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**A REVIEW OF THE DEFENSE
INTELLIGENCE ENTERPRISE'S POSTURE
AND CAPABILITIES IN STRATEGIC
COMPETITION AND IN SYNCHRONIZING
INTELLIGENCE EFFORTS TO COUNTER
THE PEOPLE'S REPUBLIC OF CHINA**

HEARING

BEFORE THE

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SPECIAL OPERATIONS

OF THE

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CONTENTS

	Page
STATEMENTS PRESENTED BY MEMBERS OF CONGRESS	
Bergman, Hon. Jack, a Representative from Michigan, Chairman, Subcommittee on Intelligence and Special Operations	1
Gallego, Hon. Ruben, a Representative from Arizona, Ranking Member, Subcommittee on Intelligence and Special Operations	2
WITNESSES	
Berrier, LTG Scott, USA, Director, Defense Intelligence Agency	4
Moultrie, Hon. Ronald S., Under Secretary of Defense for Intelligence and Security	3
Nakasone, GEN Paul M., USA, Director, National Security Agency/Chief, Central Security Service, and Commander, U.S. Cyber Command	3
APPENDIX	
PREPARED STATEMENTS:	
Berrier, LTG Scott	32
Moultrie, Hon. Ronald S.	23
Nakasone, GEN Paul M.	27
DOCUMENTS SUBMITTED FOR THE RECORD:	
[There were no Documents submitted.]	
WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:	
[There were no Questions submitted during the hearing.]	
QUESTIONS SUBMITTED BY MEMBERS POST HEARING:	
[There were no Questions submitted post hearing.]	

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HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON INTELLIGENCE AND SPECIAL OPERATIONS,
Washington, DC, Thursday, April 27, 2023.

The subcommittee met, pursuant to call, at 4:15 p.m., in room 2212, Rayburn House Office Building, Hon. Jack Bergman (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. JACK BERGMAN, A REPRESENTATIVE FROM MICHIGAN, CHAIRMAN, SUBCOMMITTEE ON INTELLIGENCE AND SPECIAL OPERATIONS

Mr. BERGMAN. Good afternoon. The subcommittee will come to order. I ask unanimous consent that the Chair be authorized to declare a recess at any time. Without objection, so ordered.

Today's hearing is an opportunity for the subcommittee to understand the Defense Intelligence Enterprise's posture and capabilities in strategic competition and in synchronizing intelligence efforts to counter the People's Republic of China. The National Defense Strategy focuses the Department's efforts on China, and rightfully so. But as we hold this hearing, the Russian-Ukraine conflict has been raging for 428 days, North Korea continues to test nuclear missiles, Iran is actively supporting non-state actors in the Middle East, and threats from terrorist organizations are still persistent across the globe.

The Defense Intelligence Enterprise has a challenging task to support the Department's efforts in strategic competition, counter China, and support the remaining geographic combatant commanders to counter threats in their areas of operations, as well as the persistent counterterrorism efforts. I am interested in understanding each of your roles in synchronizing these efforts and ensuring your organizations have the capabilities needed, are resourced appropriately, and, probably most important, what capabilities gaps exist.

I would welcome to today's hearing the following witnesses: Mr. Ronald Moultrie, Under Secretary of Defense for Intelligence and Security; General Paul Nakasone, Director of the National Security Agency, Chief of the Central Security Service, and Commander of U.S. Cyber Command; and Lieutenant General Scott Berrier, Director of the Defense Intelligence Agency. Welcome, all.

In the interest of time, I will ask the witnesses to keep their opening remarks brief so that we can have more time for the closed session. With that, let me again thank our witnesses for appearing before us today. I now recognize Ranking Member Gallego for any opening remarks.

**STATEMENT OF HON. RUBEN GALLEGO, A REPRESENTATIVE
FROM ARIZONA, RANKING MEMBER, SUBCOMMITTEE ON IN-
TELLIGENCE AND SPECIAL OPERATIONS**

Mr. GALLEGO. Thank you, Mr. Chairman. I want to thank the chairman for convening this hearing and the witnesses for their time and willingness to appear before the subcommittee. Since you testified in front of this subcommittee last year, the global security situation remains dynamic. Russia continues its violent assaults on Ukraine's sovereignty. China, our pacing challenge, as defined by national security and defense strategies, continues its posture toward Taiwan, military assertiveness in the Indo-Pacific region, and global influence campaign. North Korea continues its persistent testing of ballistic missiles. Iran's proxies continue their malign activities, and violent extremist organizations continue seeking to attack the United States and our allies.

For the Defense Intelligence Enterprise specifically, we continue to see concerning trends in the strategic competition. Last fall, the NSA [National Security Agency], in coordination with the FBI [Federal Bureau of Investigation] and CISA [Cybersecurity and Infrastructure Security Agency], released a report highlighting Chinese cyber threats to our critical infrastructure and the security of the defense industrial base. Likewise, just 2 months ago, the DIA [Defense Intelligence Agency] issued a report further exposing ties between Russia and Iran over the use of lethal Iranian drones in Ukraine. And we're continuing to monitor the growing relationship between Russia and the PRC [People's Republic of China], especially as the latter reportedly spends billions of dollars in support of Russian disinformation. These are just a select few instances that reflect the need for increased focus and agility from the Defense Intelligence Enterprise when it comes to strategic competition.

I remain committed to working with you to ensure your organizations have the resources and authorities required to address these challenges in an era of great power competition. We cannot do it alone, so I continue to say our partners and allies play a key role as we work together to counter the aggressive and malign behavior that seeks to erode rules-based international order.

I would especially like to thank Secretary Moultrie for reaffirming the value of strategic intelligence partners publicly during his visit last year with the Lithuanian Minister of National Defence.

To effectively deal with the challenge of strategic competition, the Defense Intelligence Enterprise must remain agile, be collaborative across all domains and enterprises, quickly provide releasable and actionable intelligence throughout the Department, and collaborate with allies and partners.

I look forward to hearing from witnesses on these and other issues today. Thank you, Mr. Chairman. I yield back.

Mr. BERGMAN. Thank you, Ranking Member Gallego. We will now hear from our witnesses and then move into the question-and-answer session. Immediately following one round of questions, we will reconvene for the classified session, which will take place in Rayburn room 2337.

I will now recognize Mr. Moultrie.

STATEMENT OF HON. RONALD S. MOULTRIE, UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE AND SECURITY

Mr. MOULTRIE. Chairman Bergman, Ranking Member Gallego, and distinguished members of the subcommittee, it's a privilege to testify on the posture of the Defense Intelligence and Security Enterprise. With my colleagues, we will address global threats and challenges with a specific focus on the pacing challenge, the People's Republic of China, or the PRC.

On behalf of defense intelligence security professionals and intelligence professionals, I thank each of you for your steadfast support and partnership in keeping our Nation safe.

I am joined by Generals Nakasone and Berrier, and they will be offering their intelligence-informed perspectives on the PRC challenge. We look forward to your questions on these challenges and how our enterprises are postured to meet them.

I have provided the subcommittee with a classified statement for the record that outlines our FY24 [fiscal year 2024] Military Intelligence Program [MIP] budget request in greater detail. Our number one priority continues to be the pacing challenge of the PRC. As Secretary Austin has testified previously, we do not believe that conflict with the PRC is either imminent or inevitable. The Department's intelligence and security efforts are focused on deterring the PRC's regional aggression against Taiwan and its neighbors while supporting global adherence to the international rule of law. While we seek peaceful resolutions to issues, in the event that conflict becomes inevitable, we will deliver a decisive information and decision advantage to our leaders and combatant commanders. The Military Intelligence Program is postured to support that goal.

While I can provide more specifics of the MIP's efforts in closed session, our major lines of effort are focused on establishing: one, robust intelligence sharing policies and processes; two, secure, resilient, and reliable systems and architectures; three, strong regional and global partnerships; and, lastly, number four, a deep analytic and linguistic bench.

I again thank the subcommittee for its leadership and its support, and I will now turn to General Nakasone, followed by General Berrier, for their testimonies.

[The prepared statement of Mr. Moultrie can be found in the Appendix on page 23.]

STATEMENT OF GEN PAUL M. NAKASONE, USA, DIRECTOR, NATIONAL SECURITY AGENCY/CHIEF, CENTRAL SECURITY SERVICE, AND COMMANDER, U.S. CYBER COMMAND

General NAKASONE. Chairman Bergman, Ranking Member Gallego, distinguished members of the committee, I'm honored to represent the men and women of the National Security Agency, and I'm grateful for your support. Thank you for this opportunity to tes-

tify today before and with my Department of Defense Intelligence Enterprise colleagues. The men and women of the National Security Agency are committed to providing vital support to policymakers and to military operators in our vital role as a combat support agency. We deliver cryptologic capabilities to enable the Defense Intelligence Enterprise to deliver accurate and timely intelligence on threats facing the Nation to our warfighters and national leadership.

The U.S. faces many threats today. China challenges across all elements of national power while coercively seeking to expand its malign influence and control over its neighbors and around the world. Russia remains engaged in global malign influence and its illegal aggression in Ukraine. Iran is a regional menace routinely conducting cyber and malign influence activities, while North Korea continues to advance its missile and WMD [weapons of mass destruction] capabilities. Terror groups, criminal cyber actors, and fentanyl-dealing cartels are ongoing threats. Rapid changes in the global technological environment require better approaches to data, machine learning, and artificial intelligence.

NSA is working with interagency, private sector, and foreign partners to build cybersecurity in defense of the Nation and is playing a critical role in developing insights to counter China. I'd like to emphasize the importance [of] intelligence derived from section 702 of the Foreign Intelligence Surveillance Act to the missions I just mentioned. This authority, which allows NSA to collect intelligence on non-U.S. persons located overseas that use U.S. communications infrastructure, is critical to keeping the Nation safe. I look forward to continuing to speak with Congress about 702's importance and the rigorous compliance program that guides our use of it.

In my role as the Director of NSA and Commander of U.S. Cyber Command, and pursuant to recent guidance issued by the Department of Defense, I am closely examining access, accountability, and security in our workspaces, in collaboration with the whole-of-government efforts related to the protection of classified information.

Maintaining the trust and confidence of our Nation's leaders and the public remains a top focus. Your support is what allows us to achieve positive national security outcomes for the Nation.

Thank you again for inviting me today, and I look forward to your questions.

[The prepared statement of General Nakasone can be found in the Appendix on page 27.]

**STATEMENT OF LTG SCOTT BERRIER, USA, DIRECTOR,
DEFENSE INTELLIGENCE AGENCY**

General BERRIER. Chairman Bergman, Ranking Member Gallego, and distinguished subcommittee members, thank you for the opportunity to discuss the Defense Intelligence Agency's assessment of the global security environment. I am pleased to join Honorable Moultrie and General Nakasone today to discuss the complex threat landscape and our work to provide timely, insightful, and rigorous intelligence.

DIA and the Defense Intelligence Enterprise [DIE] are transforming our approach to meet threats to our Nation posed by stra-

tegic competition with China, Russia, and other foreign nations. With your continued support, DIA and the DIE will continue excel in providing all-source analysis, HUMINT [human intelligence] and technical collection, open-source collection, material exploitation, modeling and simulation, and other unique mission sets.

Like you, I am very concerned about the ongoing threats from China, Russia, North Korea, Iran, and violent extremist organizations, but China is our pacing challenge and DIA's top priority. Beijing is expanding its global influence and stepping up its multi-domain pressure campaign against Taiwan, as observed by its sharply increased rhetoric and military activity over this past year. Xi Jinping's attainment of a third term as the General Secretary of the Chinese Communist Party positions Beijing for further progress on military modernization and operational goals that will challenge the U.S. during the next year and beyond.

The war in Ukraine is also a priority for DIA. For the Russian military, 2022 was not a good year. The "New Look" army is gone, and in my view we are at a particularly dangerous place with Russia. Putin is not seeking an off-ramp, and Moscow has asserted publicly that it remains committed to achieving its objectives in Ukraine through military force.

DIA has unique responsibilities, expertise, and missions that you trust us to lead, such as foundational military intelligence; Defense HUMINT and cover; measurement and signature intelligence, known as MASINT; and JWICS [Joint Worldwide Intelligence Communications System]. Your DIA officers provide strategic operational and tactical defense intelligence to our warfighters, defense planners, policymakers, and the acquisition community.

One final area I would like to highlight during my testimony is the workforce. As you know, our workforce spans the globe with innovative and forward-leaning officers. These talented and dedicated experts are making strides to defend the United States and our allies. From our defense attachés, to combatant command J2 [Joint Staff Intelligence Directorate] teams, to analysts and case officers, these professionals are mission focused and working tirelessly behind the scenes to defend the nation. I'm proud to represent a dedicated workforce that provides intelligence on foreign actors to prevent and win wars, and to illuminate opportunities to enable the United States to outpace our strategic competitors.

I also echo General Nakasone's comment on section 702 reauthorization. Our all-source analysis depends on it.

I look forward to your questions on the global threat environment, and thank you for your continued support and opportunity to testify today.

[The prepared statement of General Berrier can be found in the Appendix on page 32.]

Mr. BERGMAN. Thank you. I would remind everyone, especially those giving testimony, we are not in a classified setting here. I know I don't have to tell you that, but I think it's important that we all understand we will go to closed session after this.

So I will recognize myself here for 5 minutes to start. And all of my questions here are for all of you, so feel free to whoever feels like you want to, you know, chime in.

First, what lessons have your organizations taken from the Russian-Ukraine conflict that are helping you shape your efforts to counter China?

Mr. MOULTRIE. Yes, Chairman, I'll start and turn to my colleagues. I think one of the top lessons that we took away in the Defense Department from an intelligence perspective is that we have to have the right sharing policies in place to be able to provide our allies and, in this case Ukraine, with the intelligence that it needed to actually defend itself against a formidable, at least seemingly formidable, adversary, if you will. So that was probably lesson number one.

Lesson number two was ensuring that we had the right partnerships and establishing those partnerships early on and not waiting until after a conflict actually broke out to do that. So ensuring that we had the right individuals and partnerships.

And then the last one that I'll highlight is just ensuring that we have the right skill sets, ensuring that we have the right analytic expertise, ensuring that we have the right linguistic expertise is something that we took away as something that we have to be prepared for if we are to face the pacing challenge of the PRC.

General NAKASONE. Chairman, I would add two ideas here. First of all, intelligence and information and what a strength it is to our Nation. If you would have asked me 3 years ago would you anticipate releasing some of our most sensitive intelligence broadly to the public, I would have said I could never imagine such a day. But yet in the fall of 2021, with the President's decision and the direction of the Director of National Intelligence, we did that, and we did it in a manner that was allowing us to do three things: build a coalition, impact an adversary, and enable a partner. That is a lesson that we have taken to heart, and at the same time, when we've been able to do that, be able to protect our sources and methods.

The second piece that I would highlight is the tempo. We go from competition to crisis to conflict in weeks, and the pace in terms of the provision of intelligence is much quicker today than anything I've ever seen before. And I think it will only speed up with our ability to process information, the collection that we're taking in, and obviously the information that we're providing.

General BERRIER. Chairman, thank you for that question. I would offer three things from the DIA perspective here: partnership, secure communications, and continuously refining our trade-craft.

So on the partnership piece, we all have deep professional and personal partnerships with our counterparts in other nations, and those personal relationships go very, very far when you can pick up a secure line and have a conversation with your partner about something bad that's about to happen. That is key, it's clutch, and it's clutch today.

The other piece is secure comms. We had the ability to install a secure communications network that was able to support Ukraine and our partners on this to be able to disseminate the information that Honorable Moultrie and General Nakasone are talking about. It's so key to have that.

And then the last piece is to continuously look at ourselves to refine our tradecraft. We rest everything on sound tradecraft principles. Whether that's analyzing foreign military forces or analyzing their will to fight, we have to go through a continuous process to reevaluate that and make sure that we're doing the best that we can.

Thank you.

Mr. BERGMAN. Thank you. And I just want to, before my time expires here, each of you touch on your ability to get the right people in the right positions, have them, you know, a full up round, if you will. How are you doing as far as being able to recruit and maintain the workforce you need?

Mr. MOULTRIE. I'll start, Mr. Chairman. I think we're doing better. There's a lot more work to be done, especially if we are to get the skill sets and the linguistic skills that we need to prepare for any inevitability that we might face with China. And so being able to bring in those linguistic skills, hiring the right expertise, I think is going to be something that we have to continue to focus on.

General NAKASONE. Chairman, we're in the midst of our largest hiring ever, year ever in our agency's 70-year history. And I would characterize it as being one that, while we will meet, it will be incredibly challenging for us just because there is so much competition for the best and the brightest today.

It's interesting that, as we go out and make our pitch, one of the things that certainly that we're able to do quite well is to talk about the benefits of the mission that you work. But I would also say just in closing on this that we have to have a new paradigm as we look at the workforce of the future. Not everyone comes into government service for 30-plus years, and so we have to be ready to recruit, train, retain, and then also return people that go away for a period of time, bringing them back to our agency with open arms and readily.

General BERRIER. Chairman, thank you for that question. We are attracting a lot of talent, and we're getting a lot of really, really good folks into the agency, and we have to be able to sustain that. DIA is undergoing its only HR [human resources] modernization effort that we've ever gone through, and the ability to attract that talent, to retain that talent, to make sure that we can professionally develop them, that we have a talent management system that they thrive in, is really, really key.

So we've got some work to do. We think we're on the right track, and we do appreciate your support for that.

Mr. BERGMAN. Thank you, everybody. And Ranking Member Gallego, you're recognized.

Mr. GALLEGO. Thank you, Mr. Chairman. We've all heard the public statements from the Chinese president telling his military to prepare to invade Taiwan by 2027. There's a fair amount of speculation when it comes to that date or any date.

In your assessment, could the PRC launch a successful military invasion of Taiwan? And if they could, what would be the cost to China? When I say could they make that—can they make that jump by 2027 or near that time, to be more specific. And we'll just start with General Nakasone.

General NAKASONE. Ranking Member, as the Secretary has talked about, I certainly believe that any type of conflict with China is not imminent, nor is necessarily inevitable.

To your very specific question, while we have heard the statements in terms of what President Xi would like to do by a specific date, I think where we are focused right now is to ensure that there is no miscalculation. And that's where we have focused a tremendous amount of time to ensure that we clearly understand the capabilities and intents of the People's Republic and, at the same time, we're able to provide early warning and that type of indication to our forces in the Pacific and to our senior policymakers, as well.

Mr. GALLEGO. Thank you. The follow-up question on that, I think, Lieutenant General Berrier and General Nakasone, you guys both have created organizations within your respective departments that focus on China. One is the USCYBERCOM [U.S. Cyber Command]-NSA China Outcomes Group and the other is the DIA mission group. Can both of you discuss what these groups provide to you in your departments—obviously concerning the [inaudible]—and do they collaborate? If you can answer as much as possible now, we can also, obviously, follow up in greater detail in the classified session.

General BERRIER. Ranking Member, they absolutely collaborate. In fact, we had the leader of General Nakasone's team into our headquarters just a couple of weeks ago, so there's crosstalk and discussion.

The China mission group is really focused on China and Taiwan. We felt, in this pivot to the Pacific that President Obama directed in 2012, that we needed to focus internally and externally, and the China mission group gives us the capability to really stare in deeply and provide the deep insights, analysis, and warning support to INDOPACOM [U.S. Indo-Pacific Command] and the Department.

General NAKASONE. Ranking Member, they do collaborate, and they collaborate quite closely. As we stood up the China Outcomes Group, it was based on our experiences in 2018 when we brought together the experts of U.S. Cyber Command and the National Security Agency to deal with Russia and election influence. That was the same idea. And with us, as we go forward, we're looking at our China Outcomes Group primarily to support USINDOPACOM with the options and the insights that are necessary to understand what China is going to do in the near term.

Mr. GALLEGO. Thank you. Secretary Moultrie, recognizing the importance of [inaudible] and timely intelligence sharing with our partners and allies, something which we saw with our Ukraine engagement with our allies, what updates to policies have you made related to that, and how effective have they been so far?

Mr. MOULTRIE. Yes, Ranking Member. We've looked at a number of things since we implemented the sharing changes in early 2022. One of the things that I signed out in October of last year was a new policy on NOFORN [Not Releasable to Foreign Nationals], so no foreign intelligence dissemination. So what we wanted to do is have a comprehensive review of our NOFORN policy to ensure that we were not overly using NOFORN within the Department. There are only two conditions where we really could only use NOFORN,

and so what we wanted to do was to ensure that our policies actually match what our practices were. And I think that's been a great, of great assistance to our partners and allies. We've heard resoundingly from them to say that they are looking at their NOFORN, which each of our partners have their own eyes-only type intelligence, if you will. So we're leading by example in this space by actually saying we will ensure that we maximize the sharing that we do with you, even on the most sensitive things that we have, if you will do the same. That will be a force multiplier for the partnerships and relationships.

So we are doing that, while at the same time looking at how we can maximize the sharing of other types of intelligence with our partners. But we have signed out policies that will actually help us institutionalize this across the Department of Defense.

Mr. GALLEGO. Thank you. Mr. Chair, I yield back.

Mr. BERGMAN. Thank you. And I again just remind our members who came in a couple of minutes ago, we are in the unclassified part of this, so just as a reminder. Mr. Scott, you're recognized.

Mr. SCOTT. Thank you, Mr. Chairman. General Nakasone, you mentioned 702. I understand that we—did we declassify the number on the percentage of the information that is given in the President's daily briefing on national security with regard to how often 702 is used in those briefings?

General NAKASONE. Congressman, we did. In fact, that was released just recently. In calendar year 2022, 59 percent of the President's daily briefing articles contained section 702 information reported by our agency.

Mr. SCOTT. And we have, obviously, have the reauthorization of 702 coming forward. It's extremely important to our national security, and I want to say this: the bureaucrats at the FBI in some cases have abused their authority, and there are going to have to be some systems put in place that stop that if it's going to be reauthorized, and there are going to have to be consequences for the people who abuse that authority.

And, again, I appreciate your agency and the way you have used it. But people have to understand that, the President of the United States needs to understand, there are going to have to be some guardrails for 702 to be reauthorized because of the abuses that have occurred, predominantly with bureaucrats at the FBI.

With that said, we depend on the private sector for our economy, our defense industrial base. The corporate sector seems ill-prepared to deal with corporate espionage or cyber attacks, and they happen on a daily basis. And my question is, who's responsible for the security of the national infrastructure, as well as the cybersecurity inside our defense industrial base?

General NAKASONE. So, Congressman, in terms of our critical infrastructure, as you well know, 16 different sectors are critical infrastructure. The one sector that the Department of Defense is responsible for is the defense industrial base. And what we have done as a department is, working through the National Security Agency, Under Secretary of Defense for Intelligence and Security, and the DOD [Department of Defense] Chief Information Officer, look at ways that we can partner more effectively with the defense industrial base. If the majority of the intelligence that we have to

share with the defense industrial base needs to be at an unclassified level, why don't we produce that? And we are today.

And so we have stood up a cyberspace collaboration center outside of the National Security Agency that regularly is talking with the defense industrial base, over 300 different defense industrial base companies today that are talking regularly. And I think, to the important piece of not only just getting the information from the private sector but giving, what are we seeing, as well, and then having this discussion, what's anomalous that's happening.

Mr. SCOTT. You alluded to this. The Armed Services Committee had serious discussions back in December, over a year ago, about the declassification of the intel. I want to give our intelligence community tremendous credit for just how precise the intel was with regard to Russia and what they intended to do in Ukraine. And I agree with you 100 percent that the decision to declassify that information was important to the world. If the world had been surprised by the attack of Russia on the Ukraine, I think that you would probably be in the midst of a global recession right now that somewhat was avoided because people expected what Russia did.

The thing we missed was how important the will to fight was. I mean, we thought Ukrainians could hold out for weeks or months, and they have given the Russians a pretty good punch in the nose, and I hope they keep doing it.

With regard to declassification going forward, that's an example of how it worked. It obviously doesn't work every time. But what suggestions do you have for us on declassification?

General NAKASONE. So I begin with, Congressman, the fact of it's a two-way dialogue, right. The importance of the agency that is looking at the sanitization or the declassification material, working with a series of different senior policymakers and senior military commanders, say this is the art of the possible. This is what we have to do, and this is what we have to protect. That dialogue was very rich in the fall of 2021.

The second piece is the work that this committee has done to empower our agencies with the collection that we need gives us tremendous opportunity. At the end of the day, this is really powerful collection combined with really good analysis.

Mr. SCOTT. Gentlemen, thank you.

Mr. BERGMAN. Mr. Jackson of North Carolina, you are recognized.

Mr. JACKSON OF NORTH CAROLINA. Thank you. General Nakasone, I want to follow up on something you just said with respect to really powerful collection. Understanding that we're in an unclassified setting, and I think we should probably follow this up when we're in a different setting, but I'd like to hear you speak to the effect that artificial intelligence is going to have on magnifying your capabilities with respect to collection. I assume a ton of bandwidth goes into taking data and turning it into intelligence, and I assume that artificial intelligence is going to become critical with respect to both collection of data and processing data into intelligence. That's my assumption. Am I right about that, or am I wrong about that?

General NAKASONE. I believe you're correct about that, Congressman. And I might just state, you know, the power of bringing to-

gether so much information and rapidly being able to go through it, we're very interested in this. We've been very interested in large language models and this type of data for many, many years at the National Security Agency.

I think, however, we also need to understand that it is by no means a panacea to everything that is done. And, in fact, if we take a look at some of the examples of artificial intelligence today, not all of it is correct. And so we need to be very, very judicious about understanding the models and understanding both the capabilities and the shortcomings of it.

Mr. JACKSON OF NORTH CAROLINA. Is this technology the biggest game changer in your field since you've been in it?

General NAKASONE. It's the biggest game changer that I can think of that I've seen in terms of as we go forward. I think it's going to have tremendous impacts not only on the intelligence community but our economy, the way that we conduct our lives. It will be transformational.

Mr. JACKSON OF NORTH CAROLINA. Would either of you like to speak to this?

Mr. MOULTRIE. I'll speak to it, Congressman. Thanks for the opportunity. I agree completely with General Nakasone that AI [artificial intelligence] and generative AI is going to be a major game changer for us. I think, when you couple it with potential, the potentials of quantum computing, you'll really have a powerful tool that we can use.

I think it's also important, as General Nakasone pointed out, to really understand that the outcomes that you will reap out of this will only be as good as the data that's been fed into the AI model, so data provenance becomes really important to us, as we have seen for a number of years and decades, if you will. You have to ensure that you feed the right data into the model, the large language model. If you don't, you will get an outcome that is not the correct outcome. And we know our adversaries are considering or already thinking about large data models, if you will, and how they may use that against us. Our being able to understand and being able to identify when something is actually an AI-generated outcome is something that's going to be very important to us, too.

General BERRIER. Congressman, I would add that this committee expects DIA to be the master sense-makers of the operational and strategic environment. To do that, we have to be the best at foundational military intelligence. That is to know everything there is to know about every military in the world: where they're at, how they're organized, what their order of battle is, what their equipment is, how they're trained, how they fight, when will they fight, why would they fight, how they're led.

If you think about the plethora of data that's out there in big data analytics, AI is a game changer for DIA. We're incorporating some of these tools now, and I'd be happy to discuss that in the closed session.

Mr. JACKSON OF NORTH CAROLINA. Isn't it, to your point, also a game changer for our adversaries and maybe more of a leveling-up for them than a leveling-up for us? Because it just is such a force magnifier that it makes up for a lot of other infrastructural deficits they have with their forces. It's an acceleration for them.

Mr. MOULTRIE. Yes. Congressman, that's an excellent point, I think. We get back to why we call China the pacing challenge. We need to continue to pace ourselves ahead of them. So they are going to do these things. There's no preventing them from going there. What we have to do is ensure that the respective agencies have the resources that they need, that they have the materials that they need, and that they have the intellectual firepower that they need to actually look at this.

General NAKASONE. Congressman, I think the other piece, and this is really to Secretary Moultrie's point early on, is that it truly is about partnerships. This is being driven, for the most part, very rapidly in the private sector, and so the partnerships that we form with the private sector, understanding what's going on, are critical.

Here's the other point. We think much about the ability of what AI is going to do for us in the future. One of the things that we have communicated very clearly to a number of the U.S. companies is the importance of securing the intellectual property that you have invested within this type of capability because this will be a target of our adversaries.

Mr. JACKSON OF NORTH CAROLINA. It just seems like, now that the genie is out of the bottle, it's less of an advantage to us than it will be to our adversaries who are so far behind us, that it lets them catch up to us more quickly than it lets us—it is an incremental gain for us, but it may be an exponential gain for our adversaries, is a potential concern.

Mr. MOULTRIE. I think we can talk more about that in closed session.

Mr. JACKSON OF NORTH CAROLINA. Fair enough. I yield back.

Mr. BERGMAN. Thank you. Mr. Jackson of Texas, you are recognized.

Dr. JACKSON OF TEXAS. Thank you, Mr. Chair. I appreciate it. I just want to say, you know, as a democratic nation, the U.S. values of transparency and openness are obviously pretty important to all of us. The amount of information that can be gathered through a Google search about government policy, military activities and facilities, monetary expenditures, civilian corporate structures, and anything like that is absolutely staggering, I guess, when you look at it relative to the United States.

The PRC, by contrast, has created a system where information is suppressed, obscured, and distorted, and there's also a profound cultural and language barrier that amplifies the intelligence collection challenge that we face.

My question, Lieutenant Berrier, is, to the extent that you can share in an open session, how is the Defense Intelligence Enterprise overcoming the challenges of such an inherently closed system, and are we developing new practices and capabilities that will offset some of these difficulties? And, furthermore, does this put us at a significant disadvantage that China can so rapidly access so much open-source information about us? And to ping off of what Mr. Jackson was just saying, as well, I was just thinking as he was speaking that, you know, do these facts that I've stated here, does it give them a distinct advantage when it comes to AI because there's so much open-source information that would be available to

AI, and we may not have the same amount of data to rely on with our AI?

General BERRIER. Congressman, I would say to the latter part of your question, I think, because we are a free and open society, we put so much out there, that that does give a certain advantage to the Chinese and their ability to go in and do research on us. But they've been doing this for 30 years. I often describe China as really conducting at a nation-state level the largest theft of intellectual property in the history of mankind.

So it's not new. They have done it before, they're going to continue to do that. And I think it's really up to us to determine how we defend against that and how active we get in this space to apply counterintelligence methods to do that. And we can talk more about that in the closed session.

From a DIA perspective, though, we talked a little bit about the standup of the China mission group focused solely on multi-spectrum dimension of all facets of intelligence to be able to bring to bear against this problem. It's my number one priority.

Dr. JACKSON OF TEXAS. Yes, sir. Thank you. I appreciate that. Second question I have is the intelligence community [IC] is comprised of 18 total organizations, 9 of which are part of the Defense Intelligence Enterprise. I know that, as the intelligence collection, the means in which we can collect intelligence increases, so does the amount of intelligence that we collect. However, what I'm wondering about is—this is for you Dr. Moultrie—what are we doing right now regarding potential stovepiping within the intelligence agencies? I think that's haunted organizations, not just the IC but, you know, law enforcement and everybody else, and it's led to things that easily could have been prevented but, you know, one agency didn't know what the other agency was doing.

What are we doing within the defense intelligence community, you know, to prevent stovepiping and work with the sister agencies?

Mr. MOULTRIE. Thank you. Both my colleagues have talked about the relationships that we have, but there's also formal mechanisms that we have that allow us to collaborate. There's intertees that we have in all of our agencies where we have individuals who work from my organization within NSA, from my organization within DIA, from DIA within my organization, NGA [National Geospatial-Intelligence Agency], and the same with the National Reconnaissance Office. We all have an integrated system, if you will.

What we started recently was the first stand-up of the Defense Intelligence Enterprise Management Council. So one of the things that we decided to do, at the Under Secretary of Defense for Intelligence and Security, is actually bring a council together of agency heads where we could get together and actually talk about how we can further share, how we can further collaborate on a number of different things. That session, I think we had it in March, I want to say it was early March, if you will, it was actually visited by the Deputy Secretary of Defense. The Secretary was out that day and could not do it. And she talked about the importance of us collaborating and sharing to ensure just what you're talking about, sir, that there is no stovepipes.

So I think what we've done is we've taken some of the informal mechanisms that we've had and we formalized them. Of course, the DNI, Director of National Intelligence, has the executive committee that brings all 18 heads together, if you will. We do that once every other month or so, and we have this way of communicating between those integrees that we have that are scattered throughout the various agencies, the relationships that we have, and the formal mechanisms, Congressman, that we have put in place.

Dr. JACKSON OF TEXAS. Okay. Thank you, sir. I appreciate that. Thank you all for your time. I yield back.

Mr. BERGMAN. Representative Slotkin, you're recognized.

Ms. SLOTKIN. Thank you, Mr. Bergman. So thanks for being here. A couple of questions and then a comment. I would say also, for those of us who are engaging now so frequently with folks who are in the AI commercial space who are developing new commercial technology, I mean, all of them would say that ChatGPT is one of the most ground shaking changes or innovations out there. It's the fastest growing system right now, at least if you talk to the folks in Silicon Valley. And they will rattle off a list of military implications of the commercial availability of that AI, right, putting it at someone's fingertips. They will say automated target recognition, military robotics, intel analysis, and I say this as a former CIA [Central Intelligence Agency] officer, right, logistics, modeling and simulation, missile guidance, wearable systems, terrain analysis, like on and on and on and on.

So I certainly know that you all have been focused on looking at other militaries and what they are incorporating in terms of AI, but who is in charge of looking at what the commercial availability of AI will mean for the U.S. military?

Mr. MOULTRIE. So, for the Department of Defense, we have a chief data officer that looks at this and has been looking at AI. We also have our research organization led by Under Secretary Shyu that is looking at AI. Of course, ChatGPT is just one of the programs that are out there, and, of course, if you look at discussions that are being held even today out in San Francisco with the RSA security conference, I think they have identified generative AI as the number one thing that we should be looking at, and that's rightfully so. And I believe you have a representative out there who has been on the news over the last 2 days or so.

So we have the mechanism in place to understand exactly what this might mean in terms of being the game changer we've already discussed in front of this committee. Now we're trying to look at the applications of it. We're trying to ensure that we understand the models, and when we go into closed session, I think we can tell you what we're doing a little bit more to actually understand how our adversaries may be using it, what we're doing to potentially counter that, and how we need to approach this with your support moving forward in the future.

Ms. SLOTKIN. Yes. I think it's adversaries, but it's also, just as we've seen, the average American has been the victim of some kind of identity theft, ransomware attack, and it's not necessarily, maybe it's permitted by a nation state, but it's not necessarily directed by a nation state. And so I would just offer that, to the aver-

age citizen, defending them also means against the commercial use by bad actors, not necessarily by the Department of Defense.

And then who is in charge at the Department of Defense at looking at the rules of the road for the incorporation of AI into, you know, into the Defense Department? We're struggling with that here for folks who are interested in this topic. You know, do we legislate, do we regulate, do we think about it, is there a commission, do we want the flip phone generation regulating AI. I don't know. [Inaudible humorous exchange with Mr. Bergman.] But who is doing the sort of ethical and moral implications of the AI incorporation into the Department of Defense? Who owns that?

Mr. MOULTRIE. For us, we turn to Policy within our organization. They're the ones who really set those frameworks and those guidelines that we live by. They work very closely with our OGC, Office of General Counsel, and then they'll work very closely with the DOJ [Department of Justice] and others to determine what's the right thing for us to do as the interagency to get after this and how it's used and how it's not used.

Of course, we will provide our input as to the benefits of it, and we'll provide our input as to what the adversaries may do against us. But, yes, it really is, it's an interagency effort, ma'am.

Ms. SLOTKIN. Okay. I would offer it might need to be someone's responsibility. It's an issue that's coming to a theater near us.

Lastly, can anyone tell me if you've participated in any war game vis-a-vis a China-Taiwan scenario in which the private sector have been cleared in to participate, captains of industry, folks who are not normally part of the executive branch but who have major stakes in either transportation in and around China, supply chain issues, those of us who come from manufacturing, homes, you know. There is a possibility of mutually assured economic destruction if we have war with China, so please tell me if you've actually had the instance with the private sector in the room in a classified setting.

Mr. MOULTRIE. I would just say if we can talk about what we've done in classified settings in a classified session—

Ms. SLOTKIN. I just want to know if you've ever had the private sector folks, I'm talking about like a Jamie Dimon or the head of GM, in any war game you've personally ever attended on any China scenario.

Mr. MOULTRIE. Once again, I would say that we work closely with the private sector and—

Ms. SLOTKIN. So, no. I mean, it's just a yes or no. I'm not asking if it's classified or unclassified. But have you brought in the private sector to game this out?

Mr. BERGMAN. Just so you know, sometimes the best answer is a non-answer if you don't want to infer things.

Ms. SLOTKIN. Okay. All right. Well, I'll take that for what it was. Thanks.

Mr. BERGMAN. Thank you. And, Mr. Mills, you're recognized.

Mr. MILLS. Thank you, Mr. Chairman. Thank you so much, and Secretary, I apologize for him referring to you as a Congressman. You don't want that sentence.

So I want to touch on the AI autonomous systems. You know, one of the things, and I just returned from Fort Bragg and I won't

go into anything that is not going to be covered in our classified section, but I do see a significant importance in the quantum race and where we're at on things. And I noted that China's big concern right now is that they feel confident in their ability to outpace us militarily and economically, but they really struggle with knowing where we are from an innovative perspective, which is really a direction that they're trying to head in. And in seeing that their primary goal, and I've written about this numerous times in the past years, about this great superpower resurgence with China, Russia, Iran, North Korea's geopolitical alignment, they're really tailored towards the idea that it's not so much the kinetic but the non-kinetic element of things with influence campaigns but also looking at that Belt and Road Initiative which would pave the way to get that Eurasian expansion; that Africa dominance with controls to resources from the port in Djibouti, which is, roughly a \$560 million investment; the railway supplies that goes into the potash farms and harvests that you see; and also the control of Oceania in an effort to try and cut off Western Hemisphere supply chain.

And while that, in itself, is concerning, we also know that they're attempting to complete that encirclement with the economic coercions in Honduras and Panama to control the Panama Canal for increased tariff and access while utilizing that Russian, I guess, marriage of convenience, if you will, for the Chavez of Venezuela, Petro in Colombia, and others within our own hemisphere.

Now, we know that it's economic and resource-based. We know innovation is an area that they're most concerned with, and we also know that they don't allow their currency and their economics to be audited, if you will, because they're really far stretched more than what they actually allude to. I look at the quantum space or the quantum race very much like we utilized against Russia in the space wars in an area that we can outpace them if we continue to invest in it and drain down further resources.

Are you in any way along the same lines that the quantum entanglement that we're seeking to try and achieve and the AI autonomous drone capabilities and capacities which could be utilized to leave our enemies deaf, dumb, and blind is the right path forward, and do you hear of whether or not China is concerned with our advancement in this?

General NAKASONE. So, Congressman, I think this speaks directly to the National Defense Strategy when we talk about building enduring advantage. You know, our agency does really, at its core, two very, very important things for our Nation: we make code and we break code. The making of code is what we're doing right now as we think about quantum-resistant encryption. If this type of computer can be deployed in the future, we will ensure that we have an encryption that can defeat it. And we've already developed a number of the algorithms that underpin that for our national security systems working very, very closely with NIST [National Institute of Standards and Technology] being able to ensure that they understand this, as well.

But I think your point is very important as you talk about the broader campaign that China has across the world. And this is why I come back to the importance of section 702 that provides this type of insight in terms of what China is doing in South America,

in Central America, in Africa, in terms of being able to have the insights that are so necessary for us to be able to shine a light because, at the end of the day, malfeasance that the Chinese have undertaken, whether or not that's with outrageous repayment terms or, you know, the stripping of natural resources from a country, this is the type of information that really sets them back.

Mr. MILLS. Yeah. And, again, I think that, when I'm looking at things, the evolution of warfare has gone far beyond the ideas of kinetic elements of just bomb-to-bomb, bullet-to-bullet, gun-to-gun. We have to recognize the economic resources, cyber capabilities as being the, you know, future of warfare, which can be done in a room this size, as opposed to on a battlefield. And so what concerns me the most is knowing that their ultimate goal is to eliminate the U.S. dollar from the global currency by utilizing economic coercion, other methods with WHO [World Health Organization], WEF [World Economic Forum], with the OPEC [Organization of Petroleum Exporting Countries], to try and undermine the petrodollar with what they're doing to decouple us from the EU [European Union].

I really see this as a whole-of-nation approach, not just from our [inaudible] JSOC [Joint Special Operations Command] and the operators on the ground or even DIA and the IC but also from Treasury and the rest of good policy. And just in a quick last 10 seconds, would you agree with that synopsis?

Mr. MOULTRIE. I would agree with that and also say the international community, the Western-aligned community, too.

Mr. MILLS. And sir?

General BERRIER. Wholeheartedly.

Mr. MILLS. Thank you, sir

General NAKASONE. And I would say this is why working with other elements of our broader interagency is so important. The CHIPS Act and being able to work with Commerce and being able to provide the insight is so very, very important.

Mr. MILLS. Thank you so much. I appreciate it. With that, I yield back.

Mr. BERGMAN. Thank you. Unless anybody has any other unclassified questions, this will conclude the open portion of the hearing. We are adjourned. We will reconvene as soon as everyone gets into their seats at Rayburn 2337 for the closed session.

[Whereupon, at 5:05 p.m., the subcommittee proceeded in closed session.]

A P P E N D I X

APRIL 27, 2023

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

APRIL 27, 2023

Remarks as prepared for the Honorable Ronald S. Moultrie
Under Secretary of Defense for Intelligence and Security
At the House Armed Service Committee Hearing
Subcommittee on Intelligence and Special Operations
April 27, 2023

(As of 04/27/2023)

(U) Chairman Bergman, Ranking Member Gallego, and distinguished members of this Subcommittee. It's a privilege to testify on the posture of the Defense Intelligence and Security Enterprise. With my colleagues, we will address the global threats and challenges with a specific focus on the pacing challenge, the People's Republic of China (PRC).

(U) On behalf of the Department of Defense's intelligence and security professionals, I thank each of you for your steadfast support of their efforts to keep the Nation safe and secure.

(U) I am joined here today by Generals Nakasone and Berrier and they will be offering their intelligence-informed perspectives on our PRC challenge. We look forward to your questions on these challenges, and how our Enterprises are postured to meet them. I have provided the Subcommittee a classified Statement for the Record that outlines our FY24 Military Intelligence Program budget request in greater detail.

(U) Our number one priority continues to be the pacing challenge of the PRC. As Secretary Austin has testified previously, we do not believe that conflict with the PRC is either imminent, or inevitable. The Department's intelligence and security efforts are focused on deterring PRC regional aggression against Taiwan, and its neighbors, while supporting the global adherence to the international rule of law.

(U) While we seek peaceful resolutions to issues, in the event that conflict becomes inevitable, we will provide a decisive information and decision advantage to our leaders and combatant commanders. The Military Intelligence Program is postured to support that goal.

(U) While I can provide more specifics of the MIP's efforts in closed session, our major lines of effort are focused on establishing:

- (U) Robust intelligence sharing policies and processes
- (U) Secure, resilient, and reliable systems and architectures

- (U) Strong regional and global partnerships; and
- (U) A deep analytic and linguistic bench

(U) I again thank the Subcommittee for its leadership and support. I will now turn to General Berrier, followed by General Nakasone, for their testimony.

Ronald S. Moultrie
Under Secretary of Defense Intelligence & Security (USDI&S)

The Honorable Ronald S. Moultrie was sworn in as Under Secretary of Defense for Intelligence & Security (USDI&S) on June 1, 2021. In this role, he is the principal advisor to the Secretary of Defense on intelligence, counterintelligence, and security matters.

Mr. Moultrie exercises authority, direction, and control on behalf of the Secretary of Defense over all intelligence and security organizations within the Department of Defense (DoD), including the National Security Agency (NSA), the Defense Intelligence Agency (DIA), the National Geospatial-Intelligence Agency (NGA), the National Reconnaissance Office (NRO), the Defense Counterintelligence and Security Agency (DCSA) and the intelligence components of the combatant commands and military services. He is also dual-hatted as the Director of Defense Intelligence in the Office of the Director of National Intelligence (ODNI) and reports to the DNI in this capacity.

Prior to becoming Under Secretary of Defense(I&S), Mr. Moultrie's 36+ year career included serving in Senior Leadership positions throughout the DoD and the National Intelligence Community (NIC). He retired from the DoD in 2015, as NSA's Director of Operations.

Mr. Moultrie's previous NIC roles included his service as a senior member of the Central Intelligence Agency (CIA) Senior Intelligence Service (SIS) responsible for a major office within the Directorate of Science & Technology (DS&T) and as a Senior Executive Officer serving the DNI. He later rejoined NSA as a Senior Executive, where he remained until retirement.

More recently, Mr. Moultrie was a Senior Advisor to the Secretary of the Navy, playing an instrumental role in the Department of the Navy (DON) Comprehensive Cybersecurity Review. He subsequently led the crafting of a digital roadmap to better optimize the Department's focus on cybersecurity, data analytics and infrastructure, and emerging technologies such as AI/Machine Learning, 5 and 6G, and Quantum computing.

Mr. Moultrie is the recipient of a Presidential Rank Award, two Navy Distinguished Civilian Service Awards, the DNI Seal Medallion, the National Intelligence Distinguished Service Medal, the CIA Donovan Award, the NRO Gold Medal, and is a three-time recipient of NSA's highest award - the Exceptional Civilian Service Award. While on active duty, Mr. Moultrie received the Defense Meritorious Service Medal (DMSM) and U.S. Air Force Meritorious Service Medal (MSM).

Mr. Moultrie holds a Master of Science degree in Strategic Intelligence from the National Intelligence University, a Bachelor of Arts degree magna cum laude in Business Management from the University of Maryland, a Russian Language degree from the Defense Language Institute at Monterey, and completed Senior Executive studies at Harvard University's Kennedy School of Government.

Mr. Moultrie is married and lives in Maryland.

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OPENING STATEMENT OF

GENERAL PAUL M. NAKASONE

DIRECTOR, NATIONAL SECURITY AGENCY
CHIEF, CENTRAL SECURITY SERVICE

BEFORE THE 118TH CONGRESS

HOUSE ARMED SERVICES SUBCOMMITTEE
ON INTELLIGENCE AND SPECIAL OPERATIONS

APRIL 27, 2023



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(U) Chairman Bergman, Ranking Member Gallego, distinguished members of the Committee, I am honored to represent the people of the National Security Agency and am grateful for your support. Thank you for this opportunity to testify before you today with my Department of Defense Intelligence Enterprise colleagues.

(U) The men and women of the National Security Agency are committed to providing vital support to policymakers and our vital role as a combat support agency. We deliver vital cryptologic capabilities to enable the Defense Intelligence Enterprise to deliver accurate and timely intelligence on threats facing the nation to our warfighters and national leadership.

(U) The U.S. faces many threats today: China challenges us across all elements of national power while coercively seeking to expand its malign influence and control over its neighbors and around the world. Russia remains engaged in global malign influence and its illegal aggression in Ukraine. Iran is a regional menace routinely conducting cyber and malign influence activities; while North Korea continues to advance its missile and WMD capabilities.

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(U) Terror groups, criminal cyber actors, and fentanyl- dealing cartels are ongoing threats. Rapid changes in the global technological environment require better approaches to data, machine learning, and artificial intelligence. NSA is working with interagency, private sector, and foreign partners to build cybersecurity in defense of the Nation; and is playing a critical role in developing insights to counter China.

(U) I would like to emphasize the importance of intelligence derived from Section 702 of the Foreign Intelligence Surveillance Act to the missions I just mentioned. This authority, which allows NSA to collect intelligence on non-U.S. persons located overseas that use U.S. communications infrastructure, is vital to keeping the nation safe. I look forward to continuing to speak with Congress about 702's importance and the rigorous compliance program that guides our use of it.

(U) In my role as the Director of NSA and Commander of US. Cyber Command, and pursuant to recent guidance issued by the Department of Defense, I am closely examining access, accountability and security in our workspaces, in collaboration with the whole-of-government efforts related to the protection of classified information.

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(U) Maintaining the trust and confidence of our nation's leaders and the public remains a top focus. Your support is what allows us to achieve positive national security outcomes for the nation. Thank you again for inviting me today and I look forward to your questions.

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General Paul M. Nakasone
Commander, U.S. Cyber Command and
Director, National Security Agency/Chief, Central Security Service

General Paul M. Nakasone assumed his present duties as Commander, U.S. Cyber Command and Director, National Security Agency/Chief, Central Security Service in May 2018.

He previously commanded U.S. Army Cyber Command from October 2016 - April 2018.

A native of White Bear Lake, Minnesota, GEN Nakasone is a graduate of Saint John's University in Collegeville, Minnesota, where he received his commission through the Reserve Officers' Training Corps.

GEN Nakasone has held command and staff positions across all levels of the Army with assignments in the United States, the Republic of Korea, Iraq, and Afghanistan.

GEN Nakasone commanded the Cyber National Mission Force at U.S. Cyber Command. He has also commanded a company, battalion, and brigade, and served as the senior intelligence officer at the battalion, division and corps levels.

GEN Nakasone has served in Joint and Army assignments in the United States, the Republic of Korea, Iraq, and Afghanistan. His most recent overseas posting was as the Director of Intelligence, J2, International Security Assistance Force Joint Command in Kabul, Afghanistan.

GEN Nakasone has also served on two occasions as a staff officer on the Joint Chiefs of Staff.

GEN Nakasone is a graduate of the U.S. Army War College, the Command and General Staff College, and Defense Intelligence College. He holds graduate degrees from the U.S. Army War College, the National Defense Intelligence College, and the University of Southern California.

GEN Nakasone's awards and decorations include the Distinguished Service Medal (with oak leaf cluster), the Defense Superior Service Medal (with three oak leaf clusters), Legion of Merit, Bronze Star, Defense Meritorious Service Medal (with oak leaf cluster), Army Commendation Medal, Joint Service Achievement Medal (with oak leaf cluster), Army Achievement Medal (with four oak leaf clusters), Joint Meritorious Unit Award, Iraq Campaign Medal, Afghanistan Campaign Medal, Combat Action Badge, and the Joint Chiefs of Staff Identification Badge.

GEN Nakasone and his wife are the proud parents of four children, who form the nucleus of "Team Nakasone."

2023 WORLDWIDE THREAT ASSESSMENT

DEFENSE INTELLIGENCE AGENCY

STATEMENT FOR THE RECORD
ARMED SERVICES SUBCOMMITTEE ON
INTELLIGENCE AND SPECIAL OPERATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

Scott Berrier, Lieutenant General, U.S. Army
Director, Defense Intelligence Agency

Information available as of 20/April/2023 was used in the preparation of this assessment

INTRODUCTION

Chairman Bergman, Ranking Member Gallego, and members of the subcommittee, thank you for the invitation to provide the Defense Intelligence Agency's (DIA's) assessment of the global security environment and to address the threats confronting the Nation.

Amid the backdrop of strategic competition, the events of the past year clearly demonstrate that our competitors are emboldened and that they are attempting to forcefully recast the rules-based international order and challenge U.S. interests. From Russia's unprovoked and unjustified full-scale invasion of Ukraine, to China's military assertiveness in the Indo-Pacific region, to an unprecedented number of North Korean missile launches, to Iranian-directed action against U.S. forces in the Middle East, the United States faces a multifaceted security environment in which authoritarian regimes are testing our resolve through their provocative military actions, developing capabilities to hold the homeland at risk, and showing greater risk tolerance for potential escalation.

- *China is our pacing challenge. Beijing is expanding its global influence and stepping up its multi-domain pressure campaign against Taiwan, as observed by its sharply increased rhetoric and military activity over this past year. Xi Jinping's attainment of a third term as General Secretary of the Chinese Communist Party, with no clear successor in sight, positions Beijing for further progress on military modernization and operational goals that will challenge the U.S. during the next year and beyond.*
- *Russia's brutal war in Ukraine anchored 2022 in instability and insecurity but the resiliency of Ukrainian forces and crucial Western support has upended Moscow's ambitions for a quick victory. Russia has faced mounting losses in both personnel and materiel and its efforts to secure military aid from Iran and North Korea are testament to its military supply challenges. President Putin's threats in October 2022 that he was not bluffing over using nuclear weapons to defend Russia highlight the risk of widening the war through 2023, even as Ukraine seeks to seize the initiative to regain lost territory.*
- *North Korea launched its highest annual number of ballistic missiles over the course of 2022. Pyongyang is also threatening to resume nuclear testing and to develop new types of nuclear weapons as part of its attempts to coerce, endanger, and deter South Korea, Japan, and the U.S.*
- *Iran—more confident in its advancing military capabilities and those of its proxies—regularly attacks and threatens U.S. forces, our partners, and our allies throughout the Middle East. Tehran's provision of armed unmanned aerial vehicles (UAVs) to Russia enabled Moscow to expand its strikes against Ukrainian infrastructure and will provide Tehran with future access to Moscow's sophisticated weapons. Over the past year Tehran has faced sustained pressure from civil unrest, a decline in regime legitimacy, and a deepening economic downturn which makes the regime likely to pursue more aggressive internal and international policies to retain power and expand regional influence.*

- *Although they have suffered significant set-backs, global terrorist groups, including the Islamic State of Iraq and ash-Sham (ISIS) and al-Qa'ida, remain intent on targeting U.S. interests abroad. Inspired attacks, as performed by self-radicalized individuals, remain the most likely terrorist threat to the U.S. homeland.*

Given these unprecedented challenges to our global leadership and military superiority, I am privileged to lead DIA at this consequential time. Your DIA officers fulfill the critical mission of providing strategic, operational, and tactical defense intelligence to our warfighters, defense planners, policymakers, and the acquisition community. We ground all of our work in the mission of providing intelligence on foreign militaries to prevent and decisively win wars. My goal in this hearing is to help Congress and the Nation better understand the challenges we face and to support this committee in identifying opportunities to respond to these challenges. Thank you for your continued confidence. We are grateful for your vital support to DIA.

Before turning to the assessment, let me call your attention to an absolutely critical legislative matter. Unless Congress acts, at the end of this year Section 702 of the Foreign Intelligence Surveillance Act will expire.

Section 702 is vital to U.S. national security. It provides unique intelligence on foreign intelligence targets, at a speed and reliability that we cannot replicate with any other authority. I look forward to working closely with this Committee and others to ensure its renewal.

CONTENTS

Introduction	2
China	5
Russia	8
North Korea	12
Iran	13
Regional Security Issues	15
Middle East.....	16
South Asia.....	18
Africa	20
Latin America.....	22
Transnational Threats	24
Terrorism.....	24
Infectious Disease	25
Anomalous Health Incidents.....	26
Climate Change.....	26
Advanced Technology Threats.....	27
Conclusion	28

CHINA

Over the past year, China has intensified efforts to accrue global influence and to build up its military as a means to reshape the Indo-Pacific region and the international system. Xi Jinping has recently demonstrated his undisputed control of the Chinese Communist Party (CCP) by securing a third five-year term as the CCP's paramount leader at its 20th Party Congress. During the Congress, Xi reiterated his commitment to defend China's national interests through expanding international engagement, strengthening national security, and improving economic resilience in the face of increased global challenges. Chief among these challenges is the U.S., which Beijing views as deploying a whole-of-government effort to contain China's rise. Over the past year, the People's Liberation Army (PLA) fielded sophisticated weapons and platforms in all warfare domains, instituted major organizational reforms to enhance joint operations, and improved its combat readiness. For example, from January 28–February 4, 2023, a PRC high-altitude surveillance balloon traversed over Alaska, Canada and the continental U.S. The PLA can conduct long-range precision strikes across all-domains, is demonstrating s more sophisticated counterspace and cyber capabilities, and is accelerating the large-scale expansion of its U.S. and our allies during a large-scale theater campaign, such as a war over Taiwan.

Pressure on Taiwan

China's military activity around Taiwan almost certainly will grow during the next year as Beijing continues its pressure campaign and seeks to signal its resolve to counter U.S.–Taiwan cooperation. At the 20th Party Congress, Xi repeated the CCP's longstanding public position that China seeks peaceful unification with Taiwan but will never renounce the use of force as an option. Additionally, the CCP amended its constitution to reaffirm that it will resolutely oppose and deter Taiwan independence. China maintains a range of military options to coerce Taiwan, including increasing military presence operations, an air and maritime blockade, seizure of Taiwan's smaller outlying islands, and a full-scale invasion. Beijing initiated expansive military drills during and after the then-U.S. Speaker of the House's visit to Taiwan in August of 2022 to signal its displeasure with U.S.–Taiwan cooperation. More recently, Beijing ordered three days of exercises along the Taiwan Strait after Taiwan President Tsai met with the current U.S. Speaker of the House in California; the exercises included simulated strikes on Taiwan.

- In 2022, Beijing sharply increased rhetoric and military activity around Taiwan as part of an extended multi-domain pressure campaign. In 2022, Beijing sent a record 1,727 combat aircraft into Taiwan's claimed air defense identification zone. 440 of these incursions occurred in August, the same month as then-Speaker of the House's visit to Taiwan. This amount greatly contrasts with 960 in 2021, and 380 in 2020. Fighter jet incursions also more than doubled in 2022 from 538 to 1241 and bomber incursions increased from 60 to 101.
- After last year's visit by the prior U.S. Speaker of the House, the PLA commenced one of its largest joint force exercises in the Taiwan Strait—with every service participating, including live fire ballistic missiles launches impacting around the main island—and encroaching on Taiwan's claimed territorial waters.

Military Capabilities and Modernization

By 2027, the PLA seeks to advance its abilities to conduct operations across all warfare domains, accelerate the integration of its joint forces, and strengthen its system of strategic deterrence. China's modernization priorities include enhancing joint capabilities and logistics; modernizing PLA command and control systems and expanding the PLA's use of AI and other advanced technologies. The PLA's

modernization strengthens its ability to fight regional wars against the U.S., its allies, and partners; coerce Taiwan and bully rival claimants in territorial disputes; counter an intervention by a third party in a conflict along China's periphery; and project power globally to advance its influence and safeguard China's economic interests and citizens abroad. China's purported seven percent defense budget increase from 2021—totaling \$230 billion—fuels the PLA's modernization and provides Beijing with the second-largest military budget in the world.

- The PLA seeks a diverse nuclear force, comprised of systems ranging from lower-yield precision strike missiles to intercontinental ballistic missiles (ICBMs) with multi-megaton yields. The PLA is strengthening its nuclear triad by increasing the number of land, sea, and air-based nuclear delivery platforms. In 2022, China completed the rapid construction of three new solid-propellant silo fields and began loading ICBMs into these silos. Beijing is developing new ICBMs with multiple independently targetable reentry vehicle capabilities that will significantly improve its nuclear-capable missile forces. By 2030, China probably intends to have about 1,000 deliverable nuclear warheads; by 2035 the country probably intends to have 1,500.
- Second in size only to the United States, China's space program is rapidly growing and aims to erode U.S. global space leadership and exploit the perceived U.S. reliance on space-based systems as a means to deter and counter U.S. intervention in a regional military conflict. China's increasingly capable reconnaissance satellites improve its intelligence gathering and ability to strike adversaries at long-ranges. Moreover, China is developing a suite of capabilities designed to threaten U.S. satellites. China is researching, developing, and launching lunar orbiting satellites—including those with communication, navigation, and remote-sensing payloads—in an effort to directly compete with the U.S. space program.
- In 2022 the PLA Navy (PLAN) launched its third aircraft carrier, the Fujian. The Fujian is China's largest and first indigenously designed aircraft carrier and is comparable in size and design to U.S. carriers. By 2030, the PLAN will add approximately 100 new combatants, growing its fleet to 440 platforms and will potentially add a fourth and fifth carrier to significantly enhance its regional and global power projection capabilities. China is expanding its antisubmarine warfare inventory and training to counter U.S. and allied submarines and to protect high-value PLA assets, including the navy's aircraft carriers and ballistic missile submarines.
- After 20 years of modernization, the PLA Air Force (PLAAF) and the PLA Navy Aviation (PLANAF) now field roughly 1,100 4th-generation fighters and 150 new 5th generation J-20 stealth fighters. The PLAAF is also developing a wide range of UAVs in addition to a new H-20 stealth strategic bomber which is designed to extend its power projection capabilities.
- In 2022, China's cyberactors increased cyber exploitation in support of intelligence operations against U.S. political, economic, academic, and military targets, including exfiltration of sensitive information from the defense industrial base. China uses this gathered intelligence to support both cyberspace attack preparations and its global influence efforts, such as recent engagements with Pacific Island countries.

Flashpoints Along China's Periphery

In 2022, China conducted military and security operations along its border and near abroad from the

Himalayas to the East China Sea, setting the conditions for potential flashpoints with its regional neighbors.

- In the South China Sea, China claims sovereignty over the Spratly and Parcel Islands and other land features in its asserted “nine-dash line” area. China also asserts a maritime claim to a large majority of the South China Sea, a claim that is inconsistent with the 1982 international Law of the Sea Convention and overlaps the lawful maritime entitlements of Brunei, the Philippines, Malaysia, Indonesia, and Vietnam. China employs its Navy, Coast Guard, and maritime militia to patrol the region and sometimes aggressively harasses the fishing and hydrocarbon exploration operations of rival claimants. Over the next year, Beijing will expand patrols and reactions in the South China Sea to further enforce its unlawful maritime claims within and beyond the “nine-dash line” area to normalize its presence.
- China uses Coast Guard vessels and aircraft to not only patrol near the Japan-administered Senkaku Islands, but to simultaneously pressure Tokyo to concede its claim to the territory and its accompanying exclusive economic zone.
- Indian and PRC officials engaged in talks throughout 2022 to resolve tensions at the Ladakh border; however, in early December 2022, a clash along the Eastern Line of Actual Control demonstrated that tensions remain.

Global Military Activity

Over the next year, China will continue to expand global engagement to isolate Taiwan, disrupt U.S. partnerships, and to advance China’s diplomatic, security, and economic influence. As part of Beijing’s overall strategy, CCP leaders tasked the PLA to develop the capability to project power beyond its immediate periphery to secure China’s growing overseas interests and facilitate the development of the PLA as a global force. China seeks to establish a more robust overseas logistics, training, and basing infrastructure to enable the PLA to project and sustain military power at greater distances.

- Beyond its base in Djibouti, the PLA is pursuing military facilities to support naval, air, ground, cyber, and space power projection on Africa’s Atlantic Ocean, Indian Ocean, Red Sea, and Mediterranean Sea coasts and other locations in the Middle East, Asia, and the Pacific.
- In March 2022, China and the Solomon Islands agreed to a draft security agreement that may allow deployment of PRC police and military units to assist with internal stability. The agreement also allows for replenishment of PLA naval ships.
- In June 2022, PLA officials joined a groundbreaking ceremony at Cambodia’s Ream Naval Base to announce China’s assistance in expanding the facility.

China-Russia Cooperation

A common rivalry with the U.S. drives cooperation between China and Russia. For example, ahead of the 2022 Winter Olympics in Beijing, Presidents Xi and Putin announced a “no limits partnership” and signed 15 bilateral agreements including the expansion of Russia’s gas and grain exports to China. Xi and Putin also issued a joint statement opposing a range of Western international security initiatives, including the U.S. Indo-Pacific Strategy and the Australia-United Kingdom-United States (AUKUS) trilateral partnership. In March 2023, Xi visited Moscow where Putin praised China’s willingness to “play a constructive role” in Russia’s war in Ukraine. Over the next year, Beijing will deepen its strategic

partnership with Moscow, by taking a discreet, flexible, and cautious approach to providing economic, security, and diplomatic support despite Russia's war in Ukraine.

- Moscow touted Russo-Sino relations and joint combat capabilities during multiple combined exercises, most notably during Russia's annual capstone exercise, VOSTOK-2022, in August 2022. Moscow sought to use VOSTOK-22 to demonstrate that it is not fully isolated, although some states, including China, India, and Collective Security Treaty Organization partners, reduced their planned presence.
- In May 2022, China and Russia conducted a combined air patrol near Japan during a meeting of the leaders of Australia, India, Japan, and the United States in Tokyo. This historic event was the first combined naval patrol in the Bering Sea by China and Russia near the Aleutian Islands of Alaska. Six months later, Beijing and Moscow again participated in a combined bomber patrol over the East China Sea; this event was equally historic as it was the first time Russia's air force landed aircraft at an airfield in China and the PLA landed its aircraft at an airfield in Russia.

Outlook

During the next year, China's military activity near Taiwan will grow as Beijing continues its pressure campaign against Taiwan and signals its resolve to counter U.S.–Taiwan cooperation. Beijing's reaction to the prior House Speaker's visit to Taiwan and President Tsai's more recent visit to the U.S. demonstrates how China aims to establish a new, more aggressive and dangerous normal in the Taiwan Strait that increases the chances of military mishaps unintentionally sparking a crisis. China will increase actions in the South China Sea and normalize its presence beyond its claimed "nine-dash line" area. Globally, China will expand its engagement to assert its territorial and maritime claims, further isolate Taiwan, disrupt U.S. partnerships, and advance PRC interests abroad. With its lifting of pandemic restrictions, China's military will increase its global activities to include senior leader visits, PLA Navy port calls, and military exercises with foreign partners. Beijing will invest in its relationship with Moscow by expanding economic, security, and diplomatic cooperation despite Russia's ongoing war in Ukraine.

RUSSIA

Russia's full-scale invasion of Ukraine directly attacked the post-Cold War global order and triggered the largest land war in Europe since World War II. What Russia had hoped would be a quick victory has instead become a protracted war that is testing not only the will of the combatants but the ability of Russian, Ukrainian, and Western defense industries to continue to prosecute the war. The war has been devastating for Russia's military and has dealt a considerable blow to Russia's geo-strategic ambitions, modernization plans, and overall global influence; 2023 will further demonstrate the corrosive effects of the war on Russia's military.

Trajectory of the War in Ukraine

President Putin views its war in Ukraine as a proxy war by the U.S. and NATO, and one that will determine not only his legacy, but Russia's ability to counter a perceived Western encroachment.

Russia's military is suffering high casualties, quickly depleting its artillery, ammunition and vehicles, and is facing a grinding war of attrition against Ukrainian forces in eastern and southern Ukraine.

- Russia's losses in Ukraine are staggering, especially among the ground, airborne, and elite Spetsnaz forces. Thus far, Russia has suffered over 200,000 killed and wounded—more than double the number of casualties the Soviet Union suffered during its decade-long intervention in Afghanistan and more than all of Russia's conflicts since World War II combined.
- The destruction and demoralization of Russia's officer corps and policy of thrusting poorly trained and equipped troops into combat will continue to drive heavy battlefield losses in 2023.

Russia is attempting to sustain the war by expanding the pool of personnel for military service, mobilizing at least 300,000 reservists in the fall of 2022, increasing the role of paramilitary and mercenary groups, drawing on Cold War-era equipment stocks, and obtaining equipment and munitions from Iran and North Korea. Russia is seeking to weaken Ukrainian resolve and disrupt Ukrainian combat focus with repeated strikes against Ukraine's power and fuel supply infrastructure.

- The Vagner Group has drastically increased its presence in Ukraine, from approximately 1,000 in early 2022 to tens of thousands of combat and combat support personnel by the end of 2022, many of which were former prisoners. Using the influx of inexperienced personnel, Vagner spearheaded offensive operations and made incremental gains in eastern Ukraine including offensives on Bakhmut and Soledar, but friction with the Ministry of Defense is hampering its efforts.
- Since mid-October 2022, Russia has conducted massive missile and drone attacks on Ukraine's critical infrastructure. Extensive damage has led to power outages across the country and, in January, Ukraine warned of future outages as blackout schedules remained in most regions. Russia will continue efforts to degrade Ukraine's energy infrastructure; however, Russia's shortages of precision-guided munitions, the effectiveness of Ukraine's air defense, and Western-supported repairs and alternatives will hamper Russia's efforts.

Although Russia has a significant stockpile of tactical nuclear weapons, Putin does not appear to be moving towards their imminent use. However, Moscow's illegal annexation of the Donbas region and Crimea, and warnings of willingness to employ nuclear weapons, is intended to create ambiguity regarding Putin's intent to use nuclear weapons. Russia's doctrine allows for a nuclear strike in the event of a critical loss of forces or territory, and some of Putin's advisors have advocated for the authorization of nonstrategic nuclear weapons use to prevent additional losses of recently annexed territory.

- Putin warned the West last October that he was not bluffing when he threatened to use nuclear weapons to defend Russia. The Kremlin has since warned that uncontrolled escalation would pose dangers to Washington and other Western capitals. This warning is probably a veiled threat that Russia would strike the West should it retaliate against Russia's use of a nuclear weapon.

Despite Russia's setbacks in further annexation of Ukrainian territory, Putin is not seeking an off-ramp. Instead, he is preparing Russia's society for a prolonged war aimed at undermining Western unity and broadly outlasting Western focus and political will. Russia's official public statements have repeatedly asserted that Moscow remains committed to achieving its objectives in Ukraine through military force.

- Moscow's stated terms for a negotiated settlement—which Kyiv finds fundamentally unacceptable—suggest an agreement is unlikely. The Kremlin's terms include Ukrainian recognition of Russia's illegal annexation of Crimea, Donetsk, Luhansk, Zaporizhzhia, and Kherson territories, as well as Kyiv's agreement to not seek security guarantees from Western nations.

Military Capabilities and Modernization

Russia's military capabilities almost certainly will decrease over 2023 as more troops and equipment are lost in Ukraine. Despite staggering combat losses, sanctions, and export restrictions, Russia still aspires to advance its modernization efforts. Over the next year, Moscow will face tradeoffs between continuing to invest in new weapon systems and resupplying forces in Ukraine.

- Russia's Army will require years to fully recover from the loss of thousands of its most modern combat vehicles and weapon systems and best trained troops in Ukraine. Prior to the full-scale invasion, the army consisted of about 360,000 personnel. However, due to battlefield losses, a poorly executed partial mobilization, and the semi-annual intake of new conscripts, it is not clear how large of an army Russia currently fields.
- The significant degradation of Russia's ground forces probably will render Russia more dependent on its nuclear forces in the coming years to deter, threaten, and coerce its adversaries. The nuclear triad remains a priority for Moscow with no significant changes expected to the naval, air, and ground-based components' funding in the near-term. Russia is developing more capable ICBMs to modernize its ground-based nuclear triad, including its new Sarmat missile. Russia's nuclear stockpile currently consists of about 1,550 deployed strategic warheads, subject to restrictions under the New Strategic Arms Reduction Treaty (New START), although Russia's suspension of New START raises the risk that Russia will deploy additional warheads. Russia also probably has up to 2,000 warheads associated with delivery systems not covered by New START.
- Russia's Navy remains mostly intact following the loss of only a handful of vessels to Ukrainian weapons. The navy supports the war with troop and material transport and launching cruise missiles. The navy has fielded the Tsirkon hypersonic anti-ship cruise missile and is testing the Poseidon nuclear powered armed autonomous underwater vehicle to overcome adversary ship self-defense systems.
- Russia's Aerospace Forces maintain as many as 800 modern and Soviet-era combat aircraft, including conventionally and nuclear armed strategic Tu-95, Tu-22M3, and Tu-160 bombers as part of the nuclear triad. Losses in Ukraine include a few dozen aircraft but the aerospace forces probably will be able to continue its missions of direct support to ground operations and long-range strikes over the next year.
- Moscow is developing counterspace systems to hold U.S. and allied space assets at risk in an attempt to achieve space superiority in future conflicts. Over the next several years, Russia will aspire to modernize its existing communications, navigation, and earth observation systems, while continuing to rebuild its intelligence and early warning system constellations.
- Russia's cyberactors have demonstrated limited strategic success in Ukraine, focusing on cyberespionage, low-level distributed denial of service attacks, and disrupting communication

networks in Ukraine. Despite this, Russia maintains a formidable and stealth cyber program that is active worldwide and continues to pose a significant threat to the U.S. and allied networks globally.

Global Military Activity

The war in Ukraine is undercutting Moscow's international outreach and reducing its ability to wield arms sales as a means of influence. Russia's own war-related production demands and the reputational costs Russia's military has suffered in the war are forcing Moscow to rely on other, often less effective levers of power, including information operations and diplomatic overtures. In 2023, Moscow increasingly will seek arms transfers from partners, such as Belarus, Iran and North Korea, to address its chronic shortages.

- Belarus remains Russia's closest European partner and staging ground for forces deploying to Ukraine. Moscow seeks to use the Union State Treaty to expand its political control of Belarus, maintain strategic depth against NATO, and to strengthen Russia's ability to pressure Ukraine. Moscow has announced plans to deploy nuclear weapons to Belarus, where updated storage facilities could be ready as early as this summer.
- In the Middle East, Russia maintains approximately 2,500-3,000 military personnel in Syria to support President Assad's regime and to project power. Russia's purchase of Iranian UAVs and, potentially, short-range ballistic missiles, have strengthened relations between Moscow and Tehran.
- In Africa, Russia seeks to develop its access and influence through opportunistic arms sales, multilateral fora, military access agreements, resource extraction contracts, influence operations, and private military company deployments. Of Russian private military companies operating in Africa, Vagner has the largest footprint with Russia's military logistically sustaining Vagner's deployments in Libya, the Central African Republic, and Mali, while Vagner seeks to expand its footprint into Burkina Faso.
- In the Western Hemisphere, Russia's February 2022 invasion of Ukraine is undermining its outreach—largely centered on arms deals—to many of its partners in Latin America. Reasons include regional concern over the conflict, the poor performance of Russia's military equipment, and war-related international sanctions. As evidence of Russia's atrocities and war crimes in Ukraine has become more apparent, Latin American countries have hardened their views spoken out against Moscow in regional and international fora. In 2023, Moscow will seek to affirm its influence with its most dependable traditional allies including Cuba, Nicaragua, and Venezuela to help challenge the U.S. through security assistance, diplomacy, military-technical cooperation, and influence operations.

Outlook

Over the next year, Russia's conventional capabilities to deter, fight, or otherwise compete with NATO will continue to decline because of heavy losses suffered in Ukraine. However, although low, the risk of a direct military confrontation between Moscow and the West remains a significant concern, particularly as the West continues to provide the lethal aid to enable Ukraine to defend itself and move to recapture its territory. Moscow retains the ability to employ asymmetric capabilities such as cyber and disinformation campaigns, as well as threaten the West with its nuclear forces. Russia paired its full-

scale invasion of Ukraine with an off-cycle strategic forces exercise and has repeatedly highlighted both its modernized strategic nuclear forces and the dangers of nuclear escalation, even as it kept its actual strategic posture largely at peacetime levels. In 2023, Russia will continue to use nuclear threat to deter further western support for Ukraine. The threat of nuclear escalation, particularly in a scenario where Russia faces a catastrophic defeat in Ukraine, remains a significant threat to the global rules-based order.

NORTH KOREA

North Korea demonstrated unprecedented military activity during the past year, signaling its intent to take advantage of a changed global security environment. The rise of China, Russia's invasion of Ukraine, and both countries' willingness to challenge the rules-based international order almost certainly emboldened North Korean leader Kim Jong Un (KJU) to forcefully showcase his growing missile capabilities, more closely align North Korea with authoritarian regimes, and rebuff U.S. calls for dialogue.

- During the course of 2022, KJU launched a record number of ballistic missiles—including its first intermediate range ballistic missiles and ICBM launches since 2017—and insinuated plans to resume nuclear testing. Both nuclear and missile developments are directly aligned to the defense modernization goals which KJU presented during North Korea's 8th Party Congress in January 2021. KJU's primary objective remains building a sufficient missile and nuclear strike capacity to threaten, coerce, and deter the U.S. and our regional allies, as Kim perceives this goal is the most effective way to ensure his regime survives. In 2022, North Korea also codified into law its new nuclear policy, which represents the regime's clearest articulation of a nuclear first-use strategy and a threat to use nuclear weapons against nonnuclear states if they join a nuclear state's invasion.
- Over the next year, North Korea will continue to demonstrate political solidarity with China and Russia, as it did last year by supporting Moscow's invasion of Ukraine and mirroring Beijing's rhetoric on Taiwan. Last year, Pyongyang periodically resumed trade with Beijing and also with Moscow, primarily to address medicine and food shortages.

Military Capabilities and Modernization

North Korea is modernizing and expanding its missile force to more accurately target the U.S. and allied interests in the region. KJU clearly seeks to use his nuclear and missile capabilities to offset deficiencies in the country's conventional forces. Aside from missiles and nuclear weapons, North Korea's modernization efforts have been slowed by resource constraints. North Korea's economy and logistics infrastructure support national defense, but the industrial systems are poorly constructed and are deteriorating.

- The most significant missile developments during the past year include multiple flight tests of a new, longer-range ICBM that can reach the entirety of the U.S., and the development of advanced short-range ballistic missiles with the goals of decreasing warning times, improving accuracy, and enhancing survivability. North Korea probably is planning to arm these systems with nuclear warheads. In 2022, North Korea prepared for a 7th nuclear test and publicly stated its intent to diversify its nuclear payload options.

- The KPA Ground Force is the KPA's largest service, with the size to inflict severe damage on South Korea with thousands of long-range artillery and rocket systems. The KPA maintains thousands of long-range artillery and rocket systems around the demilitarized zone that are capable of striking South Korea with little warning.

Outlook

North Korea's rhetoric, missile tests, and overall emphasis on defense goals suggest Pyongyang will continue to prioritize advancing its nuclear and missile capabilities through at least 2023. KJU almost certainly views nuclear weapons as a guarantor of his rule, rather than a tool to be bargained away in future negotiations. Over the next year, North Korea almost certainly will continue to engage in provocative actions around U.S.–South Korean exercises, which Pyongyang characterizes as inherently threatening. North Korea's rhetoric and emphasis on the pursuit of its defense goals suggest Pyongyang will concentrate on advancing its nuclear and missile capabilities through at least the next year.

IRAN

Tehran's national security strategy aims to position Iran as the dominant regional power by reducing the U.S. presence in the region and our partners' regional influence. Over the past year, Iran continued its direct and indirect attacks against U.S. positions, seeking to raise the cost to the U.S. for maintaining a forward military presence in the region. Iran and its proxies conducted a range of actions from multiple UAV and missile attacks to assassination and cyber campaigns across the region and the globe. In 2022, Iran continued to transfer ballistic missiles, attack UAVs, and other advanced conventional weapons to its key partners in Iraq, Syria, Lebanon, and Yemen to project power and conduct non-attribution attacks across the Middle East, such as the drone attack on March 23 at a U.S. facility in Northeast Syria. Tehran is also pursuing advanced weapon systems from Russia such as the advanced Su-35 multi-role fighter, a multi-generational jump in aircraft capabilities, and very likely will acquire additional advanced weapons from Russia during 2023. Tehran's rapid supply of hundreds of armed UAVs to Russia, which faces weapons shortages in Ukraine, places Tehran in an increasingly advantageous position to expand its strategic partnership with Moscow on terms favorable to Tehran.

- Since 2021, the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) has provided Iraqi Shia militias with more lethal weapons and remains capable of restarting attacks against U.S. forces in Iraq after directing a pause in 2022 during Iraq's government formation process. Tehran also continues to supply Lebanese Hizballah with longer-range and more accurate weapons to hold critical infrastructure in Israel at risk and as a force multiplier for Iranian outreach with other key regional partners.
- During the past year, the IRGC-QF has grown increasingly emboldened in Syria, sponsoring more frequent attacks against U.S. forces to exact a cost for the U.S. presence and to retaliate against Western operations. As U.S. combat operations in Syria subside, Tehran will prioritize the security of its permanent presence in the country, almost certainly to threaten U.S. interests in the Levant region.

- During 2022, Iranian-supplied ballistic missiles and UAVs enabled the Huthis to conduct complex, long-range attacks against Saudi Arabia and the UAE and targets in the Red Sea, further developing the Huthi's military capabilities that threaten U.S. regional partners. In March 2023, Iran and Saudi Arabia concluded an agreement to reestablish formal diplomatic ties after severing them in 2016. Despite stipulations in the agreement that Iran cease support to the Huthis, Iran almost certainly will continue covertly providing the Huthis with military assistance.

Iran's Nuclear Activities

Iran probably has not resumed its pre-2004 nuclear weapons program and is not conducting the key activities necessary to produce a testable nuclear device. However, Iran does continue to stockpile enriched uranium far in excess of the Joint Comprehensive Plan of Action (JCPOA) limits which has significantly shortened the time required to produce sufficient weapons-grade uranium for one or more nuclear devices—should Tehran decide to do so. Iran has stockpiled enough highly enriched uranium to produce enough weapons-grade uranium for several nuclear weapons, according to the IAEA. Iran seeks to leverage indirect JCPOA negotiations to revive the deal on favorable terms while continuing to expand its nuclear program. Since 2019, Tehran has advanced its nuclear program and made irreversible knowledge gains beyond JCPOA limits to build diplomatic leverage, compel sanctions relief, and retaliate for perceived foreign pressure to demonstrate resolve without completely collapsing negotiations. Iran's key demands are sanctions relief, guarantees against another U.S. exit, and the resolution of safeguards issues associated with its pre-2004 covert nuclear weapons program.

- Since 2019, Tehran has also halted some transparency measures, withheld monitoring data, and stockpiled enriched uranium as high as 20 and 60 percent from advanced centrifuges, far exceeding the JCPOA limits of 3.67 percent and the restrictions on the use of advanced centrifuges. Iran also conducted research and development with advanced centrifuges beyond JCPOA's limits and produced small quantities of enriched uranium metal for the first time. Through these steps, Iran has gained the knowledge and technical expertise applicable to enriching uranium for nuclear weapons should Tehran decide to produce them. Iran probably could produce enough weapons-grade uranium for a first nuclear device in 10-15 days.

Military Capabilities and Modernization

For more than a decade, Tehran has prioritized the development of missiles and UAVs with increased range, accuracy, lethality, and reliability. The success of these programs over the past few years has provided Tehran with an ability to conduct precision strikes against U.S. personnel and our allies' critical infrastructure, a capability Tehran has increasingly demonstrated. Despite economic challenges, Tehran has increased its defense budget in each of the past 3 years, reaching approximately \$20 billion in 2022.

- Iran's missile force serves as Iran's primary conventional deterrent with a capability to strike targets up to 2,000 kilometers from Iran's borders. Iran continues to improve the accuracy and effectiveness of its short-range ballistic missiles with increased lethality and anti-ship capabilities and medium-range ballistic missile with accuracy and warhead improvements. Since at least 2016, Iran has also revealed land attack cruise missiles that could complicate regional missile defense. Iran continues to develop space launch vehicles with boosters that could be capable of ICBM ranges if configured for that purpose.

- In 2022, Iran's air forces and its regional proxies—such as the Huthis and Iraqi Shia militia groups—continued to menace the region with its rapidly growing inventory of attack UAVs, a trend that will continue over the next year. In 2020, Iran also negotiated with Russia to procure up to 48 multirole Su-35 4th ++ generation fighters which are expected to be delivered as early as this year. If delivered, these aircraft will become Iran's most capable fighter, similar in class to U.S. regional partners' fighters.
- Iran uses its naval forces to monitor and harass U.S. and allied naval and commercial operations, especially near the Strait of Hormuz. Iran has increasingly used ship- and shore-launched anti-ship cruise missiles, anti-ship ballistic missiles, and UAVs to expand its area-denial strategy and threaten both commercial and naval vessels in the region.
- Iran's cyber program is almost certainly the Middle East's largest and most capable program, second only to Israel. Iran views cyberoperations as a means to supplement kinetic capabilities and engage adversaries with a deniable, low-cost capability. Iran's cyberoperations against regional and Western entities—such as targeting U.S. transportation and health care sectors with ransomware in 2021 or targeting Israeli's water infrastructure in 2020—demonstrate Tehran's ability and willingness to use cyber capabilities to advance its goals.

Arms Exports and Acquisitions

Iran's UAV export contract with Russia almost certainly represents its largest ever UAV export contract with a state. Since Russia's full-scale invasion of Ukraine, Tehran has provided Moscow with hundreds of armed UAVs and, as of October 2022, was considering the provision of ballistic missiles. The UAVs have allowed Russia to extend and broaden its infrastructure strikes against Ukraine, but Ukrainian air defense improvements have largely neutralized the threat. Beyond Russia, Iran has also sold UAVs to Venezuela and Ethiopia, and UAV production capabilities to Tajikistan and Tehran is seeking to expand its UAV sales to as many as 22 other countries.

- In addition to the Su-35 purchase, Iran also claims to have contracts with Russia for trainer aircraft and helicopters, and Tehran seeks advanced air defense systems from Moscow, similar to the advanced S-300 Russia first delivered in 2016. Iran is negotiating with Moscow to sign an updated 20-year strategic agreement, similar to the 25-year Comprehensive Strategic Partnership which Iran and China signed in 2021.

Outlook

Over the next year, Tehran almost certainly will calibrate its operations to avoid unmanageable escalation with the U.S., but will also use its regional influence, advanced UAVs and missiles, and proxy military capabilities to act forcefully against the U.S. and our partners' interests throughout the region. Iran's military equipment support to Russia during its war in Ukraine increases the likelihood that Iran will receive additional military hardware from Russia.

REGIONAL SECURITY ISSUES

MIDDLE EAST

A near state collapse in Lebanon, persistent conflicts in Syria and Yemen, and periodic domestic unrest are exacerbating regional instability and humanitarian crises. Meanwhile, U.S. partners and adversaries—perceiving a reduced U.S. commitment to the region—are advancing ties with Russia and China. Through the Belt and Road Initiative (BRI), Beijing is focusing on supplying Middle East oil to China while Russia continues to support the Syrian regime and expand ties with Iran.

Syria

The Syrian regime and its allies are poised to shape the civil war's trajectory and expand Syria's diplomatic progress with some Middle East and Asian countries. There remains widespread and low-level violence throughout the country despite Damascus's attempts to portray an image of stability. Persistent economic, health, and security risks continue to prevent more than 13 million Syrians from returning home and 90 percent of Syrians live in poverty. In 2023, Syria will remain reliant on Russia's deep diplomatic, military, and economic support and almost certainly is also receptive to PRC military partnerships and infrastructure investments. Syria and Iran will continue to strengthen ties, while Iran maintains its military support and presence in Syria, including Iran-associated militias.

- Northern Syria contains the last opposition strongholds and conflicts lines remain relatively steady. Damascus and Moscow probably are exploiting strikes against the SDF to press for concessions and weaken the SDF's bargaining power in reconciliation negotiations with the regime.

Iraq

After a year of political gridlock, Iraq formed its new government which is backed by pro-Iran Shia political parties, and will probably restrict Western military activities. Iraq's new government is heavily influenced by Iran and during the next year Iran will empower its aligned militias to secure Tehran's political and economic interests while attempting to restrict coalition activity in Iraq.

- On October 27, 2022, Iraq's parliament approved Muhammad Shia al-Sudani's government, and consequently, ended more than a year of formation efforts. At least three cabinet members are affiliated with Iran-aligned Shia militias and members of the new government have expressed their priority for Iraq's security is the removal of U.S. forces.
- The Iran-backed militias remain postured to attack U.S. interests with little or no warning with rockets and UAVs and almost certainly will use their political power to influence Iraqi government responses.
- The Iraqi Security Forces (ISF) have improved their capabilities to target ISIS and reduce their dependency on Coalition forces, but the ISF faces sustainment and maintenance shortfalls. ISF joint operations with Kurdish Security Forces (KSF) remain ad hoc and simple in scope, while efforts to establish joint ISF-KSF brigades have stalled due to lack of political will and lack of resources.

Yemen

As of mid-November 2022, the Iran-backed Huthis remain engaged in negotiations following the expiration of the UN-brokered truce in October 2022. However, the Huthis are unwilling to make major concessions and are prepared to restart fighting and cross-border attacks into Saudi Arabia to further

press the opposition to concede to Huthi demands. In addition, the Huthis probably will increase the number and scale of maritime attacks on coalition infrastructure and ships if negotiations fail.

- In April 2022, the new Yemeni government was created in an attempt to unify anti-Huthi forces; however, it has failed to provide the needed support to mitigate both internal divisions and persistent humanitarian and economic challenges. Separately, al-Qa'ida in the Arabian Peninsula has moderately grown its presence in southern Yemen in 2022 but still lacks the capacity to pose a threat to U.S. partners and interests in the region.

Lebanon

Lebanon's economic and humanitarian crises very likely will worsen during 2023—making the country vulnerable to economic shocks and unrest—because of politicians' unwillingness to pass critically needed reforms and Lebanese security forces' declining capabilities. The National Assembly's failure to elect a presidential successor has resulted in a political deadlock that will worsen the crises. Hizballah, supported by Iran, probably will use Beirut's converging crises to increase its political influence, deepen its economic patronage networks, and advance its military capabilities which remain aimed at deterring adversaries.

- Beirut has been unable to manage the economy or sustain critical services, thus eroding government legitimacy and driving increased crime and violence. Lebanese security forces have become dependent on external support to partially offset the effects of the economic crisis.

Egypt

Egypt is a partner in regional security and stability through its guardianship of the Suez Canal, its command of the Combined Maritime Forces Red Sea Maritime Task Force, counterterrorism operations, and work to reduce tensions between Israel and the Palestinians. However, Egypt also continues cooperation with Russia on joint military exercises and to acquire Su-35 multi-role fighter aircraft and other military equipment. Egypt also seeks expanded cooperation with Russia in the defense, infrastructure, and economic sectors. Egypt views the filling of the Grand Ethiopian Renaissance Dam as an existential threat and probably will continue to demand a legally binding agreement with Ethiopia and Sudan on filling and operating the dam, but Cairo probably will refrain from military action unless it perceives diplomatic options have failed to prevent Ethiopia from gaining unilateral control over Egypt's water supply.

SOUTH ASIA

Afghanistan

Throughout 2022, the Taliban attempted to garner international support and recognition, while solidifying its control of Afghanistan. However, Taliban policies and armed resistance groups have directly undercut the regime's efforts to improve conditions in Afghanistan. In November 2022, the Taliban ordered judges to implement its form of Sharia law and weeks later authorities increased public floggings and began public executions. Despite \$1.9 billion in international humanitarian aid—a nearly 300 percent increase from 2020—aid organizations project that 70 percent of Afghans will require some form of humanitarian assistance in 2023. This projection is an increase of 4 million more than 2022

levels. Women's rights are now non-existent and the Taliban's December 2022 ban on female aid workers drove one-third of aid organizations to suspend activities.

ISIS-Khorasan is the Taliban's primary armed threat and remains one of the most lethal branches of ISIS. ISIS-Khorasan continues to target the Taliban, civilians, and critical infrastructure throughout the country to undermine the regime's legitimacy. For example, when the Taliban sought improved trade and energy agreements with China and Russia in 2022, ISIS-Khorasan attacked foreign embassies and personnel in late 2022 to sever these foreign investments.

Despite the regime's amnesty policy, Taliban members have killed some former Afghan National Defense and Security Force (ANDSF) and Government of Afghanistan personnel at the local level, defying directions from regime leaders. Since the Taliban takeover in 2021, hundreds of reprisal killings and kidnappings of former government and security officials have been reported, including members of the ANDSF. Over the next year, the Taliban will continue to resist moderating its policies to align with international norms, will fail to achieve international recognition, and will struggle with instability as it confronts ISIS-Khorasan and other remaining resistance groups. These factors will severely complicate the Taliban's efforts to entice foreign investments.

- In 2022, the National Resistance Front (NRF) failed to expand its territorial control in Afghanistan and has shifted focus from the Panjshir Valley to Badakhshan to be closer to NRF safe havens in Tajikistan. As of late November 2022, the NRF had conducted at least 43 attacks against Taliban regime forces, a decrease from previous months but in line with seasonal trends. Its leader, Ahmad Massoud, son of Ahmad Shah Massoud, is the political face of the group and is based in Tajikistan.
- As stipulated in the Doha Agreement, the Taliban publicly committed to preventing terrorist organizations from using Afghanistan as a base of operations. The Taliban has conducted military operations to degrade ISIS-Khorasan's presence in Afghanistan and has denied U.S. claims that it is harboring al-Qa'ida personnel in Afghanistan. The Taliban has restricted some al-Qa'ida activities, but likely provides covert sanctuary to al-Qa'ida members in Afghanistan. Following the death of al-Qa'ida emir Ayman al-Zawahiri in mid-2022, the Taliban reiterated its commitment to the Doha Agreement's counterterrorism obligations and almost certainly will seek to prevent Afghanistan from being used to conduct a terrorist attack against the U.S. or its allies.

Pakistan

Islamabad's long-standing acrimonious relationship with New Delhi drives Pakistan's overall defense policy and the development and modernization of its nuclear weapons and nuclear security infrastructure during 2023. Despite tensions between the capitals, cross-border violence along the Line of Control has been infrequent since February 2021, when Pakistan and India recommitted to a cease-fire. In 2023, Pakistan will seek to limit tensions along the Line of Control as it attempts to focus internally on domestic politics, economic challenges, and counterinsurgency efforts while continuing its broader military modernization programs.

- Militant activity in Pakistan accelerated following the Taliban regime's takeover in Afghanistan. Tehrik-e-Taliban Pakistan, ISIS-Khorasan, and Baloch separatists pose the most significant militant threat to Pakistan. Pakistan conducted military operations in response to resurgent domestic militant activity.

- In late November, outgoing Army Chief Qamar Javed Bajwa retired and transferred control of the Army to Gen Syed Asim Munir Ahmed Shah, who is likely to maintain most of Bajwa's policies in the near term. Gen Munir, probably will focus on calibrating the military's role in civil governance to restore the Army's reputation following public criticism for its involvement in domestic politics.
- Islamabad's defense relationship with Beijing includes joint military training, weapons development and sales, and support to Pakistan's missile program. Pakistan considers China an important procurement source of dual-use goods to support the advancement of its nuclear and delivery systems programs, to include technologies from third-party nations.

India

Over the past year, India pursued policies to showcase its role as a leading power and net provider of security in the Indian Ocean region. India seeks to promote prosperity and stability by building bilateral strategic partnerships with nations such as Japan and working with multilateral groupings such as the Quadilateral Security Dialogue. In 2023, New Delhi probably will focus on maintaining economic growth, its G20 Presidency, and building on the "Make in India" initiative. These areas all support India's long-term goals of self-sufficiency and becoming a net provider of security in the region.

- New Delhi is pursuing extensive military modernization to encompass air, ground, naval, and strategic nuclear forces with an emphasis on domestic defense production. India's longstanding defense relationship with Russia continues and New Delhi has maintained a neutral stance on Russia's invasion of Ukraine.
- A clash along the Eastern Line of Actual Control in early December 2022 highlights the ongoing tensions along the Ladakh border, which are expected to continue in 2023. Indian and PRC civilian and military officials engaged in talks throughout 2022 to resolve border tensions and they agreed to pull troops back from two standoff locations in eastern Ladakh. However, relations remain strained as both sides build infrastructure and maintain approximately 50,000-60,000 troops in the area.

AFRICA

In 2023, some African nations probably will struggle with political instability, violent extremist organizations (VEOs), food insecurity, and economic downturns creating domestic turmoil. Over the past year, several African countries experienced successful or attempted unconstitutional changes of government with the potential for additional democratic backsliding in 2023. Over the next year, VEOs are likely to continue to grow their capabilities and areas of influence in Africa, and African militaries will often rely on multiple foreign nations—including China and Russia—to assist with building their CT capabilities. In 2023, China and Russia will continue to grow their outreach and presence on the continent as African countries seek financing, investment, and assistance for military and economic aid.

- China has been the African continent's largest trading partner since 2009, has signed Belt and Road Initiative (BRI) agreements with most African countries, and has invested over \$4.6 billion in development projects. As part of this investment, Beijing has led the Dialogue on the

Implementation of China-Africa Peace and Security Initiative, launched assistance programs, and helped train African military personnel under BRI.

- Some African leaders are receptive to China's interest in expanding military access along Africa's Atlantic Ocean, Indian Ocean, Red Sea, and Mediterranean Sea coasts. China assesses that overseas bases will enable forward deployment of PLA forces and support military conflict, training, multilateral cooperation, and humanitarian assistance. In addition to its support base in Djibouti, China has likely considered Angola, Equatorial Guinea, Kenya, Seychelles, and Tanzania as locations for PLA military logistics facilities.
- Some African governments have turned to Russia's private military companies (PMCs) to receive training for their forces, augment security operations, or consolidate their hold on power. In December 2021, Mali brought in Russia's Wagner Group to assist with counterterrorism (CT) operations and subsequently has pivoted from its traditional Western and regional partnerships. Since the deployment, the Wagner Group and the Malian military have been accused of severe human rights atrocities. Their movement farther north into territory controlled by northern armed groups and VEOS will very likely lead to further violence and instability in the region.

North Africa

North Africa is maintaining tenuous stability; however, persistent economic and security threats are driving efforts to diversify North African partnerships. Libya's divided military factions maintain the cease-fire established in 2020, while rival political elites delay moving forward with an elections framework and Turkey and Russia maintain respective military and PMC presence in the country. Tensions between Morocco and Algeria remain high, potentially pushing these countries to seek external support, including arms acquisitions, that could destabilize the region and undermine U.S. interests. In Tunisia, the president's consolidation of power and growing economic issues probably leaves Tunisia vulnerable to social unrest, increased irregular migration to Europe and heightened susceptibility to work with global competitors on strategic infrastructure.

West Africa

Of the five countries in the Sahel, three are currently led by nondemocratically elected leaders. VEO attacks are increasing across the region and expanding into new areas such as Benin and Togo, which experienced their first attacks in 2022. Last year, Mali's transitional government became more isolated from Western and regional partners when France and the European Task Force withdrew their personnel and regional neighbors levied temporary sanctions. Similarly, in late January 2023, France agreed to Burkina Faso's demand that it withdraw its 400 French special forces troops, which almost certainly creates a vacuum which the Wagner Group will fill. Benin, Cote d'Ivoire, Ghana, and Togo all increased troop deployments to their northern borders in an attempt to stem encroachment of terrorists from the Sahel. Expanding attacks from VEOs in the Lake Chad Basin and leadership transitions such as in Nigeria are generating additional pressure on regional governments that are poorly postured to provide an effective response. In addition, piracy and maritime kidnappings remain a threat in the Gulf of Guinea.

East Africa

For most of 2022, East Africa's protracted conflicts undermined national, regional, and international

efforts to combat extremism, provide humanitarian relief, and shore up fragile democracies. In April 2023, conflict broke out between the Sudanese Armed Forces (SAF) and Rapid Support Forces (RSF), which will likely further undermine Sudan's transition to democracy and creates conditions for a protracted internal conflict. In 2022, Kenya and Somalia peacefully transferred political power. In November 2022, Ethiopian factions signed a cessation of hostilities, concluding 2 years of conflict in the disputed Tigray region. These positive developments present narrow opportunities to reverse long-term regional instability and conflict in 2023. Following a historic September 2022 peaceful transition of power, Kenya is postured to serve as a key security partner and may provide troops and diplomatic leadership to regional security missions across East Africa.

- Al-Shabaab remains the primary terrorist threat in the region and given its lethality and resiliency, Somalia's plans to reenergize CT efforts are encouraging. In 2022, Somalia's president authorized a new counter-al-Shabaab offensive that evolved into the largest Somali-led campaign supported by the African Union Transition Mission in Somalia. The Somali government will need to improve governance, resolve internal political tensions, and develop Somali security forces in order to build upon and sustain its initial successes.

Central Africa

The central Africa region faced increased armed group violence during 2022 which jeopardizes ongoing tenuous humanitarian, economic, and political situations. In 2022 the Central African Republic (CAR) deepened its ties with Russia and CAR military forces and Russia's PMCs routinely commit human rights violations while combatting anti-government armed groups. In April 2022, the seven countries of the East African Community, of which the Democratic Republic of the Congo (DRC) is a member, agreed to establish a military force to combat armed groups in eastern DRC to mitigate the risk of regional instability and conflict spillover.

Southern Africa

In 2022, most countries in southern Africa experienced economic turmoil because of Russia's war in Ukraine and lingering effects of the COVID-19 pandemic, which exacerbated instability and constrained CT operations. In Zimbabwe, the political system and economy grew more fragile in 2022 because the president failed to implement promised reforms and instead prepared for his 2023 reelection bid. In Mozambique, ISIS-Mozambique expanded operations despite sustained CT pressure by Mozambican, Rwandan, and the Southern African Development Community-affiliated security forces. ISIS-Mozambique's expansion threatens Western economic interests in the northern region which is rich with natural resources. In South Africa, ISIS elements use the country as a conduit for illicit financial transactions.

LATIN AMERICA

China and Russia's Influence in Latin America

China and Russia both seek to expand their influence and compete with the United States in Latin America. China probably sees Latin America and the Caribbean as important to its goal to diplomatically isolate Taiwan, as the region accounts for seven of Taiwan's 13 remaining diplomatic partners. China is attempting to deepen its economic ties to the region by focusing on strategic sectors such as mining,

infrastructure, public utilities and telecommunications, commercial ports, and providing military donations to select countries. Beijing's investments in at least 11 space-enabling telemetry, tracking, and control ground-sites across Latin America highlights Beijing's military-civil fusion strategy which ties economic development to PLA efforts. Russia values its security engagement and influence with its historical partners—Cuba, Nicaragua, and Venezuela—and is trying to maintain broad regional outreach through bilateral relationships and international fora. However, Moscow's war in Ukraine has drawn condemnation from the majority of countries in Latin America and the Caribbean.

- Nicaragua has given priority to deepening bilateral cooperation and military interoperability with Russia, and is the only Latin American country to vote against the UN resolution condemning Russia's full-scale invasion of Ukraine.

Transnational crime, persecution, economic insecurity and instability throughout Latin America collectively drive migration. Several Latin American countries also recently elected left-leaning governments that are open to closer economic and security cooperation with China and Russia.

- In 2022, Brazil, Chile, and Colombia elected new left-leaning administrations, potentially setting the stage for changes in bilateral, if not regional, U.S security cooperation. These new administrations will make overtures to existing like-minded regional and international countries to obtain political and ideological support in regional fora, as well as expand opportunities for trade and economic treaties. The U.S. remains the partner of choice for security cooperation for these three nations.
- Colombian President Gustavo Petro and disputed Venezuelan regime leader Nicolas Maduro are actively working to improve relations between their two countries, as both are pledging to work on the economy, trade, border security, migration, and the environment.
- Haiti continues to present a regional stability challenge and the Haitian government has requested international security assistance to address the acute hunger of nearly 50 percent of the population, violent gang activity, which controls most of the country, and disease outbreaks. The Special Representative of the Secretary-General for Haiti is calling for international security, without which the UN believes fair and transparent elections cannot be possible.

Venezuela

Disputed Venezuelan regime leader Maduro sees the region's ideological shift to the left as an opportunity to improve the regime's regional and international standing and to diminish the international support for Venezuela's opposition. In January 2023, the last legitimately elected institution in Venezuela, the 2015 National Assembly (NA), extended its mandate but did not extend the mandate of interim President Juan Guaido. The 2015 NA plans to focus on the protection of overseas Venezuelan assets from the regime and presidential elections in 2024 but public support for the NA is in decline due to its perceived limited political and strategic gains.

- Due to violence, political persecution, and economic instability in Venezuela, more than 7 million migrants have fled from the state since 2015, with nearly 2.5 million currently residing in Colombia.
- In July 2022, President Maduro retained and promoted select senior military officers and increased military pay, which will probably preserve military cohesion and bolster Maduro's ability to retain

power through 2023. Maduro—who never served in the Armed Forces—relies on Defense Minister Vladimir Padrino’s popularity with the military to keep the military unified.

Cuba

During the last year, socioeconomic conditions have deteriorated significantly, to include shortages of food, medical support, and power outages. Cuban security forces and their affiliated cyber components are postured to suppress growing internal dissent and ensure the survival of the regime.

- Cuba relies on foreign partners—particularly Russia, China, and Venezuela—for military and economic support and Havana is very likely receptive to increased political, economic, energy, defense, and security cooperation with Moscow and Beijing due to domestic instability. Cuba’s relations with China and Venezuela are mostly focused on energy and economic engagement, with some professional exchanges and bilateral military training.

Mexico-Based Transnational Crime

Mexican transnational criminal organizations (TCOs) are increasingly diversifying their portfolios of criminal activity—including drug, weapons, and wildlife trafficking, migrant smuggling, and money laundering. Mexican TCOs pose the most significant drug trafficking threat to the U.S. TCOs have prioritized the production of cocaine, methamphetamine and fentanyl which are largely responsible for historically high numbers of U.S. drug overdoses.

- U.S. deaths caused by drug overdose increased from 93,000 in 2020 to 107,000 in 2021; a rate on par with the average per annum U.S. combat deaths during World War II. Fentanyl, and fentanyl-like drugs, contributed to at least 65 percent of these overdoses in 2021.

Refugee and Illegal Immigration

Large-scale human rights abuses and political persecution, fragile economic, security, political, and environmental conditions throughout the Western Hemisphere and perceptions of a more permissive U.S. immigration policy will remain the enduring factors driving migration within the region in 2023.

- In FY22 more than 2.3 million irregular migrants were encountered at the U.S. southwest border, a 37 percent increase over FY21’s 1.7 million.
- In 2022, migrants from countries other than Mexico and northern Central America—largely from Cuba, Nicaragua, and Venezuela—have contributed to higher levels of migrant encounters which continued to rise monthly through late 2022, a trend that almost certainly will continue through 2023.

TRANSNATIONAL THREATS

Terrorism

Over the next year, ISIS and al-Qa’ida almost certainly will directly threaten U.S. interests abroad. Both terrorist groups are capable of enabling opportunistic attacks against the U.S. and Western Europe. ISIS

or al-Qa'ida-inspired attacks by self-radicalized individuals remain the most likely terrorist threat to the U.S. homeland.

ISIS

ISIS retains the intent and capability of conducting attacks abroad, including against U.S. interests in the Middle East, Africa, and in the West. ISIS-Khorasan probably could develop the capability to direct attacks against the U.S. homeland from Afghanistan within a year if its leaders chose to do so.

- In 2022, ISIS maintained 19 publicly-recognized branches worldwide and claimed responsibility for attacks in dozens of countries. Last year, a U.S. military operation in Syria removed ISIS emir Hajji Abdallah, one of the last leaders with oversight during the group's 2016 peak. Hajji Abdallah's removal marked the beginning of a new generation of ISIS leaders after the group lost its territory in eastern Syria and western Iraq.
- During the past 2 years, ISIS's insurgency in Iraq and Syria experienced setbacks because of multiple successive leadership losses. However, ISIS remains a substantial threat in these countries, as demonstrated by its January 2022 attack on a detention facility in Syria. ISIS is likely to attempt similar attacks during at least the next year to regenerate manpower.
- ISIS's narrative continues to emphasize its attacks and regional expansion, especially in Africa, where ISIS branches have attacked Western targets and currently control some territory. The group's continued growth in Africa will very likely spread instability and increase the threat to U.S. interests on the continent.
- As of today, ISIS-Khorasan has the intent and capability to attack U.S. interests in Central Asia. In Afghanistan, ISIS-Khorasan's presence is concentrated in northeastern urban centers, and the group primarily targets the Taliban regime, religious minorities, and critical infrastructure to undermine Taliban regime legitimacy.

Al-Qa'ida

Al-Qa'ida's loss of its emir, Ayman al-Zawahiri in July 2022 probably has not changed the current low threat to the U.S. homeland from al-Qa'ida or the regional threat from its affiliates. Zawahiri's isolation during his last 11 years contributed to a decentralization of al-Qa'ida's global enterprise, with al-Qa'ida now operating as largely independent affiliates bound by a common ideology. These affiliates are capable and remain committed to attacking U.S. interests but probably will focus on regional agendas in 2023.

- In 2022, al-Qa'ida expanded its activities in Africa and used its presence there to support its global enterprise, which probably will improve the group's overall attack capability in 2023. Al-Qa'ida's affiliates in Africa are on an upward trajectory possessing the intent and capability to attack U.S. interests in Africa but probably lack sufficient capability to carry out a directed attack on the U.S.

homeland in 2023.

- Al-Qa'ida and its affiliate in South Asia, al-Qa'ida in the Indian Subcontinent (AQIS), are subject to Taliban restrictions in Afghanistan. Al-Qa'ida and AQIS probably do not have the intent nor the capability to conduct directed attacks against the U.S. homeland from Afghanistan in 2023, and instead give priority to maintaining a safe haven in the country. AQIS's capability to attack U.S. interests in South Asia probably is very limited and reliant on cooperation with like-minded groups and individuals. Al-Qa'ida in the Arabian Peninsula continues to pose threats to both the U.S. homeland and U.S. interests in the Middle East.

Infectious Disease

The COVID-19 pandemic has evolved and remains a public health challenge that poses a persistent threat to global health and stability. COVID-19 and ongoing conflicts, such as the war in Ukraine, will strain global emergency medical response capability during the coming decade. A number of other infectious disease outbreaks are taking place and will continue to emerge, thereby posing continued threats with potentially worldwide consequences.

- The Sudan ebolavirus caused an outbreak in Uganda in September 2022, where it had not been detected since 2012. The outbreak included at least 142 cases and reached the Ugandan capital, Kampala, and there were no approved therapeutics or vaccines for the Sudan strain at the time of this outbreak.

Anomalous Health Incidents

We continue to closely examine Anomalous Health Incidents (AHIs) and ensure appropriate care for those affected. Most Intelligence Community agencies have now concluded that it is very unlikely a foreign adversary is responsible for the reported AHIs. These findings do not call into question the very real experiences and symptoms that our colleagues and their family members have reported, nor do these findings explain every report. We continue to prioritize our work on such incidents and remain vigilant regarding information that would change our judgments. We also continue to respond to individuals who report incidents and are investing in health resources and research to understand our adversaries' evolving capabilities.

Climate Change

Climate change is increasing the frequency and severity of natural disasters in many vulnerable regions, outpacing the civil sector's ability to adapt and respond and driving subsequent demand during the next decade for militaries to support non-combat, humanitarian assistance, and disaster relief operations. Simultaneously, defense and dual-use infrastructure is negatively affected by the physical impacts of climate-linked natural disasters and environmental changes.

Global defense forces very likely will need to expand planning and operations to promote long-term adaptation and mitigation to climate change effects, including improved environmental indications and warning, operational energy resilience, installation and infrastructure planning and maintenance, and natural and humanitarian disaster assistance. Additionally, as governments work to mitigate greenhouse

gas emissions, militaries very likely will be forced to research and deploy new technologies, especially in non-combat mission areas.

Climate-related disasters and environmental changes in developing countries exacerbate poor economic conditions and has the potential to exacerbate food and water security, and drive internal displacement and external migration, thus creating or worsening intra-state conflicts over scarce resources. Additionally, climate change mitigation and adaption support is increasingly a tool of competition. China and other adversaries often work with developing countries on disaster assistance, resiliency, and financing for climate adaptation. Developing countries are also giving priority to building coalitions that seek compensation for economic losses which are possibly results from extreme climate and weather events.

Advanced Technology Threats

Great power competition is happening in laboratories and businesses across the globe and represents some of the greatest potential risks to the U.S. military's advantage. Today we are at a critical inflection point and semiconductors are ground-zero in this technological competition. China and Russia both rely on advanced microelectronics to accomplish their military modernization goals in quantum sciences, biotechnology, and artificial intelligence (AI) and autonomy. This reliance represents a critical technological chokepoint. The U.S. continues to maintain its technological advantage in semiconductor manufacturing equipment and design, however these advantages may not last if advanced microelectronics or manufacturing equipment are proliferated or left unprotected.

China and Russia have the strategic ambition to incorporate advanced technologies throughout their military processes, equipment, and forces to erode U.S. technological advantage. China is pursuing a whole-of-nation approach to technology development and the PLA believes that the military's integration of future technologies—especially AI—will constitute a major revolution in military affairs. Russia narrowly focuses its efforts on technologies to counter or offset perceived advantages of the U.S. but its long-term capabilities are constrained by international sanctions levied in response to its ongoing war in Ukraine.

- China and Russia are developing and incrementally incorporating AI into a variety of military applications to improve speed and effectiveness. China and Russia are both attempting to develop quantum computers which are capable of defeating most current encryption systems. However, neither country is likely to field this technology within the next decade.

To advance their emerging and disruptive technology efforts, China and Russia require access to foreign equipment, materials, and intellectual property, particularly advanced microelectronics (7 nanometer chips or smaller) that can support computationally and performance-intensive technologies, such as AI, quantum and high-performance computing, autonomous vehicles, and advanced robotics. Both Beijing and Moscow view this limitation as a national security vulnerability and it probably will require China at least 10 years to catch up with the world's most advanced production capabilities in Taiwan and South Korea, and far longer for Russia.

- Xi Jinping reiterated China's commitment to technological self-sufficiency during the 20th Party Congress in October 2022. China's commitment to produce advanced chips domestically almost certainly will drive efforts to acquire necessary technology to do so—through both licit and illicit

channels.

- Western sanctions, export controls, and voluntary corporate restrictions against Russia are limiting its ability to acquire the requisite foundational enabling technologies such as microelectronics and research equipment. These measures will have a long-term negative impact on Russia's technology sector.

CONCLUSION

In this era of strategic competition, the United States of America faces no shortage of challenges and risks. Our competitors are conspiring to erode global democracy and undermine the rules-based international order. Our charge at DIA is to meet and overcome the security challenges faced by our Nation by delivering exceptional decision advantage to our national leadership. Each day, we are evolving and growing our intelligence support to meet the demanding security environment that I described above. I assure you that your DIA officers, who serve around the world, are resolute in delivering unwavering support to you and to our Nation. As our DIA Creed states, "if I see a challenge, I will rise to it." With your critical help and support, the United States and DIA shall continue to rise to the challenges of strategic competition.

Lieutenant General Scott Berrier
Director, Defense Intelligence Agency

Lt. Gen. Scott Berrier serves as the 22nd director of the Defense Intelligence Agency. Prior to joining DIA, Berrier served in the Department of the Army as the 46th G-2. In that role, he was the principal military intelligence and counterintelligence adviser to the secretary and chief of staff of the Army, and the Army's Intelligence Community representative.

He is a career intelligence officer, having served as the "2" at every level from battalion to combatant command. The depth of his leadership experience ranges from company commander to commanding general and senior mission commander. His Army, Joint Service and Special Operations assignments include service throughout the United States, the Republic of Korea, Iraq and Afghanistan.

Berrier earned a bachelor's degree in history from the University of Wisconsin – Stevens Point, a master's degree in general studies from Central Michigan University, and a master's degree in strategic studies from the U.S. Army War College.

His awards and decorations include the Distinguished Service Medal (1OLC), Defense Superior Service Medal (2OLC), Legion of Merit (1OLC), and Bronze Star Medal (1OLC). Berrier also earned the Parachutist Badge, Air Assault Badge, and Ranger Tab.

