

Director COATS. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR RICHARD BLUMENTHAL

FULL COMMITTEE HEARING ON WORLDWIDE THREATS

18. Senator BLUMENTHAL. Director Coats, in January, the intelligence agencies released a declassified report that found Putin ordered an “influence campaign” to “undermine public faith in the US democratic process.” Following concerning signals from the Administration that they might roll back sanctions, bipartisan bills that I have cosponsored were introduced—including the Countering Russian Hostilities Act and the Russia Sanctions Review Act. These bills codify former President Obama's Executive Order that authorizes the imposition of sanctions on those engaged in malicious cyber-hacking, which was used to sanction Russia for interfering in our election in December. Our electoral process is a foundational element of our country's democracy and we must do everything possible to defend the integrity of this process moving forward. The 2018 United States' mid-term election is quickly approaching, and we must make sure Russia will not even consider interfering. What are the lessons learned from the 2016 election? What should we be doing to prevent Russia—or any other state or non-state actor—from conducting influence campaigns designed to disrupt our elections?

Director COATS. [Deleted.]

19. Senator BLUMENTHAL. Director Coats, do you agree that Russia must pay a price for its cyber-attacks and interference in our election? Do you agree that our actions so far have not made Russia realize that they have more to lose than gain with their behavior? What should be done?

Director COATS. [Deleted.]

20. Senator BLUMENTHAL. Director Coats, we have sanctioned just 11 Russian individuals and entities for malign cyber activity—9 related to election interference and 2 for other malicious cyber activity—all done by President Obama under revised Executive Order 13964 on December 29. Do you agree that we should strengthen cyber sanctions against Russia for their actions?

Director COATS. [Deleted.]

21. Senator BLUMENTHAL. Director Coats, do you believe the President has a responsibility to ensure any classified information he shares should only be done to make our country safer? Do you believe that if the President wants to share classified information provided by another country, that other country should be consulted before anything is divulged to a third party?

Director COATS. [Deleted.]

22. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, Iran's support for terrorism, ballistic missile development, and human rights violations continue. In the last few months, Iran has tested and fired a ballistic missiles, tested a new Russian-made S-300 missile air defense system, and harassed U.S. ships. Further, Iran continues to prop up the Assad regime, as well as continues to supply the flow of Iranian weapons to Syria, Yemen, and Hezbollah. Last week, the State Department released a report on Iran's human rights violations—continuing to show a troubling trend of abuse. Although the Trump Administration enforced sanctions against 25 entities and individuals in February for its most recent ballistic missile test, as well sanctioned seven more individuals and entities last week for ballistic missile support and support to the Assad regime, clearly we must do more to deter their belligerent behavior. Last month, Secretary Tillerson certified that Iran continues to comply with the JCPOA and last week the Administration waived nuclear-related sanctions on Iran in accordance with the deal. Do you agree with this assessment? If the Trump Administration steps back from the JCPOA, what would the implications be? How do you anticipate parties to the deal would react?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

23. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, what is your current assessment of Iran's non-nuclear activities—support for terrorism, ballistic missile development, and human rights violations? What are the most pressing long-term military implications?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

24. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, it is well known that Iran strongly backs and supports Hezbollah—a terrorist group that maintains over 150,000 rockets and missiles pointed at Israel. What is your current assessment of Hezbollah's threat and how can we better counter it? How are we working to identify and stop the flow of Iranian weapons to Syria and Hezbollah?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

25. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, I have tirelessly advocated for maintaining Israel's qualitative military edge so that it can defend itself against any threat that may arise from Iran. What is the most effective military aid we can provide to Israel?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

26. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, the intelligence community has assessed in the past that ballistic missile technology cooperation between Iran and North Korea is "significant and meaningful." Given both countries have continued testing in violation of UN Security Council resolutions, what is the current state of ballistic missile cooperation between them?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

SYRIA AND RUSSIAN COMPLICITY

27. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, Russia continues to prop-up Syrian President Bashar al-Assad—a war criminal that kills and tortures his own people. Last month we are all painfully aware of the gruesome sarin attack that injured hundreds and killed at least 94 people—many of them children. Last week, the State Department released satellite imagery showing that Assad has a crematorium at a military prison to clandestinely dispose of political prisoners—harkening back to the darkest days of history. This reprehensible activity cannot continue and this Administration must do more to make it clear to Russia that their support for Syria must end. Russia’s involvement in Syria has directly, deliberately, and detrimentally harmed the situation on the ground.

Without Russia, Assad could not wantonly go on murdering his own people—through gassing, hanging, or other despicable methods. Do you agree? What are you doing to ensure a plan and policy is developed to address Russia’s complicity in Syrian war crimes?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

CYBER SECURITY

28. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, Former Director of National Intelligence James Clapper has stated that he believes the biggest threat to national security is cyber. The OPM hacks, 2016 election interference, and WannaCry virus that impacted at least 200,000 computers this month demonstrate our weakness in this realm. As the internet touches more and more aspects of our daily lives, the ways in which a cyberattack can harm American citizens are growing. In addition, our adversaries have repeatedly demonstrated a desire and willingness to conduct offensive cyber operations. How do you define a cyber-attack? What constitutes an act of war in the cyber realm?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

29. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, earlier this month we heard a great deal from former military and intelligence leadership about the need to ensure our cyber capabilities are both more defensive and resilient. Do you agree? What are you doing to improve our capabilities?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

30. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, how are you working with DHS to protect critical infrastructure from cyberattacks?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

31. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, do you consider those actions to be acts of war?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

INF TREATY

32. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, Russia has deployed two brigades of ground-launched cruise missiles that US officials say violate the INF Treaty (Intermediate-Range Nuclear Forces Treaty). The INF Treaty was signed in 1987 to eliminate land-based intermediate and short-range ballistic and cruise missiles (310–3,400 mile range). The Obama Administration claimed since 2014 that Russia was developing this ground-launched cruise missile in violation of the INF Treaty, and Russia continues to deny wrongdoing. At a SASC hearing last month, Gen Scaparrotti told me that he agreed that Russia had violated the INF Treaty and that he had provided recommendations to DoD. At the end of March, Secretary Mattis said, “On the INF issue, we’re in consultation with our allies and we are still formulating a way ahead. In fact, it will be addressed, I think, very, very soon as a matter of highest-level concern.” Yet we still do not have a response to this issue nearly two months later. How serious of a threat is Russia’s violation of the INF treaty? Are you involved in developing a strategy to respond? When do you anticipate this will be finalized?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

33. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, in what ways can the United States pressure Russia to come into compliance? How can we convince Russia that violating this treaty is not worth the cost?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

34. Senator BLUMENTHAL. Director Coats and Lt. Gen. Stewart, how can we best protect our troops and allies from these deployed missiles without escalating the situation and while staying in compliance with the INF Treaty?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

PRESIDENT TRUMP AND RUSSIA

35. Senator BLUMENTHAL. Director Coats, I want you to give us a clear and factual understanding of exactly what took place in the reported actions of the President to obstruct the FBI's Russia investigation.

Director COATS. [Deleted.]

36. Senator BLUMENTHAL. Director Coats, do you concur with the statement of former FBI Director Comey before Congress that the FBI is investigating, "the nature of any links between individuals associated with the Trump campaign and the Russian government and whether there was any coordination between the campaign and Russia's efforts?"

Director COATS. [Deleted.]

37. Senator BLUMENTHAL. Director Coats, did the President of the United States ever urge you to publically deny the existence of any evidence of collusion between the Trump campaign and Russia?

Director COATS. [Deleted.]

38. Senator BLUMENTHAL. Director Coats, will you commit to the committee to review and turn over to the Special Counsel any documents within the intelligence community that record the President of the United States questioning or making requests of you with regards to the FBI's investigation?

Director COATS. [Deleted.]

39. Senator BLUMENTHAL. Director Coats, are you aware of any past action or statements by the President perceived by senior intelligence officials as a threat to the independence of U.S. intelligence agencies?

Director COATS. [Deleted.]

40. Senator BLUMENTHAL. Director Coats, will you commit to this committee to investigate reported efforts by the White House to "enlist senior members of the intelligence community to push back against suggestions that Trump associates were in frequent contact with Russian officials?"

Director COATS. [Deleted.]

41. Senator BLUMENTHAL. Director Coats, do you agree with the President that the FBI's ongoing investigation is a "witch hunt?"

Director COATS. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR MAZIE K. HIRONO

ASIA-PACIFIC AREA OF OPERATION

42. Senator HIRONO. Director Coats, U.S. National Security planning has for several years centered its policies in relation to the five major threats it faces. These include North Korea, Russia, China, Iran and transnational violent extremism. With four of these five threats in the Asia-Pacific AOR, do the Defense Intelligence Agency and other intelligence agencies have sufficient intelligence resources and capabilities in the region to be effective? If not, what additional resources are required?

Director COATS. Mr. Coats for all. [Deleted.]

COMBATING INFORMATION OPERATIONS

43. Senator HIRONO. Director Coats and Lt. Gen. Stewart, the use of information operations has increased across the globe, as demonstrated with Russian involvement in United States elections and China's bid to take over the South China Sea. What is the best strategy to combat these types of information campaigns? What

types of intelligence assets can the U.S. invest in to support information sharing between our allies?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

CHINESE ACTIONS IN THE SOUTH CHINA SEA

44. Senator HIRONO. Director Coats and Lt. Gen. Stewart, as China continues to pursue an active foreign policy—especially within the Asia Pacific region—highlighted by a firm stance on competing territorial claims in the East China Sea and South China Sea, what is the most effective strategy to combat China’s aggressive actions?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

45. Senator HIRONO. Director Coats and Lt. Gen. Stewart, what has been China’s reaction to United States “freedom of navigation” activities in the region and how important are these actions to combatting China’s advance in the region?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

46. Senator HIRONO. Director Coats and Lt. Gen. Stewart, China and the Association of Southeast Asia Nations reached agreement on a draft code of conduct in the South China Sea. In your opinion how will this impact China’s actions in the South China Sea? Is this a concrete step forward, or is it simply window dressing?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

47. Senator HIRONO. Director Coats and Lt. Gen. Stewart, China is very active not only in Asia but also many other parts of the world with aid, construction, loans and other “softpower” projects. What do you see as their ultimate goal? Where are they trying to go with the military, economic and diplomatic actions?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

NORTH KOREAN MISSILE THREAT

48. Senator HIRONO. Director Coats and Lt. Gen. Stewart, it is clear that North Korea is committed to developing long-range missile technology. Most recently North Korea tested a medium-range ballistic missile that gave it critical information on developing a re-entry vehicle for nuclear warheads. It also demonstrated that North Korea has a missile capable of striking the US territory of Guam. I understand that this will likely include classified information but when do you estimate that North Korea will have the capability to strike Hawaii, Alaska and the Continental United States with an intercontinental ballistic missile? When do you estimate that North Korea will advance their nuclear program enough to produce a miniaturized nuclear payload for an intercontinental ballistic missile?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

49. Senator HIRONO. Director Coats and Lt. Gen. Stewart, regarding the Trump Administration’s diplomatic push at the UN, is it your understanding that the Administration intends to maintain pursuit of fully implementing UN sanctions and a diplomatic, multi-lateral approach to North Korea? What can you tell us about how those initiatives are being received by the Chinese and North Koreans?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR TIM KAINE

JCPOA

50. Senator KAINE. Director Coats and Lt. Gen. Stewart, in the hearing you were asked if the current nuclear agreement with Iran accomplishes the goal of denying Iran a nuclear capability. Director Coats you responded, “It would only accomplish a deferment.” Lt. Gen. Stewart you responded, “It does not deny forever, it defers for 10 years.” Are you aware that the first paragraph of the Joint Comprehensive Plan of Action agreement preface states “Iran reaffirms that under no circumstances will Iran ever seek, develop or acquire any nuclear weapons”?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

IRAN VERSUS SUNNI EXTREMISM

51. Senator Kaine. Director Coats and Lt. Gen. Stewart, which is a greater threat to the United States, Iran or Sunni extremism?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

RUSSIA INTERFERENCE IN UNITED STATES ELECTIONS

52. Senator Kaine. Director Coats, during the hearing you offered, “We do not have an assessment that any of our voting machines were tampered in this election.” Public reporting from multiple sources cite Russian cyberattacks against State Boards of Elections and voting equipment, including the article “Putin targeted election, intel says” by Brian Bennett published on January 8, 2017 in the Chicago Tribune. It states “Russian intelligence ‘obtained and maintained access to elements of multiple US state or local electoral boards,’ adding that Russian spies began collecting information on equipment used in United States elections in early 2014.” Is this statement accurate?

Director COATS. [Deleted.]

TURKEY

53. Senator Kaine. Director Coats and Lt. Gen. Stewart, Turkey is our NATO ally and a key strategic partner in our fight against ISIS but President Erdogan has shown increasingly authoritarian tendencies, a closer relationship with Russia, and dispensed his thuggish security detail to attack peaceful protestors in the streets of Washington, D.C. Turkey appears to be evolving into an authoritarian regime at odds with international values. Are you concerned this new path by the regime will affect U.S. counter terrorism efforts?

Director COATS. [Deleted.]

Lt. Gen. STEWART. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR ELIZABETH WARREN

IC ASSESSMENT OF CYBERSECURITY OF ELECTION INFRASTRUCTURE

54. Senator Warren. Director Coats, during your testimony before the SASC, you said that the intelligence community “do[es] not have an assessment that any of our voting machines were tampered in this [2016] election.” Did the Office of the Director of National Intelligence instruct the intelligence agencies to actively assess whether this occurred, either before or after you were confirmed as Director, or does your statement rely instead on reporting from state and local entities?

Director COATS. [Deleted.]

55. Senator Warren. Director Coats, to your knowledge, did any of the intelligence agencies make an assessment of the security of voting machines under their own authority, and if so, which agencies?

Director COATS. [Deleted.]

IC ASSESSMENT OF RUSSIAN RELATIONSHIP WITH NORTH KOREA

56. Senator Warren. Director Coats, according to a recent Bloomberg editorial, shortly after Russia’s illegal invasion of Ukraine in 2014, Vladimir Putin wrote off 90 percent of North Korea’s \$11 billion debt to Russia. In 2013, Russia completed a railroad linking the two countries. Approximately 50,000 North Korean laborers work at construction sites in Russia, and a ferry operates between the Russian city of Vladivostok and a North Korean port. Director Coats, you were not able to answer Senator Gillibrand’s question about the relationship between Russia and North Korea in an unclassified setting. Please provide your analysis of Russia’s role in North Korea, and whether Russia is working against our interests in the broader Asia-Pacific region, in a classified format if necessary.

Director COATS. [Deleted.]

