



OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE
FROM THE OFFICE OF STRATEGIC COMMUNICATIONS

**Remarks as prepared for delivery by
The Honorable Dan Coats
Director of National Intelligence**

**Annual Threat Assessment
Opening Statement
Tuesday, January 29, 2019**

- **Chairman Burr, Vice-Chairman Warner, and Members of the Committee...**
- **I am here today, along with leaders of the Intelligence Community, to provide you an overview of the national security threats facing our nation. But before I do, I would like to acknowledge the hard work and dedication of the men and women that make up the Intelligence Community.**
- **Their efforts rarely receive public recognition because of the nature of the work that they do. But their unheralded contributions play a critical role in the national security of our great nation, and I am proud to represent them.**

- I also want to express on behalf of the entire IC our appreciation to the members of this committee. The Intelligence Community appreciates your support and values our partnership.

[PAUSE]

- My goal today is to responsibly convey to you and the American people, in this unclassified hearing, the true nature of the threat environment without overstating some of the more significant challenges we currently face and expect to contend with in the coming year...
- In the interest of time, I also would refer you to my Statement for the Record for a more complete threat picture.
- As I stated in my recent remarks during the release of the National Intelligence Strategy, we face significant changes in the domestic and global

environment that have resulted in an increasingly complex and uncertain world, and we must be ready to meet 21st century challenges and recognize emerging threats.

- **The composition of the current threats we face is a toxic mix of strategic competitors, regional powers, weak or failed states, and non-state actors using a variety of tools in overt and subtle ways to achieve their goals.**
- **The scale and scope of the various threats facing the United States and our immediate interests worldwide is likely to further intensify this year. It is increasingly a challenge to prioritize which threats are of greatest importance.**
- **I first want to mention election security. This has been, and will continue to be, a top priority for the Intelligence Community.**

- **We assess that foreign actors will view the 2020 US elections as an opportunity to advance their interests. We expect them to refine their capabilities and add new tactics as they learn from each other's experiences and efforts in previous elections.**
- **On the heels of our successful efforts to protect the integrity of the 2018 mid-term elections, we are now focused on incorporating lessons learned in preparation for the 2020 elections.**
- **I would now like to turn to the variety of threats that currently exist and may materialize in the coming year.**
- **I will begin with remarks on what I would describe as the BIG 4 – China, Russia, North Korea, and Iran – all of which pose unique threats to the United States and our partners.**
- **China's actions reflect a long-term strategy to achieve global superiority.**

- **Beijing’s global ambition continues to restrict the personal freedoms of its citizens, while strictly enforcing obedience to Chinese leadership, with very few remaining checks on President Xi’s power.**
- **In its efforts to diminish US influence and extend its own economic, political, and military reach, Beijing will seek to tout a distinctly Chinese fusion of strong-man autocracy and a form of western style capitalism as a development model and implicit alternative to democratic values and institutions.**
 - **These efforts will include the use of its intelligence and influence apparatus to shape international views and gain advantages over its competitors – including the United States.**
- **China’s pursuit of intellectual property, sensitive research and development plans, and US Person data, remains a significant threat to the US government and private sector.**

- **China's military capabilities and reach will continue to grow as it invests heavily in developing and fielding advanced weapons, and Beijing will use its military clout to expand its footprint and complement its broadening political and economic influence, as we've seen with its one-belt one-road initiative.**
- **As part of this trend, we anticipate China will attempt to further solidify and increase its control within its immediate sphere of influence in the South China Sea and its global presence farther abroad.**
- **Whereas with China, we must be concerned about the methodical and long-term efforts to capitalize on its past decade of a growing economy and to match, or overtake our superior global capabilities, Russia's approach relies on misdirection and obfuscation as it seeks to destabilize and diminish our standing in the world.**

- **Even as Russia faces a weakening economy, the Kremlin is stepping up its campaign to divide Western political and security institutions and undermine the post-WWII international order.**
- **We expect Russia will continue to wage its information war against democracies and to use social media to attempt to divide our societies.**
- **Russia's attack against Ukrainian naval vessels in November is just the latest example of the Kremlin's willingness to violate international norms to coerce its neighbors and accomplish its goals. We also expect Russia will use cyber techniques to influence Ukraine's upcoming Presidential election.**
- **The Kremlin has aligned Russia with repressive regimes in Cuba, Iran, North Korea, Syria, and Venezuela, and Moscow's relationship with Beijing is closer than it has been in many decades.**

- **The Kremlin is also stepping up its engagement in the Middle East, Africa, and Southeast Asia, using weapons sales, private security firms, and energy deals to advance its global influence.**
- **Regarding North Korea...the regime has halted its provocative behavior related to its WMD program:**
 - **North Korea has not conducted any nuclear-capable missile or nuclear tests in more than a year, it has dismantled some of its nuclear infrastructure, and Kim Jong Un continues to demonstrate openness to the denuclearization of the Korean Peninsula.**
- **Nevertheless, we currently assess that North Korea will seek to retain its WMD capabilities and is unlikely to completely give up its nuclear weapons and production capabilities, because its leaders ultimately view nuclear weapons as critical to regime survival. Our assessment is bolstered by**

our observations of some activity that is inconsistent with full denuclearization.

- **While we assess that sanctions on exports have been effective and largely maintained, North Korea seeks to mitigate the effects of the US-led pressure campaign through diplomatic engagement, counter-pressure against the sanctions regime, and direct sanctions evasion.**
- **Now, let me discuss Iran.**
- **The Iranian regime will continue pursuing regional ambitions and improved military capabilities, even while its own economy is weakening by the day.**
- **Domestically, regime hardliners will be more emboldened to challenge rival centrists and we expect more unrest in Iran in the months ahead.**
- **Tehran continues to sponsor terrorism as the recent European arrests of Iranian operatives**

plotting attacks in Europe demonstrate.

- **We expect Iran will continue supporting the Huthis in Yemen and Shia militants in Iraq, while developing indigenous military capabilities that threaten US forces and allies in the region.**
- **Iran maintains the largest inventory of ballistic missiles in the Middle East.**
- **And while we do not believe Iran is currently undertaking the key activities we judge necessary to produce a nuclear device, Iranian officials have publicly threatened to push the boundaries of JCPOA restrictions if Iran does not gain the tangible financial benefits it expected from the deal.**
- **Its efforts to consolidate its influence in Syria and arm Hizballah have prompted Israeli airstrikes; these actions underscore our concerns about the long-term trajectory of Iranian influence in the region and the risk of conflict escalation.**

- **All four of these states – China, Russia, North Korea, and Iran – are advancing their cyber capabilities, which are relatively low-cost and growing in potency and severity.**
- **This includes threatening both minds and machines in an expanding number of ways, such as stealing information, attempting to influence populations, or developing ways to disrupt critical infrastructures.**
- **As the world becomes increasingly interconnected, we expect these actors, and others, to rely more and more on cyber capabilities when seeking to gain political, economic, and military advantages over the United States and its allies and partners.**
- **Now that I've covered the BIG 4, I'll quickly hit on some regional and transnational threats.**
- **In the Middle East, President Bashar al-Asad has largely defeated the opposition and is now seeking to regain control over all of Syrian territory.**

Remaining pockets of ISIS and opposition fighters will continue to stoke violence.

- **The regime will focus on re-taking territory, while seeking to avoid conflict with Israel and Turkey.**
- **With respect to Turkey, we assess it is in the midst of a transformation of its political and national identity that will make Washington's relations with Ankara increasingly difficult to manage during the next five years. Turkey will continue to see the PKK and related Kurdish groups as the main threat to Turkish sovereignty.**
- **Under President Erdogan, US-Turkish relations will be important but not decisive for Ankara.**
- **In Iraq, the underlying political and economic factors that facilitated the rise of ISIS persist.**

- **And Iraqi Shia militants' attempts to further entrench their role in the state, with the assistance of Iran, will increase the threat to US personnel.**
- **In Yemen, where 75% of the population is reliant on foreign assistance, neither side of the conflict seems committed to end the fighting, and the humanitarian impact of the conflict in 2019 will further compound already acute problems.**
- **In Saudi Arabia, public support for the royal family appears to remain high, even in the wake of the murder of journalist Jamal Khashoggi and the Kingdom's continued involvement in the Yemen conflict that have generated global pushback.**
- **In South Asia, the focus of the region will be centered on the potential turmoil surrounding Afghanistan's upcoming presidential election, ongoing negotiations with the Taliban, and the Taliban's large-scale attacks.**

- **We assess neither the Afghan government nor the Taliban will be able to gain a strategic advantage in the Afghan war in the coming year, even if Coalition support remains at current levels.**
- **However, current efforts to achieve an agreement with the Taliban and decisions on a possible withdrawal of US troops could play a key role in shaping the direction of the country in the coming years.**
- **Militant groups supported by Pakistan will continue to take advantage of their safe haven there to plan and conduct attacks in neighboring countries, and possibly beyond, and we remain concerned about Pakistan's continued development and control of nuclear weapons.**
- **In Africa, several countries are facing significant challenges that threaten their stability, which could reverberate throughout the region.**

- **Libya remains unstable and various groups continue to be supported by a variety of foreign actors with competing goals.**
- **In the Democratic Republic of Congo (DRC), a new government will be challenged to deal with ongoing violence by multiple armed groups and the outbreak of Ebola in the east of the country.**
- **And instability is growing in Sudan, where the population is angry at the country's direction and at President Bashir's leadership.**
- **In Europe, political, economic, and social trends will increase political uncertainty and complicate efforts to push back against some autocratic tendencies.**
- **Meanwhile, the possibility of a “no-deal” Brexit, in which the UK exits the EU without an agreement,**

remains. This would cause economic disruptions that could substantially weaken the UK and Europe.

- **We anticipate that the evolving landscape in Europe will lead to additional challenges to US interests as Russia and China intensify their efforts to build influence there at the expense of the United States.**
- **In the Western Hemisphere, flagging economies, migration flows, corruption, narcotics trafficking, and anti-US autocrats will challenge US interests.**
 - **Venezuela is at a cross-roads as its economy faces further cratering and political leaders vie for control, all of which are likely to further contribute to the unprecedented migration of Venezuelans. We expect that attempts by Cuba, Russia, and to some extent China, to prop up the Maduro regime's security or financing will lead to additional efforts to exploit the situation in exchange for access to Venezuelan oil.**

- **We assess that Mexico, under new leadership, will pursue cooperation with the United States as it tries to reduce violence and address socioeconomic issues, but authorities still do not have the capability to fully address the production, flow, and trafficking of the drug cartels.**

- **High crime rates and weak job markets will continue to spur US-bound migrants from El Salvador, Guatemala, and Honduras.**

- **To close my remarks, I would like to address several challenges that span the globe. I already mentioned the increased use of cyber capabilities by nefarious actors. But we must be mindful of the proliferation of other threats – beginning with Weapons of Mass Destruction.**

- **In addition to nuclear weapons, we have heightened concerns about chemical and biological weapons.**

- **We assess North Korea, Russia, Syria, and ISIS have all used chemical weapons over the past two years, which threatens international norms and may portend future use.**
- **The threat from biological weapons has become more diverse as they can be employed in a variety of ways and their development is made easier by dual use technologies.**
- **We expect foreign governments to expand their use of space-based reconnaissance, communications, and navigation systems.**
- **And China and Russia will continue training and equipping their military space forces and fielding new antisatellite weapons to hold US and allied space services at risk.**
- **Space has become the new global frontier, with competition from numerous nations.**

- **Terrorism remains a persistent threat and in some ways is positioned to increase in 2019.**
- **The conflicts in Iraq and Syria have generated a large pool of skilled and battle-hardened fighters who remain dispersed throughout the region.**
- **While ISIS is nearing territorial defeat in Iraq and Syria, the group has returned to its guerilla-warfare roots while continuing to plot attacks, and direct its supporters worldwide. ISIS is intent on resurging and still commands thousands of fighters in Iraq and Syria.**
- **Meanwhile, al-Qa'ida is showing signs of confidence as its leaders work to strengthen their networks and to encourage attacks against Western interests. We saw this most recently in Kenya as al-Shabaab attacked a hotel frequented by tourists and westerners.**

- **Lastly, the speed and adaptation of new technology will continue to drive the world in which we live in ways we have yet to fully understand.**
- **Advances in areas such as Artificial Intelligence, communication technologies, biotechnology, and materials sciences are changing our way of life. But our adversaries are also investing heavily into these technologies and they are likely to create new and unforeseen challenges to our health, economy, and security.**
- **With that, I will leave it there. We look forward to answering your questions about these and other unmentioned threats.**