



TRUMAN NATIONAL  
SECURITY PROJECT

# TRUMAN SECURITY BRIEFING BOOK

EDITION **5**

Essential national security and foreign policy background,  
message guidance, and policy options



# The Truman National Security Project

The Truman National Security Project, a nonpartisan 501(c)4 social welfare organization, exists to empower a new generation of 21<sup>st</sup> century thinkers to lead on national security.

This Truman Security Briefing Book is intended to help America's leaders understand the key security challenges we face and the core elements of America's security apparatus. It provides a strong, smart, and principled way of considering the challenges and opportunities before us as well as a guide for future action.

In addition to this briefing book, the Truman National Security Project provides:

- One-on-one trainings for Members of Congress and candidates on a range of foreign policy and national security issues;
- Military 101 training for staff and volunteers taught by veterans, covering the basics that every American should know about the military;
- Veterans and Military Families Outreach and issues trainings, to avoid common mistakes and build strong community support;
- Access to our team of 400 policy experts on a range of foreign policy, defense, and security issues;
- Weekly nationwide message guidance to ensure up-to-date communications; and
- Regular in-depth policy and messaging calls on pertinent issues.

Briefings and trainings can range from an hour to a full day. We also offer a nine-week training to congressional staff from both political parties on the most crucial issues affecting our security in the 21<sup>st</sup> century. Our sister organization, the Center for National Policy, holds regular policy briefings and events for Members of Congress and their staffs.

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# Rebuilding American Greatness

The United States faces a turbulent economy and a new set of threats in an increasingly complicated world. Many argue that we should retreat from international obligations. Others wish for us to double-down on our hard-security expenditures, calling for continued high levels of defense spending and direct intervention in the Middle East, even as we have surpassed a decade of fighting in Afghanistan and recently completed our military commitment in Iraq.

No country with a weak economy can be a strong power. We must increase growth for our long-term national security and that means being strategic about our security priorities. But it does not mean retreating from the international community, the greatest source of opportunity for growth in the 21<sup>st</sup> century. Instead, we must return to the guiding principles that led America to greatness, from the Marshall Plan to the creation of Special Forces, to the first peace between Israel and its neighbors.

**In the 20<sup>th</sup> century, we embraced all of the tools of national security to create the world's strongest and most respected nation. An internationalist philosophy made America the strongest country in the world in the decades following the Second World War. A return to these principles will rebuild American greatness in the 21<sup>st</sup> century.**

## THREATS AND OPPORTUNITIES IN AN INTERCONNECTED WORLD

The most successful security policy in American history was based on the idea that we are safer and more secure when the world as a whole is stronger and more stable. At our core, we understand that human beings exist in a community and what happens to others affects us. We are stronger and safer when we strengthen and stabilize our broader community—whether that is through programs for at-risk youth at home or effective international development abroad.

Our world today is interconnected. This interdependence can empower our enemies: a plot hatched in a cave in Afghanistan can change the skyline of New York. From disease to financial crisis, our links with the world can threaten our security at home. **Yet this interconnection also creates our greatest opportunities for trade, growth, engagement, and cooperation, so we can't retreat to our shores and hide behind our walls.**

## RESPONSIBLE GLOBAL ENGAGEMENT

Our future prosperity and security depend on remaining engaged in the global community. Every \$181,000 in exports creates an American job. There are only 300 million Americans, but there are nearly 7 billion people around the world. To revive our economy, we need people in other countries to buy products made in America. And on the hard security front, after a decade of war, we are rebalancing our strategic focus, emphasizing cooperation with our allies and partners to ensure regional security, rather than incurring the huge financial drain by going it alone, as we did in Iraq. We cannot unplug from the world, because we would harm ourselves the most.

**Today's dilemma is how to gain the huge benefits of interconnection, while managing the threats.**

## BUILDING ALLIES, ISOLATING ENEMIES, AND PROMOTING VALUES

In the decades of American greatness following World War II, our leaders knew we should build alliances and isolate our enemies. Doing so spreads the burden and costs of international leadership, even as America remains the world's indispensable nation. That is why we fought Hitler as an alliance and created NATO to deter the Soviet Union, rather than trying to go it alone. **We need a strong military and intelligence apparatus to deter conflict.** And we should use force with the utmost care, aware of the unintended consequences of warfare and the battlefield's certain cost in blood and treasure. Investments in diplomacy and development can save us significant expenditures in defense.

As Teddy Roosevelt said, America should "speak softly and carry a big stick."

We also know that **development and trade are the routes to a more prosperous and stable world.** For small investments, we reap vast benefits in wars deterred and jobs created here at home. The Marshall Plan and the greatest economic growth America has ever seen went hand in hand; we were creating customers and ensuring markets for our goods as we shored-up stability. Finally, **we support democracy because we know it is the long-term solution to insecurity.** While forming a democracy is messy in the short-term, in the long-run democracies breed less terrorism, cause fewer wars, and create greater global stability than dictatorships.

## A STRONG MILITARY IS ESSENTIAL, BUT MILITARY POWER ALONE IS NOT THE PATH TO STRENGTH

There will be a great deal of argument in 2013 about how best to keep America strong. By embracing a one-dimensional view of American power, some will promote single-minded military spending at the expense of strategy, strength, stability, and American greatness. Neo-

conservatives' radical use of force to project American values creates even more insecurity—from a chaotic Middle East to a nuclear North Korea. Meanwhile, many who call themselves “realists” embrace a short-sighted view that we can retreat from supporting development, diplomacy, and democracy in the world—unaware that we will save pennies in the short-term, and be forced to spend far more over the long haul regaining lost ground.

## PROGRESSIVE VALUES AT HOME ARE CONNECTED TO FOREIGN POLICY

The foreign policy practices that have worked for America are based on the idea that we should practice the same values abroad that we hold dear at home. For over one hundred years, progressives have hewn to a common set of values. We believe in human rights and civil liberties. We stand for tolerance and inclusion. We believe society is measured at its base and not its apex—and so we stand with the middle class, and offer a hand to the marginalized to improve their place in society. **By standing by these values, we inspire other countries, and show the lie of anti-American sentiment wherever it raises its head.** We can't simply support civil rights, help the poor, and fight for other core values at home, while ignoring these values abroad. Supporting development abroad and standing with those who yearn for freedom shows Americans that progressives believe in our values.

Progressives know that America is a great nation because we have done great things. We had to earn the leadership role we play in the world. By returning to the lessons of our grandparents, we can return America to greatness once again.



## ICON KEY



**The Issue in 30 Seconds**



**Good Idea**



**Bad Idea or Common Error**



**Key Point or Idea**



**Background Information**



**Military Issue**



**Terrorism Issue**



**Oil Issue**



**Nuclear Issue**



**Budget Issue**



**Development/Diplomacy Issue**



**Human Rights Issue**



**Trade Issue**

# Veterans & Military Families

## THE FRAME

Veterans and military families increasingly report that the public does not understand their sacrifices. Leaders have an important duty and opportunity to reach out and get to know this group of citizens, voters, and patriots. One in ten Americans over the age of 18 is a veteran and almost 20% of the population has served in uniform or is dependent



on a servicemember. California, Florida, and Texas each have more than one million veterans.

Support for members of the military has been strong through recent conflicts, with Democratic congresses taking actions such as the G.I. Bill and increasing VA funding. After nearly a decade of fighting two simultaneous wars, many in the military community are rethinking old beliefs and are open to new ideas. Recent experiences have also deepened the values that many in the military and the progressive community share. Bridging the



If you only read one thing...

## REACH OUT

- Veterans and military families are nearly 20% of the population.
- Bridge the civilian-military gap by focusing on shared values.
- Create a Military Advisory Council.

civilian-military divide requires reaching out to veterans—including the National Guard and Reserves—and military family members to understand their concerns.



## KEY ISSUES FOR VETERANS

**Advances in battlefield medicine are saving lives today that would have been lost in previous wars.** This is great news. It is also important to understand that it puts additional, long-term fiscal pressure on the agencies that provide care to veterans. Congress must recognize that additional funds for health services will be needed for decades to continue providing for those seriously injured while protecting the United States.

**Traumatic Brain Injury (TBI) is a signature wound of today's wars.** TBI is caused by a sudden physical trauma—such as the concussion from an Improvised Explosive Device (IED)—that damages the brain. Sometimes, TBI will persist without obvious symptoms. The science on TBI is new and still developing, so we do not yet fully understand this injury.

It is estimated that roughly 20% of those who have served in Iraq and Afghanistan have suffered a brain injury and according to the Armed Forces Health Surveillance Center, the military has identified more than 43,000 servicemen and women who deployed to Iraq or Afghanistan and experienced some form of TBI. It will be an ongoing challenge for veterans and the agencies that treat veterans for years to come.

**Between 12% and 25% of Iraq and Afghanistan veterans suffer from Post-Traumatic Stress (PTS).** Referred to as 'shell shock' during World War I, PTS is as old as war itself. Often stigmatized as a weakness or a "lesser wound," treatment of PTSD must include a change of culture. In 2007, Congress required the VA to establish a comprehensive suicide prevention program. Now the VA screens all veterans returning from Iraq and Afghanistan for depression, PTS, and alcohol



### Common error

**Veterans are not victims. Today's force is all-volunteer, highly educated, highly trained, and proud to serve.**



## ISSUES SUMMARY

- Health costs are rising because new battlefield medicine is saving more lives.
- Traumatic Brain Injury is the signature injury of today's wars.
- PTS, unemployment, homelessness, and high suicide rates are interrelated issues for many veterans.
- Women are in combat and face new challenges.
- Access to care can be difficult for rural veterans & those waiting for claims to be processed.

abuse. VA Medical Centers continue to screen for these issues for years after a veteran has returned home.

PTS is not confined to the military. Civilian members of the State Department, USAID, and U.S. contractors also report PTS symptoms after returning from service in conflict areas abroad. Yet, they have even fewer services than our military servicemembers. Congress should recognize that all of our government employees sent into dangerous areas require support for these conditions.

**The veterans' community is suffering from the scourge of suicide.** Veterans are exposed to traumatic events during combat, may suffer from TBI or PTS for extended periods of time without diagnosis, and often return to social support structures that do not understand their experiences—all while having access to lethal means. These factors increase the risk for veteran suicides.

The Department of Defense and the Department of Veterans Affairs have taken measures to reduce veteran and servicemember suicides, including: increasing the time between deployments, adding more mental health care professionals at hospitals, creating a suicide prevention hotline, and implementing screenings and assessments for at-risk veterans. DoD, the VA, and Congress have an obligation to continue taking every measure possible to improve the care available to those who protect our country.

**Veterans are highly qualified for the civilian job market, and most veterans are employed at above the national rate. However, the post-9/11 veteran unemployment rate still exceeds the national average.** This is especially true for younger veterans—those in the 18 to 24 age range. Veterans are highly disciplined, educated, and have developed transferrable skills during their time of service. Often, the problem lies not as much in qualifications as in marketing: recent reports have shown that private businesses do not understand the skills that veterans have



#### Common error

**Post-Traumatic Stress (PTS) is not a disorder** – it is a natural reaction of the human brain to traumatic events. The “D” is increasingly left off of the acronym.



#### Key fact

**The VA's Veterans Crisis Line:  
Call 800-273-8255 and press 1**

and that veterans are not effectively translating those skills into private sector-friendly language.

**Veterans are homeless at greater rates than the national average.** Veterans are 25% more likely to be homeless than nonveterans. Female veterans are 3 times as likely to be homeless as female nonveterans and one-third of America's homeless are veterans, which—according to the VA—amounts to roughly 107,000 veterans on the streets on any given night. However, veteran homelessness is down 10% thanks to VA programs and the President's commitment to ending this scourge by the end of 2015.

**Women are in combat now and are confronting sexual assault.** Female servicemembers are too often subjected to military sexual trauma and harassment. According to the Department of Labor, one in three female servicemembers have been sexually assaulted.

**Getting access to health care is a challenge for veterans living in rural communities.** Veterans living in rural communities, including National Guardsmen and Reservists, may have to travel hours to reach the nearest health care facility.

**In November 2012, the claims backlog at the VA was roughly 900,000.** The VA is prioritizing new technologies that are expected to speed the claims process, but it is still too far behind. The VA has a goal of eliminating the backlog by 2015. This will require taking on paperwork procedures that prevent technological change. The Truman Project also advocates moving the VA from a model in which all claims must be verified, to a "sampling" method of claim verification that would reduce the backlog.



## SUCCESS ON VETERANS' ISSUES

**The Post-9/11 GI Bill.** This legislative overhaul covers the costs of college education and housing for qualifying veterans, allowing those who served their country to pursue higher education. After passing this historic initiative, Congress expanded eligibility to members of the National Guard and included funding to cover the cost of vocational training through GI Bill 2.0 in 2010.

**Congress created programs to better coordinate care.** In 2008, Congress passed legislation requiring the Secretary of Defense and the Secretary of Veterans Affairs to coordinate care and transition services for injured veterans. Better coordination means fewer veterans will fall through the cracks and miss the care they have earned.

**The largest increase in VA funding in more than 30 years.** From 2007 to 2010, Congress provided a 60% increase in VA funding. These funds are critical to addressing the needs of servicemembers after ten years of sustained war.

**Congress provides the VA with advanced funding.** Congress now provides funding for the VA one year in advance so that medical care for veterans is uninterrupted. This guarantees a better-prepared health care system, ensures services are still delivered during political disputes, and allows the VA to plan its budget in advance.

**Congress provides support for those who care for our veterans.** In 2010, Congress created programs that train caregivers, provide access to mental health counseling, and offer 24-hour respite care to veterans at their homes. Supporting our veterans also means supporting those who care for them.



## RECENT SUCCESSES

- The Post-9/11 GI Bill & GI Bill 2.0.
- Largest increase in VA funding in 30 years.
- Advanced funding for veteran services.
- Support for caregivers.
- Coordination between the VA and DoD.

Caring for the troops doesn't end with the servicemember. Their families serve and sacrifice as well.



## RECOMMENDATIONS

**Reach Out: Create a Military Advisory Council.** Creating a team of veterans and military family members can provide ideas and feedback while building an effective line of communication into these communities. A Military Advisory Council should include veterans from different wars and generations. It should also include veterans from each service branch, Reservist and National Guard units, and female and male veterans. Including military family members allows you to gain a more complete picture of the issues confronting the community. **The Truman Project can help you build a Military Advisory Council.**

**Hold off-the-record events.** Honoring the service of our veterans and highlighting their accomplishments are important aspects of ensuring veterans and military families feel like integral members of the community. Simple events such as visiting a local base, attending a welcome home or promotion ceremony, hosting a military family coffee, and sponsoring a care package drive are ways to be involved. Doing so without press will often earn much greater respect within the military community and including press may cause you to be asked to leave.

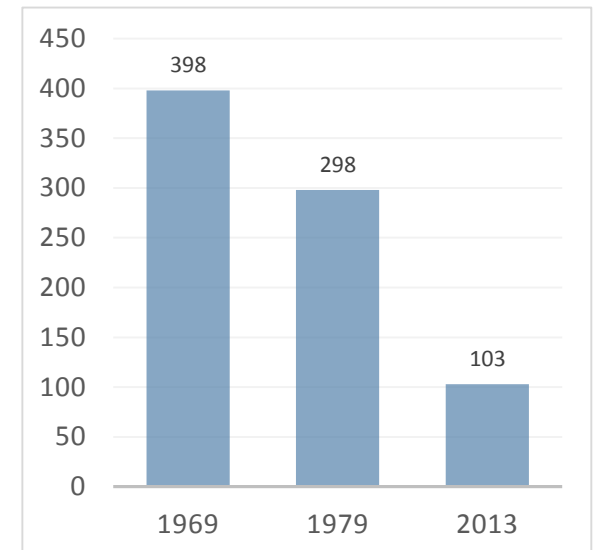
**Move VA claims adjudication to a sampling process.** The VA currently verifies each claim for disability compensation. These claims are often complex, and the backlog was at around 900,000 claims in November, 2012. Moving instead to a process in which a random, representative sample of claims is adjudicated, along with claims that set off “red-flags”, would save government money, get veterans their benefits in a timely fashion, and work at least as fairly and well as the similar IRS tax auditing process.



### Common error

Do not include Active Duty military in your Military Advisory Council. Active Duty service members cannot participate in political activity. This could potentially be seen as politicizing the military and can cause harm to those individuals.

### Veterans in Congress





## BACKGROUND & CONTEXT

**Veterans comprise 10% of Americans over 18 (7% of the U.S. population).** If you add their dependents and survivors, the number increases to 19% of the population. Veterans alone are more than 10% of the population in 44 states and three states (California, Florida, and Texas) have more than 1 million veterans each.

**A professional military means we currently have fewer young veterans.** Service was much higher during previous wars due to the draft. During World War II, about 15% of the population served. Roughly 7% served during the Vietnam War. Today, only about 1% of the U.S. population has served in Iraq and Afghanistan. Most of the military does not want to return to a draft—few members of our armed services want to trust their lives to someone who does not want to be there. So these trends are likely to continue.

**Veterans are not Republicans or Democrats.** The majority of veterans under 60 voted for President Obama in the 2008 election. However, since there are more veterans of older generations, the overall majority of veterans voted for Senator John McCain.

**The number of veterans serving in Congress has also fallen drastically.** Over the past few decades as the WWII and Vietnam-era populations have decreased, so have the number of veterans in Congress. This has serious policy implications. Those who are making military policy are less likely to have actually seen war themselves, or know the struggles of those coming home.

**The Truman National Security Project offers Military 101 and Veterans and Military Families trainings.** We would be happy to provide further information to help you understand and reach out to our nation's armed services and their families.





# The US Military

## THE FRAME

In the decade since 9/11, America's highly-capable volunteer military has faced a series of global challenges. From counterterrorism operations to disaster response, our men and women in uniform have proven themselves time and again. Ten years of sustained combat have taken a toll on our servicemembers and their families. They deserve support from political leaders who understand the use of force, and by well-funded civilian security agencies.



Few of our national security challenges can be met with military might alone. 21<sup>st</sup> century national security challenges demand a team approach, coupling defense efforts with development assistance, diplomacy, and support for emerging democracies. As our military leaders adapt to a changing world, they rely more on robust civilian agencies to ensure success.



If you only read one thing...

### KEY ISSUES:

- Values are a matter of life and death in the U.S. military.
- The U.S. military is apolitical.
- The U.S. military is highly educated and ethnically representative of the U.S. population.
- The U.S. military does not choose wars; only civilian leaders have that power.



## WHO SERVES IN TODAY'S MILITARY

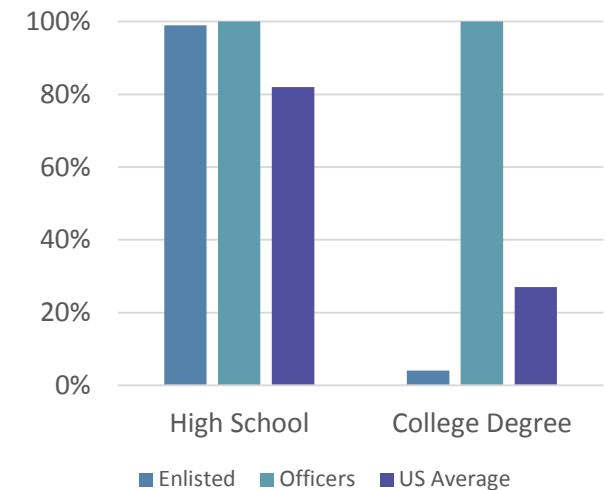
**The military is comprised of some of the most able people in America.** Only 25% of the population between 17 and 24 are eligible to enlist; 75% are disqualified due to lack of physical fitness, failure to graduate high school, or a criminal record.

**The military is well educated.** Enlisted servicemembers must graduate from high school and 98% have a high school diploma or equivalent; nearly 20% of the U.S. population does not. Officers must have a college degree, an achievement that less than one-third of Americans have earned.

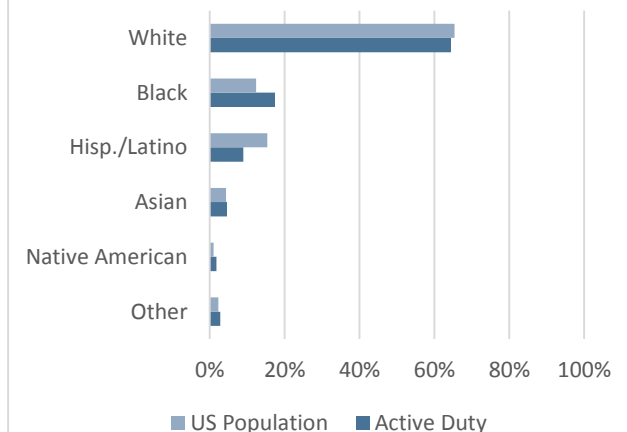
**The military is ethnically representative of the U.S. population, and most recruits come from the middle class.** African Americans are slightly over-represented and Latinos are slightly underrepresented but the numbers are broadly similar to the U.S. population among officers and enlisted servicemembers.

**Most members of the military do not want a return to the draft; they want to be a professional, volunteer force.** Reinstating a draft is often seen by civilians as a way of leveling American society and creating a common, bonding experience between the military and civilians. But most members of the professional military do not want people serving with them who do not want to be there—it endangers their lives.

### Education levels

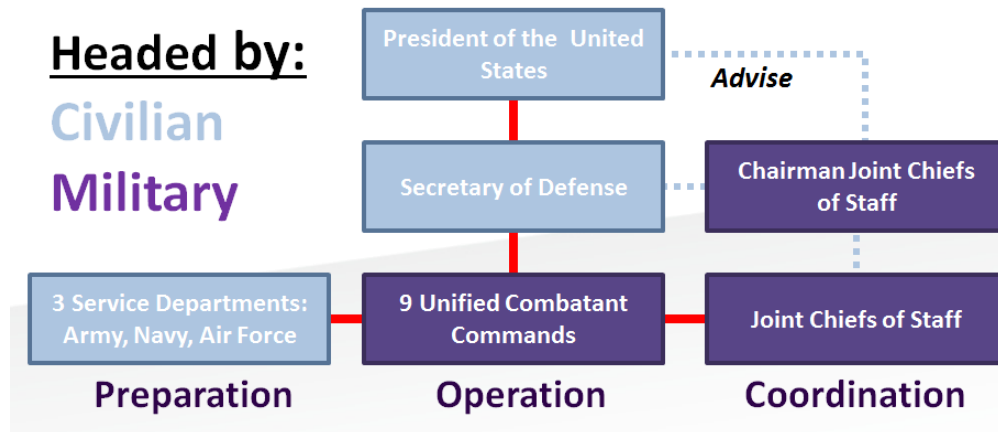


### Racial/Ethnic backgrounds





## WHO RUNS THE MILITARY?



### Key Fact

The “chain of command” runs from the President through the Secretary of Defense to the Combatant Commanders.

**The military is under civilian control.** The President, who serves as the Commander-in-Chief, decides—with Congress—which wars we enter, sets military strategy, and determines the number of troops.

**The Secretaries of the Army, Navy, and Air Force are civilians in charge of preparation.** They ensure each service has the budget, necessary manpower, training, and equipment to fight and win wars.

**Combatant Commanders are military officers who are in charge of military operations** in geographic areas, and some specialty areas such as Strategic Command and Special Operations Command. They take their orders from the President and the Secretary of Defense, collectively known as “National Command Authority.”

**The Joint Chiefs of Staff are the senior members of the uniformed military, but they do not command forces.** They advise the president; they do not command operations. And they are not in the “chain of command.”

## THE BURDEN OF COMMAND: RANK & UNIT SIZE



In general terms, there are 2 types of servicemembers: Enlisted personnel and Commissioned Officers.

**Commissioned Officers command and manage.** They give the orders, and are referred to as “Sir” or “Ma’am.” To become an officer, a servicemember must earn a bachelor’s degree and graduate from a Service Academy, an Officer Candidate School or complete an ROTC program.

**Understanding rank.** As officers advance in rank, they assume responsibility for larger units. **For example, the difference between a Lieutenant and a Lieutenant Colonel—in Army infantry units—is responsibility for about 950 more lives.**

**Enlisted personnel advise officers and execute missions.** They enter the military, gaining specialized skills through training and experience. They execute orders and get the job done on the ground. They should not be referred to as “Sir” or “Ma’am.” They should be addressed by rank and last name – “Private Smith.” Enlisted servicemembers can become Non-Commissioned Officers, such as Sergeants, and take on additional leadership and management roles. A Sergeant might be thirty years older than a newly commissioned Lieutenant, but would still be outranked by the officer. The lowest ranking officer out-ranks the highest ranking enlisted servicemember, but senior enlisted leaders are afforded tremendous respect by even the highest-ranking officers. A strong working relationship and deep respect between senior enlisted and officers is often required for a unit to operate effectively.

Unit (Army)	Led By	# Troops
Division	Major General	15-18,000
Army Brigade or Marine Regiment	Colonel	2,500-4,000
Battalion	Lieutenant Colonel	665-1,000
Company	Captain	130-250
Platoon	Lieutenant	35-45
Squad	Sergeant	9-13
Fire Team	Corporal	3-4



## THE MILITARY SERVICES

**Each service has its own mandate.** The **Army** is built to execute large-scale and long-term ground operations. The **Air Force** controls air and space operations and is

in charge of two-thirds of our nuclear triad (ballistic missiles and bombers). The **Navy** provides naval security, ensures sea transport, and allows for U.S. force projection. The Navy also controls the third leg of the nuclear triad (nuclear submarines). The **Marines** are a rapid deployment amphibious force. Each of the services also contributes elite forces to the **Special Operations** community.

**The Coast Guard is also a uniformed service** and is considered a part of our nation's military. Legislation passed in 2002 placed the Coast Guard within the Department of Homeland Security except when called to war, at which point they fall within the Navy.

**Not all military personnel are 'soldiers.'** Using the correct terminology is important to showing respect. When referring to members of different services, use 'servicemembers' or 'troops.' Soldiers serve in the Army. Sailors populate the Navy. The Air Force has Airmen, and the Coast Guard has Coast Guardsmen—regardless of gender. Marines are called Marines – with a capital "M."

**The Reserves and the National Guard.** The **National Guard** is organized by individual states to train and prepare for unforeseen circumstances and mobilize if needed during war. While the Governor controls each state's National Guard, units can be federalized (placed under Presidential control) and deployed upon request, such as after September 11, 2001.

Army and Air Force **Reserves** are run by the federal government. They consist of everyday Americans who agree to train at a minimum of one weekend a month and two full weeks a year, with the possibility of being 'activated' for longer periods of service when needed.

However, the Reserves are responsible for key duties, such as logistics, public affairs, and maintenance. This was deliberately done to ensure that reserves would be deployed when the nation went to war. At the time, policymakers intended for this to ensure that wars could not be fought without real public support or real



### Common Error

#### NOT ALL PERSONNEL ARE 'SOLDIERS':

- Army = soldier
- Navy = sailor
- Marines = Marine
- Air Force = Airman
- Coast Guard = Coast Guardsman

When in doubt, use 'servicemember' or 'troops.'



In 1973, the U.S. ended the draft and adopted an all-volunteer military. Today, less than 1% of Americans currently serve in the active duty or reserve military.

impact on the public, since calling on the Reserves directly impacts local communities. Many members of the Reserves also work in local police, fire, and other emergency responder forces. When they are deployed as part of a war, local communities and businesses must cope with depleted ranks at home.

Since 2001, the Reserve Forces have provided a great deal of support: during the surge in Iraq, for instance, Reserves and the National Guard comprised 28% of all U.S. forces. However, there are reserve units in many areas that lack VA services, so many reservists returned to towns ill-equipped to help them reintegrate. The National Guard has also seen higher rates of federalization and deployment since the beginning of the wars in Afghanistan and Iraq, causing real complications during crises at home. During Hurricane Katrina, for instance, the Mississippi National Guard was deployed to Iraq leaving little help for the post-Hurricane operations at home.

**Reserves & the National Guard comprised 28% of all U.S. forces in Iraq during the Surge.**

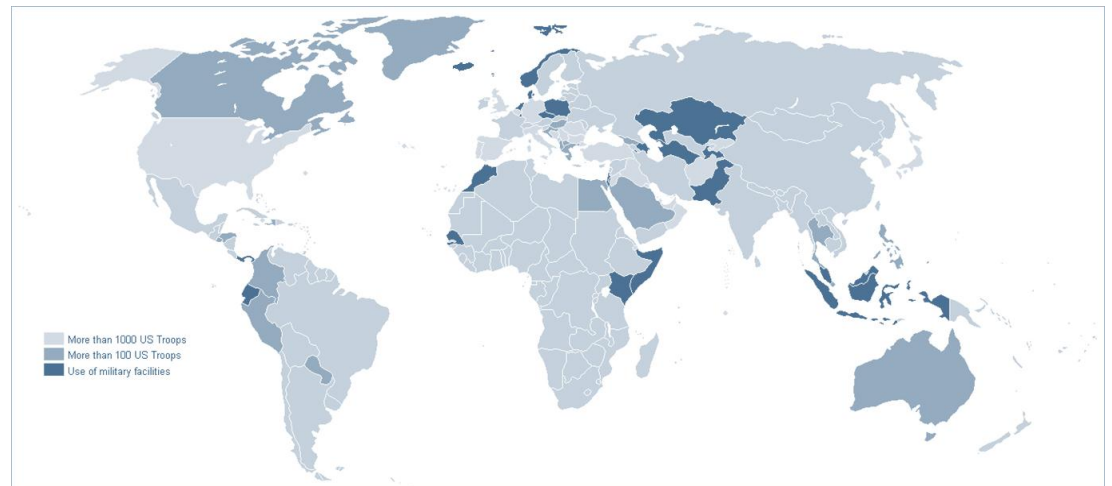


## WHERE IS OUR MILITARY DEPLOYED?

**The military is deployed worldwide—not only in Afghanistan.** The U.S. military has a truly global presence, with American military personnel and equipment deployed on every continent, on every one of the world's oceans, and in the skies and space above every area of the globe.

In general, American military forces are deployed abroad for one of five reasons:

**Treaty obligations.** We make treaties to offer U.S. protection or to place troops in other countries, such as Germany. Sometimes we do this in order to protect a country,



sometimes in order to reduce the size or capabilities of a country's armed services, with their support.

**Cement and safeguard alliances.** For example, U.S. forces are deployed to Eastern Europe to shore up our relationships there.

**Forward deployment to ensure regional stability and rapidly respond to threats.**

For example, forces stationed in Japan and on Guam are able to get to other parts of Asia far more quickly than if they were in the U.S., letting them rapidly counter possible North Korean aggression. The Navy also ensures the security of global shipping lanes.

**Ongoing training, stability and support operations.** We work with other nations' militaries to help them become more capable and make our role less essential. Contemporary examples include operations to fight terrorism or train local units in the Philippines, Indonesia and the Horn of Africa. Often, these missions don't make the headlines.

**Combat operations.** Areas where we are actively engaged in war.



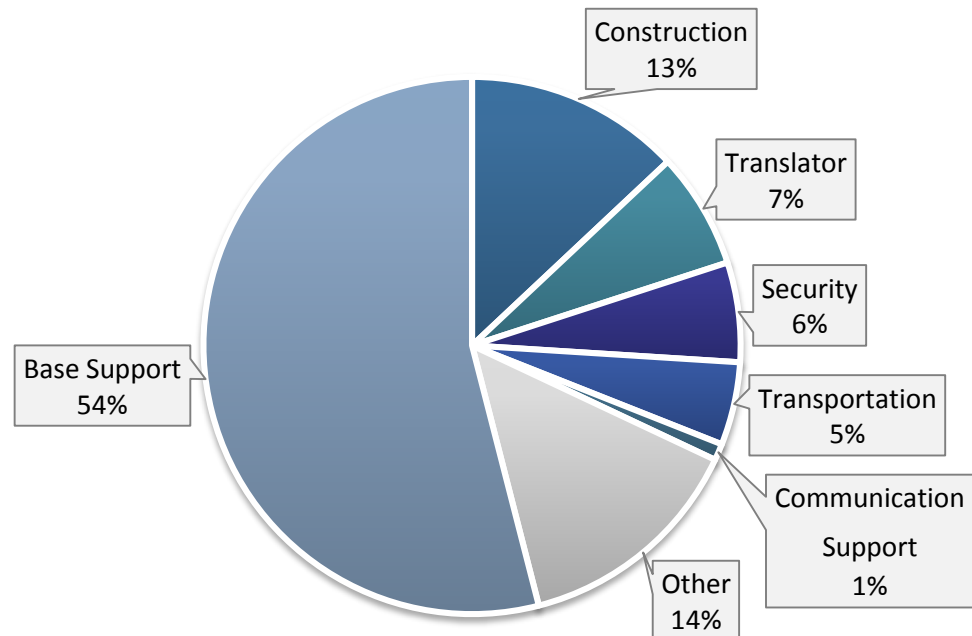


## MILITARY CONTRACTORS

**The number of contractors is increasing, but not all of this is negative.** While contracting has increased since the Bosnian Wars of the 1990s, 87% of military contractors perform non-security related tasks such as cooking and cleaning. When America ended the draft, it decided to assign military members war-fighting duties and move duties such as preparing food or cleaning barracks to contractors. It makes sense to hire locals and third-party nationals to perform these functions.

However, the use of military contractors to perform security operations is controversial and sometimes problematic. Security contractors comprise just 6% of the contracting force and translators comprise an additional 7%. It may not make sense to outsource these strategic functions. Individuals charged with the use of force, interrogation, or embassy security for our diplomats should fall under the chain of command and be subject to the same legal rules as our military forces. And while there are advantages to outsourcing translation duties to locals who know the language best, there is no substitute for trained and proficient linguists in the military services.

### What do military contractors do?





## MILITARY VALUES

**Military values are a matter of life and death.** The military places a high premium on values such as honor and keeping one's word, and for good reason: survival and success on the battlefield depends upon trust. In the civilian world, not showing up to an appointment on time is annoying. In a combat environment, a similar lapse can cost lives.

**Progressives share many values with the U.S. Military.** The military and progressives share a fierce egalitarianism and commitment to merit-based advancement, as well as a feeling that the privileged should help the underprivileged. Officers, for instance, eat after those under their command. Both also share a strong sense of community. 'Leave No Man Behind' is a central pillar of battlefield leadership. Finally, progressives and the military believe decision-making should be based on what is right, not what is expedient.

**Progressives and the military have achieved important successes working together.** The Counterinsurgency Field Manual integrated military and civilian ideas providing the framework for the surge strategy in Iraq. The GI Bill helps veterans get an education, buy a home, and set themselves up for success after their service. The original GI Bill helped create the American middle class after World War II, and the new post-9/11 GI Bill offers similar opportunities to today's veterans.

Both achievements were born through collaboration between progressives and the military. These initiatives are of paramount importance in guiding today's wars and taking care of today's veterans.



Key Fact

## OFFICIAL SERVICE VALUES ARMY:

- 1) Loyalty
- 2) Duty
- 3) Respect
- 4) Selfless Service
- 5) Honor
- 6) Integrity
- 7) Personal Courage

## NAVY:

- 1) Honor
- 2) Courage
- 3) Commitment

## MARINES:

- 1) Honor
- 2) Courage
- 3) Commitment

## AIR FORCE:

- 1) Integrity first
- 2) Service before self
- 3) Excellence in all we do

**The military is fiercely apolitical.** By law, servicemembers may not appear in uniform at political events and they may not endorse candidates. This reflects and safeguards a deep institutional commitment to civilian control of the military, and is a value military personnel hold sacred. When servicemembers take their oath, they swear their allegiance to the Constitution, not to a particular party or

President.

**The military does not always vote Republican.** In the 2008 Presidential Election, the majority of servicemembers under the age of 60 voted for President Obama. Because of a greater number of seniors who are veterans, Senator McCain received more votes from veterans and servicemembers overall (55%-45%).

**The military is not necessarily militaristic.** Servicemembers are the first to see the real costs of war, and they—and their families—bear the brunt of the conflict. But feelings towards war are complicated. Many servicemembers also want the opportunity to apply their expertise, prove themselves, and provide meaningful service for America's security.



#### Common Error

**By law, Active Duty servicemembers may not appear at political events in uniform or endorse candidates.**

# National Security Budgeting

## THE FRAME

Smart budgeting requires matching spending to our strategy to meet today's threats. Some military programs need new funds. Others are outdated. Many new threats, such as cybersecurity, defy military-only solutions. Strategic budgeting ensures we build the tools we need for security and puts



our fiscal house in order. Budgeting across our national security tools—development, diplomacy, democracy, and defense—returns America to the approach that made us global leaders after WW II.

**What should we do?** A 21<sup>st</sup> century security strategy builds stability abroad to reduce conflict, creates the tools to achieve victory quickly and decisively when force is necessary, and maintains the economic strength that is the root of all forms of power. Yet today we underfund our most cost-effective methods (diplomacy and development) treating these essential non-military security tools as afterthoughts.



If you only read one thing:

## SECURITY SPENDING 101

- The threats to the U.S. are changing and new threats defy traditional tools.
- Strategic spending must match tools to threats.
- A strong, modern military is essential.
- We can cut some outdated defense programs without harming our security.
- Diplomacy and development are vastly cheaper than defense, prevent future conflicts, but are dramatically underfunded.
- Non-military security spending gives us a lot of bang for our buck.

We fund military programs based on continuing resolutions, enabling legacy programs to siphon away money better spent on newer and more relevant capabilities. And we treat security budgeting and overall economic strength as separate. This must change. To keep America economically strong, we need to make tough decisions about security spending. A modern security strategy includes the full arsenal of tools to maintain leadership in the world, while ensuring our security and economic strength at home.

## KEY ISSUES



**Security in the 21st century is different than it was in the 20th.** We no longer face an overwhelming large, static enemy such as the Soviet Union. Today's threats are numerous, complicated, and spread all over the world. Our enemies often hide among civilian populations. Many threats—from terrorists to computer hackers—operate across borders. We must be forward thinking and avoid getting bogged down in one area or against one enemy. This drains our treasury and reduces our ability to address other emerging threats.



**To keep America safe today, we need the full arsenal of security tools at our disposal.** International terrorism, energy security, pandemic diseases, the proliferation of Weapons of Mass Destruction, and economic crises all directly challenge U.S. national security. These issues cannot be solved by the U.S. military alone. The military needs strong partners so Treasury Department officials can track terrorist financiers and Foreign Service officers in the State Department can help new governments in the Middle East stabilize and stand on their own.

**Development assistance and open trade creates stability and new markets.** There are 7 billion people in the world but only 300 million Americans. Developing emerging economies creates new markets and increases exports for U.S. businesses, creating jobs here at home. This also creates stability abroad. Economically healthy

A plot hatched in the poverty-stricken villages of Afghanistan can change the Manhattan skyline.

Development is not charity, its strategy. It creates stability abroad and markets for U.S. businesses.

countries are less susceptible to political upheaval, social turmoil, and violent extremism.



**Our budget does not match the threats we face.** We need a more strategic, “whole of government” approach to budgeting. We currently spend too little on non-military security tools. We also need a strong military that is ready for tomorrow’s wars in a rapidly changing world and does not waste funds on legacy programs or unnecessary, congressionally-mandated pork. New threats require strong diplomacy, improved, shared intelligence, and development efforts to counter violent extremism and deal with emerging challenges. Non-military security tools can be more cost effective since their goal is to prevent expensive armed conflicts. Smart spending that meets the threats we face today is essential.



## THE POLICY LANDSCAPE & RECOMMENDATIONS

**Some say that the solution to today’s threats is more military spending.** Claiming that anything less than current spending rates would “hollow out” the U.S. military and compromise security, some pundits oppose anything less than spending 4% of GDP on our defense budget. This is arbitrary, not the strategic, capabilities-oriented approach we need to fund a military for the 21<sup>st</sup> century.

**And that we should drastically cut development spending.** Some in Congress proposed cutting funds in half for the Department of State, USAID, and other international affairs efforts to reduce spending. This amount is so small relative to overall spending, that even drastic cuts would make only a tiny dent in the U.S. budget – and at great cost to the safety of our diplomats and efforts to increase stability abroad.

**Others argue that we should increase aid and continue business as usual.**

Groups with vested interests in aid have grown and are protective of the current, inefficient structure. This is also wrong. In order to make sure development



## PILLARS OF SECURITY

**Stability** – we invest in development, diplomacy, and democracy to increase stability and prosperity and reduce spending on conflicts

**Military and non-Military weapons:** When force is needed, we must have the right arsenal of military power and non-military assets (like intelligence and sanctions personnel)

**Economic strength:** Ensure that security spending does not undermine U.S. economic strength, which drives all national power

assistance is effective, we need a better system to measure impact – one that is guided by expertise and meaningful oversight, rather than driven by congressional micromanagement and bureaucratic inertia.



**We must prioritize within our security spending.** National security rests on economic strength. Former Chairman of the Joint Chiefs of Staff Admiral Mike Mullen said the greatest threat to U.S. security is our national debt and our national defense agencies have a responsibility to help reduce that debt. It is impossible to eliminate every possible danger we may face without bankrupting ourselves. We must prioritize.



**Invest in 21st century tools.** We need a strong military that is prepared for today's conflicts and ready for tomorrow. We must continue to invest in maintaining our critical technical and tactical edge in the face of future uncertainty – an undertaking that requires constant innovation. We must also recognize that the military is not a one-size-fits-all solution for today's problems. We must have other tools, just as well-honed and capable. Development and diplomatic activities—which combined account for less than 1% of the federal budget—are under-resourced and, as a result, under-perform. This leaves our military doing jobs that most servicemembers are not trained to do, but which they recognize are vital to our national security—such as development projects designed to counter violent extremism in weak states.

## NATIONAL SECURITY BUDGETING

The Truman National Security Project supports holistically funding the 3D's (defense, development, and diplomacy) and elevating support for democracy—at home and abroad—as crucial to strong, smart national security.

## 21ST CENTURY SPENDING PRIORITIES:



**Research and development.** It is tempting to spend on the tools needed today and cut the accounts that identify the strategic investments of tomorrow. But these upfront costs create long-term savings in everything from new technologies in cybersecurity to energy efficiency. They also ensure that our force maintains a critical edge over potential enemies, in lethality and survivability. We should increase, not reduce, strategic R&D spending—from directed energy weapons to biofuels—not only for the Department of Defense but across agencies throughout our security budgets.



**Defense contracting reforms.** The current system misaligns incentives. What we want to do is incentivize contractors to do great work on time and under budget. Inventing and building new things will always come with unknown costs. Modular weapons, greater investment in oversight, and smarter procurement will save money in the long run.



**Robust funding for diplomacy and development.** These are equal pillars of our national defense and should be funded as such. Our military deserves partners across government who are resourced to do their jobs well. Development agencies should be doing this crucial work, which the military has taken up out of necessity. And most conflicts require tough-nosed diplomacy to prevent or end – the job of a well-funded State Department. Development spending should go hand-in-hand with aid reform. Our foreign aid legislation was last overhauled in 1961. Updating aid would hurt some vested interests but would get more bang out of existing bucks while making aid more effective in creating stability. For instance, buying food aid locally rather than shipping it from the U.S. would save money and get aid to starving areas months faster than the current system.



**Support for democracy, especially in the Arab world.** Volatility in the Middle East has cost thousands of American lives and trillions of dollars over the last few

Our system rewards military contractors for being late and expensive rather than on-time and under budget.

The U.S. has more personnel in military bands than it does diplomats at the State Department.



decades. We should invest in the Arab countries in transition – support legitimate, stable, democratic governments that create less erratic regimes, and spur economic growth. Spending now will save exponentially more in the future. Real change might be slow, and building relationships with the people will take time. But dictatorships are more likely to fall apart with little warning and more uncertainty, as we have seen in the last two years. Long-term stability is worth the investment in democratic institutions.



**Working with foreign security forces.** When allies work alongside us in peacekeeping missions, we save American lives and money. Training other security forces allows other countries to police their own neighborhoods without us. We also need to invest on domestic police forces and development projects like education, rule of law, and institution building. This alleviates the burden on the U.S. military and ensures our partners have the capacity to establish domestic security while respecting human rights.

## SPENDING THAT COULD BE CUT



**The inflated nuclear arsenal.** With the Soviet Union long-gone and 40 times as many nuclear weapons as China in our arsenal, we can keep our nuclear strength and still cut a lot of fat. Maintenance and security on such a large arsenal is expensive and can be better spent on developing more strategic and relevant capabilities. According to the former Vice Chairman of the Joint Chiefs of Staff, General James Cartwright, our nuclear arsenal “carries the baggage of the cold war” and “does not address the threats of the 21<sup>st</sup> century.”

Efforts to reduce nuclear stockpiles around the world will keep the U.S. safer than maintaining large inventories of nuclear weapons here at home. We need to keep global nuclear materials secure. Counter-proliferation is a smarter investment.

Development ensures threats stay small and far away.



### Common error

Development funding is not writing a check to a foreign government. Much of our development money goes towards programs that make weak countries safer and more stable—things like training police to secure borders against arms traffickers and funding watchdog groups that protect the free press.



**Weapons inventories that do not match today's threats.** The U.S. Army maintains an inventory of roughly 6,000 battle tanks. However, we do not have the logistical capability to deploy and operate that many tanks, and no plausible scenario would call for close to that number in conflict. We need to reduce Cold War era weapons stockpiles that are expensive to maintain but don't contribute to our security, and invest in systems that counter current threats instead. We should ask today's manufacturers build weapons that meet tomorrow's threats – not maintain inflated numbers of legacy platforms.



**Reduce the size of the force—but with care.** With the end of the Afghanistan War near and the Iraq War over, the Army and Marines have already announced they will cut their force size to meet new budgeting goals. We need these savings – but they must be achieved with care to maintain a military that meets our needs. After a decade of sustained combat, we now arguably have more human capital in our military than at any time in our history. We should not cut so deeply that we suffer a military brain drain or demoralize a force that has sacrificed so tremendously.

**Address healthcare costs – but with care.** Those who put their lives on the line for our country require good healthcare for life. But current health insurance costs have tripled since 2001 and now cost 10% of our total defense budget – and are projected to rise. To maintain a strong force with the healthcare they deserve, we need to address healthcare costs in a serious, comprehensive fashion.

**Invest in technologies that fit our strategic goals, but cut programs that are unlikely to yield tangible, cost-effective security benefits.** An example of this is the NATO missile defense system, designed to protect our European allies from external mid- to long-range missile threats. Instead of spending billions on a new missile interception system, known as SM-3 IIB, which would have used a technology that remains totally unproven and highly controversial, the Pentagon has decided to improve upon our existing missile interception systems, including our Ground Based Mid-Course Defense (GMD) and Aegis sea-based missile defense

system. This will accomplish our strategic goal of protecting American and allied military assets in Europe from belligerent nations like Iran at a fraction of the cost and in a fraction of the time of developing a new system.



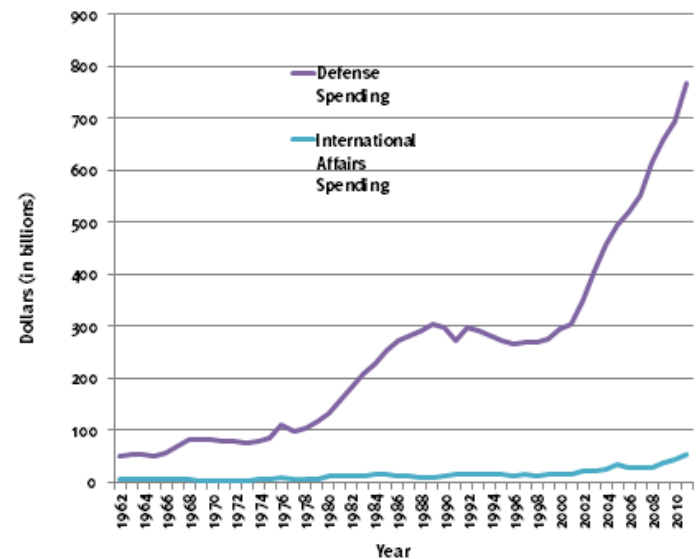
## GOING DEEP: BACKGROUND & CONTEXT

**Defense spending has grown over 600% since the 1960s.** While we no longer face an existential threat, as we did from the Soviet Union, defense spending (of which about 95% goes directly to the Department of Defense and 5% to other defense related activities) has grown exponentially. We are spending more than we did in Vietnam, Korea, and under Reagan, but we are getting less bang for our buck. Defense spending exploded after 9/11, as the graph to the right shows. Meanwhile, international affairs spending has barely kept pace with inflation and is less than 1% of the budget.

**Since 9/11, American assistance has become increasingly tied to a dysfunctional budget cycle, focused on immediate needs rather than long-term development.** The appropriations process on Capitol Hill is a one-year cycle. Meaning, program supporters need to show near-term progress in order to secure funding. However, effective, sustainable development and strategic R&D are long-term aspirations. The impetus to maximize benefits in the short term, may ultimately be hurting our long-term efforts.

**Congress agrees that diplomacy and development are ‘security spending.’** Both parties agree that the international affairs budget should be a part of the ‘security spending’ category. They are right, these programs are crucial to our efforts in the Middle East, Afghanistan, and other front-line states around the world.

**Health care is now 10% of our defense budget.** The cost of military health care is now at \$53 billion, and the Congressional Budget Office projects that it could rise to \$95 billion by 2030. Addressing healthcare costs now, in a comprehensive and



Source: "The Budget for Fiscal Year 2012, Historical Tables," OMB; includes spending for the wars in Iraq & Afghanistan

sustainable fashion that meets the health needs of our troops, is important to keep the high quality care our servicemembers have earned.

**Sequestration is misaligning security spending for the next decade.** Sequestration mindlessly reduces projected defense spending by \$500 billion over the next decade. It does so in an arbitrary, across-the-board manner with no consideration of strategic objectives. Solving our fiscal problems requires spending and revenue solutions. Our elected leaders need to negotiate in good faith and work to find a balanced, sustainable solution that provides long-term certainty and empowers security leaders to make sound strategic choices.



# Energy & Climate Security

## THE FRAME

America must reduce its demand for oil, combat climate change, and secure our energy infrastructure. Our dependence on oil puts our national security at risk, and to achieve true energy independence we must broaden our resources and move beyond oil. We must also build an energy policy that will slow global climate change, which military and security leaders have identified as a “threat multiplier.” That means natural gas becomes a bridge fuel to a less carbon-intensive future. Finally, we

must secure our nation’s power grid against attacks and disruptions that threaten our economy.



The energy landscape is changing rapidly, with fracking technology opening up vast new reserves of oil and natural gas. But when it comes to assuring affordable and reliable energy

for our economy and our military, we cannot simply drill



If you read only one thing...

## 5 NATIONAL SECURITY REASONS FOR CLEAN ENERGY

1. **Oil money funds terrorism** and supports unfriendly nations.
2. **We can’t drill our way to independence** – we don’t have the reserves, and we’ll still be vulnerable to a volatile global market.
3. **Oil states that derive more than 60% of their GDP from oil are all autocracies, which fuel terrorism.**
4. The DoD and CIA say **climate change makes the world a more dangerous place.**
5. **Clean technology creates jobs** here at home and reduces our dependence on oil.

## 4 WAYS CLIMATE CHANGE THREATENS SECURITY

- Disease
- Disaster
- Dislocation
- Migration

All of these lead to extremism and help terrorist recruiters.

our way to the solution. To achieve energy independence, we need to diversify our resources and invest in the technologies of the future.

## TRANSPORTATION & OIL: KEY ISSUES



**Our oil needs make us dependent.** 95% of our transportation sector relies on oil. That means when it comes to our cars, planes, and ships, we are at the mercy of the oil industry and oil producers. Without an alternative, oil is more than a mere commodity -- It is a vital strategic commodity, a substance without which our national security cannot be sustained.



**The energy world is changing rapidly, and the U.S. is producing more oil and gas.** Fracking technology has opened up huge reserves of oil and natural gas in the U.S. and other markets. According to the International Energy Agency's *World Energy Outlook: 2012* Report, the U.S. is on track to become the world's largest oil producer by around 2020. This increase in supply from shale oil—combined with substantial reductions in oil demand due to higher fuel efficiency standards—will make the North American continent a net oil exporter by about 2035.



**But drilling at home won't make us energy independent.** While new oil discoveries in the United States mean that we may have enough oil for our immediate needs by 2035 (assuming that energy demand does not rise), oil is a global commodity – the price is set internationally. That means that even if our oil comes from North Dakota, the price we pay at the pump will still be influenced events in the Middle East and other volatile regions.



**Our oil demand funds our enemies, regardless of who we buy it from.** America's largest foreign provider of oil is Canada, but oil prices respond to global demand. By consuming over 20% of the world market, we inflate global prices regardless of who



### Key fact

95% of our transportation sector relies on oil.

Oil funds our enemies, regardless of who we buy it from. Oil is traded on a global market, so when we use oil we raise demand—which raises prices and enriches our adversaries.

we buy oil from – even if we buy it at home. Our oil demand generates larger profits for Iran, Russia, and other oil-rich countries that don’t share our values.

Moreover, the Taliban, and other terror groups, receive financial backing from the oil producing Gulf States. U.S. officials have identified Saudi Arabia—the world’s second largest producer of oil—as al Qaeda’s primary source of funding. And Iran, which generated around half of its revenue from oil prior to the implementation of tough sanctions, is the world’s largest state sponsor of terrorism. So even if we do not buy oil directly from Iran or the Persian Gulf, our demand puts money in their coffers.



**U.S. foreign policy will still be tethered to oil.** As long as we use oil, we must care about the global market. That means we will continue to have our hands tied in foreign policy in the Middle East. Oil exporters such as Saudi Arabia, Russia, and Venezuela will continue to enrich themselves on oil revenues, and use that money to fight U.S. interests and deepen their autocracies. And we must still keep sea lanes open from the Strait of Hormuz to the South China Sea. Because oil prices are set globally regardless of where we buy, an oil bottleneck anywhere will still drive prices up in the U.S. – there’s no such thing as just “buying from Colorado.”



**The global oil supply is vulnerable to attacks that threaten military supply and disrupt our economy.** Oil infrastructure is an easy target for terrorists and rogue regimes. Osama bin Laden said oil is America’s “Achilles’ heel” and called upon his followers to attack supply lines. Transcontinental pipelines, in places like Iraq, stretch for thousands of miles and are easy targets. Oil often travels through choke points such as the Straits of Hormuz and Malacca—narrow shipping lanes that can be easily disrupted. That means that oil may force our hand in countries hostile to our interests and don’t share our values.



#### Key fact

20% of the world’s oil travels through the Strait of Hormuz, which Iran has threatened to close.





**Our military is particularly dependent on oil: the U.S. Department of Defense is the single largest consumer of fuel in the world.** The Department of Defense spends billions every year to power our tanks, planes, and generators at home and overseas. Every time the price of a barrel of oil increases by \$10, it costs the Department of Defense an additional \$1.3 billion—the price of about 59 modern Black Hawk helicopters. A single hour of flight in an F-22 costs the Pentagon almost \$20,000, mostly because of the cost of fuel.



**And it costs lives.** In Iraq and Afghanistan, 50% of what our military convoys carried was fuel. A 2009 study reported that for every 24 fuel convoys, the military had one casualty. Oil convoys are easy targets for our enemies because they often have to travel predictable routes, such as through mountain passes in Afghanistan. Further, resupply of ships and planes in theater requires the diversion of tactical assets to protect tankers and logistical supply lines. New technology that reduces oil demand in ships, planes, and tanks can save American lives and increase the effectiveness of our forces.

## CLIMATE SECURITY: KEY ISSUES



**Climate change is an “accelerant of instability.”** According to the Department of Defense, climate change alone does not cause conflicts, but it makes already combustible situations worse. While climate changes have occurred at multiple times in history, human action appears to be accelerating the trend lines we are on now. Since only a few degrees of difference can create significant problems, that human “accelerant” matters.



**Our energy sources for both transportation and electricity contribute to climate change.** When fossil fuels like oil, gas, and coal are burned, they emit

Oil money ends up in the hands of terrorists, funding the same groups who attacked us on 9/11.



### Key fact

The Department of Defense, the Department of State, the CIA, and the National Intelligence Council all acknowledge that climate change is real and that it's a threat to our national security.

carbon dioxide (CO<sub>2</sub>) into the atmosphere. That means any conversation about climate change must involve both transportation (oil) and electricity generation (natural gas, coal, and sometimes oil).



**Natural disasters will increase, causing death and costing money.** Changing weather patterns are increasing the intensity and frequency of storms and droughts. In 2012, the U.S. experienced our worst drought in 50 years. From 2011-2012, weather events cost over 1,000 lives and \$188 billion (see NOAA numbers) – more than the entire weapons acquisition request by the Pentagon for 2013. The period between August 2011 and July 2012 was the warmest 12-month period that the continental U.S. has experienced since the beginning of record-keeping in 1895. Violent storms also cause humanitarian crises abroad—and often, the U.S. Military is the only institution with the resources and capabilities to respond. This costs billions of dollars to U.S. taxpayers and diverts the military from its primary mission: fighting and winning wars.



**Mass migration will undermine already volatile countries.** As temperatures change and extreme weather events destroy farm lands, more people have to compete over a diminishing supply of arable lands. This is particularly likely in some countries in Africa, where competition over finite resources will exacerbate existing tensions between tribes and ethnicities. For example, one instigating factor of the genocide in Darfur was the severe drought that ravaged the land historically shared between nomadic Arab herdsman and indigenous farmers. The competition over shrinking resources for grazing and farming contributed to conflict between Darfuris and Arabs, and ultimately to the massive humanitarian crisis.



**Sea levels will rise, destabilizing coastal regions and eliminating U.S. military bases.** As sea levels rise, those who live along coastlines will have to move. By 2050 there may be as many as 200 million climate refugees across the world, destabilizing nearby countries. India, for example, built a 2,500 mile fence along the border with Bangladesh to keep climate refugees out.



India's fence along the border with Bangladesh is designed in part to keep climate refugees out.

Rising sea levels will also affect some of our military installations. Diego Garcia—a military base in the Indian Ocean—has an elevation of only 9 feet. As sea levels rise, key bases may be lost.



**Health hazards will spread.** As temperature changes, the world will begin to have a climate in which tropical diseases such as malaria, cholera, dengue fever, and the West Nile virus thrive. These diseases do not stop at borders. Climate change will also cause strong heat waves—like the one in Europe in 2003 that killed 35,000 people—and make other weather extremes more prevalent. Heat waves tend to kill the most vulnerable members of society: children and the elderly.

## ELECTRICITY: KEY ISSUES



**A reliable source of electricity is a national security imperative.** Reliable electricity is a basic foundation of our economy and society. We have many different power sources—from coal and natural gas, to nuclear, to renewables like wind and solar. But some of these create their own national security risks by driving climate change and generating dangerous waste material.



**Renewable sources like wind and solar offer a way forward.** Energy from wind and from the sun doesn't contribute to climate change or produce any other emissions, and it isn't going to run out; the only question is how we harness it. Wind and solar technology have experienced explosive growth over the past several years, and these industries employ tens of thousands of Americans. Storage technology has also been improving rapidly, which will ensure steady reliability and baseload functionality.



**Fossil fuels like coal contribute to climate change.** We burn about 1 billion tons of coal every year, which emits more than 2 billion tons of CO<sub>2</sub>. Burning coal also releases dangerous toxins into the atmosphere that can cause disease or even death



### Key fact

August 2011 to July 2012 was the warmest 12-month period that the continental U.S. has experienced since the beginning of record-keeping in 1895.



### Key fact

The U.S. military is leading the way toward clean energy research as a way to decrease combat casualties from fuel convoys. Marine Corps units are currently testing portable solar power systems in Afghanistan.

in the surrounding populations. “Clean coal” technology can remove some of those toxins, but we haven’t yet found a viable way to store or get rid of the CO<sub>2</sub>.



**Natural gas is reducing coal use.** Cheap natural gas recovered through a process known as hydraulic fracturing (“fracking”) is replacing coal in the United States. This is better for climate change, but it is not as good as renewables. Moreover, coal is being sold to Europe, and China and India continue to use coal, contributing to global climate disruption.



**Natural gas technology also has other security benefits.** Russia has been using its control over Europe’s gas supply to force Europe’s hand in foreign policy decisions. Gas that can be obtained through fracking in Europe is changing this balance of power, giving Europeans the ability to renegotiate Russian contracts and free them from Russian dominance.



**However, natural gas is a bridge fuel, not the end goal.** It is cleaner than coal, but natural gas still emits CO<sub>2</sub> and raises other safety concerns. Burning natural gas emits about half as much CO<sub>2</sub> as coal, and almost none of the other toxins. Natural gas production has increased dramatically in the U.S., because of advances in technology that allow extraction of gas from shale formations. As a result of this production boom, natural gas prices have decreased dramatically, and energy production from gas has significantly displaced production from coal. This has contributed to a substantial decrease in America’s CO<sub>2</sub> levels. However, burning natural gas still releases substantial amounts of CO<sub>2</sub>, which drives climate change. And the release of methane that occurs during the transportation of natural gas may cause greater greenhouse gas emissions than burning coal.



**Nuclear power creates its own national security hazards.** Nuclear power plants do not emit CO<sub>2</sub>, but they require enriched uranium and they produce radioactive nuclear waste. Right now, we have no good way of storing or disposing of that waste; it’s being kept on-site at 104 different nuclear plants across the country,

where it is vulnerable to natural disasters or even theft. Nuclear plants are also extremely expensive to construct, and the federal loan guarantees and other subsidies required to assure their construction are less viable today, given our current budget constraints.

## THE ELECTRICAL GRID: KEY ISSUES



**Our power grid is old and vulnerable.** Most of our plants and transmission lines were built before World War II, and the grid is vulnerable to natural disasters, physical attacks, and cyber attacks. The Pentagon believes that China and possibly Russia have already attempted to hack our electricity grid.



**A cyber attack against the grid could be devastating.** Former Secretary of Defense Leon Panetta warned that such an attack could “shut down the power grid across large parts of the country” with potentially devastating effects to our economy. Because the grid also relies on key “bottlenecks,” physical attacks on those bottlenecks could also have domino effects across large regions. President Obama recently signed an Executive Order aimed at improving security on American critical infrastructure by sharing cyber threat information with private entities and developing cybersecurity best practices in consultation with the private sector.



**Lapses in the power grid cost us billions every year.** The Department of Energy estimates that disruptions to the power supply, caused by weather incidents or technical malfunctions, cost Americans more than \$100 billion annually in economic losses.

## THE POLICY LANDSCAPE & RECOMMENDATIONS



**America’s national security leaders are past the stage of debate on climate change.** Some question the science of climate change. Or they admit that it is happening, but declare that it is not man-made and therefore that we cannot do

anything about it. But the Department of Defense, the Department of State, the CIA, and the National Intelligence Council all acknowledge that climate change is real and that it's a threat to our national security. They are already leading the way by investing in resources to both mitigate and adapt to climate change and make America safer.



**Investing in innovative technologies is the long-term solution.** The Departments of Defense, Energy, and Agriculture are leading the charge in this effort, but more should be done. By investing in fuel efficiency technology, new biofuels, and electric vehicles, we can replace oil in much of our transportation sector. We can also develop our gas resources and our solar and wind capacity to provide better ways of lighting our homes and buildings. Other countries, like China, are already making heavy investments in these areas. We need to lead so that we can sell these technologies to the world. Investments like these make America safer, keep our environment cleaner, our economic workforce happier, and create jobs in the United States.



**Increasing efficiency will reduce oil dependence and slow climate change.** America is now a leader in making our cars more efficient. This saves consumers money, requires us to purchase less oil, and makes it more difficult for our adversaries to generate profits from our single-source dependence. The Obama Administration has set standards that will require automobiles to average 54.5 miles per gallon by 2025. That should cut back our oil consumption by 2.2 million barrels per day and save Americans \$1.7 trillion in fuel costs. The International Energy Agency concluded in its 2012 *Outlook* Report that this decrease in demand will be a substantial driver—and eventually the primary driver—of America's drop in net oil imports during the coming decades.



**We must also continue to invest in advanced biofuels technology.** Military experts agree that relying on oil alone for its fuel supply is an operational, tactical, and strategic risk. That is why the Department of Defense has been investing in



#### Key fact

Making our grid just 5% more efficient would be the equivalent to taking 53 million cars off the road.

By 2025, new fuel efficiency standards (also known as “CAFE standards”) will cut oil consumption by 2.2 million barrels per day and save Americans \$1.7 trillion dollars in fuel costs.

The military is leading the way with new energy technology. It means a stronger military and technology jobs.

advanced biofuels as a dependable, domestically produced alternative resource. We should continue to support these promising innovations. They could reduce long-term costs, and they will definitely reduce long-term price and supply volatility.



**Natural gas offers promising improvements for our electricity supply, but it's not a magic bullet.** Natural gas has become cheaper and more abundant in recent years, and it's a cleaner source of energy than coal. But burning natural gas still emits CO<sub>2</sub> into the atmosphere; and methane released during transportation of natural gas may even make it a less climate-friendly option. The techniques for extracting gas and disposing of wastewater have also raised serious safety concerns and unresolved questions. Policymakers must ensure that extraction methods and disposal of waste are safe for the surrounding populations and for our nation's water supply, so this industry can continue in a manner that helps our economy grow while protecting local communities.



**"Smart grid" technology can make electricity use more efficient and reliable.**

Our grid needs 21<sup>st</sup> century information technology that will give customers greater choices for saving money and electricity. A "smart grid" would also enable real-time monitoring by utility companies, so they could better defend against disruptions and attacks. Finally, a 21<sup>st</sup> century grid would connect more power suppliers, like solar panels in individual homes, to provide backup in the event of an outage and to make the grid more cost effective.

## KEY PLAYERS

**OPEC.** As the owners of 70% of global oil reserves and 40% of daily oil supply, OPEC countries, including Iran and Venezuela, are the true profiteers in the global oil economy. And they know that controlling a large market share allows them to collectively control pricing. In 1999, OPEC cut oil supplies to raise global prices. They also refused to increase their production in 2008 as oil approached \$150 per barrel.

By manipulating the supply of oil available on the market, OPEC members can create high oil prices without harming their own economies.

**Oil Industry.** The oil industry has been reaping enormous profits from global oil dependence. In 2011, the five largest oil companies made a combined profit of \$137 billion dollars. It is in their financial interest to maintain the status quo and they are committed to doing so.

**Natural Gas Industry.** Much of America's natural gas is also produced by oil companies like Exxon Mobil, BP, and Chevron. The oil and gas industry spent nearly \$150 million on lobbying activities in 2011 just to maintain the current system of subsidies. However, the gas boom is creating separation between the oil and gas lobbies. It is possible to benefit from the current gas boom – through regulation to protect our water and air – while not subsidizing oil or locking in gas as the ultimate solution to our energy needs.

**Coal Industry.** Historically, coal has dominated the market as a source of our electricity supply. However, as coal production has started to decline due to competition from natural gas, industry leaders have ramped up lobbying expenses, spending more than \$18 million in 2011.

**Nuclear Industry.** The nuclear industry has also spent millions over the past several years to lobby for benefits such as billions of dollars in loan guarantees. Parochial politics tend to prevent nuclear plants from being built, making it unlikely that nuclear fuel is going to be a realistic path towards the future.

**The U.S. Military.** The military understands that energy efficiency and security are strategic imperatives and each branch is pursuing an ambitious agenda. The Army has a Net Zero initiative that aims to reduce consumption of energy, water, and waste on its installations to a rate of zero. The Navy will launch an entire aircraft carrier strike group in 2016 that will be fueled completely by alternative fuels. It also plans to source half the energy it consumes from alternative fuels by 2020. The Marines are reducing their energy use 30% by 2015 and are increasing their renewable electric energy to 25% by 2025. And the Air Force is reducing the amount



of aviation fuel it consumes by 10% by 2015, increasing the amount of renewables consumed at facilities by 25% by 2025. The Air Force is also set to certify all of its 40-plus aircraft models to burn fuels derived from waste oils and plants by 2013, and has implemented an energy curriculum at the Air Force Academy and the Air University.

**Entrepreneurs.** Reducing subsidies to oil, freeing our electricity grid to take more natural gas and renewable sources, and mandating more efficiency opens up new business opportunities. From blue-collar jobs retrofitting ventilation systems and installing solar panels to farmers producing switch-grass for biofuel, the new energy economy can create jobs for every segment of America's workers.



## GOING DEEP: BACKGROUND AND CONTEXT

**In the 1970s, OPEC learned it could use oil as a weapon to hurt America's economy.** In 1973, Arab members of the Organization of the Petroleum Exporting Countries (OPEC) cut oil production by 20% and imposed an oil embargo on the United States because of our support for Israel. The embargo led an "oil crisis": Americans were subjected to fuel shortages and enormous gasoline lines. And because of the cut in supply, the price per barrel of oil increased during the embargo, which compensated the producer countries for the reduced consumption. OPEC discovered that by acting in concert with one another and carefully managing their exports, they could extract very high prices from consumer nations like America.

**Innovations in biofuels and electric cars are offering a way out.** The military is leading the way by powering the naval fleet and fighter jets with 50/50 biofuel blends, and by developing hybrid warships and Humvees.

**The government is not waging a "war on coal"—but natural gas is beginning to displace coal as it competes on the market.** Coal has historically been our largest

source of electricity, but the industry now faces stiff competition with natural gas. In 2012, for the first time in history, coal and natural gas were measured as contributing the same amounts to our electricity supply (about 32% each).

**The wind and solar industries have experienced explosive growth over the past decade.** The solar industry now employs more than 120,000 Americans, while average prices for solar power have fallen by more than half since the year 2000. Wind production capacity has doubled in just the past four years, and wind power now supplies enough electricity to power approximately 13 million homes. Nevertheless, true renewables like solar and wind still account for a small fraction of our total energy production, and cheap hydrocarbons, like shale gas, could still delay or even halt their growth without investment and legislative action to incubate these critical industries.

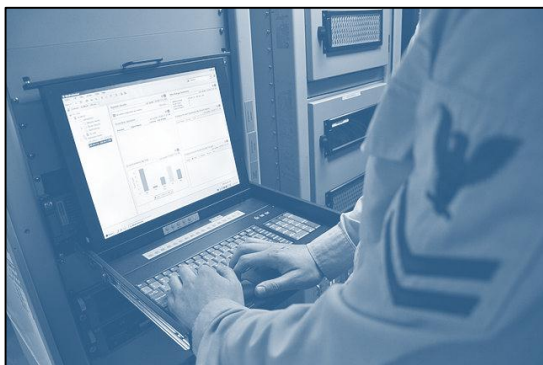


# Cybersecurity

## THE FRAME

For most of the 20th century, malicious actors needed a physical point-of-entry to access strategic infrastructure such as a power plant or a bank. This is no longer the case. While we have fences to protect property in the physical world, our digital security often represents a weak link.

The vast majority of U.S. critical infrastructure and networks are privately owned, so any effort to improve security will require coordination between



the government and private sector. As the threats evolve, we need cyber initiatives that balance flexible security standards with robust protections for personal privacy.



If you only read one thing...

## CYBER THREATS

- America cannot be secure unless its networks are secure.
- We face cyber threats every day from foreign governments, non-government agents, and criminal elements.
- As our reliance on technology increases, so does our vulnerability.

## BALANCING SECURITY & PRIVACY

- Privacy and security are not competing interests, we can do both.
- We should collect only the information needed—think signatures, not personally identifiable information.
- Information must be stored in ways that doesn't compromise its integrity.



## KEY ISSUES

### **Cybersecurity requires a partnership between the private and public sectors.**

85% of our critical infrastructure is privately owned. This includes systems vital to the U.S. – everything from power grids to hospitals to financial institutions – whose disruption would have a debilitating effect on our society. The systems we depend on every day are more reliant than ever on networks. Too many of those networks are not secure.

In May 2012, the Department of Homeland Security announced that they had uncovered a coordinated cyber intrusion on U.S. gas pipeline delivery systems. And the Nuclear Security Enterprise experiences up to 10 million cyber ‘incidents’ each day. Our systems were often not designed with security in mind – but now, cyber attacks are common. It is important that we protect our networks now.

**Cybersecurity is a weak link in our security.** A global cyber arms race is already underway. It is estimated that more than two dozen countries possess a cyber war capability. And the head of the NSA’s Information Assurance Directorate says countries are using cyber exploitations without “any sense of restraint.” Imagine a nation launching a military attack on a U.S. ally while turning off the lights across the Atlantic seaboard, hindering U.S. response. That is just one potential reality of cyber attack.

**Hackers are targeting intellectual property (IP).** Businesses now store their intellectual property in digital form, making them a target for hackers. It costs millions to develop proprietary technology and efforts to steal it are on the rise. The cost is high. Stolen IP damages American competitiveness and, over time, costs American jobs. Recently, U.S. intelligence officials publicly accused China of stealing American high-tech data. Much of the damage is informational and the slow siphoning of valuable intellectual property. Homeland Security Secretary Janet Napolitano estimated that the annual cost of global cyber crime is \$114 billion.



## MOVING FORWARD

- Craft legislation to protect our critical infrastructure from cyber threats.
- Build a private-public partnership to share cyber threat information.
- Include strong protections for personal privacy.
- Increase our cyber human capital.
- Clarify lines of authority so we can effectively deter and respond.
- Work with the international community so a miscalculation doesn’t cause a conflict.



### Key fact

#### **Critical infrastructure sectors include (but are not limited to):**

- Banking & Finance
- Chemical production
- Communications
- Defense Industrial Base
- Emergency Services
- Energy
- Government Facilities
- Information Technology
- Nuclear Reactors, Materials and Waste
- Transportation Systems
- Water treatment & distribution

**Cybersecurity means protecting personal information as well.** With the development of smart phones, online banking, and other digital services, we are becoming more dependent on computers and criminals see this as a vulnerability to exploit. In 2010, 8.6 million American households had at least one person who was the victim of identity theft. Two-thirds of those victims had their credit card information stolen and misused. Our increased use of smart devices and online banking means we need to be more vigilant in protecting our digital information.

This can also have potentially negative consequences for U.S. national security. Hackers recently targeted the personal computers of retired Admiral Mike Mullen, former Chairman of the Joint Chiefs of Staff, as a way to access sensitive information without having to break U.S. government security. *The Wall Street Journal* reported that the Mullen episode was just the latest in a series of incidents against “former senior U.S. officials.”

**The lines of authority on cybersecurity within the federal government are not clear.** Responsibilities for protecting American networks and researching new technologies are spread across multiple agencies and congressional committees. The military is in charge of protecting the .mil domain alone. DHS is in charge of protecting .gov. No agency is charged with protecting .com or .org, despite the fact that most of our critical infrastructure is on one of these domains. The Chairman of the Federal Energy Regulatory Commission recently said, “If I had a cyber threat that was revealed to me in a letter tomorrow, there is little I could do the next day to ensure that that threat was mitigated effectively by the utilities that were targeted.” Because of outdated legal authorities, the government is constrained in its ability to help companies protect their networks.

**The Department of Defense is expanding its defensive and offensive capabilities.** DoD suffers millions of probes each day by “malicious” cyber actors on its networks. In testimony before Congress, General Keith Alexander, Commander of U.S. Cyber Command, stated “modern forces cannot operate without reliable



Key concept

## THE ATTRIBUTION PROBLEM

One of the biggest challenges of cybersecurity is knowing who is behind an intrusion or attack. Unlike a conventional intelligence gathering or military activity, it is often much harder to prove who is behind a breach. This makes a cyber attack a tool that is both tempting to employ, and difficult in which to respond. Improving our ability to trace down the source of an intrusion and mitigating the effects on the targeted network will improve our deterrence capacity. A potential hacker is less likely to invest the time and resources to breach a network if they know they will be tracked down and the system will continue to operate effectively.

networks, we will invest in advanced capabilities to defend them even in contested environments.”

The Department of Defense is investing \$3 billion per year to develop capabilities and conduct offensive operations consistent with U.S. principles and existing legal structure—including the law of armed conflict. DoD is also investing in human resources to develop and retain a skilled workforce. Additionally, media outlets widely attribute Stuxnet—the cyber operation disrupting Iran’s nuclear program—to the United States and Israel.

**Our domestic cybersecurity policy will have international human rights consequences.** Because of the global use of U.S. platforms like Google and Facebook, U.S. cybersecurity laws affect people outside of our borders. Other countries also look to us to justify their policies; if the same policies we establish for network monitoring to prevent, for instance, child pornography, could be used by an authoritarian country to monitor political dissidents, we can assume they will cite our example to justify their programs. Individual freedom in the 21<sup>st</sup> century is closely tied to how we govern and use digital technology. And, while the internet can play a powerful role in increasing global human freedom, it can also be manipulated to suppress individual rights and personal privacy.

States like Russia and China seek to use cybercrime as a pretext to limit Internet Freedom.



## THE POLICY LANDSCAPE & RECOMMENDATIONS

**Critical infrastructure owners should be required to meet baseline security standards.** Just as a fence is required around the perimeter of a nuclear power plant, computer networks linked to critical infrastructure must be protected. Our national security leaders—including General Keith Alexander, Commander of U.S. Cyber Command—have repeatedly called for carefully crafted standards. Government should work with the private sector to develop a set of standards that are flexible enough to adapt to a changing threat environment and resilient enough to keep many would-be intruders out. One weak link in the chain is all a potential

Just like we require fences and security around nuclear plants, we should require digital fences around their computers, too.

intruder needs to breach a network and cause damage. But in industries with thin margins, businesses often cannot afford to adopt these security measures unless their entire industry is made to adopt them.

**Security standards must be flexible to adapt to evolving threats.**

Legislating a specific security measure would be counterproductive—it will be outdated by the time the legislation is passed. Instead, laws in this area should require networks to meet baseline standards for security. Implementation of those standards, however, must be flexible in order to adapt to a nimble enemy and new technology.

**Stronger security will level the playing field for U.S. businesses.**

21<sup>st</sup> century businesses rely on secure digital networks to develop, market, and sell their products. U.S. intellectual property is a high-priority target for hackers, costing U.S. businesses billions of dollars per year. To defend against these threats, some would like to mandate security standards for U.S. companies. Others would prefer to create incentives for better standards. Those differences still need to be addressed, but one thing is clear: to be successful in a digital age, businesses need resilient security solutions.

**A national picture of cyber threats requires companies and the government to share information about attacks and breaches.** If a business is hacked, sharing how it happened and who might be responsible helps other businesses and the government. This kind of information is vital to understanding current and developing threats and protecting networks against them. But not all information sharing is alike. There are real concerns about who information is shared with, in what form, and what can be done with it. The private sector should be authorized to share information with the federal government through a civilian, not a military, agency. This will allow for proper oversight and accountability—and will enable information to be shared across an industry. The federal government should also

Well-defended companies  
can protect their ideas  
from theft and prevent  
unfair competition.



share threat information with the private sector so businesses can build and improve resilience.

**Limited liability protection must be offered to private entities.** For critical infrastructure owners to come forward with cyber threat information without fear of legal reprisal or damage to their reputation, they must be offered limited liability protection that is carefully crafted to incentivize sharing without weakening privacy, consumer, or anti-trust protections.

**Robust privacy protections must be built in.** Any policy—whether legislative or executive—must clearly define the purposes for which shared information can be used. Information must also be handled extremely carefully in order to safeguard personal privacy and civil liberties. Sharing digital signatures is important for assessing the threat environment and improving security, but information should first be scrubbed of content that would identify individuals before it is shared.

**Education and human capital investment are an essential and cost effective way to promote security.** Cybersecurity is not just a technical problem. In a world where the most common network password is “password,” the person sitting at his or her desk remains the weakest link in the system. By increasing technology and security education at every level, we can improve security and competitiveness. This requires us to build a “culture of security”: making sure individual users are part of the security solution, ensuring security is ingrained into the work of hardware and software manufacturers, and informing institutional investors and shareholders of the material risks of cyber theft to companies.

**Improve private sector relations and cyber acquisition policy.** Cybersecurity, as a field, is continuously evolving. Tomorrow’s threats may look very different than today’s. In this environment, it is critical that the U.S. government is able to work well with technological innovators to keep up with rapid developments. In addition, many of our defense procurement policies are too slow to keep up with changes.



#### Key fact

Humans remain the weakest link in the security of most networks, so training and education are critical.

The Pentagon has been working to establish a rapid acquisition program to buy critical cyber tools, but it has fallen behind schedule.

**Continue to increase supply chain security.** Our national security systems rely on parts that are manufactured all over the world. The proliferation of counterfeit parts threatens to adversely impact our servicemembers at the worst possible time. In 2011, Congress strengthened the inspection regime for imported electronic parts and ensured the U.S. government will not have to pay for counterfeit parts supplied by contractors. Congressional committees continued to investigate and report on supply chain threats in 2012. They should continue to provide oversight in this area.

**Establish international norms on the use of the internet.** In 2012, Russia, Iran, and China submitted draft rules to the United Nations on internet governance as part of an update to the 1988 Telecoms Treaty. Their draft favored greater censorship and state control over the internet. Western nations refused to sign, instead desiring a multi-stakeholder approach that enables governments, businesses, and NGOs to all have a role in internet governance. We should not allow countries like Russia, Iran, and China to twist cybersecurity arguments to make the internet more authoritarian, and less open.

**Establish international security norms and eliminate cyber safe havens.** Currently, there are no clear rules of international engagement for cyber warfare. As a result, a miscalculation could become a flashpoint, triggering a clash between countries. We need to establish cyber war norms and a better means for signaling intentions to potential opponents. We also need to build international law enforcement partnerships and frameworks to combat global cyber crime.

## KEY PLAYERS

**The Private Sector.** Cyber crime costs hundreds of billions of dollars each year. The private sector is the archer at the wall, protecting its networks and intellectual

property. Most critical infrastructure is also owned and operated by industry. U.S. companies need to be proactive in defending their networks.

**The Department of Homeland Security.** The civilian cabinet department responsible for domestic cybersecurity, including protection of the '.gov' domain.

**The Department of Defense.** The National Security Agency and U.S. Cyber Command play critical roles in defending the nation against cyber attacks. The NSA is responsible for designing the security systems that protect federal networks and collecting intelligence. DoD is in charge of protecting '.mil' domains and national security systems. The Department also develops offensive capabilities and is finalizing new rules of engagement for cyber operations.

**The Department of State.** The State Department is responsible for negotiating international frameworks through which governments can collaboratively fight cyber crime and cyber terror.

**The Federal Bureau of Investigation.** The FBI is responsible for investigating cyber incidents domestically and conducting forensics and counterintelligence.



## KEY TERMS

**Cyber attack.** A hostile act intended to disrupt, degrade and/or destroy an adversary's critical cyber systems, assets, or functions.

**Cyber intrusion.** An unauthorized access of a computer or computer network.

**Cyber exploitation.** An intelligence-gathering activity to exfiltrate data and/or conduct reconnaissance of a network.

**Malware.** A software program that is designed to do damage to a computer system.

**Virus.** A program or a piece of code that is loaded on to a computer server through the internet or copied from a disk, storage device, or another computer.

**Worm.** A type of virus that replicates itself and travels to other computer hosts without human assistance. Stuxnet—the virus used against Iran’s nuclear program—was a sophisticated computer worm.

**Spear-phishing.** Targeted emails sent by hackers that trick users into giving up their user names and passwords.

**Trojan horse.** A program that is hidden within another, benign program and used to gain access to a computer or network. Once accepted, it can damage or allow a third party to take over the network remotely.

**Denial-of-service attack.** One of the oldest and least sophisticated types of cyber attacks. Denial-of-service attacks don’t yield any information but they overload the target and disrupt its operations.

**Logic Bomb.** A program that lies dormant until triggered by a specific event—such as a date or time—and then activates, disrupting or damaging the system.

**Zero-day exploit.** An attack that exploits a security hole before the vulnerability is known. The attack occurs on “day zero” of the awareness of the hole leaving the developer no time to prepare a patch or fix for the problem.

**Botnet.** A group of computers that has been infected by malicious software and is controlled remotely by hackers.

## GOING DEEP: BACKGROUND & CONTEXT

**The genie is out of the bottle on cyber attacks.** The U.S. and Israel reportedly worked together to attack Iran’s nuclear program. Beginning in the Bush

## RECOMMENDATIONS OF THE HOUSE CYBERSECURITY TASK FORCE

- Adopt incentives to encourage private companies to improve security.
- Consider carefully targeted critical infrastructure regulations.
- Create a third party clearinghouse to facilitate information sharing between public and private sectors.
- Establish legal protections for sharing information.
- Update existing cyber laws to reflect changes in technology.
- Clarify legal authorities to allow for more effective national protection.

administration and accelerating during the Obama administration, Israel and the U.S. worked together to develop and implement a worm to disrupt and damage Iran's nuclear program. Originally introduced through a thumb drive (Iran's Natanz nuclear facility has no connections to the Internet), the worm caused nuclear centrifuges to spin out of control and sometimes self-destruct. For a time, Iran believed it was an error on the part of Iranian engineers. The Stuxnet worm escaped, though, and became public in 2010 when an Iranian engineer connected his laptop to the Natanz facility and later reconnected with the Internet.

**State-on-state cyber attacks have now been publicized, which could lead to a proliferation of events.** However, there are no mutually agreed upon rules to govern when an attack is appropriate. Until we agree on these principles, attacks may be used more frequently.

**The Obama administration established a U.S. government approach to the challenges of cyberspace.** In his first term, President Obama created a White House Cybersecurity Coordinator, completed a "Cyberspace Policy Review," and developed an "International Strategy for Cyberspace."

**Several countries are employing offensive cyber capabilities to breach U.S. corporate and military systems.** Businesses lose between \$6 and \$20 billion each year because of cyber theft. In 2012, General Keith Alexander said "recent events have shown that a purely voluntary and market driven system is not sufficient."

**In 2012, the House of Representatives passed a bill focused only on information sharing.** Business groups pushed back against comprehensive proposals and the House pursued a narrower bill. Privacy groups, however, advocated against it on the grounds that it allowed personal information to be shared with the government without sufficiently limiting its use.

**A bipartisan group of senators began writing legislation in 2008 and it was brought to a vote in the Senate in 2012.** The Chamber of Commerce opposed the

bill—which including voluntary security standards for industry—arguing “a light touch can become very prescriptive.” The bill failed in the Senate when the minority argued they were not being given the opportunity to offer amendments to the bill—even though their amendments included a repeal of health care legislation.

**After Congress failed to act, the President signed an Executive Order to improve U.S. cybersecurity.** In his 2013 State of the Union, President Obama announced an Executive Order that works within existing authorities to share cyber threat information with private entities and develop—in consultation with the private sector—cybersecurity best practices for U.S. critical infrastructure. All of this is done in consultation with the top privacy and civil liberties officials to ensure we do not erode individual rights in the name of security.

In 2012, Russia, Iran, and China attempted to put internet governance under the authority of the United Nations. Their draft rules favored greater censorship and state control over the internet. Western nations refused to sign, instead desiring a multi-stakeholder approach that enables governments, businesses, and NGOs to all have a role in internet governance.



# Immigration & American Strength

## THE FRAME

Our immigration system must enable America to stay the most innovative and secure country on earth. That means welcoming the best and brightest from around the world to study and create jobs in America, creating a common-sense immigration system that regular people can navigate, and keeping out those few who would do us harm while attracting the entrepreneurs and risk-takers who

move from their own countries to contribute to the United States.

**So what should we do?** We need to create a common sense immigration process that meets three needs: 1) Lets in people who will contribute to America, 2) Creates a system with legitimate, legal ways to enter, and strong border controls, so regular people aspiring to be Americans don't resort to illegal means, 3) Addresses immigrants aspiring to



If you only read one thing...

## 5 STRATEGIC NEEDS FOR IMMIGRATION

- Encourage legal immigration by students, entrepreneurs, and others who want to create jobs or work hard and make America great.
- Focus security on all of our borders, airports, and sea ports—not just the southwest.
- Focus law enforcement efforts only on those who pose a danger to public safety or national security.
- Bring people out of the shadows so we know who is in our country.
- The most politically feasible way to create a common-sense immigration process is to give aspiring citizens a roadmap that includes going to the back of the line, learning English, and contributing to America.



citizenship who are already in our country, but are in the shadows because they lack legal status.

## KEY ISSUES



**Immigration is not about keeping people out. It's about keeping America strong, competitive, and true to our founding values.** America is a unique country. Americans are not defined by how they look or where they were born: we are defined by our commitment to our country and our founding values of freedom, equality, and hard work. For two hundred years, America has shown that we are strongest when we have hardworking new immigrants as contributing members of our communities. We benefit when the best and brightest, and those most willing to move and take risks, choose to come to our country to contribute to America.



**The vast majority of immigrants come to America to work hard and create better lives for their families.** Millions of immigrants come here through a legitimate, legal process. Many are job-creators, keeping America on the cutting edge of innovation and benefitting our economy. A study conducted in 2012 showed that immigrant inventors played a role in producing more than 75% of the patents awarded the previous year at America's top research universities.



**Immigration makes America stronger and richer. Immigrants currently contribute \$1 trillion annually to the economy, accounting for about 10% of America's GDP.** Immigration also results in a net gain for the existing native-born population. Naturalized citizens tend to have high levels of education and to work in growth fields such as engineering. Foreign students and entrepreneurs create jobs in America and enable us to maintain world-class status in many areas, particularly science. While immigrants age 25 and above make up about 23% of our population, they constitute about 33% of all engineers. Immigrants also come to America with cultural and language skills that our military and intelligence services need to keep America safe.



### Key messaging

## VOTERS ARE FOCUSED ON TWO THINGS: SECURITY AND FAIRNESS.

- **"Security"** speaks to the sensible center's worry that new American immigrants are lawbreakers.
- **"Fairness"** messaging helps avoid a culture of fear around immigration—and it brings the discussion back to progressive strengths.

**Our current immigration system is a broken patchwork of overregulation and incoherent policies.** We have unrealistic number caps on countries based on where people moved decades ago – closing off the opportunity for legitimate immigration, and making it almost impossible for people with the bad luck to have been born in certain countries to visit or contribute to American. Our current system privileges family members of immigrants still living abroad, over prioritizing and incentivizing the entrepreneurs who will create jobs. For those currently striving for citizenship, the current maze of regulations provides no light at the end of the tunnel – and there’s often no line to even get into for becoming a participating American. In large part because of this broken system, there are approximately 11.5 million people here without legal status, but who aspire to play by the rules and become American citizens – they need a path forward to get out of legal limbo and to earn citizenship.



**Having 11.5 million of people living in legal limbo is bad for security.** Most of aspiring Americans do not pose any security risk. Instead, when millions of these otherwise law-abiding people are stuck in the shadows, they are often afraid to report crimes or appear as witnesses in criminal cases; letting actual criminals go free. Moreover, it is harder for enforcement officials to identify the real threats: those with criminal records or potential involvement with terrorism. Lack of legal status also enables white collar criminals to exploit these workers. Too many businesses and employers avoid playing by the rules, exploiting these aspiring citizens and undercutting the wages of other American workers.



**For the small number of people who are security risks, our top security imperatives are strong controls at ALL of our borders, and knowing who is here.** Every country needs to control its borders. But the southwestern border is not our main security problem – we need to secure all points of entry. The September 11th hijackers came to the U.S. through our airports with passports and visas, some valid and some invalid. Other terrorists have tried to enter through Canada. More than 40% of those in the U.S. currently without proper immigration status originally came



## WHY NOT A WALL?

- While a wall creates a physical obstacle, it won’t keep out those who are most determined to enter—particularly terrorists, who will exploit other borders in the north as well as shipping port entries.
- Drug dealers and criminals have already tunneled under existing border fences. And the majority of illegal drugs actually get here, undetected, through official points of entry.
- The U.S. government has already spent over \$1 billion on the existing border “fence,” which includes 10,000 ground sensors and thousands of night-vision cameras.



here on legitimate visas and overstayed. Fences and guard towers are not the answer for real security: immigration security begins when someone requests a visa, comes into an airport, or crosses any point of entry. We need to invest in the people and technologies that process visas, monitor databases, and alert our security agencies when something isn't right.

## THE POLICY LANDSCAPE & RECOMMENDATIONS



**We must fix the system so there are legitimate, secure, and simplified ways to enter.** We should welcome entrepreneurs, engineers, and those with advanced skill sets who want to contribute to America, and who aspire to become citizens. That means balancing priorities such as uniting families alongside our goals for growth and job creation. We must also adjust the outdated limits and quotas we place on individual countries. A viable immigration process requires legitimate, legal ways for people a fair chance to come – from countries next door, as well as from far corners of the world – and contribute to the United States.



**Attempting to deport 11.5 million people is unrealistic, inhumane, and is an unpopular option with voters.** This approach wastes law enforcement resources and money. Attempting to deport every individual who has fallen out of status would cost about \$200 billion, and would enormously burden our nation's law enforcement. Moreover, it splits up families and pushes people even further into the shadows. Recent polling shows that between 62% and 66% of voters—including a majority of independents—believe creating a common-sense immigration process should include a roadmap to citizenship for those already here. In a 2013 poll, only 17% of voters supported deporting all individuals who came to the U.S. illegally.



**Law enforcement officials should prioritize the real threats: people with criminal records and those who pose a national security threat.** We should avoid tying up local law enforcement officers with enforcing federal immigration policy. Tasking local police with inquiring about immigration status distracts officers from their

number one priority: keeping local communities safe. As a report by the Major Cities Police Chiefs put it, a breakdown in trust “between the local police and immigrant groups would result in increased crime against immigrants and in the broader community, create a class of silent victims and eliminate the potential for assistance from immigrants in solving crimes or preventing future terrorist attacks.”



**We must crack down on employers who break the law.** Employers who hire new American immigrants at below legal pay undercut the wages of other Americans, and exploit the most vulnerable among us. It is not fair to our employers and businesses that do follow the law to allow those who break it to go unpunished. The federal E-Verify program, which allows employers to check potential employees’ immigration status against government records, offers a promising way forward. But we must also ensure that this technology is used responsibly, includes robust privacy protections, draws from accurate databases, and does not mistakenly flag citizens and green card holders.



**We need a roadmap to citizenship for the 11.5 million who are already here and live in legal limbo.** We must create a way for aspiring citizens to play by the rules and integrate into mainstream American society. Most Americans believe that earning citizenship should require learning English and undergoing a criminal background check; for those who entered the country and are currently out of status, it should also require contributing to America. For economic reasons, it may also make sense to create a targeted guest worker program for agricultural and other sectors that use seasonal workforces.



**The vast majority of Americans believe that young people who were brought here from abroad as children, and who wish to attend college or join the military, should be allowed to stay without fear of deportation.** The Obama administration issued guidance in 2012 that halts deportation proceedings against those who 1) are under age 30 and were brought here before age 16; 2) have lived here for at least 5 years; 3) are in school, are high school graduates, or are military



#### Key fact

The Department of Defense reported that, as of June 2010, there were 16,500 non-citizens serving in the U.S. military, many of whom enlisted as part of their path to citizenship.

veterans in good standing; and 4) have no criminal record. This allows young aspiring citizens to work legally and obtain driver's licenses—but only an act of Congress can provide a roadmap to full citizenship, or even permanent residence.



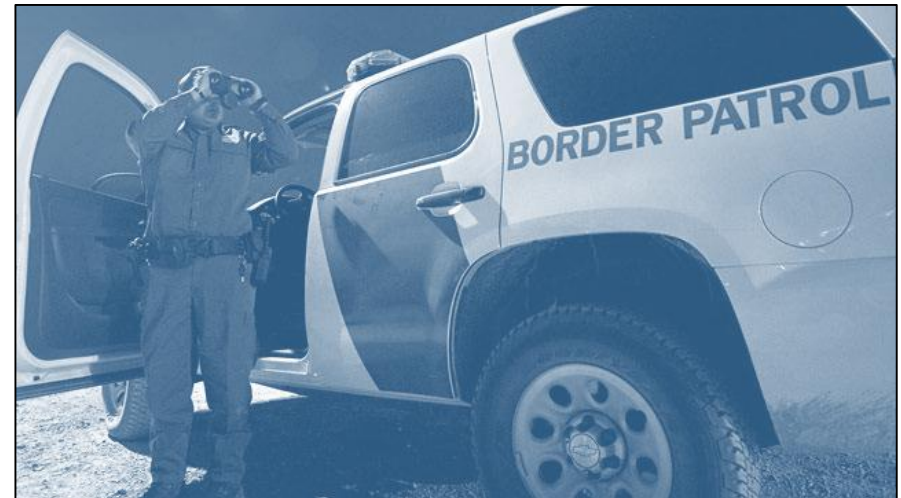
**We should improve our refugee process, particularly prioritizing those who have risked their lives overseas by helping the U.S. military.** Many Iraqis and Afghans put their lives at risk by helping American military efforts. As we have wound down these conflicts, some of these brave men and women remain at risk and have sought asylum. We must make sure their applications, and those of their family members, do not get caught up in red tape. More generally, we must make sure our asylum process is fair and humane to refugees who have come here seeking freedom and safety.

## KEY PLAYERS

**The Department of Homeland Security.** DHS guards our borders, identifies illegal substances being smuggled into the country, and apprehends individuals who attempt to enter the U.S. illegally.

**U.S. Immigration and Customs Enforcement (ICE).** ICE is within the Department of Homeland Security. It enforces worksite laws, and it identifies, detains, and removes individuals who are here without proper authorization. Much of our immigration policy depends upon how ICE defines its enforcement priorities—particularly by focusing on those who have committed crimes or who pose a threat to national security.

**U.S. Citizenship and Immigration Services (USCIS).** Within the Department of Homeland Security, USCIS processes visa petitions, naturalization petitions and asylum and refugee applications.



**U.S. Customs and Border Protection (CBP).** Also within the Department of Homeland Security, CBP conducts inspections at our borders. Border patrol falls within CBP as well.

**The Department of Defense.** The National Guard is state-run. But when the President sends National Guardsmen to patrol the border—as President Obama has done—they fall under the authority of the Department of Defense.

**The Department of State.** State reviews and processes the applications of those seeking visas to travel to the U.S., and also processes refugee requests. The Department of Homeland Security, however, makes the final determination on admissions.

**The Department of Justice.** Justice oversees the U.S. immigration court system.

**The Department of Labor.** Labor coordinates with the Department of Homeland Security on temporary worker visa programs.

**State and local governments.** State and local governments play an important role in our national immigration policy. In general, a state cannot pass a law that undermines federal policy or takes enforcement discretion away from the federal government. That is why the Supreme Court struck down much of Arizona’s harsh new immigration law in 2012. At the same time, the federal government cannot force state and local officials to carry out immigration enforcement. State and local officials can prioritize community safety by directing officials not to expend time and money inquiring about the immigration status of local residents.



## GOING DEEP: BACKGROUND & CONTEXT

**Immigration has always made America stronger.** For centuries, people from all over the world have been coming to America in search of new opportunities and a better life. By attracting some of the hardest working and most entrepreneurial

individuals from every country, we have expanded our economy and become stronger as a nation. America has always found a way to balance the pressures of absorbing large numbers of new Americans with a policy of continuing to welcome others from abroad.

**In 1986, Congress passed and President Reagan signed the Immigration Reform and Control Act (IRCA).** IRCA cracked down on employers who hired individuals without the proper immigration status to work legally, and provided for more robust border protection. It also provided a roadmap to legitimate status for those who had been living in the U.S. since before 1982. This process required relevant individuals to pay a filing fee, to demonstrate good moral character and knowledge of American civics, and to learn English. The law also contained provisions concerning seasonal agricultural workers.

**We already spend billions of dollars and tremendous resources on border enforcement.** Spending on border security has increased 10-fold since 1993, to about \$3.6 billion per year, including over \$1 billion on a border “fence” that includes motion sensors and infra-red cameras. The Obama administration has also deported over 1 million people in the past four years; each deportation costs the U.S. government an average of about \$23,000 – including costs of apprehension, detention, deportation proceedings, and transportation. Despite these record levels of resources, however, border defense and deportation alone cannot solve all the challenges we face; and they certainly cannot harness the opportunities that creating a common-sense immigration process would bring for all Americans.

**Recent attempts at fixing the immigration system have failed.** In 2006, both chambers of Congress passed bills but could not agree upon a final bill to send to the President. Further attempts in 2009 never solidified.

**But creating a common-sense immigration process is a priority in 2013.** Following the 2012 election, leaders from both political parties have expressed enthusiasm for creating a common-sense immigration process. Exit polling from the



## Key facts

### THE U.S. POPULATION

- Native born: 269 million
  - Every month, 50,000 U.S.-born Latinos turn 18 and become eligible to vote.
- Legal immigrants: 28 million
- Immigrants currently out of status: 11.5 million

election revealed that, by a margin of 2-1, voters think aspiring Americans who are currently in legal limbo should be offered a roadmap to legitimate status. Even more agree that those who were brought here as children should be allowed to stay without fear of deportation.





# Nuclear Nonproliferation

## THE FRAME

During the Cold War, the Soviet Union and U.S. promised cataclysmic retaliation if either used nuclear weapons. Most experts believed that this “mutually assured destruction”, deterred open war



between major powers. Today, however, our threats are from nuclear terrorism and the proliferation of new nuclear states, from North Korea to Pakistan. Large nuclear weapons stockpiles are now a danger, not a deterrent. Old ways of thinking need to change for 21st century security.

Today, we face two nuclear challenges. Many more countries have gained or are working to build nuclear weapons, seeing them as status symbols and insurance against U.S. attack. Terrorists are also seeking nuclear weapons: before his death Osama bin Laden urged his followers to acquire a nuclear device. Terrorist groups



If you only read one thing...

## A CHANGING WORLD

- During the Cold War, nuclear weapons helped keep us safe.
- Today, nuclear terrorism poses serious threats to U.S. security.
- Nuclear proliferation increases the chances of theft or sale on the black market.

## 21<sup>ST</sup> CENTURY SECURITY

- Reduce the number of nuclear weapons around the world.
- Secure loose nuclear material and technology.
- Maintain our “nuclear umbrella” so our allies feel secure.

don't control territory or need to provide for a local population, so they are not deterred by the threat of nuclear retaliation – they might use a weapon. The expansion of state-sponsored nuclear programs and growth of the nuclear black market have increased opportunities for terrorists to get nuclear material. Meanwhile, we need to deter states from proliferating by making nuclear weapons less of a status symbol. Reducing nuclear stockpiles and controlling loose nuclear material is now a key security goal.

**So what should we do?** The threat of loose nuclear material and the sheer number of nuclear weapons in the world that could fall into the wrong hands puts us in danger. Working with allies to reduce the number of nuclear weapons and secure nuclear material is in our security interest.

## KEY ISSUES



**Terrorists want a nuclear weapon and they may use it if they get one.** Al Qaeda has been trying to get a nuclear weapon since the mid-1990s. Osama bin Laden said it was a “religious duty” to obtain a nuclear weapon, and al Qaeda’s current leader, Ayman al-Zawahiri, wrote a book authorizing the killing of American civilians with a nuclear weapon. Terrorists have few disincentives to use a nuclear weapon: they have no country for us to retaliate against and no population they must protect.



**The spread of nuclear material makes it more possible for al Qaeda to get a bomb or create a dirty bomb.** Since the 1980s, a nuclear black market has developed that has provided nuclear material from countries such as Pakistan and North Korea to other entities trying to acquire nuclear weapons. A wide range of companies, smugglers, and illegal arms brokers across many countries have participated in this black market.

The nuclear black market gives terrorist groups and rogue states more opportunities to acquire nuclear material. The nine nuclear states have about 23,000 nuclear



### Key facts

**9 countries have nuclear weapons.**

#### Nuclear Inventories

Russia	8,500
United States	7,700
France	300
China	240
United Kingdom	225
Israel	80*
Pakistan	90-110
India	80-100
North Korea	<10

\* Israel is not a declared nuclear state, but they are widely believed to have nuclear weapons.

Source: Federation of American Scientists, “Status of World Nuclear Forces End-2012”

weapons between them, but there is enough highly enriched uranium and plutonium around the world to make approximately 100,000 more. While building and using a nuclear bomb would be difficult for terrorist groups, making a “dirty bomb” – a regular bomb encased with nuclear waste or nuclear material – is not difficult and could cause immense damage.



**Global nuclear technology—even for civilian use—increases the risk of proliferation.** Making nuclear reactor fuel uses the same enrichment technology as making weapons-usable highly enriched uranium and irradiating fuel in a reactor produces weapons-usable plutonium. Businesses are experimenting with making nuclear energy plants small enough to fit in a truck-borne shipping container, increasing the potential for proliferation. The spread of nuclear energy creates a major challenge for reducing the spread of nuclear technology and increases the risk that nuclear materials and technologies will fall into the wrong hands.



**Rogue states and some states in tense regions may also be interested in acquiring nuclear capabilities.** The technology needed for a nuclear weapon is often associated with national prestige. Small states want to acquire this technology to bolster their standing in the international community. Nuclear weapons are also a great equalizer against a rival that has superior conventional military capabilities. Countries like Pakistan view nuclear weapons as a less expensive way to counter the threat from larger conventional militaries, such as from India. Finally, as Iran’s nuclear intentions remain uncertain, a series of countries in the Middle East appear to be preparing to build nuclear power as a way of hedging their bets and enabling a move to nuclear weapons if needed.



## THE POLICY LANDSCAPE & RECOMMENDATIONS

**Some say the U.S. nuclear arsenal should be both maintained and updated, at great cost.** A common argument is that decreasing our stockpile will make us less safe and signals a decrease in international stature. These advocates often call for

Nuclear weapons don’t help in the fight against terrorists. They are more a part of the past than the future.

large investments to upgrade our nuclear arsenal to ensure preparedness against future threats. However, the number of nuclear weapons today make the world more dangerous and nontraditional enemies like terrorists are not deterred by them.



**Too many nuclear weapons now make the world more dangerous, and terrorists are not deterred by them.** In the 20<sup>th</sup> century, nuclear weapons were a key to preventing the Cold War from going hot. With the U.S. and the Soviet Union holding huge stockpiles, there were great incentives to avoid a war. That same situation does not exist in the 21<sup>st</sup> century with any of our adversaries or rivals. We are not worried about nuclear war with Russia and our arsenal is 40 times larger than that of China. Countries such as North Korea and Iran do not need thousands of nuclear weapons to be deterred; a smaller number is sufficient. On the other hand, our nuclear arsenal is hardly effective in dissuading terrorist groups. Terrorists are spread across the world, live within civilian populations, and terrorist groups don't have a return address. Unlike the Soviet Union during Cold War, they are not deterred by our nuclear weapons.



**Our first priority should be securing loose nuclear material.** Al Qaeda wants a nuclear weapon, and they may use one if they get it. This makes **Cooperative Threat Reduction** (see sidebar) programs a national priority. They help foreign governments dismantle their nuclear weapons programs and make loose nuclear material, technology, and expertise less accessible to both states and terrorists.



**Reduce overall U.S. stocks of nuclear weapons, for reasons of security and cost.** Large, global stockpiles make it far easier for a nuclear weapon to slip into the hands of terrorists. There have been numerous instances in which nuclear states, including the U.S., have lost visibility of their nuclear weapons. America can better maintain our security with fewer nuclear weapons worldwide.



#### Key fact

**Cooperative Threat Reduction programs (also referred to as Nunn-Lugar) are a bipartisan approach to securing loose nuclear, chemical, and biological material.** They purchase nuclear material from countries which no longer want a robust nuclear program or have no way to store or protect it. This ensures that poorly guarded weapons and material aren't vulnerable to theft or sale on the black market.

Without an enemy like the Soviet Union, we don't need as many nukes. And they're incredibly expensive to maintain. We need to spend money on weapons that match the threats we face today.

Our nuclear stockpile encourages Russia to maintain over ten thousand weapons—yet Russia has a bloated Cold War nuclear complex that poses risks of proliferation to both states and terrorists. Additionally, many terrorist organizations operate along Russia’s borders. Reducing our stockpile would save billions of dollars while encouraging Russia to reduce theirs. In a time of tight budget constraints, these are smart cuts.



**Support stronger monitoring and verification capabilities.** There are effective international programs in place to track the spread of nuclear technology and materials, but the prestige and power that come with acquiring a nuclear weapon creates incentives to cheat the system. International treaties that improve monitoring systems, ban the testing of nuclear weapons, and halt the production of new weapons material will make America safer. The U.S. should also pursue globally-respected standards for securing nuclear material. Currently, there are only voluntary guidelines and laws within individual countries. To improve American security we need a set of adhered-to global standards.



**New programs to modernize weapons are unnecessary and out of touch with the current security climate.** We already have programs that work to keep our current stockpile up-to-date. Through the Stockpile Stewardship Program, the Department of Energy ensures the long-term safety and reliability of our nuclear weapons. Experts maintain that, even with a ban on explosive testing, the U.S. can be highly confident in the reliability and performance of our nuclear weapons. However, our nuclear infrastructure in many cases is decrepit and needs updating. We need to consolidate and downsize our infrastructure, while updating some aspects of it to make our nuclear umbrella safe, credible, and less of a threat.

## KEY PLAYERS

**The Department of Defense.** DoD is responsible for securing the U.S. nuclear stockpile, administering the strategic nuclear triad (bomber aircraft, land-based

**Loss or theft of a nuclear weapon is a possibility.** There have been numerous incidents of nuclear security lapses in the United States and other nuclear countries. In August 2007, a U.S. bomber mistakenly transported six nuclear-armed missiles from North Dakota to Louisiana. In 2011, protestors broke into a French nuclear facility to expose its security flaws. And in July 2012, in the worst security breach in the history of the U.S. nuclear program, an 82 year-old nun, together with two compatriots, broke into one of the most sensitive facilities in the nuclear weapons complex and defaced a bunker storing highly enriched uranium components for nuclear weapons.

missiles, and nuclear-armed submarines) and a small number of sub-strategic nuclear forces, executing Cooperative Threat Reduction programs, which reduce loose nuclear material, as well as other nuclear, biological, and chemical weapons threats around the world.

**National Nuclear Security Administration (NNSA).** NNSA—an independent entity within the Department of Energy—maintains security at U.S. national laboratories and other nuclear facilities and has responsibility for designing, testing, and producing nuclear weapons. The National Nuclear Security administration also prevents nuclear terrorism by upgrading nuclear security overseas, removing nuclear material from international facilities, and converting research reactors from weapons-usable highly enriched uranium to low enriched uranium fuel.

**The Nuclear Regulatory Commission.** The NRC is an independent agency that regulates the use of nuclear technology for non-military purposes, including setting safety and security standards for civilian nuclear power sites.

**The Department of Homeland Security.** DHS monitors borders, port security and other entry points to ensure nuclear material is not smuggled into the United States.

**The International Atomic Energy Agency.** The IAEA is the primary international body promoting nuclear security through international inspections, training, tracking international proliferation, promoting safety, and helping countries realize the peaceful benefits of nuclear technology.



## GOING DEEP: BACKGROUND & CONTEXT

**World War II brought about the nuclear age.** After America discovered that Germany was attempting to build a nuclear weapon during World War II, President Roosevelt created the Manhattan Project to develop an American weapon first. President Truman deployed the only two nuclear weapons ever used in war when

he dropped two nuclear bombs on Hiroshima and Nagasaki in 1945 to bring an end to the Pacific War and avoid an invasion of Japan.

**Nuclear weapons were considered a valuable deterrent during the Cold War.** Over 70,000 nuclear weapons were built during the Cold War. Many believe that the devastatingly large nuclear stockpiles held by the U.S. and Soviet Union prevented the two superpowers from going to war.

**The United States has three means of delivering a nuclear weapon.** The Air Force controls Intercontinental Ballistic Missiles that can deliver nuclear weapons to targets around the world and a nuclear-capable long-range bomber fleet, as well as the small number of sub-strategic nuclear gravity bombs the U.S. forward deploys with NATO allies. Navy Ballistic Missile Submarines form the third leg of the “nuclear triad,” ensuring that we can retaliate even if the U.S. homeland is attacked.

**The Cuban Missile Crisis is the closest we have come to nuclear war.** In 1962, the Soviets brought nuclear weapons to Cuba. The ensuing two-week stand-off between the Soviets and the Kennedy administration is the closest the world has come to a nuclear war. It also convinced both sides that a continued arms race could lead to an actual war and led to a new interest in nuclear arms control.

**America signed the Nuclear Nonproliferation Treaty in the late 1960s.** The treaty says that nuclear weapons states will work toward the goal of eliminating their weapons. (South Africa is the only country to have completely disarmed thus far.) Though it does not specify a mechanism for disarmament, it also does not call on states to unilaterally disarm. Instead, it commits them to working together to reduce the number of weapons worldwide.

Countries that joined the treaty as non-nuclear weapons states committed not to acquire nuclear weapons, though still had access to civilian nuclear technology. Three nuclear states (India, Pakistan, and Israel) acquired weapons outside of the

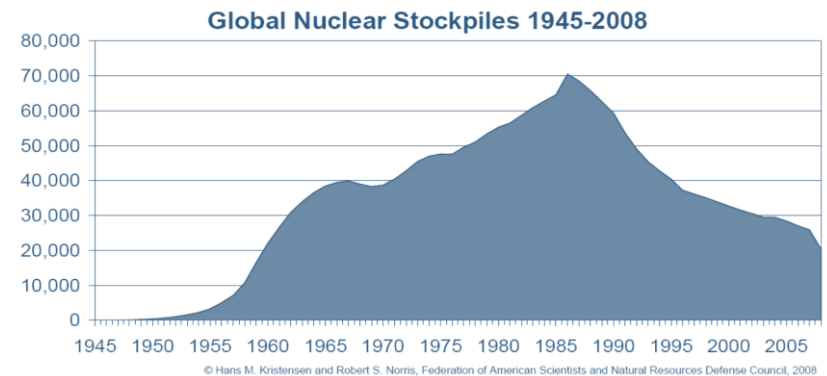


treaty; North Korea is the only signatory to withdraw from the treaty and subsequently develop a weapon.

**President Reagan worked with the Soviets to reduce American and Soviet weapons.** He began negotiating the START Treaty with the Soviets, which limits the warheads and delivery vehicles the U.S. and Russia can maintain. It also allows the countries to inspect each other's nuclear facilities. Since Russia and the U.S. have about 95% of the world's nuclear weapons, reductions worldwide will largely entail reductions by Russia and the U.S.

**The nuclear black market began as early as the mid-1980s.** A nuclear scientist named A.Q. Khan helped Pakistan develop its nuclear weapon. Unlike other scientists, however, he began selling the technology needed to make a nuclear weapon on the black market. Khan's network is credited for supplying the technology that assisted nuclear programs in North Korea and Iran.

**Bipartisan security leaders now see nuclear weapons as making the world more dangerous.** In 2007, former Secretary of State Henry Kissinger, former Senator Sam Nunn, former Secretary of Defense William Perry, and former Secretary of State George Shultz wrote that they believed the U.S. needed to rid itself of nuclear weapons to ensure our security. In 2009, President Obama laid out a vision for a nuclear weapons-free world and in 2010, 47 countries pledged to secure all loose nuclear material by 2014.



# Al Qaeda in 2013

## THE FRAME

Al Qaeda, once the most effective terrorist organization in the world, has been severely weakened since 9/11. The U.S. military campaign in Afghanistan and covert operations around the world have left what remains of their command hierarchy strained, making it harder for senior leadership to plan attacks. Nevertheless, al Qaeda and affiliated groups remain dangerous. The Arab



Spring was a rejection of al Qaeda, but the new post-revolution security environment creates new opportunities for instability, in which al Qaeda could once again thrive. We must work to ensure they cannot secure new footholds in areas of instability around the world.



If you only read one thing...

## AL QAEDA IS WEAKENED...

- Operation Enduring Freedom has denied al Qaeda a safe haven in Afghanistan.
- Al Qaeda's ideology and methodology both failed to gain broad support in Muslim-majority countries.
- Covert action, especially by the CIA and the Joint Special Operations Command (JSOC), has decimated al Qaeda's leadership, even outside established warzones.

## ...BUT REMAINS A THREAT TO AMERICA AND OUR ALLIES

- Al Qaeda affiliates in the Middle East, Africa, & East Asia still seek to attack the U.S. and our overseas interests.
- Instability and failed states in those regions risk becoming al Qaeda footholds.
- Efforts to minimize civilian casualties in our counterterrorism operations are essential fighting al Qaeda, especially outside of traditional warzones.

## KEY ISSUES

**Al Qaeda Central has been decimated by the war in Afghanistan and the use of Unmanned Aerial Vehicles (UAVs) in Pakistan.** Of the 30 top leaders of al Qaeda, 22 are dead. Osama bin Laden has been killed, and the remaining senior leaders of al Qaeda Central are on the run, and far less effective than before. UAVs focused on targeted killings have played an important role – but civilian deaths also fuel al Qaeda recruitment, and thus these killings are a poor long-term strategy.

**Our success at fighting al Qaeda's central leadership has led to greater fragmentation of an already diffuse organization.** Though not as capable as al Qaeda Central was ten years ago, these al Qaeda “franchises” remain a threat to American security, and to the regional stability of the areas in which they operate. These affiliates (described in the “Countries and Affiliates” section below) lack the discipline and resources that characterized al Qaeda ten years ago, but they remain determined, and in some cases even aspire, to function as governments in the areas they inhabit. Generally, it would be a mistake to assume that al Qaeda “affiliates” follow the orders of a central al Qaeda command; relationships are much less direct than that.



**Al Qaeda franchises affiliate with local grievances to spread rapidly.** In Mali, for instance, where existing national divisions fall along ethnic and religious, rather than tribal, lines, al Qaeda has adopted the trappings of an ethnic nationalist movement, affiliating itself with members of the Taureg ethnicity, a population of Muslim Berbers who live in Northern Mali. By joining a regional conflict, al Qaeda in the Islamic Maghreb (AQIM) hopes to secure the friendship of Taureg political and military leaders, which would allow them to operate with impunity in Northern Mali. As in Yemen, the conflict stems chiefly from an unequal distribution of power and resources, meaning that here, too, development assistance and the strengthening of inclusive political institutions would likely ease the political discord on which al Qaeda thrives.

Ensuring weak states don't become failed states is essential to denying al Qaeda a safe haven

**Al Qaeda's ideology also continues to inspire "lone wolves" in the west.** Often driven by a sense of dishonor, individuals continue to be drawn to al Qaeda's violent ideology. They are recruited to the cause largely through websites. These sites are hard to shut down, both because of the nature of the internet and ability of anyone to put up a new site, and because our intelligence community watches these sites to gain understanding of domestic threats.

**Al Qaeda's brand has been badly damaged in Muslim-majority countries.** Al Qaeda has made itself far less attractive in Muslim-majority countries because of 1) Their choice to kill other Muslims, starting with their terror against Iraqis during the Iraq war, and 2) The success of the peaceful Arab Spring protests to dislodge hated local rulers, when al Qaeda's violent tactics had failed.



Polling shows that in every Muslim-majority country, the number of people with positive feelings towards Osama bin Laden plummeted after 2003, falling in Jordan from 56% to 24% in three years. In Turkey, support fell from 15% to 3% during the same period. Thus, while much of the region rejected the Global War on Terror, there was also, in large part, a rejection of violent Islamic extremism, and al Qaeda especially. Even in Pakistan, al Qaeda is not popular: in 2012, only 13% of Pakistanis had a favorable view of al Qaeda, compared to 55% with an unfavorable view.



**Therefore, al Qaeda is most able to gain a foothold, and thus increase its capacity, in failed states and places where corruption fuels deeply unequal societies.** The states in which al Qaeda affiliates have gained traction include Yemen, Somalia, and parts of Mali – all with weak central governments that lack the capacity to project power into many regions of the country. The absence of a national military or police presence allows al Qaeda to operate unimpeded, while the poverty and violence generated by regional conflicts make these areas ideal for al Qaeda to recruit and promote its radical ideology, in part by providing food, water, and education, thus filling the gaps left by an absent state.

Al Qaeda's ability to launch occasional, smaller attacks should not be confused with the resurrection of al Qaeda as a strong terrorist organization

In Yemen, for instance, where the state had withdrawn from many rural areas, al Qaeda in the Arabian Peninsula (AQAP) won support by digging wells and providing school teachers. Naturally, they taught their own radical form of Islam, and used their power to recruit young Yemeni men to commit acts of terrorism. As in previous cases, AQAP's radical beliefs and oppressive system of governance alienated locals, allowing the government to drive out al Qaeda after a brief military campaign in 2011 and early 2012. But adequate government services might have prevented the infiltration of al Qaeda agents in the first place.

**Within these countries, a sense of dishonor, and knowledge of someone else who has joined the cause, tends to fuel recruitment.** People who have lost family members to state-sponsored violence, including drone strikes, are also extremely susceptible to al Qaeda recruitment.

In the cases in which individuals or communities have been receptive to al Qaeda's radical messages, it has usually been because violence has continued for so long that the community is willing to turn to any strong force to stop the fighting, as with Somalia or Afghanistan following the Soviet invasion. A deep sense of government injustice, often due to corruption, can also fuel support for extremist leaders, who are sometimes seen as less corruptible than secular forces. For this reason, it is clear that international efforts at creating clean and able government will be critical to the defeat of al Qaeda.

## THE POLICY LANDSCAPE & RECOMMENDATIONS



**The fight against al Qaeda is not over, even with Osama Bin Laden dead.** There is opportunity in this new chapter to degrade al Qaeda to the point that it is a low-level and manageable threat. U.S. national security and law enforcement agencies have improved dramatically since 9/11, but more can be done to ensure an effective, principled approach.



**“Military-only” (i.e. kinetic) strategies are expensive and can ultimately be counter-productive.** “Large footprint” expeditionary military operations against violent non-state actors are no longer as feasible in a time of budgetary restraint. But more importantly, these can easily be counter-productive by driving “neutrals” into the arms of extremist organizations through heavy-handed means. By making locals feel dishonored, we increase al Qaeda recruitment. We also reduce our ability to respond nimbly to a moving threat.



**Non-kinetic means and capabilities need more support in the U.S. government.** Fighting corruption and failed states is crucial to fighting al Qaeda. This means we need more support for development, diplomacy, security cooperation assistance, and strategic communications. The aim should be to deny militants a pool of recruits rather than only killing people once they are already targeting the U.S. or our allies.



**A robust legal framework should guide the use of targeted UAV strikes.** Targeted killings can be effective – but the civilian deaths they often cause also drives terrorist recruitment. Moreover, targeted strikes might be used against the U.S. at some point, as the technology is easy to obtain. Therefore, we need strengthened congressional oversight of these programs, expanded to include all committees with appropriate jurisdiction. This is particularly true in situations where American citizens may have joined militant organizations. Guided by a strong system of checks and balances, targeted strikes by UAVs should be nested in a larger regional strategy for countering violent extremism that also incorporates diplomacy, development, and security cooperation.

## KEY PEOPLE

**Osama Bin Laden** was the head of al Qaeda and was killed in a SEAL Team 6 raid in May 2011 in a home in a Pakistani town where he was believed to be hiding for years. Bin Laden, a Saudi national, was a highly revered figure in the movement who

got his start supporting the Afghan mujahedeen during the Soviet-Afghan War in the 1980s.

**Ayman al Zawahiri (Eye-man Al Za-Wa-Here-EE)** is the current head of al Qaeda. This longtime associate of Bin Laden is a medical doctor from Egypt, where he headed the once-deadly militant organization, al Jihad. He is believed to be in hiding in Pakistan.

**‘Abd al-Malik Drukdal (Ab-Dal Mal-Ek Drook-Daal)** is the leader of al Qaeda in the Islamic Maghreb (AQIM), which is the al Qaeda affiliate organization in North Africa and the Sahel region, and is a State Department-designated Foreign Terrorist Organization.

**Abu Du’a (Ab-OO DOO-AH)** is the leader of both al Qaeda in Iraq (AQI) and the Syrian jihadist group, the al Nusra Front, both of which are designated as Foreign Terrorist Organizations by the U.S. State Department.

## BACKGROUND

**Al Qaeda formed in reaction to the first Gulf War.** Osama bin Laden recruited followers who felt dishonored by Western presence in holy places such as Saudi Arabia. That sense of dishonor when Westerners desecrate Islamic objects or knock down doors to a home in the middle of the night remains a powerful recruiting tool.

**In 2001, al Qaeda had an extensive network in Afghanistan, and friendly relations with the ruling Taliban government.** Al Qaeda had moved to Sudan and eventually to Afghanistan, where local practice was closest to and favorable towards its radical interpretations of Islam. In Afghanistan, they trained and prepared for terrorist attacks with impunity, and on September 11th they used that capacity to commit the worst acts of terrorism in American history. Our winter military

campaign ousted the Taliban, and scattered al Qaeda, forcing them into hiding in the mountains of eastern Afghanistan and Northwestern Pakistan.

**We successfully fought al Qaeda Central in Afghanistan.** Our troops hunted al Qaeda members across Afghanistan, and successfully drove them from their camps and bases. Since then, a combination of direct military action, covert action, and targeted strikes, chiefly by UAVs, have killed many of their top commanders and ideological leaders, including 22 of al Qaeda's top 30 leaders.

**The invasion of Iraq led al Qaeda to change its tactics.** The al Qaeda franchise al Qaeda in Iraq (AQI) formed, and began targeting not only U.S. servicemembers, but Iraqis whom they believed to be complicit in our operations there. Despite the unpopularity of the Iraq War in much of the Arab world, AQI's tactics were even more unpopular, as they led inevitably to the killing of large numbers of civilians.

**The killing of Osama bin Laden dealt a major blow to al Qaeda Central, but has not stopped local insurgencies from affiliating, or lone-wolf recruitment.** Though no longer in charge of al Qaeda's day-to-day operations, bin Laden had remained the spiritual leader of the organization, and an influential figure within the international jihadist community. For many in the United States and around the world, bin Laden's longevity represented a major symbolic and practical failure of the American mission in Afghanistan, and war on al Qaeda. President Obama made killing Bin Laden a major priority and, through the hard work of our intelligence community and military, we accomplished that goal in 2011.

Bin Laden's death sent a powerful message that any who target civilians in terrorists attacks can eventually be found and brought to justice. It has not, however, stopped the fragmentation of al Qaeda into local affiliates that remain dangerous; it has also not curbed the appeal of violent extremism for many lone wolf terrorists.





## COUNTRIES & AFFILIATES

### **Pakistan & Al Qaeda Central**

Despite the death of bin Laden in 2011, Pakistan has remained the primary base for the central leadership of al Qaeda. This relatively small cell includes most of al Qaeda's founding members – including the current leader, Al Zawahiri – but its relevance has been challenged by intense pressure from the U.S. and the growing autonomy of its affiliates. Al Qaeda Central works closely with the Islamist insurgent groups in that region, including the Afghan Taliban, the Pakistani Taliban, and others. Pakistan's relationship with violent non-state proxies like Lashkar-e-Taiba (LeT), the group responsible for the 2008 Mumbai attacks, complicates the US-Pakistani counterterrorism relationship.

### **Yemen & Al Qaeda in the Arabian Peninsula**

Al Qaeda in the Arabian Peninsula (AQAP) is often said to be the most dangerous affiliate, having dispatched the “underwear bomber” on a Detroit-bound flight in 2010. AQAP is based in Yemen but has close ties to Saudi al Qaeda operatives. AQAP has capitalized on instability and the ineffectiveness of the government and seized parts of southern Yemen. The U.S. is working closely with the Yemeni security forces to combat the group. Targeted strikes by American UAVs have played an important role in fighting al Qaeda in Yemen, and though controversial, they are less uniformly opposed in Yemen than in Pakistan.

### **Somalia and Al Shabaab**

Somalia has long been a failed state and a home to violent groups. The now-infamous Battle of Mogadishu in 1993 witnessed the Black Hawk Down incident. Al Shabaab has since controlled significant portions of southern Somalia and was added to the State Department's list of terrorist organizations in 2008. In early 2012, they formally declared allegiance to al Qaeda. This is believed to be largely a symbolic move, but the presence of some Somali fighters across the Gulf of Aden in Yemen has offered some credence to this alliance. Though the new government of

Somalia has had some success at consolidating its hold of the capital, Mogadishu, and the surrounding areas, al Shabaab remains the most powerful group and de facto government in much of southern Somalia.

### **Mali, Algeria, and al Qaeda in the Islamic Maghreb**

Al Qaeda in the Islamic Maghreb (AQIM) is based in Algeria with a presence throughout the Sahel region in western Africa. Through its involvement in an ongoing civil war in Mali and a week-long hostage crisis at an Algerian energy facility, the group has dramatically boosted its international credibility and strength in the last year. Significantly, the latter event exposed tensions between the Algerian security forces and their Western counterparts.

The ongoing civil war in Mali led to a French-led intervention in January 2013, with logistics and intelligence support from the U.S. military and intelligence community. The key factions fighting the central government are tied to al Qaeda, including AQIM and its splinter faction, the Movement for Unity and Jihad in West Africa (MUJAO). As with Yemen, the conflict goes far beyond al Qaeda. Members of the Tuareg ethnic group via the National Movement for the Liberation of Azawad (MNLA) are also a major part of the conflict. Ansar Deen is a violent Islamist group comprised of both Tuaregs and Arabs with ties to AQIM.

### **Iraq & Al Qaeda in Iraq**

Al Qaeda in Iraq (AQI), forged during the U.S. intervention and occupation, remains an obstacle to peace in Iraq. While the group lost significant native Sunni support during the 2006-7 “surge” and the Anbar Awakening movement, the group still routinely launches deadly bombings across Iraq. These attacks, however, are less likely to be “front page news” now that American troops are no longer in Iraq.

### **Syria & Jabhat al-Nusra**

Jabhat al-Nusra has developed into one of the most effective opposition groups fighting against Syria’s Assad regime and is said to receive support from Gulf and

Turkish donors. The group has thousands of fighters, many of them AQI veterans. The group is led by Abu Du'a, the head of al Qaeda in Iraq. Al Nusra has been designated by the State Department as a Foreign Terrorist Organization. Their prominence in the armed opposition has complicated U.S. efforts to support the Syrian opposition.

# Afghanistan

## THE FRAME

America was justified in responding to the September 11 attacks with a clear mission. We drove al Qaeda from its base area in Afghanistan and are ensuring they can never target the U.S. from their soil again. U.S. and other NATO combat troops are set to withdraw by the end of 2014.

President Obama announced in his 2013 State of

the Union address the transition of security responsibility to Afghan control and the withdrawal of half of the remaining U.S. presence throughout 2013. The aim is now to train and support the Afghan National Security Forces while pursuing al Qaeda and its allies there



If you only read one thing:

## A RESPONSIBLE TRANSFER

- Afghanistan was the right fight.
- Now, al Qaeda is spreading to places like Yemen, Somalia, the Sahel, and Pakistan.
- We need to be agile to pursue our enemies.
- We are leaving while ensuring the Afghan National Security Forces are strong enough to take over, to ensure that Afghanistan does not return to a terrorist safe haven.
- Staying indefinitely is not in our strategic or financial interest.

## GETTING IT DONE

- We must pay for Afghan security force assistance so they can keep the peace.
- Long term development is essential.
- An effective political transition in 2014 is also required.

and elsewhere. We must adapt to new threats from terrorists in other places, while protecting Afghans who stood up with us.

**What do we do now? Afghan forces have now taken the lead for all military missions.** It is now time to plan for the shape and size of military support and development aid to Afghanistan post-2014. We must continue to strengthen the Afghan government and security forces to prevent al Qaeda from operating from the region. We also have to create incentives for Pakistan to use their connections to these groups to stabilize, rather than undermine, the region.



## KEY ISSUES

**Al Qaeda now has fewer than 100 members in Afghanistan, but it has splintered into smaller groups elsewhere that are still dangerous.** We succeeded in dismantling al Qaeda's hub in Afghanistan. That has greatly reduced the strength of the terrorist organization with the most global reach. However, al Qaeda members have moved to Pakistan, where they can move and operate more freely, and others have moved to Yemen and various parts of Africa, such as Somalia and Mali. These smaller splinter groups can still plan global attacks on the U.S. homeland.

**Meanwhile, other groups threaten the future of Afghanistan, including the Taliban, Haqqani Network, and Hezb-e-Islami.** Many local insurgent groups also continue to attack NATO forces in the region. Many of these groups do not have global ambitions, but they can cause great instability in nuclear-armed Pakistan and throughout the region.

**Afghanistan needs a capable government that delivers security, services, and a healthy & legal economy.** If the post-2014 Afghan government cannot deliver basic



## KEY ISSUES 101

- There are few al Qaeda fighters left in Afghanistan.
- A government that can deliver is essential to preventing the Taliban's return to power.
- Government corruption remains an obstacle.
- Developing a capable Afghan National Security Force is a necessity.
- Pakistan greatly complicates the situation in Afghanistan.

security and opportunities, civil war is more likely to recur. The Taliban, for example, has created a shadow government for courts and other public services because of Afghan government failures in these areas. Strategic international development assistance from the U.S. and our allies will be needed for another decade to avoid a power vacuum and help Afghanistan's government and security forces. However, as reports from the Special Inspector General for Afghan Reconstruction have consistently made clear, the U.S. itself is fueling significant corruption in Afghanistan. There are reforms we can make at home to stop waste, fraud, and abuse across our own system that undermines our mission there. Cutting our development work short or misdirecting it now could well force us back to Afghanistan to fight future wars, a far more expensive and costly proposition.



**Afghan corruption remains an impediment to progress.** Corruption in the Afghan government undermines U.S. efforts to build government capacity and turns the Afghan population against its own government. Often, Afghans view the U.S. as a source of corruption because of the billions of dollars that flow from government contracts, as well as U.S. intelligence community payouts to warlords and to members of the Karzai government.

NATO estimates that Afghans pay nearly \$2.5 billion per year in bribes, often for routine services such as processing passports and driver's licenses. In 2010, the Kabul Bank nearly collapsed when Afghans began withdrawing money following allegations of corruption. It was later discovered that political elites had siphoned as much as \$900 million into their own pockets. Investigations and prosecutions remain ongoing, as do the Afghan government's attempts to track down the missing money.

Minimizing corruption and improving popular support is crucial to a sustainable government that thwarts destabilizing forces. We must improve our own procurement systems and stop intelligence community under the table funding, at the same time we work to clean up the Afghan government.



#### Key fact

**Development programs that help local governments do their job are essential weapons against insurgencies.** Insurgencies like the Taliban often deliver public services and create judicial systems to undermine the local government and establish themselves as a legitimate authority. International development programs strengthen government capacity to prevent this.



**Developing the Afghan National Security Force (ANSF) is crucial to a responsible withdrawal.**

ANSF forces, which consist of the Afghan National Army and the Afghan National Police, numbered about 350,000 personnel at the end of 2012. Afghanistan's security forces were built from scratch following the U.S. invasion, but many had years of fighting experience under various militias and the Northern Alliance. The U.S. Department of Defense has reported recent progress in terms of both numbers and quality, and is implementing a phased plan to transfer full responsibility to Afghan forces by December 2014. An important milestone was achieved in June 2013, when the U.S. and the NATO International Security Assistance Force (ISAF) transitioned into a support and advisory role, and the Afghan National Security Force began taking the lead in combat missions and security operations across the country.

However, incidents of ANSF attacks on coalition troops (so-called "green on blue attacks") have been on the rise since 2011, which underscored the need for more careful vetting of recruits. Other major obstacles to ANSF success include a high desertion rate, illiteracy, equipment shortages, poor logistics and admin capabilities, and a lack of specialized support personnel. At a cost of between \$4 and \$8 billion a year, the ANSF is a necessary investment, but this burden needs to be shared among ISAF and NATO allies as well as the broader international community. Everyone gains from a stable Afghanistan.



**Developing an Afghan economy with our international partners is key.**

Afghanistan remains one of the poorest countries in the world. Nearly 90% of its GDP is dependent upon international aid, and the illicit economy – mostly based around the narcotics trade – is massive. A sustainable Afghan government needs to meet minimal requirements: security, jobs, and the provision of basic services. Paying for that requires a functioning economy that the government can tax for revenues. The narcotics trade undermines the rule of law and generates the largest portion of the Taliban's revenue in the south. It also is a corroding influence on Afghan institutions.



### **The 2014 presidential elections present major challenges and opportunities.**

Elections are set to take place in April 2014. The Afghan Constitution bars President Karzai from running again. He has said he will not seek to remain in power after his second term expires, but some of his critics remain concerned he will go back on this promise. He has not yet given any indication as to who he will support as a successor and political maneuverings are already underway by potential candidates. The 2009 elections were marred by serious charges of electoral fraud (as well as by pervasive insecurity). Going forward, fair and free elections should be a precondition for the Afghan government receiving billions of dollars in aid from international donors. If the Afghan government can hold legitimate elections and conduct a peaceful transfer of power in 2014, it will be a crucial step toward long-term stability.

**Pakistan is a player with mixed motivations.** Pakistan has a number of interests which can make them more interested in a weak Afghanistan than a strong, independent one. First, they fear strategic encirclement by a strong Afghanistan allied to India. They want to maintain “strategic depth” against India by keeping Afghanistan weak and unstable. They also want to blunt once-prominent Pashtun nationalism. As such, Pakistan has played a central and often destabilizing role in Afghanistan for decades. Supporting groups like the Taliban, Hezb-e-Islami Gulbuddin, and the Haqqani Network allows Pakistan to pursue all three of these interests, keeping Afghanistan weak and divided in the process.

Today, the U.S. relationship with this nuclear power continues to be complex and uncertain. Some security experts believe that Pakistani military leaders had knowledge of Osama bin Laden’s whereabouts prior to the U.S. raid and question their dedication to a negotiated settlement with the Taliban. Yet, Pakistan has its own problem with extremism, having faced numerous attacks against the Pakistani military, seizures of territory in the tribal regions, and assassinations.



### **Key fact**

Pakistan uses extremist groups as proxies against India, but those same groups threaten Pakistan as well. Pakistan’s support for extremists destabilizes Afghanistan and causes American casualties.



Pakistan is playing a dangerous double-game and any future settlement with more moderate Taliban elements will not succeed without Pakistani support. Our relationship with Pakistan is deeply flawed, but it remains essential for a successful troop withdrawal from Afghanistan, overall regional security, and countering transnational terrorism and nuclear proliferation.



**Peace talks with militant leaders are ongoing, but have not yet achieved much progress.** The Afghan and U.S. governments have engaged in efforts to bring political representatives of the Taliban and other militant organizations into peace talks—but so far progress has been very limited. Talks have been hobbled by the “chaos of good intentions.” Too many international actors trying to facilitate talks have undermined an effective process toward peace. The only winners in the resulting confusion have been those promoting Afghan instability. The U.S. has an important role to play, as we remain the strongest actor on the stage. From the U.S. perspective, the Taliban must cut ties with al Qaeda and accept the Afghan Constitution. Former Secretary of State Clinton also stated that any settlement must not result in backsliding on rights for women and ethnic minorities.

## THE POLICY LANDSCAPE & RECOMMENDATIONS



**Some say we should leave Afghanistan immediately.** With Osama bin Laden eliminated and al Qaeda on the ropes in Afghanistan, they say that we no longer have a vital interest in the country. They argue that we should remove all of our forces as soon as possible and invest the money saved here at home. That would be a bad choice for our safety and Afghanistan.

**An immediate withdrawal would risk returning Afghanistan to chaos and lead to the death of those who stood with us.** It would re-open Afghanistan to violent groups with transnational aims and abandon the Afghans who stood with us to help their country. Such abandonment would repeat the mistakes of the past. Al Qaeda and its affiliates continue to seek a host country of least resistance. They are

It's time for a responsible transition out of Afghanistan so we can focus on new threats and opportunities.

currently hiding in Pakistan because we are in Afghanistan. But if we leave before the Afghan government is capable of managing its own security, the Taliban could return to power and once again harbor al Qaeda. Our enemies' strategy in Afghanistan is to wait for our exit and return under hospitable conditions. We must do what we can to build durable security forces and an effective government. We must also be mindful that withdrawal is a dangerous operation and that the military needs time to ensure the safety of our troops in the process.



In the twelve years we have been in Afghanistan, we have encouraged young women to go to school, doctors to open clinics, and politicians to participate in their country's governance. Leaving right now would put the lives of these individuals in direct danger and destroy American credibility when we ask others to stand up for their country in the future.



**Transfer to Afghan control, ensuring their security force is strong.** The Obama administration transitioned security control over to the ANSF in April 2013. The President is doing the right thing by giving Afghanistan back to the Afghans, ensuring a competent Afghan security force is present and providing our military leaders the time they need to redeploy our troops and equipment as safely as possible. We should increase investment in the Afghan National Security Forces, which are key to our strategy for responsible withdrawal. Afghanistan needs a competent, sustainable force that can maintain security and prevent the Taliban from returning to power.



**Our Strategic Partnership Agreement (SPA) envisions enduring U.S. commitments to Afghanistan through 2024.** President Obama and President Karzai signed the Strategic Partnership Agreement in May 2012. The SPA is only binding on the U.S. until it is abrogated by another agreement, but President Obama will still need legislative support to deliver on many of the commitments. Most experts estimate that about 10,000 – 20,000 troops will remain in Afghanistan after 2014 as advisors, trainers, and Special Operations support. The Strategic Partnership



## POLICY

### RECOMMENDATIONS

- Strike a balance between leaving quickly and staying too long.
- Transfer, carefully, to Afghan control.
- Build an Afghan economy—the key to long-term stability.
- Fight Afghan corruption.
- Invest in multi-year development packages to Afghanistan.

A strong and stable Afghanistan means terrorists can't use it as a launching pad again.

Agreement also calls for both countries to negotiate a longer-term bilateral security arrangement within the coming year, addressing issues such as immunity for U.S. soldiers against Afghan prosecution. Though NATO's mission will officially expire after 2014, other allies such as Britain and Italy have also signed bilateral agreements. We must work with these allies and with the Afghan government to ensure that our remaining forces are deployed effectively, under a well-defined mission of aiding Afghan security forces and keeping major terrorist threats from re-emerging.



**Fund Afghan development in multi-year packages with long-term metrics.** The administration and Congress should pass a multi-year development package for Afghanistan. Building a sustainable economy, governing capacity, and effective security force takes time. But the appropriations process on Capitol Hill runs in a one-year cycle. This political reality forces development projects to focus on quick, short-term gains at the expense of sustainable success. We have had ten one-year plans in the country instead of a ten year plan. A multi-year package with long-term metrics for impact would allow our development agencies to be more effective by taking the long view.



**Involve the private sector and other countries to rebuild the Afghan economy and increase stability.** About 80% of Afghans depend on agriculture for their income. Afghanistan needs more roads to transport goods. Bridges—like one connecting Afghanistan to Tajikistan—build sustainable, regional trade ties. But merely building these for Afghanistan creates short-term solutions and unsustainable expectations.

To reduce aid to Afghanistan while enabling a functioning government, we should encourage neighboring countries to develop trade relationships and sustainable enterprises. In July 2011, former Secretary Clinton and other U.S. officials articulated a post-transition vision of greater Afghan economic integration in the region and its role in a new “silk road.” This trading system will presumably

accelerate Afghan private sector growth and customs revenue receipts. Our development funding is best directed toward creating this regional business ecosystem, rather than focusing on one-and-done projects.



**Curb Afghan corruption while working through the government.** Afghanistan is not like Iraq, which had a functioning state and governing institutions. It has low state capacity and corruption is undermining local support for the government while increasing support for the Taliban.

Donor funding is soon expected to be “on budget,” meaning increasingly directed through the Afghan government. It is tempting to bypass the government when delivering assistance. Doing so, however, weakens the institutions that we must build in order to leave Afghanistan as a functioning state that can maintain its own security. We must continue to build government capacity at the local and national level. We must also honestly address the corruption problems of the Karzai administration—which includes holding those behind the Kabul Bank scandal accountable and building stable financial institutions that have the trust of the Afghan people. Mobile payment systems, which allow customers to conduct day-to-day transactions through their cell phone accounts, offer a promising alternative to traditional banking institutions and are less susceptible to official corruption.

Finally, we must be honest about the role the U.S. is playing in catalyzing Afghan corruption. Smarter procurement systems, and more oversight of intelligence community payments to local leaders, are essential if we are not to undo with one hand the work we are doing with the other.

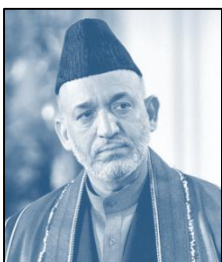


**Work with our allies to ensure free and fair elections in 2014.** We should use our leverage to make sure President Karzai keeps his promise to step down when his second term expires in 2014. And we must work with our allies and Afghanistan’s Independent Election Commission to prevent fraud and improve security at the polls. The European Union, in particular, has pledged substantial funds to the



Afghans to help prepare for the elections. Having free and fair elections and a peaceful transfer of power will be a crucial step forward in building Afghan civil society and long-term stability.

## KEY PEOPLE AND PLAYERS



**Hamid Karzai (haw-MIHD kahr-ZEYE).** Karzai became president of Afghanistan through the Bonn Agreement in 2001. He was elected president in 2004 and re-elected in 2009 in an election broadly seen as illegitimate. However, he has stated that he will not seek to remain in office after his second term expires in 2014. Karzai's opponents claim that his aides are Islamist and that he is advised by a narrow group of Pashtuns (ethnic identities play a large role in Afghan politics). The U.S.-

Karzai relationship has experienced rifts over charges of corruption and civilian casualties.



**The Taliban.** Led by Mullah Omar and the "Quetta Shura" based in Pakistan, The Taliban is a movement founded by former Afghan mujahedeen who fought the Soviets and the Democratic Republic of Afghanistan in the 1980s and early 90s. They arose out of the chaos and predation of the Afghan Civil War in the mid-1990s, with support from the Pakistani Inter-Services Intelligence (ISI). The Taliban governed most of Afghanistan and was engaged in a civil war against the Northern

Alliance when the 9/11 attacks occurred. They were quickly toppled by the joint efforts of the Northern Alliance, US and allied Special Forces, and the U.S. Air Force. Its remnants fled into Pakistan. After rebuilding their networks from their safe haven in Pakistan, they re-launched rebellion against the Afghan government. The Taliban command-center, to the extent that it possesses one, is the Quetta Shura which sets policies, strategic aims, and issues orders to the larger movement. It exercises its authority through four regional commands with 'shadow' governments

and commissions at the provincial level. Members of this formal hierarchy are more likely to be ideologically driven and committed. However, parallel, informal chains of command, and semi-autonomous groups have proliferated throughout the movement based on kinship and tribal networks and past mujahedeen affiliations.

**Mullah Omar (moo-LAH O-MAHR).** Omar led the Taliban regime from 1996 to 2001. He is currently at large and suspected of residing in a safe haven in Pakistan. Experts disagree on Omar's links to al Qaeda. Some believe he maintains a close association with al Qaeda and expect that relationship to continue if the Taliban returns to power. Others think that Omar and his inner circle blame al Qaeda for the Taliban's removal from power and would not welcome al Qaeda back.

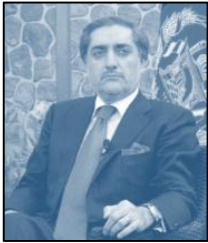


**The Haqqani Network (Hah-KON-ee).** Led by Jalaludin Haqqani and his sons, the Haqqani Network has close affiliations with al Qaeda as well as a relationship with Pakistan's Inter-Services Intelligence agency (ISI). It formally falls under the authority of Mullah Omar and the Quetta Shura, but in practice it operates almost entirely independently of the Taliban

command structure. The organization operates primarily out of havens in the tribal areas of Pakistan, though has engaged in sustained insurgency, primarily in eastern Afghanistan and Kabul. Despite entreaties and U.S. pressure on Pakistan, the Haqqani Network has been singularly unwilling to engage in negotiations with the U.S. or the Afghan government. In September 2012, under bipartisan pressure from Congress, the U.S. State Department designated the Haqqani Network as a foreign terrorist organization.

**Gilbuddin Hekmatyar (Gull-boo-DEEN Hek-mah-TYAR).** Hekmatyar emerged as a mujahedeen leader during Afghanistan's fight against the Soviets in the 1980s as the leader of Hezb-e-Islami Gilbuddin (HIG). He served briefly as Afghanistan's prime minister in the early 1990s before the various mujahedeen groups who fought the Soviets turned on each other. Hezb-e-Islami has staged attacks against coalition forces as well as against civilians, and is now a designated terrorist organization that

has close ties with both al Qaeda and the Taliban. In more recent years, it indicated a willingness to engage in peace negotiations with the Afghan government—but it backed out of those negotiations in early 2012 and has since engaged in further attacks.



**Dr. Abdullah Abdullah (ahb-DUHL-lah ahb-DUHL-lah).** Abdullah served as Afghanistan’s Foreign Minister but was dismissed by Karzai in 2006. He unsuccessfully challenged Karzai for the presidency in 2009, and he continues to criticize Karzai in speeches. He is a likely contender for president in the 2014 elections. Abdullah’s father is Pashtun, but his mother is Tajik and he is politically identified as a Tajik.



**General Joseph F. Dunford, Jr. (USMC).** In early 2013, General Dunford replaced General John Allen as Commander of NATO’s International Security Assistance Force-Afghanistan and Commander, United States Forces-Afghanistan. Previously, he served as Assistant Commandant of the Marine Corps.



**U.S. Ambassador James B. Cunningham.** Appointed in August 2012, Cunningham currently serves as U.S. Ambassador to Afghanistan. He previously served as deputy to U.S. Ambassador Ryan Crocker in Kabul. Before that, Cunningham served as Ambassador to Israel, as U.S. Consul General in Hong Kong, and as Ambassador and Deputy U.S. Permanent Representative to the United Nations.



## GOING DEEP: BACKGROUND & CONTEXT

**Afghanistan was a Cold War battlefield for most of the 1980s.** The Soviet Union sent troops into Afghanistan in 1979 to protect their client state, the Democratic Republic of Afghanistan, which was established in 1974 when Afghan communists overthrew the regime of Mohammad Daud Khan. With Saudi Arabia, Egypt, Israel,



and Pakistan, the U.S. armed the Afghan mujahedeen in a successful campaign to bleed the Soviet Union by forcing them to fight a long, drawn out war in Afghanistan.

**The Soviets left Afghanistan at the end of the decade, and we did too—this created a dangerous power vacuum.** In 1988, after a long, costly, and unsuccessful campaign, the Soviet Union agreed to withdraw from Afghanistan. The U.S.—believing it had no vital interest in Afghanistan after it had successfully undermined the Soviet Union there—drastically reduced its support for Afghanistan and the mujahedeen. It suspended its Kabul embassy in 1989. The mujahedeen that fought the Soviets began to fight each other in the ensuing power vacuum. Around 1994, Afghan Islamist clerics and students of Pashtun origin formed the Taliban movement and eventually gained the upper hand in the civil war.



**The Taliban used their control of a sovereign government to give protection to al Qaeda.** The Taliban ruled most of Afghanistan from 1996 until 2001, brutally killing minorities, instituting torturous punishments, and destroying the country's economic base. While al Qaeda had already been invited to Afghanistan and had settled there by the time the Taliban took power, the Taliban happily continued to provide the international terrorist movement with a base of operations and the security of a sovereign government. This is the outcome we are working to prevent from reoccurring.



**Al Qaeda attacked America on September 11; American Forces and Afghan groups collaborated to retaliate.** President George W. Bush ordered airstrikes that succeeded due to partnerships with Afghan groups that opposed the Taliban. These groups helped us target Taliban forces and then formed the bulk of the ground forces in a NATO campaign that quickly removed the Taliban from power. But Osama bin Laden and many of his top lieutenants escaped. In 2003, the Bush administration believed the war in Afghanistan was won and turned its focus to Iraq. This move badly under-resourced Afghanistan and failed to secure the peace. Due to this miscalculation, the Taliban surged back into the fight around 2006.

**President Obama refocused America's efforts on Afghanistan.** President Obama added 50,000 U.S. troops to Afghanistan in his first two years in office. The additional troops stopped the Taliban's momentum and allowed the U.S. to begin the transition to Afghan responsibility. That process will end in 2014.



**Peace talks are ongoing, but have not yet made significant progress.** The Afghans have been leading reconciliation and reintegration efforts with the Taliban and with affiliated militant groups. Reconciliation is a high-level negotiating process with group leaders, while reintegration provides an outlet for foot soldiers to address their grievances and then leave the insurgency. Though the process is Afghan-led, it requires political buy-in from the U.S., Pakistan, and other key regional players.

Part of the rationale for the surge in 2009 was to turn the momentum against the insurgents, change their political calculus, and allow the Afghan government to negotiate from a position of strength. Negotiations took a huge step backward in September 2011, however, as of July 2013, a renewed effort is underway which may produce better results.

**The Current Drawdown and Future Schedule:** The U.S. began withdrawing troops in 2011, and as of September 2012, returned to the “pre-surge” level of 68,000. In May

2012, President Obama and President Karzai signed a Strategic Partnership Agreement, which committed the U.S. to unspecified support to Afghanistan for more than another decade. In the 2013 State of the Union Speech, President Obama announced that half of the remaining 68,000 U.S. troops would be withdrawn over the course of a year. Most of them will probably withdraw after the 2013 spring and summer “fighting season” during which anti-government violence will be the fiercest. The rate of the 2014 and post-2014 U.S. drawdown and the exact level of remaining forces have yet to be determined.



# Arab Countries in Transition

*Ed. Note – Given the complexity of the political landscape, attempts to address this region as a monolith risk oversimplification to the point of inaccuracy. This chapter intends to offer general guidance on a rapidly changing area of the world.*

*As with each Briefing Book topic, we have experts who can provide in-depth analysis on a specific country or subject. Please contact us directly for more information on how to arrange a tailored briefing with our experts.*

## THE LANDSCAPE

After decades of repression, the Arab Spring protests signaled a desire by the young populations of the Middle East for dignity, democracy, and hope. For Arab countries in transition, progress



could also backfire, entrenching a new generation of autocrats with different ideologies, but the same repressive tactics. The U.S. has limited power to determine the outcomes of these changes, and they are not ours to dictate. But where we



If you only read one thing...

## LIVING UP TO OUR VALUES

- Transitioning Arab countries present opportunities for us to align our democratic values with our policies.
- Lasting change takes time, and has to be driven by the people, not us.
- Democracies produce fewer terrorists than dictatorships.

## GETTING IT RIGHT

- There is no one solution; different countries will need different types of support.
- Take the side of the people and support democracy and individual rights.
- Reduce oil dependence and focus on trade with regional partners.

can put a thumb on the scales, we should support democracy after many years of backing authoritarian governments. This will be hard in each case: Islamist parties that do not always agree with America will continue to be elected. But transitioning away from dictatorship, towards inclusive, representative systems has been proven to ensure more stability, opportunity, and regional security over the long run.

**So what should we do?** America should strongly support those who seek democratic reform and have renounced violence, while acknowledging U.S. interests and bright lines we won't cross. Robust U.S. national security consists of more than just tanks and planes; it also includes the spread of universal values like freedom and human rights. Moreover, significant research shows that democracies are more stable and less likely to yield violence insurgencies than autocracies, even though the process is messy in the short term.

Many Arab countries share similar problems, even if the solutions are different. Money from oil-rich states permitted many Arab dictators to maintain power much longer than might otherwise have been possible, often through subsidizing common goods, maintaining large security forces, and suppressing any outlet that might lead to alternative leadership. In the name of stability, the U.S. often supported these dictators, even as bad economic policies and population growth created a bulge of young, unemployed people more easily radicalized.



## ISSUES SUMMARY

- Islamist parties will win elections, but they aren't all extreme.
- Democracies produce fewer terrorists than dictatorships.
- Less regional stability gives Israel legitimate concerns.
- Economic growth—via trade—is essential to demonstrating the promise of democracy.

Democracy means that some countries will elect leaders we don't like. Americans believe in democracy, even if it takes a while to mature.

## COMMUNICATING THE CHALLENGES



**Islamist groups will continue to be voted into power.** Islamist parties are currently better organized than liberal parties, often because dictators forced them to organize underground. They have dominated elections since the Arab Spring began, and will continue to be a political force across the Arab world. Many Arabs support Islamists not out of ideology, but because they have a reputation for getting things done and are seen as less corrupt. But if these parties fail to deliver, they are likely to meet future opposition. And as time goes on, other parties and civic institutions have the potential to strengthen platforms for inclusive, more representative governments.

Democracies can—and should – demand that all parties renounce violence, whenever applicable. But we must uphold the democratic process; going back to supporting dictatorships, military governments, and autocrats will create more volatility down the line.



**The spread of democracy will help win the war against al Qaeda and its affiliates.** A 2011 West Point study found that political dictatorship is the main factor correlated with terrorism. Democratic societies breed less anger because the people have outlets for civic and political engagement, and established systems for law and justice. Democracies also create opportunities for people to determine their own future. Societies without these outlets, where there is no hope for change, are where extremist leaders find the most fertile ground for recruiting. Supporting transitions to full democracies will reduce our enemies' recruitment pools.

Lasting change must come from within a nation. The Obama administration took the right approach by supporting popular uprisings where we could be helpful and staying out of the way where our voice would have been counterproductive. In the end, the people of the region brought about their own democratic transitions – and that is good for America.



### Common error

Islamist parties are not all extreme. Espousing strong support for the dominant faith is common in democracies, as with the many “Christian Democratic” parties in Europe. Political Islam tends to reduce extremism since any political party needs to appeal to a wide swath of voters and can be destroyed if fringe elements hijack its agenda.

Dictatorships produce more terrorists than democracy. Even if real change is slow, al Qaeda gets weaker when the people can vote.



**A changing region gives Israel legitimate concerns.** Israel established relations with some of the region's dictators in an effort to seek stability. Because of that history, dynamics in today's societies, including continued anti-Semitism, and ongoing frustration with Israeli positions in the Arab-Israeli peace process, many parts of Arab society are anti-Israel. The changing regional environment will be volatile for Israel in the short-term. We should help Israel adapt to this new reality and maintain its security by ensuring that all parties honor their peace agreements and commitments. Trying to turn back the clock towards support for autocracies that remain is unrealistic, and does not help Israel secure itself for the long-term.



**Creating jobs and opportunities is vital for the future of the region.** Arab countries have very young populations that are educated, but frustrated by limited economic opportunities. The region's youth are saddled with a 25% unemployment rate. Traditionally, economic growth in the region has not stimulated job creation. In fact, the most educated have some of the highest unemployment rates. Growth has been generated by oil revenues concentrated in the hands of a few elites. Lasting stability requires the development of economic opportunities for young people, not just the well-connected.

**There is no simple solution or approach to the challenges of the Arab Spring.**

Some say the Obama administration was too slow in responding to events in the region; others declare that he "lost the Middle East" to Islamists. These are simplistic talking points that both overestimate any President's ability to direct events in the region and underestimate the work done by the President to support democratic change.

Moving forward, we should recognize that political transitions in each country have produced unique challenges and should be addressed accordingly. For example, in Tunisia and Egypt, the most pressing concerns are securing post-revolution political freedoms and expanding economic opportunities. Other countries, such as Libya, have urgent need for security training and structural reforms to transition the anti-



## DON'T FORGET

- **Remember:** America can't and shouldn't try to explicitly direct change in the Middle East; that would backfire.
- **There's no one solution.** Each transitioning Arab country is different and will have different challenges.
- **Support democracy, even when it's tough.** Real change might be slow, but building relationships with the people, rather than dictators, will be better for us in the long run.
- **Support civil society.** Our support for governance, watchdog groups, small businesses, and individual freedoms will improve our reputation and promote stability.
- **Reduce our dependence on oil.** Our oil money helps prop up dictatorships, permitting them to buy off domestic opposition and hold on to power. Less oil spending here means more stability and democracy there.

Qaddafi forces either into the state or back to civilian life. Yemen, on the other hand, requires national infrastructure and economic development – seemingly more basic, but just as important for future security.



**Reduce our dependence on oil.** Our energy needs play a major role in dictating our relationships with Saudi Arabia, Kuwait, and other non-democratic states in the region. And because oil is a globally-priced commodity, we enrich non-democratic oil regimes no matter who we buy from. Reducing our demand for oil gives us a freer hand to support the people of the region and to reduce support for the autocratic regimes that breed terrorism.





# China

## THE FRAME

The U.S.-China relationship is likely to define the coming century, for good or for ill. It is critically important to chart the right course now. China is a rising power with strong ambitions that is best viewed as a serious competitor, not an enemy. We have real friction when it comes to China's rogue



business practices, human rights abuses, cyber attacks, and military investments—and we should draw clear lines on these issues. Yet, we also have interests in common. It will be impossible to resolve important global

economic, diplomatic, and environmental



If you only read one thing...

## A COMPETITOR, NOT AN INEVITABLE ENEMY

- **America and China depend on each other.** We need China to buy our debt and goods; they need our market to sell their products.
- **Different values.** China embraces state-driven capitalism and doesn't prioritize protecting human rights.
- **China is focused on stability.** Most of China's foreign policy decisions are driven by a desire for stability at home, which requires constant economic growth.
- **China's drive for growth** is leading to unfair trade practices and intellectual property theft.

## WHAT SHOULD WE DO?

- Don't recreate the Cold War.
- Stand up for human rights and democracy and encourage fair trade.
- Engage in military to military relations to cool possible conflicts.
- Reduce China's hold on neighbors.

## challenges without a functional, working relationship with China.

America needs to show China that it is strong, but not aggressive. Weakness will invite China to take ever more liberties with security and rights. But the perception of American aggression is likely to strengthen hard-liners in China, and could lead to real and destructive conflict. A functional, working relationship requires China to understand that we have clear lines on issues like cybersecurity, trade, and human rights; that we are willing to protect our allies; and that we are strong and united to back our words with action. A calm but confident tone, an open-hand to assist China's legitimate growth and aspirations, and a willingness to work together with China to tackle truly global problems like climate change, are important components of a strong, values-based China policy.

## HOW CHINA LOOKS AT THE WORLD



**China's stated strategy is one of a "peaceful development."** They claim to be focused on engaging other countries diplomatically and economically to secure markets and ensure stability conducive to Chinese economic growth. In order to maintain high growth, the Chinese know they must transition from the export-led model of growth, upon which they have relied for several decades, towards a more balanced model driven by domestic innovation and consumption. However, China also has long had a strong defense establishment. Their weapons purchases, cyber attacks, and belligerence towards countries, such as Japan, are recent examples of a history that includes multiple border disputes and hot wars over the last 50 years.



**China's foreign policy priorities—buying resources and selling exports—are intended to maintain internal stability.** Though its leaders have begun to acknowledge the need to slow growth to a more sustainable level, many in China's government still believe it needs to sustain economic growth at around 8% per year



## CHINA'S PRIORITIES

- Ensure continuance of Communist Party rule.
- Economic growth to ensure internal political stability.
- Expand their military as their global interests expand.
- Return Taiwan to mainland control remains China's top "core national interest."
- China's foreign policy serves its need for resources and a stable environment conducive to stability and economic growth, not a set of values.

to maintain domestic stability. Like South Korea and Taiwan, China has tried to grow through exports. To this end, the Chinese government subsidizes the investments of Chinese companies, undervalues its currency at artificial levels to make exports cheaper, and keeps wages low to combat inflation. China is not doing this to harm the U.S. However, these policies have side-effects that hurt U.S. trade.



**China's need for commodities drives a values-free foreign policy that props up dangerous regimes.** China's need to grow requires abundant commodities such as steel and oil. China has constructed or invested in energy projects in over 50 countries. To secure these resources, China's is willing to look past concerns about corruption, good governance, human rights, or environmental standards. It often invests in regimes we consider adversarial, and its sometimes exploitative business practices in the developing world led former Secretary of State Hillary Clinton in June 2011 to warn against a "new colonialism" in Africa. Iran has become increasingly reliant on Chinese purchases of oil, as have some American allies. It is worth noting, however, that U.S. ally South Korea continues in 2013 to purchase tens of millions of barrels of oil from Iran per month, though they have cut their imports by about 20% in the past year in order to receive a waiver from American sanctions.



**China wants international norms to be based on sovereignty, not rights.** If the international community focused less on rights, China would have a free hand in its own internal conflicts, such as Tibet and its Muslim-majority western provinces. This is why China opposes sanctions against Iran, Sudan, and other belligerent or genocidal countries. The status of Tibet and Taiwan also makes China deeply critical of separatist movements, and Beijing has refused to recognize Kosovo for this reason. While the full extent of China's foreign aid is unclear, China has generously supported certain African regimes to buy loyalty. This aid is provided without attention to governance standards, undermining American aid policies. Chinese aid is not entirely free; it is generally contingent on non-recognition of Taiwan's government.



#### Common error

China's economy is growing – but the U.S. is still the world's economic powerhouse. In 2013, the U.S. economy was twice as big as China's. China is the world's biggest trading nation with regard to goods (\$3.87 trillion to America's \$3.82 trillion in 2012) – but the U.S. remains the biggest market when services and goods are considered (\$4.93 trillion in 2012).



## ECONOMIC INTERDEPENDENCE

**Our intertwined economic relationship with China has both clear benefits and undeniable costs, but we can't simply pull back.** A strong economy is crucial to keeping America strong and safe in the 21<sup>st</sup> century. Therefore, a national security priority must be to ensure that our economic relationship with China makes America stronger, not weaker. This is an achievable goal. There are clear benefits as well as costs associated with our relationship, and we must take full advantage of those benefits even as we work to minimize the costs.



**China's business practices and intellectual property piracy harm U.S. companies.** While intended to maintain internal stability, China's economic policies often hurt U.S. businesses. China has many State Owned Enterprises (80% of the businesses on the Chinese stock market are state-owned) that receive preferential government funding. They can take short-term losses in the pursuit of long-term gains because they do not have to publicly report profits to shareholders. This has the effect of walling off a large portion of the Chinese economy from foreign investors and placing U.S. businesses at a competitive disadvantage because U.S. firms have to find funding on the open market.

China's failure to enforce intellectual property rights has cost U.S. firms billions of dollars in lost sales. In violation of international trade agreements, China requires foreign companies doing business in the country to transfer technology to Chinese companies. It also often requires foreign businesses to enter into joint agreements with Chinese companies as the price for gaining access to the Chinese market.

China's business sector also frequently relies on cyber espionage and hacking to steal industrial secrets from American and European firms, often with help from the

America and China need each other. The global economy ties us together. But China needs to play by the same rules everyone else does.



### Key fact

A trade war with China would do great harm to America's economy. We would lose access to their market for our goods, and the cost of many items in the US would increase.



Chinese military and intelligence communities. This theft costs American companies an estimated \$50 billion per year in lost research.

**China is also using investments to gain military information.** According to the Pentagon's 2013 report, "China continues to leverage foreign investments, commercial joint ventures, academic exchanges, the experience of repatriated Chinese students and researchers, and state-sponsored industrial and technical espionage to increase the level of technologies and expertise available to support military research, development and acquisition." While avoiding protectionism, we should be aware that China's state-owned companies are not normal private sector investment entities.



**America needs China to continue purchasing U.S. bonds to finance our debt.** The economic relationship between the U.S. and China is symbiotic, but cannot be counted on to prevent conflict.

The U.S. needs China to continue buying U.S. Treasury bonds to finance our debt. China needs large markets for its exports, and to prevent the appreciation of its currency, which it does by buying U.S. Treasury bonds. The U.S. is the largest market for Chinese goods. This mutually dependent set of needs means that China has become one of the largest foreign owners of U.S. debt (although it should be noted that only about one-third of U.S. debt is owned by foreign entities, including Japan and China).

This mutually beneficial relationship may help prevent possible trade wars. China could hurt the U.S., but harming our economy would reduce their exports, and thus hit them financially. Based on the same logic, some believe that China would not risk dumping U.S. Treasuries. This is less clear: China could have a hedging strategy in its investments that would give them less to fear from selling U.S. Treasuries. It is also worth remembering that America used to assume that OPEC had a self-interest in maintaining steady oil markets, until their oil embargo of the 1970s showed that



#### Common error

Most of America's debt is not held by China—or even foreign countries. The biggest holder of U.S. debt continues to be private investors, and most of them are Americans. Only one-third of American debt is held by other countries, and China and Japan hold roughly the same share.

they were willing to shock the market. As China shifts from an export-led growth model to a more consumption-driven model, its dependence on a strong American dollar will decrease, and they will have less to lose from selling dollars.

## EXPANDING MILITARY CAPABILITIES



**China is building a much stronger military, as rising economic powers often do. China's intentions are not necessarily hostile.** China's growing military is a source of great national pride for a country that in many ways feels victimized by their 19<sup>th</sup> and 20<sup>th</sup> century relations with the West. It is normal for growing economic powers to build stronger militaries to defend their growing interests.

Military experts weigh possible threats in terms of two factors: the other side's capabilities and the other side's intentions. This is especially important to keep in mind with China. China's military is growing, and in some cases China is investing in military capabilities specifically chosen to counter key American strengths, like anti-access and area denial capabilities. While the Chinese military remains far behind our own, they are slowly but steadily closing the gap. Their goal is to complicate our decision to act in the case of a military conflict in the western Pacific.



**China's military is increasingly capable, but still far behind our own.** China now has the world's second-largest defense budget, spending somewhere between \$125 to \$215 billion a year, according to the Pentagon's 2013 report. While we should not be complacent, the U.S. remains far ahead in terms of training, technology, and resources, and our defense budget is more than three times as large. China is investing in early-stage global power-projection capabilities, and recently commissioned a first, relatively crude, aircraft carrier. It has also been developing two stealth fighters, anti-ship ballistic missiles, and anti-satellite systems. Though



### Key fact

American military spending is over six times that of China and U.S. military training and technology remain years, if not decades, ahead.

We have to keep an eye on China's military build-up. Thankfully, we are years ahead of their technology and our servicemembers are much better-trained.

much has been made of these new capabilities, its exercises tend to be extremely modest compared to those conducted by the United States and our Pacific allies.

China is making heavy investments in offensive cyber capabilities as well. U.S. government computer systems in Congress and the Pentagon, along with American intellectual property, have been the targets of intrusions that originated in China. China also refuses to concede that international humanitarian and armed conflict laws apply to cyberspace. Speaking about the cyber-threat from China, Chairman of the Joint Chiefs Martin Dempsey said in November 2011, “We're under constant attack every day. And it's going to take a whole government approach.”

**Many countries are developing cyber capabilities, but the most persistent threats appear to originate in China.** The Pentagon has concurred with the 2013 report by Mandiant, an information security company, which concluded that an overwhelming percentage of cyber incidents against American targets originate in and around a Shanghai building occupied by the People’s Liberation Army. Similarly, a recent National Intelligence Estimate states that many Chinese hacking groups are run by PLA officers or contract with Chinese military commands. Targets include U.S. public and private sector entities ranging from Coca-Cola to the electrical power grid to the Department of Defense.



**The issue of Taiwan’s status has historically been perceived as the most likely cause of conflict.** China strongly believes Taiwan is part of China. Chinese officials say they will pay any price to prevent an independent Taiwan and their military improvements are largely focused on ensuring that end. China has over 1,000 ballistic missiles and 400,000 military personnel opposite Taiwan and nearly 500 combat aircraft that can reach Taiwan without having to refuel. China’s Second Artillery Corps, responsible for China’s ballistic and cruise missiles, is becoming increasingly advanced. These developments mean that Taiwan’s military is increasingly outmatched by mainland forces, in terms of both the quantity and quality of its weapons.



#### Key fact

The US does not formally recognize Taiwan as a separate country, nor do we recognize mainland China’s control over it. This policy of intentional ambiguity gives American policymakers more options than we might otherwise have.



Since the Nixon era, U.S. policy has been to deter China from using force to regain Taiwan, while also discouraging Taiwan from asserting full independence. This policy of “strategic ambiguity” has been successful at avoiding conflict and Taiwan has formed ever-increasing economic ties to mainland China. The U.S. periodically sells arms to Taiwan, a policy that many believe to be required by law under the Taiwan Relations Act and which inevitably provokes Chinese anger when sales are made.

Taiwan, for its part, is a fractious, growing democracy that sees itself as a largely independent entity following more than sixty years of separate governance. Relations between China and Taiwan have recently improved through cultural ties and expanding economic agreements. Many leaders on both sides believe that a stable and peaceful relationship is the best path forward. The U.S. must continue to walk a fine line of ambiguity, using the implicit threat of force to deter China from forcibly retaking Taiwan, while keeping Taiwan from exacerbating the situation in the expectation that America will come to its aid.



**China is aggressively asserting authority—and worrying its neighbors—in the South China Sea and East China Sea.** China makes broad claims to sovereignty over islands that are also claimed by neighboring countries. Such claims extend to surrounding sea-areas as well. The South China Sea is an important commercial shipping channel and is believed to contain valuable reserves of oil and minerals, resources China needs in large quantities to meet the needs of its population. To control these resources, China has become more assertive in pursuing its claims—harassing foreign vessels in the South China Sea, and establishing a permanent presence in and around the Scarborough Shoal to deny others access, worrying its neighbors and increasing the potential for a regional conflict.

In the East China Sea, too, China is aggressively inserting surveillance planes and ships into the territory of Japanese-administered disputed islands, known as the Senkakus in Japan and the Diaoyus in China. On more than one occasion, China has “locked radar” on Japanese vessels – a step taken immediately before firing to



**Common error**

China’s assertiveness in the region is focused on ensuring access to resources and trade, not necessarily military dominance.

ensure a weapon hits a target. The Japanese believe these actions were taken by the PLA – the Chinese military – without full government approval from Beijing. Japan has responded by scrambling planes and ships while ensuring that it is not escalating. Former Secretary of State Hilary Clinton reasserted the U.S. position that these islands are Japanese-administered and that any solution must be found through peaceful means. These sorts of incidents, which can carry great emotional weight on both sides, increase the risk of open conflict in the region.

## THE POLICY LANDSCAPE & RECOMMENDATIONS

**This “rebalancing” to Asia should not be mistaken for a policy of containment.**

China is not the Soviet Union, and we are not encircling them with a military build-up. The U.S. does not seek to delay or prevent China’s emergence as a great power; our interest is in ensuring that their rise is peaceful and that none of the territorial disputes in the region are settled through violence. America has always been a Pacific power, and the rebalancing reflects the increasing importance of Asia, and U.S.-Asia relations, in global affairs.



**Some, believing China is the next Soviet Union, want to recreate the Cold War.**

Emboldening hardline elements and intensifying the concerns of those in China who already fear the U.S. is bent on a policy of containment, some speak of China as an ideological enemy intent on destroying American influence and pushing America out of the Asia-Pacific region. However, this kind of talk is counterproductive, and could become a tragic self-fulfilling prophecy.



**Don’t mistake military build-up for “inevitable” conflict.** China’s military build-up does not negate our economic interdependence and need for cooperation. Rising economic powers have always invested in stronger militaries, and China is no different. There are real tensions with China and uncertainties over aspects of its

The better friends we are with China’s neighbors, the more we can blunt China’s influence.

military modernization program, but we also share significant economic ties that create incentives for cooperation and international stability. The U.S. needs to respond to the more troubling elements of China's military modernization with the development of concepts and capabilities that will allow us to protect our interests and those of our allies and security partners, but this is not a zero-sum relationship; they need us and we need them.



**Continue building ties with China's neighbors so they are free to follow an independent course.** Currently, most East and Southeast Asian economies depend heavily on China. This gives China great influence and a strong position from which to force its will on its neighbors. Many Asian countries wish to be less beholden to Chinese interests. This has led some to look to the U.S. for stronger ties, including Myanmar, which is opening to Western influence in part out of a desire to balance Chinese influence.

We should expand our economic ties with this fast growing region for the good of the U.S. economy and to enhance regional stability. The Obama Administration's Trans-Pacific Partnership (TPP), a free-trade bloc, is a strong step in this direction. China has not joined the TPP, although it is open to China if it meets the same requirements for open trade adhered to by other countries working to enter the partnership.

An enhanced military presence will also reassure allies in the region and deter conflict. Since WWII, Japan's constitution has barred it from having offensive military capabilities; the U.S. instead has a treaty to protect Japan, as well as South Korea. The Obama administration is working to further strengthen a long-standing U.S. military partnership with Australia to offset some of the concerns of U.S. allies and other countries in the region about China's more assertive behavior, especially its attempts to demonstrate its control over the South China Sea.

The Trans-Pacific Partnership: A team of countries in the area that can work together to balance China's more aggressive moves.

Rather than let China bully smaller countries, everyone should follow the same rules of the road and work out differences using international law.



### **Restate the U.S. position that force or coercion cannot be used to resolve territorial disputes.**

The Obama administration's position is that disputes in the South China Sea must be resolved using existing legal frameworks, including the Law of the Sea and International Customary Law. A key point of disagreement between the U.S. and China hinges on whether these disputes should be settled through open regional talks or through one-on-one negotiations between China and its much weaker neighbors. The U.S. has an important interest in the South China Sea, which is a major global shipping lane. China should not be allowed to bully smaller regional players in closed-door sessions. The success of invoking international law to manage this dispute is one reason the U.S. should ratify the United Nations Convention on Law of the Sea (UNCLOS). Additionally, multilateral institutions, like the Association of Southeast Asian Nations (ASEAN), can help smaller nations stand up to China without increasing the risk of open conflict.

Recent altercations between Chinese maritime forces and ships belonging to China's neighbors, including Japan (in the East China Sea), Vietnam, and the Philippines, have underscored how unstable the situation is, and how important it will be to find a diplomatic or legal solution to these territorial disputes.



**Ensure China knows that we will militarily support our Treaty allies.** The clearer we are with all concerned parties, the less likely we will be pulled into a fight that no rational actor in the region would want. We have made commitments to our allies and security partners and we need to be clear with China that we must honor those commitments; doing so will decrease the chances of war. At the same time, we need to be clear with our allies and friends, so they will understand it is not in America's interest or their own to take actions that unnecessarily increase the risk of armed conflict with China.



**Continue to support peace and dialogue between Taiwan and China.** Fortunately, Taiwanese President Ma Ying-Jeou's reelection and his pragmatic policies toward China should help ensure a stable situation in the China-Taiwan relationship over



## **LAW OF THE SEA TREATY**

- Originally introduced in 1982, the Law of the Sea Convention has been ratified by 162 nations.
- The U.S. is one of only seven maritime nations who have not signed the convention.
- The U.S. Navy, U.S. Coast Guard, Department of State, Department of Commerce, and many others favor joining the Law of the Sea Convention.
- The convention would strengthen environmental protection, and codify the international maritime norms that the U.S. already enforces.
- The convention would give us exclusive economic rights over thousands of square miles of international waters and seabeds off our coasts.
- Formally joining the Law of the Sea Convention would give us internationally legitimate grounds on which to support our allies in resisting expansive Chinese territorial claims in the Pacific.

the next few years. We should continue to discourage bellicose words and actions by both sides.



**Deepen military-to-military relations with the Chinese.** Strengthening military contacts with the Chinese is critical to building trust, gaining knowledge, and managing friction within our relationship. These exchanges increase the understanding of each other's military institutions, build cooperative capacity, and reduce the risks of miscommunication and miscalculation. They should be conducted not only at high levels, where attitudes and mindsets maybe more fixed, but also among more junior officers. We should also engage more with Chinese civil society on military issues, promoting the idea that the military should be beholden to the people, not only its leaders. We can also pursue more robust joint training on issues like humanitarian relief and crisis management. Lastly, the U.S. should continue to urge China to maintain such relationships, rather than disrupting them periodically to express its displeasure with U.S. arms sales to Taiwan.



**Urge China to liberalize its markets and support their effort to expand domestic consumption.** To hold down the costs of exports, China previously engaged in currency manipulation in order to fuel growth. Now, China is attempting to shift from an investment-driven model to a consumption-driven model. This is a difficult task. Currently, China's consumption as a percentage of GDP is roughly 35%; by comparison, America's is close to 70%. To foster a market of consumers, it must allow wages to continue to rise. This is likely to slow growth, and may increase domestic turmoil. But in the long term, this emphasis on domestic consumption is good for China, good for America, and should be strongly encouraged.



**Stand up for human rights and democracy.** We should not compromise our values to appease China's leaders. They censor media, strictly limit internet freedoms, have an extensive police and surveillance network, and engage in massive detentions of those deemed to be spreading "harmful information." We should continue to raise these issues with the Chinese in diplomatic and high-level meetings. Progress may

It's easier to stay on good terms with someone you know. Military-to-military relations keep us informed and prevent possibly dangerous misunderstandings.

be frustratingly slow, but our efforts to change China's behavior can bring real, much-needed help to Chinese political prisoners and the many Chinese activists now fighting for reforms. Our State Department works hard to help Chinese reformers and make the information and communication more accessible. These initiatives must be continued and expanded.



**Reduce the impact that China's intellectual property theft and currency manipulation has on American business.** To maintain a healthy relationship through the 21<sup>st</sup> century, economic interactions need to be fair, meaning China must respect the intellectual property rights of U.S. businesses and stop manipulating their currency. Nothing less can serve as the foundation for a strong, sustainable relationship between the world's two largest economies. China also must provide adequate wages and safe working conditions for its people. Honest, persistent diplomacy that addresses these issues head-on must be applied, and we must help U.S. businesses facing unfair Chinese competition. The U.S. must also improve the security of computer networks, and encourage businesses that are potential targets of cyber theft to do the same.

**Make American networks more resilient by improving U.S. cybersecurity.** Given the recent reports of high-profile cyber incidents originating in China, it is imperative that American policymakers make significant advances in cybersecurity. President Obama signed an Executive Order in 2012 that works within existing authorities to share cyber threat information with private entities and develop, in consultation with the private sector, cybersecurity best practices for U.S. critical infrastructure. The President, however, can only do so much. Congress must build upon these steps to further cooperation between the public and private sectors and secure our most critical networks.

A trade war, just as we're climbing out of the ditch, would be disastrous for America's economy.

## KEY PEOPLE

China's domestic and foreign policy decision-making has become more regularized in recent years but it is still far from transparent. In the fall of 2012, China underwent a major leadership transition. Its new leaders, however, are unlikely to significantly alter China's current course.



**Xi Jinping (shee jin-ping)** is the General Secretary of the Communist Party of China, the President of the People's Republic of China, and the Chairman of the Central Military Commission – posts he took on between in the fall and winter of 2012-2013. He succeeds Hu Jintao as the leader of China. He is known for his hardline and outspoken style but is also considered to be a pragmatist. In 2008, Xi raised his profile by managing the Olympic Games in Beijing. He has a reputation for fighting corruption, is considered to be tech savvy, and is expected to expand China's current military modernization efforts.

**Li Keqiang (lee kuh-cheeang)** is the Premier of the People's Republic of China and party secretary of the State Council, replacing Wen Jiabao. He has a reputation as a hard worker who is committed to expanding China's domestic consumption as a means of driving economic growth. He was at one time considered a possible candidate for the presidency, but lost out to Xi.



**Ma Ying-Jeou (mah yeeng-joh)** is the President of Taiwan (Republic of China). Reelected to a second term in January 2012, he is a member of the KMT Party, which leans toward engagement with mainland China. While in office, he has supported policies to improve ties between Taiwan and China and he has stated that he will not pursue Taiwan's independence or reunification with China. His reelection should stabilize cross-strait relations at least until Taiwan's next presidential election in 2016, easing a major source of friction in our relationship with China.





## GOING DEEP: BACKGROUND & CONTEXT

**China deeply fears instability.** For much of the first half of the 20<sup>th</sup> century, China was engulfed by war. The end of the Qing dynasty in the early 1900s led to anarchy and eventually civil war. China was invaded by Japan during WWII, which inflicted war crimes, rape, and mass killing on the civilian population. After Mao's Communists won the civil war, and the Nationalists fled to Taiwan, China became involved in the Korean War. In the early 1960s, it endured a horrific famine that resulted from Mao's failed economic policies. In the 1960s and 1970s, the Chinese people suffered through the violence and chaos of Mao's Cultural Revolution. Only in the 1970s did the country see stability once again, and it had come at a tremendous cost. This recent experience of the chaos and hardship of decades of war and internal turmoil has left a deep mark on the nation and its government, which fears instability over all other threats. It is widely believed (though possibly incorrectly) among Chinese politicians that if growth falls significantly below 8%, the ensuing unemployment would lead to major street action, on the scale of the Tiananmen Square protests. As a result, Chinese leaders view threats to growth (and, therefore, threats to resource supplies) as existential threats. However, growing inequality in China is also creating social disturbance, a threat that equally concerns new President Xi Jinping. China is therefore caught in a difficult dilemma and its energy is largely focused inward.

**The Chinese Communist Party (CCP) is still in power and almost all of its decisions are based on national stability and party survival.** The primary objective of the CCP is to remain in power, and all of its decisions are meant to serve that goal. With the end of the Cold War and the collapse of Communism as a dominant political ideology, the party has had to rely





on promises of economic growth, internal stability, and national unity as the foundation for its governing legitimacy.

To fulfill these promises, the CCP must leverage China's foreign policy tools to meet a number of objectives. First, it has to spur a sustained economic development program that raises Chinese living standards while dampening social disaffection. Second, China must acquire the resources necessary to satisfy its already voracious and growing energy demands. And third, the party needs to show that it is returning China to a position of global power.

**China has two faces, both true: a global economic powerhouse and a nation that is still developing.** On the one hand, China is one of five permanent members of the United Nations Security Council and has the world's second largest economy. Its influence continues to grow; it now exports more goods than any other country in the world and it is expanding its involvement in international peacekeeping efforts, counter-piracy operations, and disaster relief.

On the other hand, China remains a developing country. While it has cities of great wealth, its rural and migrant populations are still very poor. The social divide between urban and rural Chinese has widened dramatically over the past three decades, and it poses major political and social problems for the Chinese leadership. And China is still eligible, based on economic indicators, for World Bank aid. When China is asked to shoulder more global responsibility, it tends to maintain that it is still a developing country and must invest at home. However, it also wishes to be treated with the respect of a great power.

**The United States maintains a "One China" policy, but we still sell arms to Taiwan to ensure its security, in accordance with the 1979 Taiwan Relations Act (TRA).**

Since Nixon famously began the process of reopening government relations with China in 1972, the United States has honored the position that there is one China and that Taiwan is not a separate country. China considers Taiwan to be an



#### Common error

Though the Communist Party leadership in Beijing is the center of power in China, a great deal of internal policy, and even intellectual property, investment, and trade policy, is made on the provincial level, leading to tremendous disparity from province to province. Contrary to popular perception, the Chinese policymaking apparatus is anything but monolithic. Parochial interests frequently trump stated national policy.

inalienable part of its territory and directs much of its strategic focus toward ensuring the island does not move toward formal independence.

The United States maintains a security guarantee that we will come to Taiwan's aid if China seeks to forcibly retake the island; we also continue to sell arms to Taiwan. China is angered by these arms sales, and the announcement of new sales often causes diplomatic reprisals from the Chinese. In 2010, for example, China halted U.S.-Chinese military-to-military relations due to an arms sale. The key tenet of the United States' "One China" policy is that China and Taiwan must come to an agreement on Taiwan's status peacefully and mutually.



# Iran

## THE FRAME

Iran is pursuing a nuclear weapons capability and supports insurgents who attack Israel and U.S. interests in the Middle East. It poses a real threat to the world and to U.S. allies, and violently oppresses its own people. War with Iran to end these threats may appear tempting to some, but likely Iranian retaliation would be extremely dangerous for the U.S., Israel, and regional stability.



We must continue to pressure Iran to change course. Effectively isolating Iran requires us to work with other countries, especially Iran's major trading partners: Europe and China.

**What should we do?** Today Iran is isolated by the global community and internally divided. The



If you only read one thing...

## IRAN POSES A THREAT

- It is pursuing a nuclear weapon capability.
- It supports and funds terrorist groups.
- It stifles democratic movements.
- It is a serial human rights abuser.

## RESPONSIBLE OPTIONS

- **Strong sanctions:** ensure Iran doesn't have the materials, technology, or money to produce a nuclear weapon.
- **Tough diplomacy:** ensures that the world is united against them.
- **Reduce our oil dependence:** ensure that the primary source of funding for Iran's dangerous activities is cut.

Obama administration has used a combination of tough unilateral and multilateral sanctions, diplomatic pressure, support for democratic movements in the region, and covert operations to counter Iran's nuclear ambitions. The international community and the UN nuclear watchdog are all on our side, pressuring Iran to stop its program. And Israel trusts that the U.S. will act before allowing Iran to get a bomb. As of summer 2013, we have more time for strong pressure and diplomacy to rein in Iran before it creates a weaponized nuclear device.

## WHY IRAN MATTERS



**Iran is working towards a nuclear weapon capability.** Iranian leaders have said that they do not seek a nuclear weapon and are simply working to achieve civilian nuclear energy. As a signatory to the Non-Proliferation Treaty, they are permitted to develop civilian nuclear energy, but prohibited from developing nuclear weapons. However, the government's actions strongly suggest that they are interested in at least developing a nuclear weapon capability, if not actually building a bomb. Iran continues to conduct work on the technology needed to trigger a nuclear reaction and is seeking the means to develop a delivery mechanism for that weapon.

As Iran experts note, however, Iran remains the “most ‘watched’ country in the world.” The United States, Israel, and many other countries monitor Iran's activities and communications covertly, and most importantly, most of Iran's nuclear sites are monitored regularly by international inspectors who are increasingly tough on Iran. Though Iran does not disclose all of its research, inspectors provide a critical window into Iran's activities, and it is essential that these inspectors be allowed to continue to do their work.



**Iran sponsors terrorists and uses these groups against the United States, Israel, and other allies.** Iran remains the world's “most active state sponsor of terrorism,” according to the U.S. State Department. Across the Middle East, Iran supports terrorist groups that seek to undermine America, Israel, and Sunni-led countries. It



### Key Fact

Iran's strategy is probably to ensure it has the *option* to build a nuclear weapon without *actually* building one. This permits Iranian leaders flexibility while still maintaining a level of deterrence.

is a supporter of Hamas and other Palestinian terrorist groups. Iran also funds, arms, and trains Hezbollah which has attacked Israel from Lebanon in the north. Its funding for the Mahdi Army and other dangerous groups in Iraq has undermined civilian democratic institutions there.

In Afghanistan, Iran is supplying weapons, funding, and training to anti-U.S. militant groups, including the Taliban, to undermine American military objectives. Iran seeks political influence in Afghanistan so that it has continued leverage after the withdrawal of U.S. forces.



**Even though we do not purchase oil directly from Iran, we are indirectly supporting Iran's regime.** Because oil is a global commodity and America consumes one-quarter of the world's oil, our demand props up global oil prices. This increases Iranian profits that are then used to support its weapons programs.

Prior to the international sanctions placed upon it by the United States and our allies since August 2012, Iran was the world's fifth largest producer of oil and third largest exporter of oil. Since the application of sanctions in August 2012, Iranian oil production is estimated to have fallen from 3.5 million barrels per day (BPD) and was projected to fall to 2.7 BPD by the end of 2012. This is a roughly 25% drop in production and represents billions in lost revenue for the Iranian regime.

Iran also has potential to choke the global oil supply and spur an energy crisis. About 20% of the world's oil passes through the Strait of Hormuz—a passage as narrow as 34 miles wide in the Persian Gulf. If Iran tried to cut off supply through the Strait—as it has threatened to do in the past—it could send global prices skyrocketing.



**Iran is a gross abuser of human rights and continues to curb the spread of democratic values in the region.** Iran is one of the world's most oppressive regimes and continues to deny basic human rights to its people. The government sponsors torture, arbitrary arrests, and political abductions. Women's rights activists are

America's demand for oil enriches Iran. Decreasing our oil dependence will help drive down prices and defund Iran.



#### Key Facts

### ENRICHED URANIUM

- **3.5%-5% enriched:** Low Enriched Uranium (LEU); useful for civilian nuclear power generation; legal for Iran to produce and possess under the Non-Proliferation Treaty.
- **20% enriched:** LEU; useful for medical imaging (radiology) and radiation therapy (oncology, chiefly); legal for Iran to produce and possess under the NPT.
- **90% enriched:** Highly Enriched Uranium (HEU); useful for making a nuclear weapon; illegal for Iran to produce or possess under the NPT.

regularly arrested, homosexuals are executed, and adulterers are stoned to death. Pro-reform websites, blogs, and newspapers have been closed en masse. The State Department lists Iran as a “Country of Particular Concern” for religious freedoms and has given Iran its worst rating on human trafficking. Iran has also arrested and executed “Green Movement” activists, working for democracy since the 2009 presidential elections.



**Iran served as the intermediary helping North Korea provide missile technology to Syria.** Syria’s Assad regime has historically been a key strategic ally for Iran, helping Iran supply Hezbollah with weapons and training. From the early days of a democratic uprising in Syria, Iran has continued to support the Assad government even as it brutally suppresses its own people.

## IRAN’S NUCLEAR PROGRAM

Under the Non-Proliferation Treaty, Iran is entitled to a peaceful nuclear program for the purposes of research, medicine, and power generation, and to the Low Enriched Uranium (LEU) that those programs require. It is prohibited from refining uranium past the 20% level, after which it becomes Highly Enriched Uranium (HEU), which is useful only for making weapons.

Uranium must be enriched to 3.5% to be useful as fuel for a nuclear power station, 20% to be useful for medical purposes (including uses in radiology and oncology), and 90% to be useful in a nuclear weapon.

Counter-intuitively, enrichment from 3.5% to 20% is difficult and time consuming, while enrichment from 20% to 90%, that is, from legal LEU to illegal HEU, is relatively easy. Therefore, the American and international strategies have wisely sought to limit Iran’s stockpiles of 20% enriched uranium, so as to lengthen the



### Key Facts

## WHAT DO SANCTIONS DO?

**Sanctions force countries and businesses to choose between doing business with the U.S. or with Iran. Sanctions:**

- Bar firms that do business with Iran’s Central Bank from doing business with U.S. financial institutions
- Ban companies that provide bulk amounts of refined petroleum to Iran from doing business in the U.S.
- Freeze the U.S. assets and travel visas for officials who have committed human rights abuses.
- International sanctions have ended Iran’s access to the entire international financial (SWIFT) system.

“breakout” time, or time required for Iran to manufacture and stockpile the quantity of 90% HEU required for a weapon.

Iran has long claimed to need stockpiles of 20% low enriched uranium for use in its hospitals and universities. The International Atomic Energy Agency (IAEA) did, in fact, find that Iran’s stockpiles of 20% low enriched uranium had *decreased* between its May 2012 and August 2012 inspections. They concluded that Iran’s conversion of 20% low enriched uranium into medical isotopes had outpaced its enrichment. This is encouraging, since uranium converted into medical isotopes cannot then be further enriched into HEU, but the rate of their progress at enrichment remains unclear.

Though the IAEA does have inspectors in many of Iran’s facilities, they do not have access to everything they need. Estimates differ over how long it would take Iran to reach a “breakout threshold,” at which point it could refine to 90% the amount of uranium required for a weapon. Most experts agree that point could be within 12 months if Iran chooses that course of action.



#### Key Distinction

### OUR OPTIONS: THE BASICS

- Military strikes would only delay Iran’s nuclear program by a few years.
- Saber-rattling may scare Iran into acquiring a nuclear weapon.
- Today, an international coalition has Iran surrounded and isolated.
- Sanctions are working.

## THE POLICY LANDSCAPE & RECOMMENDATIONS

**Obama offered the hand of engagement in 2009. The burden of proof remains on Iran to show that they are a responsible member of the international community.** By offering Iran a chance at a fresh start at bilateral relations, President Obama both demonstrated his commitment to a diplomatic solution and strengthened his position in the international community. This brought many otherwise reluctant states onboard with the most comprehensive regime of international sanctions the world has ever seen, while shifting the burden onto Iran to prove that they are abiding by international law. His “open hand” approach also increased dissent within Iran, and strengthened opposition to Ahmadinejad’s



government. The new president of Iran, Hassan Rouhani, who will take office in August 2013, was considered the less-hardline candidate in a race that saw multiple conservatives split the hard-line vote.



**Some believe we should bomb Iran's nuclear facilities. But military strikes only offer the potential for a temporary delay, not a permanent solution.**

Military strikes should remain officially on the table as an option for U.S. policymakers. However, U.S. and Israeli military and political leaders question their utility in reversing the Iranian nuclear program. Former Secretaries of Defense Leon Panetta and Bob Gates have both stated that military strikes would delay Iran's program by only a few years at best. What is more, even "targeted strikes" would lead to a regional conflict, according to Pentagon simulations, as Iran would retaliate against the United States, Israel, and our other allies in the region. Even in a best case scenario that set back the program by several years, large numbers of American forces would be tied down in the Persian Gulf for years to come, certainly at great financial cost, and possibly at great cost to American lives.

(See the Truman Project's simulation, built with the assistance of former Pentagon officials, at [www.tellmehowthisends.com](http://www.tellmehowthisends.com))



**The result of a military strike would be regional chaos and violence against Israel and other regional allies.**

We have provided Israel with a tactical missile defensive system known as "Iron Dome" that provides some protection against short-range rocket and mortar attacks launched by Hamas and other terrorist groups. Operation Pillar of Defense, Israel's conflict with militants in Gaza in 2012, demonstrated that the Iron Dome is quite effective at defending against these weapons. The more we can deter an attack, the less incentive Iran has to develop a nuclear weapon. Other missile defense systems, like the strategic missile defense system once planned for Eastern Europe, face major technological hurdles and are not expected to be fully operational until 2022 at the earliest. In March 2013, Secretary of Defense Chuck Hagel announced a more strategic, cost-effective

## MISSILE DEFENSE 101

**Strategic missile defense systems** attempt to intercept and destroy long range intercontinental ballistic missiles, like those that carry nuclear payloads. These were developed during the Cold War by the U.S. and Soviet Union to deter intercontinental nuclear conflicts.

**Theater missile defense systems** attempt to intercept and destroy medium range missiles, like those Iran could use to strike Israel.

**Tactical missile defense systems**, like Israel's Iron Dome, attempt to intercept short range, unguided missiles, like those used by Hezbollah and Hamas.

approach that fast-tracks improvements to existing systems, strengthens U.S. security at home and abroad, and allows us to maintain commitments to our most vulnerable allies and partners.

Meanwhile, Israel's military and intelligence leaders agree that striking Iran militarily would harm Israeli civilians. Meir Dagan, the former Director of the Mossad, the Israeli intelligence agency, who served under right-wing prime ministers Ariel Sharon and Benjamin Netanyahu, called an Israeli airstrike, "The stupidest thing I have ever heard." America is right to stand with Israel's military and intelligence leaders in urging Israel not to strike Iran.



**Since early 2010, the Obama administration has been isolating Iran through diplomatic and economic pressure.** The U.S. has championed tough sanctions that force oil companies and banks to choose between doing business with Iran and doing business with the United States. These sanctions are having a significant impact on Iran's economy. These are the toughest sanctions ever imposed, and they are working to force the regime to reconsider its program. Through tough diplomacy, we should push Iran to give up the idea of nuclear weapons, and stop at a civilian nuclear power that we can monitor.

Other options that can be used in conjunction with economic sanctions and diplomatic isolation include clandestine actions, including sabotage and cyber attacks, both of which appear to have been effective at delaying Iran from developing a nuclear capability in the past.



**President Obama has rallied an international coalition against the Iranian nuclear program.** President Obama has succeeded in getting Iran's largest trading partners (Europe, China and Russia) to support economic sanctions on Iran. China was given a six month waiver on the provision restricting the purchase of oil, which will be extended, provided that they can demonstrate a good faith effort to reduce



#### Key distinction

### FROM CAPACITY TO CAPABILITY TO WEAPONS

"Capacity" and "capability" are terms of art with important distinctions when discussing Iran's nuclear program.

Iran currently has the *capacity* to enrich uranium to a high enough grade and at a high enough rate to accumulate the quantity required for a weapon. But *capacity* is not enough to actually have a weapon, which requires additional technology.

Iran does not yet have *nuclear weapons capability*: the combination of uranium enrichment capacity and the ability to successfully design and build a nuclear warhead and a delivery system for that warhead.

imports from Iran during that time. Without this coalition, sanctions would be significantly less effective. With its support, Iran is truly isolated from the world.



**U.S. and multilateral sanctions are putting diplomatic and economic pressure on the Iranian regime.** The value of the Iranian currency, the Rial, fell roughly 80% by some estimates over the course of 2012, crippling Iran's economy. This led to major protests in fall 2012 in Tehran by Iran's influential merchant class. More recently, Iranian leaders have publicly admitted sanctions are making it difficult for the Iranian banking sector to continue its business. The current sanctions program was also designed specifically to avoid as much as possible harming civilians by exempting goods like food and medicine, and to avoid harming the opposition movement.

Tough sanctions can force Iran to the negotiating table. A religious ruling by Iran's Supreme Leader and top religious authority declaring the possession of nuclear weapons "a sin" may be Iran's way of finding a face-saving way of stepping down from nuclear weapons.



**Over the long term, democratic change is our best hope for a more peaceful Iran.** The Iranian population itself is strongly pro-American, and would likely have different goals for nuclear power. Our best strategy for long-term stability is to support the popular aspirations for dignity and freedom of the Iranian people. Yet, direct support can lead to regime crackdown and undermine their cause. As in the aftermath of the 2009 protests, we should continue to raise human rights violations in international forums and private meetings, and press for the release of individual political prisoners.

**But we should not pin our nuclear strategy on hopes of dramatic change through another democratic uprising, or elections alone.** Many of the protesters from 2009 are in jail or hiding, making dramatic change through democratic uprising unlikely. Even another round of widespread protests might not alter the political landscape quickly enough to resolve the current standoff. Moreover, many

Today, Iran is surrounded by our allies, isolated from the world, and internally divided.

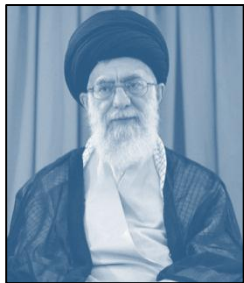
democratic protestors want an Iranian nuclear program, though they may be far less antagonistic to the U.S.

Under the current regime, Iran has highly controlled elections, and the Presidency of Iran is less important than the Supreme Leader, who has veto power over foreign policy and nuclear program decisions. The incoming president, Hassan Rouhani, who will take office in August 2013, was the most reform-minded candidate allowed during the June 2013 election. He is not a liberal democratic reformer, but the people chose him overwhelmingly over more conservative candidates. Rouhani's victory could signal a new era of leadership, more measured in tone and interested in international respect, rather than direct confrontation.

## KEY PEOPLE

Iran is ruled by a theocracy—a government headed by religious authorities that operate under “divine rule.” The Supreme Leader serves as Commander in Chief of the Iranian forces, reserves broad powers, and is not subject to a term limit. Technically, the Supreme Leader is supervised by an elected Assembly of Experts, which has the power to remove him—but history has proven this is only in theory.

The Iranian government also has a directly elected president that appoints and oversees the work of the cabinet but is subordinate to the Supreme Leader. As a general rule, the Supreme Leader asserts his authority on security-related issues and leaves domestic issues to the president.



**Ali Khamenei (ah-LEE hah-mehn-EE): Supreme Leader.** Since 1989, Khamenei has served as Supreme Leader. He is a hardline conservative on foreign policy, and in the early days after the Revolution he helped build the Iranian Revolutionary Guard Corps (IRGC). As Commander in Chief, Khamenei ordered the IRGC to put



### Common error

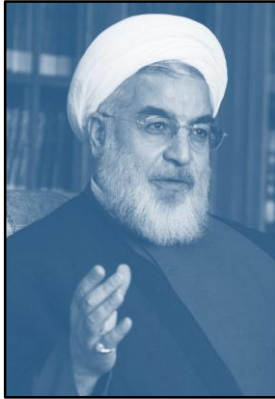
Be careful not to confuse the elected leadership of Iran with its religious leadership. The President of Iran is not a religious leader; the Supreme Leader is.



### Key fact

**It is often difficult to know who is in control of Iran.** The Supreme Leader had been clashing with the president – after the 2013 election, it remains to be seen whether he won this internal power struggle.

down the peaceful, popular uprisings following the contested 2009 presidential election.



**Hassan Rouhani (HAA-saan ROO-ha-nee): The President.** Rouhani was elected in June 2013 and is expected to take office in August 2013. He was the most reform-minded candidate allowed during the election – the people chose him overwhelmingly over more conservative candidates, and it has even been reported that he received a much larger share of the vote than announced publicly. He replaces Mahmoud Ahmadinejad, who had been president since 2005. Ahmadinejad’s reelection in 2009 was a catalyst for the pro-democracy Green Movement to take to the streets, triggering widespread national protests.

**Iranian Revolutionary Guard Corps (IRGC).** The Revolutionary Guard is a military organization founded immediately after the Iranian Revolution. Unlike the traditional armed forces of Iran that are responsible for the normal functions of a military, like protecting the border and defending the country from external threats, the Revolutionary Guard’s chief responsibility is to protect the regime from internal threats, like popular protests or mutiny by the armed forces. Their command structure emanates directly from the Supreme Leader, and they are his chief leverage against the population and the civilian government. The Revolutionary Guard also have an elite corps, the Quds Force, which is tasked with “exporting the revolution” by engaging in covert operations throughout the region.



## GOING DEEP: BACKGROUND AND CONTEXT

Under the rule of the Shah, Iran became a signatory to the Nuclear Non-Proliferation Treaty, ratified in 1970, and remains a signatory to this day. This

legally prohibits Iran from developing nuclear weapons, but allows for the peaceful use of nuclear energy. The IAEA inspects Iran's nuclear sites to ensure compliance with the Treaty, and though their access is incomplete, it provides the international community does have an important window into Iran's nuclear program and infrastructure. The IAEA is increasingly tough on Iran, pressing them to disclose weapons research and requesting full access to facilities and documents.

**The U.S. and Iran have not had formal relations since 1980.** The United States and Iran were allies during the tenure of the Shah of Iran. The corrupt, unpopular Shah was ousted during the 1979 Iranian Revolution, and formal ties between the U.S. and Iran were broken in 1980 following the seizure of the U.S. Embassy by Iranian radicals.

**The Bush administration engaged Iran, then pursued sanctions, but failed to isolate Iran.** The George W. Bush administration opened a dialogue with Iran from 2001 to 2003 on Iraq and Afghanistan, but it fell apart after he named Iran as part of an "axis of evil". Efforts to pursue international sanctions under Bush and a second try at multi-party talks with Iran in 2008 failed to get off the ground.

**The Obama administration first pushed for stronger engagement then moved to isolate Iran.** President Obama entered office offering a new course: in exchange for stalling their nuclear program, the U.S. would integrate Iran into the global community. Iranian leaders, however, refused the offer. In the aftermath of the 2009 Iranian presidential election, they began a violent crackdown of the Green Movement—a collection of pro-democracy groups seeking peaceful, political change. Because the Obama Administration showed its willingness to negotiate, it was able to galvanize the international community to increase international sanctions.

**U.S. sanctions are strong, and getting stronger.** U.S. businesses have long been prohibited from trading with or investing in Iran. In the last few years we have

further isolated Iran by closing our markets to any company that sells refined petroleum to Iran and to banks that do business with Iranian banks. In March 2012, the Society for Worldwide Interbank Financial Telecommunication (SWIFT) imposed sanctions that have effectively closed Iran to all international banking. Since August 2012, American sanctions now force businesses to choose between doing business with Iran or with the world's largest market: the United States.

Iran has also long been subject to sanctions by the UN, but these sanctions focus on prohibiting the sale of weapons and "dual use" technologies to Iran. The new American sanctions go further, punishing businesses and governments that engage in virtually any form of economic activity with Iran.

**Iran is divided by a complex internal power struggle.** In recent years, a struggle has consumed Iran's senior leadership, making it difficult to negotiate with a divided country. The feud began in early 2011 when then-president Mahmoud Ahmadinejad attempted to promote some of his allies to key government posts only to have them demoted by the Supreme Leader. Since then, the Supreme Leader has scaled back the power of the presidency, and imposed strict limits on candidate eligibility for the June 2013 elections. Bolstered by the support of the IRGC, the Supreme Leader appears to have grown more powerful during the feud, though the in-fighting extends to factions outside the top echelons of government. Whether he has consolidated such power remains to be seen, however— with newly-elected President Hassan Rouhani set to take office in August 2013, this election might have revealed the Supreme Leader is unexpectedly constrained by domestic public opinion.

**Militant groups are gaining political influence within Iran.** The Iranian Revolutionary Guard Corps (IRGC) is a military unit consisting of ground, air, and naval forces that are separate from Iran's regular military. More than just a division of Iran's armed forces, it also oversees large media, education, and economic



entities and it is politically well-connected—most of Iran’s political leaders once served in the ranks of the IRGC.

**The IRGC exerts additional regional influence through its Quds Force**—a militant arm that runs a global intelligence network and facilitates weapons sales and deliveries to pro-Iranian groups throughout the Middle East such as Hezbollah and Islamic Jihad. Unfortunately, while sanctions might be our best option against Iran’s nuclear ambitions, they could also expand the black market, a source of revenue for the IRGC.





# Pakistan

## THE FRAME

Pakistan, not Afghanistan, poses the most significant security threat in Central Asia. Pakistan is a nuclear state with a history of proliferation and black market sales. If terrorists are going to acquire a nuclear weapon, their best chance to do so is in Pakistan. Religious schools funded by oil-rich states in the Persian Gulf exacerbate violent extremism.

Pakistan provides safe havens for terrorists, some

of whom work hand-in-hand with Pakistan's intelligence services. And those intelligence agencies and military often manipulate the press to stoke anti-Americanism.

**So what should we do?** Isolating Pakistan would only exacerbate these threats; so would putting our support exclusively behind the military and



If you only read one thing...

## A SERIOUS THREAT

- Pakistan poses a serious threat to American security.
- It is a nuclear-armed country with an unstable civilian government.
- Pakistan is the most likely place for a terrorist to get a nuclear weapon.
- Pakistan's military and intelligence agencies have connections to terrorist groups.

## TOUGH CHOICES

- Pakistani support is essential to ending the war in Afghanistan.
- Making our aid to Pakistan more effective is a better choice than cutting it.
- Our long term focus should be building the strength and influence of the civilian government.

intelligence services. Instead, while maintaining our military ties, we need to focus on strengthening the civilian government.

## KEY ISSUES



**Pakistan is a nuclear state with a history of proliferation.** Pakistani scientists developed a nuclear weapon and then began selling that technology on the black market to countries like Iran, North Korea, and Libya under the Qaddafi dictatorship. Internal fissures in the Pakistani government and the presence of extremists in northwestern Pakistan raise questions about the security of Pakistan's nuclear stockpile. If al Qaeda were to acquire nuclear material, it would most likely come from Pakistan.



**Elements in Pakistan's military and intelligence services support terrorist groups.** Pakistan's military positions itself as the only effective counterweight to extremist groups. It is true that the Pakistani military has fought some of these groups. However, elements in the military and intelligence services ("Inter-Services Intelligence," or ISI) have also created, supported, and bankrolled regional terrorist groups. Top generals in Pakistan's military—including individuals who work closely with the U.S.—are also crucial to supporting these extremist groups.

Pakistan supports these organizations as a low-cost means of fighting and deterring India, which they view as their greatest threat. Pakistan's fear of India fuels its continued support for terrorist organizations, despite the fact that these groups have de facto control over large swaths of Pakistani territory, and have occasionally turned on their hosts, attacking Pakistani government targets.



**Pakistan plays a key role in a political solution for Afghanistan.** Pakistan has been playing both sides of the coin in Afghanistan. They fear a strong Afghanistan allied with India—for that reason, they support extremist groups who keep Afghanistan unstable, using the country as a buffer against India.



## KEY ISSUES 101

- Pakistan is the place terrorists are most likely to get a nuclear weapon.
- The military and intelligence services support terrorism as a hedge against India.
- Drone strikes eliminate individual terrorists, but don't stop state support for terrorism or government instability.

Pakistan is essential to ensuring Afghanistan doesn't become a terrorist safe haven again.

Because they have a strategic interest in the future of Afghanistan, Pakistan must be involved in peace talks. Many of the most dangerous insurgent groups, including the well-known Haqqani network, operate on the Afghanistan-Pakistan border and use Pakistan as a safe haven.



**Drone strikes in Pakistan have proven tactically effective but not strategically decisive.** The U.S. has sharply escalated its use of strikes by Unmanned Aerial Vehicles (UAVs, known as drones) in Pakistan since 2010, and is estimated to have killed hundreds if not thousands of militants. These drone strikes have taken a significant toll on al Qaeda and other extremist groups. But drone strikes also lead to civilian deaths, cause rifts in the U.S.-Pakistan relationship, and may lead to increased extremist recruitment.

## THE POLICY LANDSCAPE & RECOMMENDATIONS



**We need to work with Pakistan, even though it's complicated.** Without Pakistan's cooperation, Afghanistan will never stabilize. Pakistan has ties to many of the groups we are fighting in Afghanistan and we need them to help restart peace talks. Meanwhile, we need to work with Pakistan to ensure their nuclear weapons are secure, to deal with al Qaeda in Pakistan, and to ensure that the extremism in that country does not spawn more anti-American terrorist organizations or recruits.



**Focusing on the military relationship alone is not enough.** Some, seeing the civilian government as corrupt and ineffective, would prefer only to work with the Pakistani military. But our ultimate interest is a stable government in Pakistan. That goal is harmed by increasing the power and prestige of the military and intelligence sectors at the expense of the civilian government. Historically, frequent intervention by the military, including several coups since independence in 1947, has destabilized the country and prevented political stability.



## POLICY CHOICES

- Work with Pakistan to stabilize Afghanistan, restart peace talks, and secure their nuclear weapons.
- Cutting aid would make things worse.
- Make our assistance smarter and predicated on improvements in governance.
- Work with the civilian government to create a more stable partner.



### Key fact

The civilian leadership of Pakistan has considerably less power and influence than the military—which has overthrown civilian governments multiple times since the country's independence in 1947.



**Support the civilian government.** The U.S. should balance our relationship with Pakistan's government away from the military and towards support of the civilian government. Pakistan has been ruled by its military for over half of its existence. For too long, the U.S. tacitly supported the military's efforts to undermine civilian rule as the price for keeping Pakistan safe from extremism. Even now, with established civilian authority, the military still sets foreign and national security policy. This has allowed the military to manipulate Islamist groups in the country to advance its own goals, while contributing to the weakness of civilian institutions and authority.



**Secure Pakistani nuclear weapons.** Pakistan believes that we want to eliminate their nuclear weapons. America's greatest security concern, however, is securing Pakistan's nuclear material to prevent nuclear terrorism. President Obama set a goal of securing all loose nuclear material worldwide, and his administration has prioritized programs that will do so. We should work with Pakistan to reassure them that we will not remove their weapons, but that they must be secure.



**Work with Pakistan to eliminate extremist safe havens.** Terrorists move through northwestern Pakistan with relative freedom. From there they gather resources, recruit new extremists, and plan attacks against our troops in Afghanistan. To continue a mutually productive relationship with the U.S., Pakistan must take responsibility for what occurs within its borders by either bringing law and order themselves, or by allowing other countries to defend themselves within Pakistan's ungoverned provinces.



**Cutting assistance to Pakistan would make things worse.** We are in a fight for hearts and minds in Pakistan. Absent economic development in tribal areas, extremist groups fill the void, and provide charity and schooling to win recruits. Additionally, oil-rich countries in the Persian Gulf fund thousands of schools and extremist mosques that feed extremism, and buy the support of the poor. It is in our interest to provide development support that builds a more stable country, avoiding far more costly military operations. Moreover, the Pakistanis already consider the

We can't leave Pakistan to the terrorist groups that recruit kids against us. Aid can help us change minds.

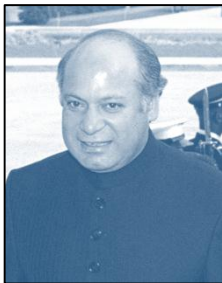
U.S. a “fair-weather friend.” Completely cutting off aid would only feed anti-Americanism.



**Make our assistance work better and increase trade.** Our aid would be more effective if we funded government projects through reimbursements after they are completed, rather than giving aid on a promise to act – an idea spearheaded by the Center for Global Development. We also need to ensure that significant assistance is focused specifically on strengthening the country’s civilian government so that it can be a more reliable partner, and strengthening the role and culture of a free press to avoid ISI and military press manipulation. Finally, we should work to increase trade with Pakistan, not just aid. Trade helps strengthen the country’s middle class, and is the foundation for prosperity over the long term.

It is imperative that U.S. resources do not end up funding weapons used against our servicemembers in Afghanistan. Therefore, we must be careful about how we allocate U.S. military aid to Pakistan and re-evaluate how much military assistance we provide. This assistance is, in reality, a quid pro quo for security assistance to the U.S. – we should ascertain that we are getting the security we are paying for.

## KEY PEOPLE

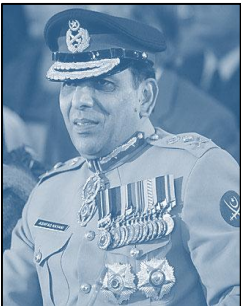


**Nawaz Sharif (Nah-WAS shah-REEF).** As Pakistan’s Prime Minister, Sharif won 124 out of 272 seats in Parliament in the May 2013 elections. He is the leader of the Pakistani Muslim League-Nawaz (PML-N), and, as owner of the business conglomerate Ittefaq Group, he is also one of Pakistan’s wealthiest men. Sharif served as Prime Minister from November 1990 to July 1993, and then from February 1997 until he was ousted in October 1999 in a bloodless coup orchestrated by General Pervez Musharraf. Sharif was elected in 2013 on promises to transform Pakistan’s infrastructure and economy, and to tackle the rampant corruption that has plagued the country. Sharif’s landslide victory in the 2013

Parliamentary elections allows him to govern without having to form a coalition. Besides grappling with domestic issues, Sharif has sought to improve historically thorny relations with India and the United States; he has also publically condemned the use of drones by the U.S. in Pakistan's lawless tribal belt.



**Asif Ali Zardari (AH-seef AH-lee zahr-DAH-ree).** Zardari is the outgoing President of Pakistan and may soon be the first civilian president to finish a term of office without a coup or assassination. He was elected after the death of his wife, Benazir Bhutto, the scion of an illustrious political family. He is credited with returning civilian rule to Pakistan after forcing Pervez Musharraf's resignation, and with leading constitutional reforms to limit presidential power over Pakistan's nuclear arsenal. However, Zardari is popularly known as "Mr. Ten Percent" in reference to allegations about corruption. He is believed to have little power in comparison to Pakistan's military leadership.



**General Ashfaq Kayani (ASH-fahk kal-AH-nee).** General Kayani, by contrast, is consistently ranked as one of the most powerful people in the world. He has been Pakistan's Army Chief since 2007, the Pakistani equivalent of the Chairman of the U.S. Joint Chiefs of Staff. He previously served as Director of the ISI, Pakistan's intelligence agency. He is a key interlocutor for many leaders in the U.S. However, many Pakistan experts and Pakistani civil society leaders believe he actively plays both sides of the coin, supporting terrorist organizations and insurgent groups as a hedge against rival Indian influence.



**Imran Khan (IM-ran KAHN).** Khan, a former national cricket champion, emerged in 2012 as one of Pakistan's most popular political leaders. After studying at Oxford and then leading Pakistan's cricket team in the 1992 World Cup, Khan formed Pakistan's Tehrik-i-Insaaf (Movement for Justice) political party, which has campaigned on promises to crack down on corruption. He has led protests against U.S. drone strikes in Pakistan's tribal regions. Both a reformer but also a critic of the West, he was viewed as a contender in Pakistan's 2013 elections, in which he made a respectable showing.

**Iftikhar Chaudhry (IF-tik-ar CHOW-dree).** Chaudhry became Pakistan's Chief Justice in 2005. His suspension by former President Pervez Musharraf in 2007, after a series of rulings challenging Musharraf's authority, sparked a nationwide movement for judicial independence that helped lead to Musharraf's eventual downfall. Chaudhry was named one of TIME Magazine's 100 most influential people in 2012, and he continues to preside as Chief Justice over Pakistan's Supreme Court.

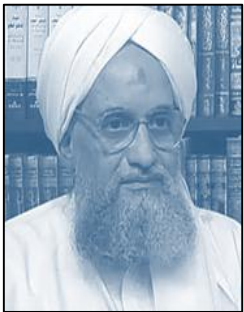


**Malala Yousafzai (Mah-LA-la Yoo-SAF-zi).** Malala is a young teenage girl who became a worldwide icon when she was shot in an assassination attempt by the Pakistani Taliban for supporting education rights for women and girls. At the age of 11, she began blogging under a pseudonym about her life under Taliban rule in the Swat Valley. On October 9, 2012, after she had begun rising in prominence, she was shot in the head and neck by Taliban gunmen while riding a school bus. But she survived—and the assassination attempt provoked popular outrage across Pakistan (and the world) against Taliban extremism. Malala has recovered and written a book encouraging education for young women; the U.N. has also launched a fund for girls' education in her name.





**The Haqqani Network (Hah-KON-ee).** Lead by Jalaludin Haqqani and his sons, the Haqqani Network has close affiliations with al Qaeda, as well as a relationship with Pakistan's ISI. It has engaged in multiple attacks in Afghanistan against coalition forces and civilians in recent years, and it operates primarily out of havens in the tribal areas of Pakistan; it is estimated to have about 3,000 fighters and operatives. In September 2012, the U.S. State Department designated the Haqqani Network as a foreign terrorist organization. The Network has, however, indicated a willingness recently to participate in peace negotiations with the Afghan government.



**Ayman al-Zawahiri (EYE-mahn al zah-WAH-ree).** Following bin Laden's death, Zawahiri was named as al Qaeda's leader. Zawahiri is an Egyptian surgeon, founder of the terrorist group Egyptian Islamic Jihad, and, in 1981, was part of an attempted coup in Egypt. He was imprisoned and tortured for his role in the operation. Zawahiri served as bin Laden's operational and strategic commander before bin Laden's death. He is more controversial and less charismatic than bin Laden and, as a result, it is believed he is not universally accepted within the global network. Zawahiri is believed to be hiding in Pakistan.



### Common error

Osama bin Laden's death does not guarantee al Qaeda's demise. They are weakened, but still operating in the region.



## GOING DEEP: BACKGROUND

**Pakistan views the world through its relationship with India.** Pakistan and India fought three full-scale wars and relations between the two nuclear powers have been bitter since the two countries gained independence from Britain in 1947. They frequently clash over Kashmiri sovereignty and access to water resources. Pakistan also fears a strong Afghan state that has close relations with India.

Throughout the Cold War, America tended to be closer to Pakistan, which was also aligned against the anti-religious Soviets. India was non-aligned, but its centralized and subsidized economy leaned towards the centralized Soviet Union. In recent

years, America has leaned towards India with its robust democracy, and away from Pakistan. Wary of this change, Pakistan now views the U.S. as “pro-India” and is increasingly suspicious of U.S. intentions.

**Pakistan developed nuclear weapons in an arms race with India.** Pakistan became a nuclear state because of its rivalry with India, which had also illicitly developed nuclear weapons. The key scientist in Pakistan’s nuclear program, A.Q. Khan, also became the world’s greatest nuclear proliferator on the black market. Khan sold technology to Iran, North Korea, and Libya under Qaddafi.

**Pakistan supports terrorist groups to destabilize India.** In a conventional conflict against India, Pakistan would be greatly outnumbered and highly disadvantaged. To even the playing field, Pakistan continues to expand its nuclear program, while elements within the government support terrorist groups to destabilize India.

**Mutual distrust lingers in the U.S.-Pakistan relationship.** Pakistan does not trust U.S. intentions in Afghanistan, and the U.S. is frustrated by Pakistan’s support of extremists. Yet, both sides still need each other. Pakistan relies on U.S. arms sales for its military technology and on U.S. aid for its economy; the U.S. needs Pakistani cooperation to root out terrorists along the Afghanistan-Pakistan border.

**Pakistan views the U.S. as a fair weather friend.** U.S. assistance and commitments to Pakistan have been inconsistent over the years. We have a history of providing assistance when it’s in our interest and not providing it when it isn’t. The Pakistanis also believe we will abandon the region after our commitments in Afghanistan end, so they continue to hedge their bets to ensure future influence.

**The U.S. has provided significant aid since 2008—but conditionality sparked resistance in Pakistan.** The U.S. has tripled non-military aid to Pakistan since 2008, and conditioned it on progress in improving democratic institutions and combating extremist militancy. Through the Enhanced Partnership with Pakistan Act of 2009, Congress committed \$1.5 billion per year in aid to Pakistan over 5 years. However,

Unless we work to increase civilian control and bolster a free press, a young generation of Pakistanis will grow up in a nuclear country hating America.

worries about Pakistani corruption and poor governing capacity have led to slow delivery of these funds. The ISI did not like the conditionality, which threatened its power. It manipulated Pakistani media to paint a negative picture of this conditionality, sparking riots against our assistance.

**Anti-Americanism fuels extremism and colors all American actions in Pakistan.**

Pakistan has a young population in dire need of jobs, food, and hope. The lack of opportunity combined with anti-Americanism creates a dangerous situation where young Pakistanis are more likely to turn to extremist groups that provide things the state cannot. In the past, U.S. favorability has gone up for short periods of time only to quickly return to low levels. ISI manipulation of the press makes it difficult to change these attitudes.

**The U.S.-Pakistan relationship deteriorated rapidly in 2011.** In 2011 through 2012, a number of catastrophic events showed how quickly the relationship with Pakistan can deteriorate. In January 2011, a CIA contractor tracking militant groups in Pakistan killed two Pakistanis and was imprisoned for two-months. In May 2011, Osama bin Laden was killed in a compound in Abbottabad, about a half mile from Pakistan's premier military academy. In September 2011, the Taliban attacked the U.S. Embassy in Kabul; and in November, a U.S. airstrike killed 24 Pakistani soldiers. The U.S. expressed regret for the deaths but did not formally apologize until July 2012.

Pakistan responded by closing military transportation routes into Afghanistan; it also closed a base used to launch U.S. drone strikes and boycotted an international conference on Afghanistan. And in May 2012, a Pakistani tribal court convicted a doctor of treason for having worked with the CIA in an attempt to collect DNA samples from Bin Laden's compound. In July 2012, however, negotiations succeeded in reopening the supply routes. In return, the U.S. released more than a billion dollars in military reimbursements to Pakistan that it had frozen in the past year.

## Notes:

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## Notes:

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## Notes:

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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