STATEMENT FOR THE RECORD

WORLDWIDE THREAT ASSESSMENT

ARMED SERVICES COMMITTEE

UNITED STATES SENATE

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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 confronting the Nation.

The United States faces an increasingly complex array of challenges to its national security. The military environment has shifted from the existence of the United States as the single power able to dominate challengers and to deter aggression through conventional means to one 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 upend longstanding U.S. military dominance in all warfighting domains—terrestrial, maritime, air, space, and cyber—raising the complexity of the threat environment and risk to the United States. Competitor states will employ all diplomatic, economic, political, and covert mechanisms of influence and coercion available to advance their agendas. Many states will continue to view nuclear weapons as both the guarantor of regime survival and a critical capability in a conflict with a conventionally superior adversary. This threat environment highlights the 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, these issues reflect the complexity, diversity, and scope of today's challenges to our national security.

The men and women of DIA lead 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. 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 these threats. On behalf of the entire Defense Intelligence Enterprise, thank you for your continued confidence. Your support is vital to us.

REGIONAL THREATS

EAST ASIA

North Korea

North Korea is a critical threat to the United States and our allies in Northeast Asia and is our hardest intelligence collection target. North Korean leader Kim Jong Un has pressed his nation down a path to develop nuclear weapons and deliver them with ballistic missiles that can reach South Korea, Japan, and the United States. In pursuit of this objective, he has instituted a rapid, ambitious missile development and flight-testing program that has, over the past 2 years, brought North Korea closer than ever before to its goals. Concurrently, Pyongyang has attempted to reinvigorate its conventional military, investing in select weapon systems and in improvements to training designed to bolster the threat against South Korea.

Since 2014, North Korea has accelerated the pace of its ballistic missile testing. In 2016 and 2017, over 40 launches of short-, medium-, intermediate-, intercontinental-range, and submarine-launched systems were conducted. Although flight tests on longer range missiles in 2016 were marked by multiple failures and setbacks, 2017 saw Pyongyang making advancements. Specifically:

- North Korea flight-tested two Hwasong-14 intercontinental ballistic missiles (ICBMs) in July. In their tested configuration, these missiles are capable of reaching North America. In late November, North Korea launched what it described as a new ICBM—the Hwasong-15—which also demonstrated a capability to reach the United States.

- Pyongyang flew two Hwasong-12 intermediate-range missiles over Japan last year, placing our allies at potential risk from missile debris. The second of these tests demonstrated a capability to range more than 3,700 kilometers, which can reach beyond Guam.

- The North twice flight-tested a solid-propellant medium-range missile capable of reaching Japan. Based on North Korea's developmental submarine-launched ballistic missile, this system—the Pukguksong-2—is the North's longest range solid-propellant missile. This advancement is significant because solid-propellant missiles can be prepared for launch more rapidly than liquid-propellant systems.

North Korea conducted a nuclear test, its sixth overall, in September. The test generated a much larger seismic signature than had previous events, and North Korea announced that this was a test of a "hydrogen bomb" for use on an ICBM. North Korea has demonstrated the capability to produce kilogram quantities of plutonium for nuclear weapons and has claimed to possess the ability to produce enriched uranium for nuclear weapons. We judge that North Korea continues to generate fissile material for nuclear weapons. Pyongyang has publicly showcased two weapon designs, claiming both as missile deliverable. We also remain concerned about North Korea's proliferation activities in contravention of multiple UN Security Council resolutions, most recently Resolutions 2356 (June), 2371 (August), and 2375 (September).

North Korea has a longstanding biological warfare (BW) capability and biotechnology infrastructure that could support a BW program. Pyongyang is a signatory to the Biological and Toxin Weapons Convention (BWC) but has yet to declare any relevant developments and has failed to provide a BWC confidence-building measure declaration since 1990. Pyongyang may consider using biological weapons during wartime or as a clandestine attack option.

North Korea probably has a chemical warfare (CW) program with up to several thousand metric tons of chemical warfare agents and the capability to produce nerve, blister, blood, and choking agents. It is not a party to the Chemical Weapons Convention. North Korea probably could employ CW agents by modifying a variety of conventional munitions, including artillery and ballistic missiles, or by using unconventional, targeted methods.

Although resource shortages and aging equipment continue to hamper North Korea, its conventional military remains a major threat to South Korea. The Korean People's Army (KPA) Ground Forces operate thousands of long-range artillery and rocket systems along the entire demilitarized zone. These weapons include close-range mortars, guns, and multiple rocket launcher systems trained on South Korean military forces north of Seoul; the North is bolstering this threat with longer range self-propelled guns, rockets, and close-range ballistic missiles (CRBMs) that can reach Seoul and some points south of the capital. A new CRBM that is probably close to fielding is capable of reaching Seoul and major U.S. air and ground bases farther south.

In addition, Kim Jong Un has emphasized a need for more realistic military training across the force and has overseen high-profile training events in artillery, air, and special operations forces. The training events we have observed seem largely designed for public messaging and are probably not sufficient to compensate for years of neglect in some sectors of the military. The KPA lacks the operational capability to forcibly reunify the Korean Peninsula, but North Korea's military is capable of a full range of armed provocations and lethal, limited-objective attacks. With its large artillery and infantry force forward-deployed, the KPA can mount an attack on South Korean and U.S. forces with little or no warning.

North Korea continues intense efforts to deny us information about its capabilities and intentions. North Korea's underground facility program is the largest in the world, and its primary function is to protect and conceal regime leaders, weapons of mass destruction (WMD), ballistic missiles, military

forces, and defense industries. The military relies on thousands of underground facilities distributed throughout the country to conceal and protect key command and control (C2) nodes, forces, warfighting stores, and other significant infrastructure. North Korea has learned and adapted the use of deception in its defenses after observing U.S. conflicts in Vietnam, Kosovo, and the Middle East. North Korea exploits its mountainous terrain to fortify its military installations and will continue to improve and construct hardened bunkers and underground facilities to protect its forces.

North Korea's nuclear and missile testing has deepened the Kim regime's isolation. The United Nations has imposed additional sanctions on North Korea through new Security Council resolutions. The North's relations with China are at their lowest ebb in years, and military and security cooperation remains officially suspended. Chinese leaders, in response to North Korea's actions, have publicly committed China to supporting international efforts to strengthen sanctions. However, Beijing is attempting to balance incremental increases in pressure with avoiding actions that Chinese officials fear could destabilize North Korea and place China's strategic buffer against the U.S. alliance system in Northeast Asia at risk.

Despite external pressure, Kim shows no interest in voluntarily walking away from his nuclear or missile programs, which he has made central to his security strategy. Additional missile launches—from short range to intercontinental range—are a near certainty, and further nuclear tests are possible as Pyongyang seeks to refine its weapon designs. In addition to further testing, North Korea has announced that it will focus on producing and deploying nuclear weapons and ballistic missiles in 2018. We also expect the Kim regime to consider launching cyberattacks, similar to the WannaCry ransomware attack conducted in mid-2017, and the possibility for limited-scale military action against South Korea remains on the table. The North Korean regime appears stable, and Kim will continue to actively manage regime elites and the populace through indoctrination, inducement, and intimidation. In the coming year, international sanctions are likely to strain foreign currency earnings by some elites

and may limit availability of refined fuels nationwide. The elites and general public, accustomed to scarcity, are likely to try to cope with decreasing resources and are unlikely to challenge the regime in the near term; however, our ability to discern dissent is limited.

China

In 2017, China's armed forces continued implementing sweeping organizational reforms that President Xi Jinping and other Chinese leaders unveiled in 2015. This reorganization is the latest phase in China's long-term military modernization program, which the country's leaders have characterized as essential to achieving great-power status and what Xi calls the "China Dream of national rejuvenation." The leadership portrays a strong military as critical to advancing China's interests and ensuring that China can defend itself and its sovereignty claims.

These military reforms seek to enhance the ability of the People's Liberation Army (PLA) to conduct joint operations; improve its ability to fight short-duration, high-intensity regional conflicts at greater distances from the Chinese mainland; and strengthen the Chinese Communist Party's control over the military. The changes instituted during the past year and codified in the 19th Party Congress reduced the size of the Central Military Commission, streamlined its control over the PLA, and propagated reform to corps-level units and below, transforming ground and air combat units with foundational improvements, including modern C2 and the abilities to conduct more effective joint operations. The PLA also is strengthening its joint operational command system and developing its new Strategic Support Force, which consolidates cyber, electronic warfare, and space capabilities.

In early 2017, China announced a 6.5-percent inflation-adjusted increase in its annual military budget, to $154.3 billion, second only to the United States and about 1.3 percent of China's GDP. Since China omits several major categories of expenditure from its published military budget, we estimate its actual

military-related spending to be over $190 billion. This budget extends more than two decades of annual defense spending increases, which we expect China to sustain for the foreseeable future.

Chinese military forces continue to develop capabilities to dissuade, deter, or defeat potential 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 conduct long-range attacks against adversary forces that might deploy or operate in the western Pacific Ocean. These capabilities, spanning the air, maritime, space, electromagnetic, and information domains, are most robust within the first island chain, but China is rapidly extending capabilities farther into the Pacific Ocean.

The PLA Rocket Force is bolstering its medium-range DF-21 antiship ballistic missile with the DF-26 intermediate-range ballistic missile, capable of conducting precision conventional or nuclear strikes against targets as far away as Guam. The PLA is also developing and fielding numerous advanced, long-range land-attack and antiship cruise missiles, some capable of reaching supersonic speeds, and operated from ground, air, ship, and submarine platforms. These capabilities are being augmented with two new air-launched ballistic missiles, one of which may include a nuclear payload. The PLA Air Force is fielding modern fighters and extending the range and capabilities of its bomber force. During the PLA's 90th anniversary parade in July, the Air Force conducted high-profile public flybys of its developmental, fifth-generation J-20 stealth fighter and debuted advanced variants of fourth-generation fighters with upgraded weapons. The PLA Navy is developing into a global force, gradually extending its ability to sustain its operational reach beyond East Asia. Its latest naval platforms enable combat operations beyond the reach of China's land-based defenses. In particular, China's aircraft carrier and planned follow-on carriers, once operational, will extend air defense umbrellas beyond the range of coastal and shipboard missile systems and help enable task group operations at increasingly greater distances.

The ongoing modernization of the PLA's nuclear force is focused on mobility, survivability, and effectiveness intended to ensure the viability of China's strategic deterrent in the face of perceived advances in U.S. and, to a lesser extent, Russian offensive and defensive capabilities. China is developing a range of technologies, such as multiple independently targetable reentry vehicles (MIRVs), maneuvering warheads, decoys, chaff, jamming, thermal shielding, and hypersonic glide vehicles, in an attempt to counter ballistic missile defense systems. These technologies will be incorporated into China's silo and road-mobile ICBMs while Beijing expands the force in the size and types of missiles and the number of warheads capable of striking the United States over the next 15 years. The PLA Navy's four Jin class nuclear-powered ballistic missile submarines, armed with the JL-2 submarine-launched ballistic missile, provide China its first viable sea-based nuclear deterrent. The PLA Air Force is developing a strategic bomber that we expect to have a nuclear mission; when combined with Rocket Force and Navy capabilities, this bomber would complete China's first credible nuclear "triad."

Strategists in the PLA regard the ability to use space-based systems—and to deny them to adversaries—as central to enabling modern warfare. As a result, the PLA continues to strengthen its military space capabilities despite its public stance against the weaponization of space. Beijing has invested in space system improvements, with an emphasis on intelligence, surveillance, and reconnaissance systems, satellite communications, satellite navigation, meteorology, and human spaceflight and interplanetary exploration. China also continues to develop a variety of counterspace capabilities designed to limit or prevent an adversary's use of space-based assets during crisis or conflict. Space and counterspace capabilities, like missile forces, advanced air and sea power, and cyber capabilities, are critical for China to fight and win modern military engagements.

China has long identified the protection of its sovereignty and territorial integrity as a "core interest" and is leveraging its growing power to assert sovereignty claims over features in the East and South China Seas and the China-India border region. Despite a tribunal's ruling in 2016 that China's "nine-dash

line" is not a lawful maritime claim, China is using coercive tactics, such as employing law enforcement vessels and its maritime militia, to enforce maritime claims and advance its interests in ways that are calculated to fall below the threshold of provoking conflict. In the East China Sea, China persists in its use of maritime law enforcement ships and aircraft to patrol near the Senkaku Islands and challenge Japan's claim. In the South China Sea, China sustained construction at its Spratly Islands military outposts in 2017 and employed diplomatic and economic pressure to persuade the Philippines to curtail construction activity and coerce Vietnam to abandon drilling operations.

China's expanding global footprint and international interests are reflected in its Belt and Road Initiative of economic, commercial, and infrastructure projects in Asia, Africa, the Middle East, and Europe. Beijing's military modernization program is expanding in concert with this initiative to include investments and infrastructure to support a range of missions beyond China's periphery, including power projection, sea lane security, counterpiracy, peacekeeping, and humanitarian assistance and disaster relief. China's most recent white papers and doctrinal writings emphasize the requirement for a PLA able to secure expanding Chinese national interests overseas, including a growing emphasis on the importance of the maritime domain, offensive air operations, long-distance mobility operations, space operations, and cyberoperations. In August, following more than a year of construction, China officially opened a military base in Djibouti and deployed a company of marines and equipment to the facility. China probably will seek to establish additional military logistics facilities in countries with which it has longstanding, friendly relationships and similar strategic interests.

Looking forward, sustained year-over-year spending increases will enable the PLA to realize its goals for military modernization and reform. An increasingly lethal joint force will be capable of holding U.S. and allied forces at risk at greater distances from the Chinese mainland, and the PLA will use new bases and military logistics facilities to extend its operational reach well beyond East Asia. A modern, effective nuclear deterrent and substantial investment in advanced cyber, electronic warfare, and space

capabilities will bolster China's ability to fight and win modern military engagement across multiple military domains.

EURASIA

RUSSIA

Russia views the United States as the primary threat to its national security and geopolitical ambitions and is developing a modern military designed to defeat all potential threats to the Russian homeland and accomplish its larger foreign policy objectives. The Kremlin's objectives include establishing a sphere of influence over the states of the former Soviet Union, preventing further eastward expansion of NATO, and ensuring that no major international issues are resolved without Russia's input or at its expense. The Kremlin views a powerful, survivable strategic nuclear force as the foundation of Russia's national security and sees modernized general purpose and nonstrategic nuclear forces as critical for meeting conventional military threats. At the same time, Russia increasingly considers the information sphere as a new domain for modern military conflict. Moscow is honing its cyber capabilities and its ability to spread disinformation in order to advance its own agenda, sow future discord in the West, undermine faith in democratic norms and processes, and discredit Western institutions.

Russia's desire to be recognized as a great power requires a modern, proficient military, and Moscow has devoted significant attention and resources toward improving its military equipment and command capabilities. The Kremlin continues to place top priority on modernizing Russian strategic nuclear forces, seeking to replace Soviet-era legacy systems, maintain rough nuclear parity with the United States, and improve the survivability of Russia's nuclear weapons and critical national leadership facilities in the event of a precision strike or nuclear attack. New systems under development include a heavy, liquid-propellant ICBM and mobile ICBMs that are designed to challenge missile defense and enhance survivability. In addition, the Kremlin claims that a new class of hypersonic glide vehicle under

development will allow Russian strategic missiles to penetrate missile defense systems. Moscow is improving its strategic naval forces by building and deploying the Dolgorukiy class nuclear-powered ballistic missile submarine with the SS-N-32 Bulava submarine-launched ballistic missile. Russia is also refurbishing its long-range strategic bombers to carry the newest air-launched cruise missiles, the AS-23a conventional variant and the AS-23b nuclear variant. These missiles are the follow-on system to the AS-15, the main armament of Russia's Tu-95 and Tu-160 bombers.

Russia 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 advantages that make it worth the risk of violating the INF Treaty. Russian officials have previously complained that the treaty prohibits Russia, but not some of its neighbors, from developing and possessing ground-launched missiles with ranges between 500 and 5,500 kilometers.

According to New START Treaty statements on 5 February 2018, Russia declared 1,444 warheads on 527 deployed ICBMs, SLBMs, and heavy bombers. Russia has an active stockpile of up to 2,000 nonstrategic nuclear weapons. These include air-to-surface missiles, short-range ballistic missiles, gravity bombs, and depth charges for medium-range bombers, tactical bombers, and naval aviation; antiship, antisubmarine, and antiaircraft missiles; and torpedoes for surface ships and submarines. Russia may also have warheads for surface-to-air and other aerospace defense missile systems.

Russia is a state party to the Chemical Weapons Convention and had completed destruction of its nearly 40,000-ton declared chemical weapons stockpile as of 27 September. Russia maintains a robust commercial chemical industry that is capable of producing chemical warfare agent precursors. The country's industrial base, coupled with knowledge from the historical chemical weapons program, suggests that Moscow has the capability to produce chemical weapons.

Moscow has concluded that gaining and maintaining supremacy in space will have a decisive impact on the outcome of future conflicts and is developing counterspace systems to hold U.S. space assets at risk. Russia will continue to pursue the development of a full range of ground-, air-, or space-based antisatellite weapons as a means to reduce U.S. military effectiveness and control the escalation of conflict if deterrence fails.

Russia's forcewide conventional modernization continued in 2017, driven by improving import-substitution efforts designed to eliminate military-related imports from NATO countries and Ukraine. State deliveries to the Aerospace Forces have included new Su-34 strike fighters, Su-35 fighters, and modernized Tu-160 and Tu-22M3 bombers. Naval forces are expanding with launches of multirole corvettes and frigates that provide air defense and strike capabilities, along with nuclear- and diesel-powered missile submarines. The Ground Forces have received modernized T-72B3 tanks and BMP-3 infantry fighting vehicles, while development of the T-14 Armata tank, Kurganets and Bumerang armored vehicles, and Koalitsiya self-propelled howitzer have continued.

Moscow will continue to conduct large-scale regional military exercises as the capstone event of its annual military training cycle. Last year, Moscow held ZAPAD 2017 in northwestern Russia and Belarus, arousing concerns in states along Russia's borders. The exercise tested and demonstrated the readiness of the participating forces to respond to a sudden attack, and it rehearsed a rapid transition from peacetime to a wartime footing focusing on logistics, command, control, communications, computers, intelligence, surveillance, and reconnaissance and the preparation of the state and society for wartime mobilization. Moscow will hold a similar exercise, VOSTOK 2018, in the Pacific theater in September.

Russian intelligence services, including Russian military intelligence (GRU), have been increasingly involved in carrying out cyberoperations abroad, as we have seen in the United States, in efforts to sway the 2017 French presidential election, and in attacks against Ukraine's power grid. The Kremlin is

further developing these capabilities and its capacity to carry out information warfare, or what it calls "information confrontation." Moscow views control over the information sphere as crucial to influencing, confusing, and demoralizing an adversary, and the weaponization of information is a key element in Russian strategy. Russia employs a full range of capabilities, including pro-Kremlin media outlets and websites, bots and trolls on social media, search engine manipulation, and paid journalists in foreign media, to sway Western attitudes toward Russia and in favor of Russian governmental objectives.

Russia believes it has benefited from its military interventions in Syria and Ukraine, which have boosted the Kremlin's confidence in its military and increased Moscow's geopolitical profile. In Syria, Russia's military intervention changed the dynamic of the conflict, bolstering the Assad regime and posturing Moscow as a credible regional power broker in the Middle East. As operations against the Islamic State of Iraq and ash-Sham (ISIS) in Syria ease, Russia is seeking a political settlement to the conflict that will allow it to reduce its direct combat role and preserve Syria as its military and geopolitical stronghold in the Middle East.

Russia's engagement with the Turkish government of President Erdogan, military sales to Turkey, and deepening interest in and involvement with Egypt and Libya illustrate Russia's strategic objective to strengthen its ability to project power into the Mediterranean and along NATO's southern flank, expand its influence in the region, and exacerbate existing friction in NATO.

In eastern Ukraine, Russia has steadily lowered the level of violence along the Line of Contact and has proposed the deployment of a UN peacekeeping mission to protect Organization for Security and Cooperation in Europe observers in an effort to break Western solidarity and secure sanctions relief. Nevertheless, the Kremlin shows few indications that it is prepared to reverse course on Ukraine or make any new compromises—short of Kyiv's capitulation to Moscow's efforts to institutionalize a de

facto veto over Ukrainian decisionmaking—and is under little pressure to do so. The Russian armed forces remain deeply involved in eastern Ukraine, where Russian military officers command the Kremlin's separatist proxies down to the battalion level. Moscow retains the ability to reescalate the conflict as it deems necessary.

Russia is concerned about growing U.S.-North Korean tension and seeks to carve out a role as a mediator befitting its position as a great power and to ensure that its regional interests are protected. Moscow remains frustrated by Pyongyang's ballistic missile and nuclear provocations but continues to emphasize the need for a diplomatic resolution to the standoff while rejecting all military solutions and providing only partial support for UN sanctions. Russia is likely to take advantage of opportunities to improve its leverage with North Korea, making use of even small steps, such as the October provision of an Internet connection by a Russian state-owned company, reducing North Korea's dependence on China and separately enabling oil transfers to North Korea despite UN sanctions.

Russia views the Arctic as vital to its national security and economic prosperity. Over the past 5 years, Russia has strengthened its military presence in the Arctic, refurbishing once-abandoned Soviet-era installations and developing new dual-use facilities to support civilian and military operations. These efforts include construction of airfields, naval ports, search and rescue centers, and radar installations. Russia has also created new Ground Forces units, air defense units, and coastal missile units to improve security of Russia's northern border. The majority of Russian deployments at this point are defensive systems and provide little in terms of force projection capability.

Over the coming year, we expect that Russia will seek opportunities to reestablish itself as a regional security broker and alternative to the United States. It will seek opportunities to strengthen its great-power bona fides and overturn the post–Cold War international order that it believes is tilted too heavily in favor of the United States. Moscow's strategy is to force the United States and U.S. allies to

acknowledge Russia's security interests and recognize its importance as a global actor whose interests cannot be summarily dismissed without consequence. Although Russia repeatedly emphasizes that it is not interested in a new Cold War with the United States, it has also made clear that it will no longer reconcile with the West through concessions or a policy of appeasement.

SOUTH ASIA

Afghanistan

In South Asia during the past year, Afghan national defense and security forces (ANDSF) protected major population centers and denied the Taliban strategic gains while combating ISIS-Khorasan. ISIS-Khorasan intends to expand ISIS's self-declared caliphate and compete with the Taliban for recognition as the dominant militant group in the region. Although degraded, al-Qa'ida in the Indian Subcontinent, which represents al-Qa'ida's primary geographic and ideological presence in South Asia, has retained the intent and limited capability to threaten coalition and Afghan forces and interests in the region.

We assess that the ANDSF will build on incremental successes from the previous year by developing additional offensive capabilities and setting conditions for major military operations. We expect the Taliban to threaten Afghan stability and undermine public confidence by conducting intermittent high-profile attacks in urban areas, increasing influence in rural terrain, threatening district centers, and challenging vulnerable ANDSF locations. Rural areas will remain contested between the Taliban and the ANDSF over the next year as the Taliban consolidates control in these areas and attempts to pressure provincial capitals, predominantly in the south and northwest.

The ANDSF will almost certainly need to focus on increasing its fighting capability, improving its leadership development and unity of command, and countering corruption to further develop a sustainable security solution in Afghanistan that would compel the Taliban to seek negotiations to end the conflict. Continued coalition airstrikes as well as train, advise, and assist efforts this year will remain

critical enablers to improving the ANDSF's ability to forestall Taliban advances beyond rural areas and in extending security and governance.

Pakistan

Islamabad is likely to proceed with its counterinsurgency operations and border management efforts along its western border while sustaining counterterrorism and paramilitary operations throughout the country. These efforts have had some success in reducing violence from militant, sectarian, terrorist, and separatist groups, but Pakistan will look to the United States and the Afghan government for support against anti-Pakistan fighters in Afghanistan. Pakistan is increasing its nuclear stockpile and developing tactical nuclear weapons and new ballistic missile systems. In January 2017, Pakistan conducted the first test launch of its nuclear-capable Ababeel ballistic missile, demonstrating South Asia's first MIRV payload, and in early July, Pakistan demonstrated an expanded-range Nasr CRBM.

India

New Delhi seeks status as a global power and perceives its strategic forces as necessary elements to achieve that goal. India has put its first domestically built nuclear submarine, the INS *Arihant*, into service, and is set to take delivery of its second nuclear submarine, the INS *Arighat*, in 2018. India continues to modernize its military to better posture itself to defend its interests at home and in the broader Indian Ocean region while reinforcing its diplomatic and economic outreach across Asia. Continued exchange of heavy fire between Indian and Pakistani forces along the Line of Control poses a risk of inadvertent or gradual escalation of hostilities. In 2017, the lengthy standoff between Indian and Chinese forces along the Bhutan-China border heightened tension between India and China and prompted both sides to increase their forces near the Line of Actual Control. We expect that both sides will maintain this elevated force posture along disputed border areas through the remainder of 2018.

MIDDLE EAST

The Middle East faces multiple, simultaneous challenges. ISIS has been largely defeated as a semiconventional battlefield force that controls territory, yet the group retains key leaders and the ability to attack civilians and security forces in Iraq and Syria even without control of territory. ISIS is transitioning to a clandestine posture to ensure its survival and preserve attack capabilities, and the group remains the most significant terrorist threat to the United States and our allies in the region. Traditional drivers of unrest—authoritarian leaders, civil conflict, ungoverned spaces, insufficient economic opportunity, and corruption—are compounded by terrorism, conventional military threats, and growing Iranian involvement. My comments on this volatile and important region will focus on Syria and Iraq, related ISIS developments, Iran, and Yemen.

Syria

Syrian President Bashar al-Assad's regime has strengthened its military momentum against the armed opposition during the past year with continued support from Russia and Iran is poised to wield the most power in a postconflict environment. Since recapturing the strategic city of Aleppo in late 2016, proregime forces have largely contained opposition forces in western Syria and seized large swaths of territory from ISIS in eastern Syria. However, a lack of progress in political negotiations, along with President Assad's pursuit of decisive military victory, will continue to challenge the durability of these zones. Iranian-affiliated fighters, including Lebanese Hizballah, serve as critical force multipliers for the Syrian regime and will look for opportunities to solidify their influence in the coming years. Syria's fragmented opposition, demoralized and suffering from severe resource shortages compounded by heavy infighting, is on the defensive with little prospect of reversing its decline. The al-Qa'ida–affiliated al-Nusrah Front overran its main opposition rivals last summer and solidified its position as the most

dominant opposition group in northwestern Syria, further complicating efforts to deescalate the conflict.

As concluded by the UN Organization for the Prohibition of Chemical Weapons (OPCW) Joint Investigative Mechanism (JIM),the Syrian regime probably conducted a chemical weapons attack using the nerve agent sarin against the opposition on 4 April 2017 in Idlib Province, killing over 100 civilians. The chemical agent was delivered by regime Su-22 aircraft, which we assess took off from the regime-controlled Shayrat Airfield. This was the fourth time the JIM found the Syrian regime to be culpable for CW use in Syria. We further assess that the Syrian regime has not declared all the elements of its chemical warfare program to the OPCW and judge that the regime continues to use chemicals as a means of warfare, as it has every year since acceding to the Chemical Weapons Convention in 2013.

Despite the work of the OPCW's 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 draft decision noted that Syria's use of CW on April 4, 2017, indicates its CWC declaration is inaccurate and incomplete.

Although Russia is likely to reduce its direct military role in Syria as counteropposition and counter-ISIS operations diminish, Moscow will provide further military support to the regime and will probably continue to help Damascus train and equip Syrian forces. Russia has become the primary interlocutor between Damascus and the broader international community, a role we expect it to try to preserve in a postconflict environment, including involvement in forging a diplomatic resolution to the conflict and limited humanitarian aid and reconstruction projects.

Turkey continues to work with multiple Syrian opposition elements to help achieve Ankara's objectives in Syria, and it is also engaged with Russia and Iran through the Astana process. In addition to holding territory in northern Syria it gained during Operation EUPHRATES SHIELD, Turkey expanded its footprint

in Syria in October when it deployed forces as part of the Idlib deescalation zone, under the auspices of Astana talks. On 20 January 2018, Turkey also began military operations in Afrin, called Operation OLIVE BRANCH, which appear designed to surround territory and isolate Syrian Kurdish People's Protection Unit (YPG) forces there. Turkish officials have said the ultimate goal of Operation OLIVE BRANCH is to completely remove the YPG from Afrin. Turkey is methodically capturing territory on the Syria side of its border with Afrin, forcing the YPG to move forces to the Afrin area from elsewhere in Syria. Turkish objectives include securing its southern border from Kurdistan Worker's Party (PKK)-affiliated elements, repatriating Syrian refugees from Turkish territory, and rolling back YPG control in northern Syria.

Iraq

In November 2017, after 3 years of major combat operations against ISIS, the Iraqi security forces (ISF) reclaimed areas in and around Al Qaim, Anbar Province, regaining control of ISIS's last strongholds in populated areas in Iraq. Throughout the defeat-ISIS campaign, the ISF has been aided by assistance from the coalition. Separately, the Iraqi government also used Popular Mobilization Forces (PMF), including Iranian-supported Shia militias, to retake territory from ISIS in light of enduring ISF institutional problems and deficiencies in Iraq's conventional forces. Iraq's most professional and capable security force—the Counterterrorism Service (CTS)—experienced heavy losses during the defeat-ISIS fight, and its focus on conventional operations has degraded its precision counterterrorism capability. This will necessitate significant retraining and other force-generation efforts, assisted by the coalition, to rebuild and refocus the CTS on its mission of effectively and independently neutralizing future terrorist threats in Iraq.

The PMF continues to assist in the final operations against ISIS, as it did in the more recent Iraqi government efforts to reassert federal control over disputed territories in northern Iraq. The PMF is still being finalized as a permanent Iraqi security institution based on the passage of "the PMF law" in 2016, which brought the PMF under the control of the prime minister's office. The upcoming Iraqi

elections will allow some leaders of these groups to tout their role in the defeat-ISIS campaign, attempting to transition battlefield success into political victories.

Iraq's Kurdistan Regional Government (KRG) suffered significant backlash following the Kurds' independence referendum in late September. The Iraqi government reasserted federal control over territory that the Kurds had occupied in the security vacuum created by early ISIS victories, which included the loss of lucrative oil-rich territory and related oil revenues that were vital to the KRG's independence aspirations. The nonpartisan Regional Guard Brigades largely dissolved following the independence referendum as the two main Kurdish political parties sought to place blame on each other for the failures of the Kurdistan Regional Government. The Kurdish security forces are likely to struggle defending Kurdish-controlled territory from insurgent attacks while maintaining a large defensive line against Baghdad's forces. Financial shortcomings and institutional limitations of the Kurdistan Regional Government will also continue to limit Kurdish forces' military and counterterrorism capabilities.

Shia militia groups, including those loyal to Iran, are likely to pose an increasing threat to U.S. forces, especially in Iraq, as the ISIS territorial threat recedes. The ISF very likely will require significant foreign assistance to bolster its security performance throughout 2018 and beyond, yet systemic problems will undermine coalition efforts to build partner capacity.

ISIS Developments in Syria and Iraq

Since last summer, ISIS has lost key strongholds as accelerated anti-ISIS campaigns by both proregime forces and the Kurdish-led Syrian Democratic Forces have reclaimed territory across Iraq and Syria. ISIS has lost nearly all of its territory in Iraq and over 90 percent of its territory in Syria since the peak of its control in August 2014. In October 2017, the coalition-backed Syrian Democratic Forces secured ISIS's former de facto Syrian capital of Ar Raqqah after 4 months of operations. In early September, Russian-backed Syrian proregime forces launched operations into ISIS's last remaining core territory along the

Middle Euphrates River Valley in eastern Syria. Syrian forces broke ISIS's 3-year-long siege of Dayr az Zawr in mid-September. In early October, Syrian proregime forces rapidly encircled ISIS's then–de facto capital of Al Mayadin, capturing the city by mid-October. By the end of 2017, with the fall of the Syrian border town of Albu Kamal and the Iraqi towns of Al Qaim and Rawah, ISIS had lost all of its significant urban holdings in the Middle Euphrates River Valley.

We estimate ISIS lacks the capability to stop anti-ISIS forces from seizing its remaining territory, and the group will accelerate its transition to a clandestine insurgency, as it was prior to 2014.

The loss of oil- and gas-producing territory in central and eastern Syria in 2017 severely undermined ISIS's finances. The group probably has stockpiled some cash reserves from funds obtained since 2014, which will underpin its financial viability as it adapts to reduced revenues.

ISIS will remain an enduring threat to coalition interests and Iraqi and Syrian stability, and the group remains capable of executing complex, destabilizing terrorist attacks despite losing territorial holdings. For example, in November ISIS fighters infiltrated the Dayr az Zawr airfield and destroyed several Syrian regime aircraft almost 2 weeks after the regime declared the city cleared. ISIS will attempt to exploit longstanding Iraqi and Syrian Sunni grievances and the continued civil war in Syria. Coalition airstrikes are degrading the group's ability to support its operations, but the enduring undergoverned territory and security challenges in western Iraq, as well as the unresolved conflict in Syria, could provide ISIS opportunities to rebound and regain influence in 2018.

Iran

Iran remains a primary nation-state challenger to U.S. interests and security within the Middle East and Southwest Asia. Iran's national security strategy focuses on deterring and, if necessary, defending against external threats, securing Iran's position as a dominant regional power, and ensuring continuity of clerical rule, economic prosperity, and domestic security. Iran is engaged in the region's conflicts to

further its security goals and expand its influence with neighboring countries, at the expense of the United States and U.S.-aligned regional partners.

Following Iran's implementation of the Joint Comprehensive Plan of Action (JCPOA) in January 2016, the International Atomic Energy Agency continues to verify and report that Iran has not enriched uranium above allowable levels, maintains limits on centrifuge numbers, and allows monitoring of nuclear fuel and heavy water stocks. We expect that the regime has distributed some financial gains resulting 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, particularly in the wake of recent unrest sparked by economic conditions.

UN Security Council Resolution 2231, which endorses the JCPOA, established benchmarks for lifting 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. Iran will look to Resolution 2231 dates as opportunities to expand its military modernization, and we believe Iranian military leaders are preparing their forces to begin receiving some advanced conventional weapons once UN restrictions are lifted by 2020.

Iran's conventional military strategy is based primarily on deterrence and—if deterrence fails—the ability to retaliate. We believe that Iran's military forces are incorporating lessons learned from operations in Syria and Iraq to refine some of their tactics, which could improve Tehran's ability to combat terrorism and domestic insurgencies.

Iran continues to improve its conventional capabilities to deter adversaries, defend its homeland, and control avenues of approach—including the Strait of Hormuz—in the event of a military conflict. We expect Iran's modernization priorities to remain its ballistic missile, naval, and air defense forces, with new emphasis on the need for more robust combat air capabilities. In 2017, Iran tested and fielded its

Russian-made SA-20c surface-to-air missile (SAM) system, providing Iran the flexibility of a highly mobile, long-range, strategic SAM with a generational improvement in capabilities over its other legacy air defense systems. Both Iran's regular Navy and Islamic Revolutionary Guard Corps Navy will field increasingly lethal platforms and weapons—including more advanced mines, small submarines, fast-attack craft, and ship- and shore-based antiship cruise missiles—which further complicate U.S. freedom of navigation throughout Iran's littoral.

Iran has the region's largest ballistic missile arsenal, consisting of close-, short-, and medium-range systems that can strike targets throughout the region up to 2,000 kilometers from Iran's border. Iran continues to improve the range, lethality, and accuracy of its missile systems to increase the systems' effectiveness, which Iran probably believes enhances their deterrent and operational value. Tehran is pursuing long-range, precision land-attack cruise missiles, which present a new type of threat in the region. Iran is also developing more powerful space launch vehicles—boosters that would be capable of ICBM ranges if configured for that purpose—and technologies that enable development of long-range missile subsystems.

As Iran perceives that the threat to its allies is diminishing and Damascus and Baghdad consolidate control over their respective countries, we expect Iran to transition to efforts that secure and increase its long-term influence and to look for new opportunities to challenge its regional adversaries. In Iraq, Iran will leverage its aligned PMF and Shia militia groups as well as its longstanding political and societal ties as its main avenues of influence to pressure Baghdad to expel U.S. and coalition forces and prevent Kurdish separatism. In Syria, Iran will continue to work with Russia to administer deescalation zones while simultaneously supporting Syrian regime operations on the peripheries of these zones. Iran's presence in Syria not only benefits the Assad regime, it represents a key step toward Iran's goal of a land bridge from Tehran through Iraq and Syria into Lebanon. This increases Iran's operational reach in the

region, enabling greater support to its proxies. Increased lethal support to Lebanese Hizballah in particular is likely to amplify tension with Israel.

In Yemen, Iran will proceed with its low-cost, high-payoff support of the Huthis against the Saudi-led coalition, including through the provision of lethal aid, to expand Iranian influence while also indirectly confronting Saudi Arabia. Iran has helped the Huthis improve their military and missile capabilities, demonstrated through Huthi missile launches against targets in Saudi Arabia and Saudi-led coalition ships in the Red Sea. We expect Tehran will refocus on stabilizing its allies and look for new opportunities to challenge its regional adversaries, such as Israel and Saudi Arabia.

Iran remains committed to modernizing its military; building the capacity of its partners across the region; and forging new partnerships, while balancing a desire to gain from its reintegration into the global economic system.

Yemen

Fighting in Yemen will persist along the major battlefronts between Huthi-aligned forces, backed by Iran, and remnants of the Yemeni government, backed by a Saudi-led coalition that includes the United Arab Emirates (UAE). Neither the Huthis nor the government of Yemeni President Abd Rabuh Mansur Hadi, backed by the Arab coalition, has been able to achieve decisive results through military force. Efforts at peace talks are stalled, and the Huthis are unwilling to cede territory or disarm, and Saudi Arabia is unwilling to accept a perceived Iranian proxy on its southern border and weapons in the hands of nonstate actors. We do not expect a significant shift in 2018.

The Huthis continue to launch ballistic missiles into Saudi Arabia and have improved their missile capabilities with Iranian assistance. The Huthis launched Iranian-origin missiles with an estimated range of 900 kilometers at Riyadh in November and December and at the Yanbu oil refinery in July 2017, illustrating Huthi intent to strike economic and infrastructure facilities as well as military targets in Saudi

Arabia. Saudi Arabia threatened Iran with retaliation should a Huthi missile strike a high-value Saudi target. The Huthis have repeatedly threatened the UAE with a missile strike, which suggests they are in the final stages of acquiring a longer range missile, probably with help from Iran. With Iranian support, the Huthis have improved their maritime capabilities—which include antiship missiles, explosive-laden boats, and mines—and consequently, the conflict remains a threat to vital international shipping lanes through the Red Sea.

Terrorist groups have exploited the conflict, and the absence of government authority has allowed al-Qa'ida in the Arabian Peninsula and ISIS in Yemen to gain new recruits and allies, especially in southern Yemen. Both groups threaten Western interests in Yemen and have conducted attacks on Huthi, Yemeni government, and Saudi-led coalition targets.

The fighting has displaced more than 2 million people and has left more than 80 percent of Yemen's population of 27 million in need of humanitarian aid. Relief operations are hindered by insecurity, ineffective and corrupt distribution practices, and funding shortages. Health agencies have recorded over 1 million cases of cholera in Yemen since April, according to the World Health Organization. Some humanitarian aid deliveries do get through; most Yemenis will rely on such aid for survival, even in a postconflict Yemen.

AFRICA

African governments are struggling to respond to an array of internal and external threats, including 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; an increasing number of governments

have had to choose between countering proximate internal security threats and sustaining their commitments to African Union and UN missions.

North Africa

The inability of rival Libyan governments to unify, coupled with a reduced but still active terrorist presence, poses the greatest security challenge to the North African region. International efforts to reconcile differences between government leaders have made limited progress. ISIS-Libya remains a formidable regional terrorist threat but is probably incapable of seizing major population centers in Libya or neighboring countries as long as international actors continue counterterrorism actions. Al-Qa'ida affiliates in Libya are spreading their influence, particularly in the ungoverned southern region. Extremism has also undermined North African states' efforts to address illegal migration, corruption, and smuggling. Algeria and Tunisia are reacting to the spread of regional extremist groups by seeking increased support from Western partners to train, equip, and advise their counterterrorism forces.

West Africa and the Sahel

Terrorism and general insecurity are on the rise in the Sahel region of West Africa, presenting an increasing threat to regional governments, despite international peacekeeping and counterterrorism efforts. In Mali, a stalled peace process has given space to extremist groups to expand their influence and has undermined Malian and international efforts to advance government control of northern and central Mali. In March 2017 several Mali-based al-Qa'ida–affiliated terrorist groups merged to form Jama'at Nusrat al-Islam wal-Muslimin (JNIM), a move that unified and strengthened their capacity to threaten the region. Extremist groups based in Libya, Mali, and Nigeria—including ISIS's Mali-based affiliate, ISIS in the Greater Sahara—threaten Niger. ISIS in the Greater Sahara probably conducted the October ambush of a joint U.S. and Nigerien patrol, marking the first attack against U.S. forces in the region. Mali, Niger, Chad, Burkina Faso, and Mauritania are seeking to implement a "G5 Sahel"

combined force to counter threats from JNIM and ISIS in the Greater Sahara. This initiative could improve military cooperation among partner nations and help secure key areas along Mali's borders, but progress is very likely to be slow and uneven. In the Lake Chad Basin region, military operations by Cameroon, Chad, Niger, and Nigeria to counter ISIS-West Africa and Boko Haram have stalled, giving these groups time and space to reconstitute for operations in northeastern Nigeria and across neighboring borders, where both groups still carry out attacks.

East Africa

East Africa remains at risk for instability over the next year as enduring conflicts, entrenched extremism, and political volatility strain the already fragile security environment. One of the world's worst humanitarian crises will continue in South Sudan as the government attempts to violently quell the proliferation of opposition groups. ISIS in Somalia is attempting to claim a foothold in the country's north, and al-Qa'ida's affiliate al-Shabaab is posturing to exploit the drawdown of international peacekeeping forces in southern Somalia.

Central/Southern Africa

The risk of a return to regional conflict in Central Africa is increasing despite international peace and stability efforts. Armed groups in the Central African Republic are exploiting domestic and UN security force limitations and posing an expanded threat to the government and the civilian population. In the Democratic Republic of the Congo (DRC), President Kabila's decision to remain in power past his constitutionally mandated term probably will trigger additional protests that threaten stability. ISIS networks may be exploiting security gaps in eastern DRC to establish a new presence, heightening instability in the restive eastern regions. In Burundi, opposition to President Nkurunziza's efforts to consolidate control and amend the constitution to remain in power may further jeopardize internal and regional stability.

LATIN AMERICA

Positive events in 2017 included the signing of a historic peace agreement in Colombia and orderly democratic transitions in some parts of the region. At the same time, the flouting of democratic norms in certain other countries persists, while illegal trafficking remains endemic; both pose significant challenges to regional security and stability.

Venezuela

Political tensions in Venezuela are likely to remain heightened in the lead-up to the late-May presidential election. In the event of renewed protests, Venezuela's security services may respond aggressively, as they did during 4 months of violent demonstrations in summer 2017, which resulted in more than 125 deaths. The country's deteriorating economy—marked by quadruple-digit inflation and continued shortages of food and medicine—is fueling a sustained flow of outbound migration that could overwhelm neighboring countries. Regional governments are concerned about accommodating growing numbers of Venezuelan migrants. Defense Minister Padrino Lopez and other senior officers have confirmed their support for President Nicolas Maduro and endorsed his increasingly authoritarian measures, including his ongoing efforts to rewrite the country's constitution and sideline the opposition-led legislature. Widespread corruption among Venezuelan security forces is facilitating U.S.-bound cocaine trafficking. Some reports suggest Russia and China remain supportive of the ruling party, partly to protect their investments in Venezuela's economy but also to sustain their security-related influence in Venezuela.

Cuba

Although 2018 may herald the first non-Castro government in Cuba since 1959, Havana will remain a significant foreign intelligence threat, with Cuban services focusing their robust intelligence collection

infrastructure on the United States. Still-unattributed attacks against U.S. diplomats highlight the challenging environment our personnel face.

Transnational Organized Crime in the Region

Countries throughout the region face steep challenges in stemming drug production and illicit trafficking, as well as the ever-adapting networks that enable these flows. Competition between drug trafficking organizations has led Mexico, the principal vector for U.S.-bound cocaine and the primary source of heroin and methamphetamine, to its most violent year in decades. In the past year, Mexican criminal groups' distribution of fentanyl and heroin to the United States has increased, contributing to the rising U.S. death toll attributable to opioid abuse. Bogota, while implementing a nascent peace agreement, faces an evolving challenge from criminal groups that have filled the void left by the Revolutionary Armed Forces of Colombia (FARC) and driven a substantial increase in coca cultivation and subsequent movement of cocaine to the United States. The spike over the past 2 years, in conjunction with precursor chemicals from Asia used to manufacture other illicit drugs, has fueled violence among drug trafficking organizations and gangs in the transit zone. Despite recent drops in homicides, El Salvador, Guatemala, and Honduras still have some of the world's highest homicide rates, making them reluctant to immediately decrease the military's role in domestic security missions.

TRANSNATIONAL THREATS

CYBER

In the coming year, we expect global cyberthreats to emanate from a wide array of state and nonstate actors. Our networks, systems, and information are at risk from an evolution of malicious cyberspace activities. The most important emerging cyberthreats to our national security will come from exploitation of our weakest technology components: mobile devices and the Internet of Things (IoT). Our social media, web applications, cloud services, and critical infrastructures are also vulnerable to

targeted attacks, influence operations, information leaks, and the loss of intellectual property. Adversarial cyberoperations range in scope from compromising critical infrastructure and 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. Our top adversaries are developing and using cyberspace to increase their operational reach into our military and civilian systems, exploiting our vulnerabilities, and compromising our national defense. Their capabilities will continue to challenge the adequacy of our current defenses and cybersecurity investments.

Russia and China will increasingly integrate cyberattack capabilities into their militaries, seeking to deny or disrupt our networked forces and infrastructure. Iran and North Korea, although less capable, can launch disruptive cyberattacks and use cyberspace as a means to asymmetrically respond to perceived challenges in political, military, or economic domains. Continuing to partner with our allies to improve their cyberspace defenses will help limit this threat. Establishing an effective cyberspace defense will require a combination of next-generation technologies able to warn of the latest wave of elusive threats and a sound policy framework that balances the public interest with national defense.

TERRORISM

ISIS suffered significant setbacks in 2017 but has attempted to maintain relevance by increasing its emphasis on ideology-inspired attacks and shifting its media efforts. Territorial losses in Iraq and Syria and persistent counterterrorism operations against ISIS's global network have degraded the group's strength and impeded its ability to exploit instability and societal discontent in the regions where it operates. ISIS members are dispersing and prioritizing clandestine terrorist operations to preserve their core capabilities. Counterterrorism operations have eliminated numerous key senior leaders, operatives, and facilitators, significantly reducing the group's ability to achieve its self-declared caliphate's territorial

objectives. ISIS's capabilities have been degraded in numerous countries, including Libya, Afghanistan, and the Philippines; however, ISIS continues to inspire more attacks in major cities throughout the West than any other terrorist organization and to conduct high-profile operations in other countries, demonstrating that it remains a significant terrorist threat to the United States and other Western nations. The ISIS brand and global network remain strong, with eight formal branches and an increasing number of affiliated networks in Africa, Asia, Europe, and the Middle East.

In September 2017, ISIS leader Abu Bakr al-Baghdadi assured supporters that ISIS remains committed to its long-term strategy of establishing a global caliphate, asserting that territorial and personnel losses are temporary setbacks from predestined victory. This rhetoric and ISIS's anti-Western propaganda resonate with sympathetic attackers, who often lack any direct ties to the group but who carried out some of the most lethal attacks in Europe and the United States in 2017 on behalf of ISIS.

Personnel, infrastructure, and resource losses in 2017 forced the group to reduce the output of its multilingual flagship media publications, including its monthly magazine, *Rumiyah*. ISIS's remaining media apparatus is focused on inspiring actors to conduct low-budget attacks that do not require substantial resources or outside training. These include attacks on cultural monuments, transportation hubs, shopping malls, restaurants, and other civilian infrastructure that the group hopes will garner a high media profile and sow fear and division among citizens. We assess ISIS will maintain an expansive online presence, which may assume even greater significance as the group exhorts its followers to carry out attacks in its name.

ISIS's use of unmanned aerial systems (drones) for surveillance and delivery of explosives has increased, posing a new threat to civilian infrastructure and military installations. ISIS could also seek to use the chemical and biological capabilities it has honed on the battlefield in areas outside Iraq and Syria. The return of some foreign fighters, with battlefield training and experience, to their home countries

probably will increase the capabilities of local cells and networks. Al-Qa'ida remains a serious and persistent threat to U.S. interests worldwide. In particular, the group's exploitation of conflicts in Syria and Yemen offers opportunities for reconstituted external attack capabilities. 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, but al-Qa'ida leaders are struggling to reconcile the regional focus of some affiliated groups, especially in Syria, against al-Qa'ida's traditional focus on targeting the United States and its close allies. Al-Qa'ida leaders in Iran have taken on key decisionmaking and dissemination roles, compensating for Zawahiri's self-imposed seclusion. Al-Qa'ida's affiliates in Somalia, North Africa, the Sahel (where al-Qa'ida–affiliated groups consolidated into a unified organization in 2017), Yemen, and South Asia threaten local and regional stability and have the potential to support or sponsor attacks against U.S. interests. Al-Qa'ida appears to be preparing for the next generation of leadership by elevating the public profile of Usama bin Ladin's son, Hamza bin Ladin, and his call to attack the United States in retaliation for his father's death.

Over the next year, ISIS will attempt to direct, enable, and inspire attacks in the United States and against U.S. interests across the globe unilaterally and with the assistance of its branches, networks, and cells. ISIS possibly will shift some of its resources to bolster its external branches in Afghanistan, Libya, the Sinai, and Yemen as the group increasingly relies on its global network to conduct attacks in its name. In addition, ISIS probably will seek to establish a foothold in other ungoverned or undergoverned spaces with populations that are sympathetic to the Salafi jihadist ideology.

International focus on ISIS probably is alleviating some counterterrorism pressure on al-Qa'ida, enabling the group to recover from leadership losses. Al-Qa'ida and ISIS share the same underlying ideology, but it is important to note that ISIS advocates the immediate creation of a caliphate and implementation of its ideology, while al-Qa'ida is more willing to compromise with local groups over ideology and the

implementation of its version of Islamic law. Both groups have found ideological traction with subsets of populations alienated by deep-rooted socioeconomic issues, as well as real and perceived grievances.

PROTRACTED CONFLICTS RESULT IN RECORD DISPLACEMENT

Conflicts are driving record population displacement, resource shortages, demographic shifts, and unplanned expenditures of economic and military assets in countries of strategic interest to the United States. As of October 2017, protracted conflicts and ethnosectarian violence have increased global displacement to the highest levels on record, according to the United Nations. More than 5 million refugees have fled Syria since 2011 to neighboring host nations, including Lebanon, Jordan, and Turkey. Our European allies are also coping with the influx of migrants and refugees (from the Middle East, Sub-Saharan Africa, and Central Asia), most of whom have arrived during the past 4 years.

Many Middle Eastern countries with large Syrian and Iraqi refugee populations are closing their borders because public service provisions and government finances are being overtaxed, living standards are declining, labor markets are narrowing, and they perceive a lack of burdensharing by countries outside the region. The longer that conflicts continue, the more likely regional ethnosectarian grievances will become entrenched, leading to additional instability and sowing the seeds of new military and security challenges.

ADVANCED TECHNOLOGICAL THREATS

Our adversaries are pursuing multiple science and technology advances to their military capabilities. China and Russia present the greatest threat of developing new military capabilities using emerging and disruptive technologies.

Major military powers will continue to emphasize development of more capable ballistic and cruise missiles. China's People's Liberation Army (PLA) is developing and fielding numerous advanced, long-

range land-attack and antiship cruise missiles, some capable of reaching supersonic speeds, operated from ground, air, ship, and submarine platforms. Developments in hypersonic propulsion will revolutionize warfare by providing the ability to strike targets more quickly, at greater distances, and with greater firepower. China is also developing increasingly sophisticated ballistic missile warheads and hypersonic glide vehicles in an attempt to counter ballistic missile defense systems. Russia claims a new class of hypersonic glide vehicle under development will allow Russian strategic missiles to penetrate missile defense systems. Iran is pursuing long-range, precision land-attack cruise missiles as well as development of more powerful space launch vehicles—boosters that would be capable of ICBM ranges if configured for that purpose.

More generally, developments in novel materials will enable operations in extreme environments. Advances in photonics will permit significant improvements in military communications, remote sensing, navigation, stealth, and directed-energy weapons. The IoT will offer advanced connectivity to devices, systems, sensors, and services. Atomic sensors will allow for navigation in GPS-denied and electronic warfare environments. The rapid development of cyber technologies, particularly quantum technologies, IoT, supercomputers, and artificial intelligence, is enabling new defensive and offensive military capabilities. Adversaries are giving priority to researching quantum-enabled communications and quantum computing, which could supply the means to field highly secure communication systems and eventually to break certain encryption algorithms. The challenge for predicting the next emerging and disruptive technology for the future is anticipating the follow-on effects of seemingly innocuous technologies that are evolving today.

In conclusion, the security environment is becoming more complex with our adversaries' determined pursuit of advanced technologies across multiple domains to include cyber, space, and WMD, expanding regional and global ambitions and the serious, persistent threat from terrorism. These risks pose an increasing challenge to our warfighters, decisionmakers, and the Intelligence Community.