

**OPEN HEARING:
THE 2024 ANNUAL THREAT ASSESSMENT OF THE
U.S. INTELLIGENCE COMMUNITY**

HEARING
BEFORE THE
SELECT COMMITTEE ON INTELLIGENCE
OF THE
UNITED STATES SENATE
ONE HUNDRED EIGHTEENTH CONGRESS
SECOND SESSION

MARCH 11, 2024

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OPEN HEARING: WORLDWIDE THREATS ASSESSMENT 2024

Monday, March 11, 2024

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Committee met, pursuant to notice, at 2:39 p.m., in Room SH-216 in the Hart Senate Office Building, in open session, the Honorable Mark R. Warner, Chairman of the Committee, presiding.

Present: Senators Warner (presiding), Rubio, Wyden, Heinrich, King, Bennet, Casey, Gillibrand, Ossoff, Kelly, Risch, Collins, Cotton, Cornyn, Moran, Lankford, Rounds.

OPENING STATEMENT OF HON. MARK R. WARNER, A U.S. SENATOR FROM VIRGINIA

Chairman WARNER. Good afternoon. I'd like to call this hearing to order. And welcome to our witnesses: Director of National Intelligence, Avril Haines; CIA Director, Bill Burns; FBI Director, Chris Wray; Assistant Secretary for Intelligence and Research at the State Department, Brett Holmgren; Director of the National Security Agency, General Timothy Haugh; and Defense Intelligence Agency Director, Lieutenant General Jeffrey Kruse.

Thank you for appearing today before the Senate Intelligence Committee's annual worldwide threats hearing. It is important for Congress and for the American people to hear directly from the leaders of our Intelligence Community about the threats and challenges facing the United States.

I'd like to first acknowledge the women and men of the U.S. intel community. Most Americans will never see the work you do behind the scenes. But be assured that the Members of this Committee know its importance, and we thank you for what you do to keep America safe.

The threat environment today is perhaps one of the most challenging we've seen in recent years. We see nations backsliding from democratic institutions. We see authoritarian systems seeking to impose their will upon neighbors while looking to undermine the international system that has been guarantor of security and stability since World War II. And we see the rise in competition around new technologies. We must ensure that our institutions, including the IC, evolve to meet these new challenges, which means, in my mind, redefining what we think of as national security.

The IC was built to collect measures of hard power, how many ships, planes, and military personnel an adversary might have. But

the nature of strategic competition today revolves as much around not only traditional military power, but around nontraditional tools and the ability to harness emerging dual-use technologies. For example, advanced communication networks can provide ubiquitous connectivity but also ubiquitous surveillance. Artificial intelligence can accelerate software development but can also accelerate malicious cyber attacks or the spread of misinformation. Biotechnology advancements may lead one day to curing cancer or eliminating famine, but also may create new pathogens or even, as some have warned, genetically-engineered super soldiers. And access to rare earth minerals may help determine who shapes the energy future for the whole world.

Compounding all of this, the nature of conflict increasingly allows adversaries to project power through asymmetrical means. For example, cyber attacks can disable critical infrastructure from thousands of miles away and are increasingly available to a widening array of actors. Inexpensive, unmanned systems, drones, can threaten multibillion dollar ships. We are now even seeing the possibility of foreign adversaries weaponizing space in ways that could be massively destructive not only to our national security, but to our way of life and useful tools such as GPS and satellite communications.

Similarly, misinformation and disinformation are increasingly deployed cheaply by an array of adversarial actors. We all know that more than 60 countries, over half the world's population, will vote this year. And I am deeply concerned that democracy, including in the United States, is under greater threat than ever from these foreign adversaries. Bad actors like Russia are particularly incentivized to interfere, given what's at stake in Ukraine. Poll after poll increasingly demonstrates that Americans are distrustful of traditional sources of information, while AI provides the tools to spread sophisticated misinformation at an unprecedented speed and scale.

Amidst these threats, our ability to respond has been hamstrung as recent litigation pending before the Supreme Court has had a chilling effect on the voluntary sharing of information related to foreign malign influence threats between U.S. government agencies and social media companies. So, today I would like each of our witnesses to report on how their agencies and the IC as a whole are prepared and poised to meet these technology-based challenges and what more needs to be done.

Yet even with this new landscape, more traditional national security challenges remain. Terrorist groups still threaten our homeland. Over the last couple of years, we've seen authoritarian powers challenging democratic norms, undermining the international order, and intimidating their neighbors. The People's Republic of China under Xi Jinping has presented an unprecedented challenge, a techno-authoritarian behemoth whose economy is intertwined with our own, challenging democratic values, U.S. leadership, and global institutions, often using enormous government subsidies. China has used its substantial investment power to lead or attempt to dominate a range of key industries, whether it be telecommunications and Huawei, social media and TikTok, or genomics and BGI.

Another authoritarian adversary, Russia under Putin, has continued its brutal invasion of Ukraine, illegally using military forces to seize territory. Ukrainians have bravely been fending off the Russian military for over two years, supported by partners around the world. The Russian military has suffered severe losses of men and equipment. The fact is that close to 87 percent of Russia's pre-war ground forces have been taken out of the conflict by either being killed or wounded. And now, as a result of his aggression, Putin faces what he has always feared, a NATO more united than ever.

That said, this war is in a critical phase, with a serious imbalance of equipment. And my fear is the decision thus far by the House of Representatives not to even take up legislation that would support Ukraine in their fight against Putin's aggression has been one of the most shortsighted decisions on a national security issue that I can possibly imagine. Without this assistance, Ukrainian defenses will be disastrously undermined, as well as global confidence in America's resolve will be undermined. And that will be the case whether it comes from Putin in Europe or the PRC in Taiwan.

And as we convene this hearing, we also face continued instability in the Middle East. The horrific terrorist attacks against Israel's civilians by Hamas on October 7th have been followed by an incursion by Israel that has cost an estimated 30,000 Palestinians their lives. And while Iran and its key partners such as Hezbollah appear to be deterred from widening the conflict for now, other Iranian proxies such as the Houthis in Yemen and Iraqi Shia militias have attempted to expand their conflict and drag in our country.

At the same time, Israel's war against Hamas has shown the difficulty of using military force alone to eradicate a non-state actor embedded in a civilian population, especially one that has been so adept at using underground tunnels.

And I worry that Prime Minister Netanyahu's conduct in the war threatens to undermine support for Israel in the long term, including in the United States. This international support has been key to Israel's security. And as a longtime friend of Israel, this is of great concern to me for even Israel's support in the United States.

In addition, we convene this timely hearing as Congress faces a pressing deadline on a key national security program. Section 702 of the Foreign Intelligence Surveillance Act provides unique and critical foreign intelligence necessary to protect our national security, enabling the IC to prevent and thwart terrorist attacks, track foreign spies, uncover economic espionage, protect U.S. troops, expose human and drug trafficking, and disrupt foreign cyber attacks. Allowing this program to lapse would critically damage our national security.

In closing, we face an increasing array of diversity of challenges, but we also have an opportunity to reinvigorate America's democratic values in the face of autocracies like China and Russia. We cannot take for granted either democracy or the international system that has kept Americans safe for decades. Maintaining both requires leadership, conviction, and sacrifice.

With that, let me now turn to the Vice Chairman.

**OPENING STATEMENT OF HON. MARCO RUBIO,
A U.S. SENATOR FROM FLORIDA**

Vice Chairman RUBIO. Thank you, Mr. Chairman. Thank you all for coming here today.

And I also extend my thanks to the men and women who work underneath you that do the important work of keeping our country safe at what I think you could describe as one of those pivot moments in history, where what life will be like for a generation is being determined by what's happening now and in the near future, while events are changing perhaps faster than any other time in human history.

I think we have to remind ourselves, if we're going to talk about the specific threats, the whats of the why, the bigger outline picture of why things are happening the way they are happening, because I do think that they are all interrelated. So, from the end of the Cold War, I don't know when the end date is, but let's say the late 2000s, we lived in a unipolar world. The United States was basically the only country in the world that could project power everywhere at every time. And we were called upon to do many things in regards to that. But other nation-states progressed during that stage. And I still think America by far, by every measure you can imagine, economically, culturally, militarily remains the world's strongest nation and should remain that way for the foreseeable future, if we make the right choices.

That order that I just described is being challenged. It's being challenged by nation-states that, frankly, don't like the way the world looks now. At least, they think it benefits America and it hurts them, and they want to remake a new world, perhaps even replace the world that they think is beneficial to America and our democratic allies with an alternative, if not at least a replacement—this new order that they seek.

The Chinese, they believe we're in inevitable decline and that their rise is inevitable as well. Like I said, they don't like the rules of the world as they believe were written by America and our allies, and so they increasingly are taking it upon themselves at every opportunity to challenge them. In every domain, they steal our ideas on innovation and so forth so that their companies can do the things that we do, but of course do it cheaper and flood markets with those products.

I don't need to tell this panel or the Members of this Committee and the general public that they're expanding their military capabilities in an extraordinary way, to include not simply projecting power in the Indo-Pacific but around the world. By the way, they manipulate loopholes in our laws and in our systems in this country to buy up land, buy up companies, gain strategic advantage in industries, and undermine our industries in return. They are a major part of flooding this country with deadly drugs that are destroying communities and ravaging entire families. And they've also gotten very good at hiring lobbyists and even deputizing the corporate industry, corporate America to come up here and lobby us for things that are beneficial to the Chinese goals at the expense of this country long term.

And I think it's important to mention here today they also happen to control—and anybody who says they don't, doesn't know

what they're talking about, because every company in China is controlled by the Chinese Communist Party—they happen to control a company that owns the one of the world's best artificial intelligence algorithms. It's the one that's used in this country by TikTok, and it uses the data of Americans to basically read your mind and predict what videos you want to see. The reason why TikTok is so successful, the reason why it's so attractive, is because it knows you better than you know yourself. And the more you use it, the more it learns. The problem is not TikTok or the videos. The problem is that the algorithm that powers it is controlled by a company in China that must do whatever the Chinese Communist Party tells them to do. And the only way that that algorithm works is if that company in China, under the control of the Chinese government, is given access to the data that TikTok collects. TikTok does not work without that algorithm, and that algorithm is controlled by a company that's controlled by the Chinese Communist Party under the law of China.

In the case of Putin, he actually sees America as decadent and in decline, and he views Russia as resilient. They view themselves as a great power, and he believes that great powers have a right to buffer-states. He believes that great powers have a right not just to have their own borders, but to control the countries around their borders as buffer-states. I think they already have that in Belarus in his mind, and it is one of the reasons why he invaded Ukraine.

In the case of Iran, they want to export their Shia Islamic revolution to the entire Middle East. And the problem with this is two things standing in their way: the state of Israel and the United States of America. And so that is why they have proxy groups in places like Syria, in Iraq, in Lebanon, in Yemen, in Gaza, who they use for their purposes. One of their purposes is to use these groups now to attack Americans so that we will say it's not worth the trouble, we need to get out of there.

And once we leave, then they'll move on Jordan and on Bahrain, then they'll make Israel an unlivable place. And ultimately, their ambitions are the entire region and most of the Gulf kingdoms. That's why I think it's a mistake to view the horrific events of October 7th as simply the latest iteration of a longstanding Israeli-Palestinian problem. It is deeply tied to the head of this snake, and the head of this snake is in Iran and in Tehran.

Add to all of these three countries North Korea. We haven't heard a lot about it yet. They have become increasingly aggressive. In fact, I would argue that we perhaps are closer to some armed hostilities than we've been in a decade or longer. Why? Why have they become so aggressive? They feel empowered. They feel empowered because Putin is buying things from them and helping them to break their international isolation, and also because—I don't know what percentage of their economy is powered by ransomware attacks and cyber hacking, but it's substantial. They generate a lot of money from that.

And then add to all these parades of horrors the fact that terror is still a threat. Iran, as has been publicly reported, is still trying to kill former government officials that live in the United States of America. There are former government officials in this country no longer in office who require 24 hours a day security because Iran

is trying to kill them inside the United States. Hezbollah, an agent of Iran, is also looking for ways to conduct terrorist attacks against American interests and Israeli and Jewish interests all over the world and here in the homeland as well. By the way, ISIS and al-Qaeda are not out of business. They are still involved. I'll add al-Shabab to that. They also want to kill Americans. If they could do it in the homeland, they would love that. And all of that happening at a time in which perhaps the single largest, most eventful migration corridor in history is operating right off of our border.

So, I think it's a mistake sometimes to divide all of these problems geographically because in some ways they're all interrelated in key ways. Yes, these individual states all have different ambitions, but they share a common goal, and the common goal is a world friendlier and better for them and their interests, and a world in which America is weakened and less able to act. And all of these crises begin to interlock in a way that help them. For example, the Chinese and the Russians probably see great benefit—no, not probably—they do see great benefit from what's happening in the Middle East, because they figure every dollar and every second of our attention that's paid there, we're not paying to what's happening with Ukraine and we're not paying to the Indo-Pacific. The Chinese see great benefit in Ukraine as well, because they view it as the more time and money we spend there, the less time and money and focus we have on them.

In fact, one of the things I know the Chinese hope for is one of two things: (A) we deplete ourselves in Ukraine and/or the Middle East, particularly Ukraine; or (B), we cut and run, and then they can go around the world and say: See, I told you America's weak; I told you America's unreliable. They have a plan for either outcome, which makes it challenging for us as we decide what to do here.

So, these things all come together, and I think that's really the overarching threat that we face, is an understanding that none of these should be viewed in isolation. The goals that Russia has, the goals that Iran has, the goals that North Korea has, the goals that the Chinese have may be different goals. But one of the real developments that threatens the security of our country is that they are increasingly partnering with one another—not a NATO alliance, not the sort of formal alliance that's written out. But they are increasingly partnering with each other, that's on selected topics and in selected opportunities, because they all share one goal. And that is they want to weaken America, weaken our alliances, weaken our standing and our capability and our will, because it helps them to achieve the world as they envision it, the world they want. But it comes at our expense and at the expense of all it's been built over the last 20 or 30 years.

I think that one of the greatest dangers we face is the inability to see how all these things are interconnected. And I think one of the greatest challenges we face is to deal with them as if they are interconnected. I think that what life will be like on this planet for the next generation will be determined very much by what we do or fail to do here over the next two to three years, and certainly with the issues that are before us today.

So, I look forward to hearing from all of you, and I appreciate you coming.

Chairman WARNER. Thank you, Senator Rubio. Director Haines, I believe you're up first.

**STATEMENT OF AVRIL D. HAINES,
DIRECTOR OF NATIONAL INTELLIGENCE**

Director HAINES. Thank you very much.

Chairman Warner, Vice Chairman Rubio, Members of the Committee, thank you so much for the opportunity to be here today alongside my wonderful colleagues to present the IC's annual threat assessment.

And before I start, I also want to thank publicly the people of the Intelligence Community. From the collector to the analyst and everybody in between, we're really presenting the result of their labor at this hearing. And they work tirelessly every day to keep our country safe and prosperous, and we are all very proud to represent them here today.

I also want to take the opportunity to thank all of you for the extraordinary support that you've shown to the Intelligence Community. The IC's relationship with its oversight committees is quite obviously critically important. And you all work with us on a bipartisan basis, and that is especially inspiring in today's environment. We're grateful for your encouragement and for your wisdom.

Today the United States faces an increasingly complex and interconnected threat, as has been noted by the Chairman and Vice Chairman, environment characterized by really three categories of challenges. The first is an accelerating strategic competition with major authoritarian powers that are actively working to undermine the rules-based order and the open international system the United States and our partners rely on for trade, commerce, the free flow of information, and accountability to the truth.

[Interruption from a member of the public.]

Chairman WARNER. I recognize people feel passionately, but the American people deserve to hear from the leaders of the Intelligence Community.

Director Haines, continue.

Director HAINES. The second category is a set of more intense and unpredictable transnational challenges, such as climate change, corruption, narcotics trafficking, health security, terrorism, and cybercrime that often interact with traditional state-based political, economic, and security challenges.

And the third category is regional and localized conflicts that have far-reaching and at times cascading implications, not only for neighboring countries but also for the world.

And all three challenges are affected by trends in new and emerging technologies, environmental changes, and economic strain that are stoking instability and making it that much more challenging for us to forecast developments and their implications. These dynamics are putting unprecedented burdens on the institutions and the relationships that the United States relies on to manage such challenges, and perhaps more than ever, frankly, highlight the need for sustained U.S. leadership to uphold the rules-based order.

And I'll just touch on these three categories of challenges, starting with strategic competition in China, in an effort to provide some context and highlight some of the intersections.

President Xi continues to envision China as a leading power on the world stage, and Chinese leaders believe it is essential to project power globally in order to be able to resist U.S. pressure, for they are convinced that the United States will not tolerate a powerful China. Nevertheless, the PRC seeks to ensure China can maintain positive ties to the United States and will likely continue to do so this year, as they see stability in our relationship as important to their capacity to attract foreign direct investment. Boosting the domestic economy is a fundamental priority for President Xi, yet he appears to be doubling down on a long-term growth strategy that will deepen public and investor pessimism over the near-term. With youth unemployment around 14.9 percent, no major stimulus aimed at consumption, forthcoming massive local debts, and a property market contraction, 2024 is likely to be another difficult year for China's economy, all against the backdrop of an aging and shrinking population and slowing economic growth.

President Xi is counting on China's investments in technology, such as advanced manufacturing and robotics, artificial intelligence, high performance computing to drive productivity gains and spur future growth. Yet, he is increasingly concerned about the United States ability to interfere with China's technological goals. Consequently, in an effort to protect and promote China's capacity to compete technologically, which President Xi views as fundamental to his long-term growth strategy, PRC leaders modified their approach to economic retaliation against the United States over the last year, imposing at least some tangible costs on U.S. firms, even as they continue to moderate such actions to avoid domestic costs.

Chinese leadership is furthermore pursuing a strategy to boost China's indigenous innovation and technological self-reliance; expand their efforts to acquire, steal, or compel the production of intellectual property and capabilities from others, including the United States; and continue to engage in coercive behavior to control critical global supply chains of relevance. In the meantime, President Xi's emphasis on control and central oversight is unlikely to solve the challenges posed by China's economic and endemic corruption, demographic decline, and structural economic constraints. And over the coming year, tension between these challenges and China's aspirations for greater geopolitical power will probably become all the more apparent.

Given its ambitions, Beijing will continue to use its military forces to intimidate its neighbors and to shape the region's actions in accordance with the PRC's priorities. We expect the PLA will field more advanced platforms, deploy new technologies, and grow more competent in joint operations, with a particular focus on Taiwan and the western Pacific.

And the role intended for China's growing nuclear forces and cyber capabilities in this effort and the ultimate intent behind unprecedented growth in these areas remain a priority for us in the IC, and they are not unrelated to actions of Russia.

President Putin's war of aggression against Ukraine continues unabated. Ukraine's retreat from Malvika and their struggle to stave off further territorial losses in the past few weeks have exposed the erosion of Ukraine's military capabilities with the declining availability of external military aid. The assistance that is contemplated in the Supplemental is absolutely critical to Ukraine's defense right now. And without that assistance, it is hard to imagine how Ukraine will be able to maintain the extremely hard-fought advances it has made against the Russians, especially given the sustained surge in Russian ammunition production and purchases from North Korea and Iran.

And meanwhile, President Putin is increasing defense spending in Russia, reversing his long-standing reluctance to devote a high percentage of GDP to the military as he looks to rebuild. In many ways, this is prompted by the fact that Russia has paid an enormous price for the war in Ukraine. Not only has Russia suffered more military losses than in any time since World War II—roughly 300,000 casualties and thousands of tanks and armored combat vehicles, setting them back years—it has also precipitated Finland and Sweden's membership in NATO, which Putin believes requires an expansion of Russia's ground forces.

Putin continues to judge the time is on his side and almost certainly assumes that a larger, better equipped military will also serve the purpose of driving that point home to Western audiences. Such messaging is important because Putin's strategic goals remain unchanged. He continues to see NATO enlargement and Western support to Ukraine as reinforcing his long held belief that the United States and Europe seek to restrict Russian power and undermine him.

And of course, in the meantime, Russia continues to modernize and fortify its nuclear weapons capabilities, even though it maintains the largest and most diverse nuclear weapons stockpile. We remain concerned that Moscow will put at risk longstanding global norms against the use of asymmetric or strategically destabilizing weapons, including in space and in the cyber domain.

Another critical intersection we are monitoring is the relationship, as the Vice Chairman noted, between the governments of Russia, China, North Korea, and Iran, which is evolving as these four countries expand collaboration through a web of bilateral and in some cases trilateral arrangements. This growing cooperation and willingness to exchange aid in military, economic, political, and intelligence matters enhances their individual capabilities, enables them to cooperate on competitive actions, assist them to further undermine the rules-based order, and gives them each some insulation from external international pressure.

And nevertheless, we assess these relationships will remain far short of formal alliances or a multilateral access. Parochial interest, desire to avoid entanglements, and wariness of harm and instability from each other's actions will likely limit their cooperation and ensure it advances incrementally, absent direct conflict between one of these countries and the United States. And nevertheless, the power dynamics are shifting among them, and this is creating new challenges. In particular, Russia's need for support in the context of Ukraine has forced it to grant some long-sought con-

cessions to China, North Korea and Iran, with the potential to undermine, among other things, long-held nonproliferation norms.

As I noted in the beginning, intensifying transnational challenges are intersecting with these more traditional threats. For example, with the advent of generative AI, states and non-state actors who are interested in conducting foreign malign influence operations no longer need to master a language to create potentially believable false content. The threat of malign actors exploiting these tools and technologies to undercut U.S. interests in democracy is particularly potent as voters go to the poll in more than 60 elections around the globe this year, as the Chairman noted.

We have also seen a massive increase in the number of ransomware attacks globally, which went up roughly 74 percent in 2023 from what it was in 2022, and U.S. entities were the most heavily targeted. Many of these are conducted by non-state actors with the Russia-based cybercriminal group LockBit remaining the most popular ransomware as a service provider. LockBit was responsible for nearly a quarter of all claimed attacks worldwide, leading to a joint effort by 11 countries to seize its resources and take down its online domains.

Transnational criminal organizations and human smuggling operations increasingly exploit migrants through extortion, kidnapping, and human trafficking. And in particular, the threat from illicit drugs remains at historic levels, with Mexican transnational criminal organizations supplying and moving large amounts of synthetic opioids such as fentanyl into the United States. More than 100,000 Americans have died from drug related overdoses during the past year and most of those deaths have been attributed to illicit fentanyl. And as such, the threat from fentanyl and other synthetic drugs to the health and welfare of everyday Americans remains a top priority for the Intelligence Community.

In the third category, we have multiple regional conflicts with far-reaching implications, perhaps nowhere more obviously than in the Middle East. This crisis in Gaza is a stark example of how regional developments have the potential for broader and even global implications. Now having lasted for more than five months, the Gaza conflict has roiled the Middle East with renewed instability, presenting new security paradigms and humanitarian challenges while pulling in a range of actors.

The conflict has prompted new dynamics even as it has entrenched old ones. We continue to assess that Hezbollah and Iran do not want to cause an escalation of the conflict that pulls us or them into a full-out war, yet the Houthis entered the war and were willing to do so without Iran acting first, becoming one of the most aggressive actors in the conflict: the Iranian-aligned militia groups in Iraq and Syria that have been attacking our forces and have been more focused on the United States and Israel, using the conflict as an opportunity to pursue their own agenda.

Moreover, the crisis has galvanized violence by a range of actors around the world. And while it is too early to tell, it is likely that the Gaza conflict will have a generational impact on terrorism. Both al-Qaeda and ISIS inspired by Hamas have directed supporters to conduct attacks against Israeli and U.S. interests. And we have seen how it is inspiring individuals to conduct acts of anti-

Semitism and Islamophobic terror worldwide. In this third category of regional and localized conflicts, we have many more we might discuss, including Haiti and Sudan and what is happening in the Eastern Democratic Republic of Congo—and the list goes on.

And this finally brings me to 702 of the Foreign Intelligence Surveillance Act, which will expire on April 19th without Congressional action. The intelligence gathered pursuant to Section 702 was essential in preparing this annual threat assessment and is absolutely fundamental to every aspect of our work, as I know you know. 702 provides unique insights into foreign intelligence targets such as foreign adversaries, terrorist organizations including Hamas, weapons proliferators, spies, malicious cyber actors, and fentanyl traffickers. And it does so at a speed and reliability that we simply cannot replace with any other authority. And as Congress pursues reauthorization, we understand there will be reforms and we support those that bolster the compliance and oversight regimes in place, while preserving the operational agility that is vital to keeping the Nation safe.

Thank you for your patience and we look forward to your questions.

Chairman WARNER. Thank you, Director Haines. I appreciate it.

I know we don't normally do these on Monday. I appreciate everybody coming in. We will be conducting a closed session after this open session, so Members should hold any questions of a classified nature until after that. And after the chair and vice chair go through our first round of questions, we'll then recognize Members in rounds of five minutes, all based on seniority.

Director Haines, I want to start with where you ended up on 702. This critical component of both law enforcement and the Intelligence Community expires on April 19th. Congress needs to act. Sixty percent of all the information that goes into the President's Daily Brief is derived from 702 information. Foreigner talking to foreigner in terms of bad guys.

One of the things that the Vice Chairman and I are very proud of is we worked very hard on a reform of Section 702 that we introduced last year, including 16 co-sponsors. A great number of Members of this Committee are part of that reform effort that, again, looked at trying to make sure where there had been perhaps overzealous use at the FBI in terms of who was querying, how things were queried, have been dramatically constrained.

Director Wray, I want to start my question, though, with you. Some have actually said, though, that where we didn't go far enough, and they would propose a reform that would require agencies to seek a warrant before conducting U.S. person queries. Could you explain what would happen on a practical level, both from the IC side and the law enforcement side, if that requirement was put in place?

Director WRAY. Thank you, Mr. Chairman.

I think the short answer is a warrant requirement for us to run U.S. person queries would be untenable and would largely gut the effectiveness of the authority. And I say that for several reasons.

First, it would blind us to information already lawfully in our possession that we need to be able to review and act on in a very time-sensitive way to be able to stop terrorist attacks, protect a vic-

tim from cyber-attack, warn somebody who is potentially targeted with assassination or kidnaping.

Second, in many instances, at the time that the query would be run, we wouldn't have the probable cause that the query term is associated with an agent of a foreign power. That's what the query tells; and so, you got that problem. And then the third problem is that an awful lot of the places that we're using 702 queries are to assist victims and to prevent potential victims from further attacks, whether terrorist attacks, cyberattacks, etc. And so, in those instances, you'd never be able to get a warrant requirement, even if there were some kind of delay built into it. That alone, for all these threats which are extremely time sensitive, I think the DNI correctly used the term agility. That is the key.

And so, I would implore Congress not to take that additional step. You mentioned the compliance failures. I've been very clear that the compliance failures that occurred at the FBI are wholly unacceptable, and that's why I've put in place a whole host of reforms, covering everything from training to our systems, approvals, oversight, an Office of Internal Audit. I could go on and on. And those reforms are working. The FISA court itself most recently found 98 percent compliance and commented on the reforms working. The most recent Justice Department report found the reforms working, 99 percent compliance. And so, I think legislation that ensures those reforms stay in place but also preserves the agility and the utility of the tools, what we need to be able to protect the American people.

Chairman WARNER. Well, I appreciate that. And I do think, our reform bill had the notion of trust-but-verify so that we would literally legislate the reforms that had been put in place, add a few others, add some of the additional amicus provisions. One of the things I think that has been discovered, that the majority of the queries that involve Americans are actually on victim notification. The very notion of having a warrant to have a victim notification is contradictory in itself. I want to raise another issue that I think has been appropriately raised, and this is the question around bulk purchase of personal data. I think we need to go much further on data protection, and I think that has been a failure of this Congress to address in its past.

Director Haines, I know you've done a study on this. And my fear is that some of the proposed reforms would actually not limit foreign entities from obtaining this data but would limit law enforcement. Can you talk to the question of bulk data purchases and data brokers?

Director HAINES. Absolutely. From our perspective, commercially-available information, as we think about the entire set of what's out there and what's been discussed in Congress in relation to this, is just increasingly critical to the Intelligence Community's work. And I think an obvious example of this is commercial imagery and the role that it played, for example, in the context of the invasion of Ukraine. But there's a whole series of other areas where we're purchasing information, such as commercial threat information that's related to cyber security and things like that.

And at the same time, we recognize that commercially-available information raises new and important issues related to privacy and

civil liberties. And this is in large part true because more of our daily lives are connected digitally to the world today than ever before. And an increasing amount of data about individuals and their activities, often perceived as not especially sensitive on its own, is actually available for sale alongside increasingly sophisticated analytic tools that essentially, relying on artificial intelligence, can actually in aggregate raise significant privacy and civil liberties issues that are relevant, which is why we basically said, look, we recognize this is something that is of concern, and we want to make sure that we're actually addressing this issue appropriately and responsibly within the Intelligence Community.

So, we had a panel, an external panel, look at this question and really asked them how and under what circumstances should we use commercially-available information, and in particular to reflect on the existing framework for privacy and civil liberties. We've published that report. And in fact, Senator Wyden asked us to, and as a consequence, put that out. And as an Intelligence Community in our EXCOM, as we call it, all the heads together, agreed that we thought those recommendations made sense. And we have issued IC guidance basically for cataloging commercially-available information acquired by IC elements to ensure that our handling of such information is consistent with relevant legal policy-security considerations to facilitate oversight. And we've developed a framework that augments each IC's elements attorney general guidelines and related policies with general principles and additional guidance on how IC elements should access, collect, process commercially available information, including more precise guidance for identifying and dealing with categories of information that pose a greater risk of implicating privacy and civil liberties concerns.

And finally, as the panel recommended also, the framework sets out standards and procedures that govern and require periodic re-evaluation and acquisition and use decisions. And I think the challenge that is posed by some of the legislative proposals that I've seen require, for example, a probable cause requirement before you can obtain that information. Similarly, we are not going to have in the scenario of, for example, getting cyber-threat information commercially, a probable cause reason for getting that. What we're trying to do is understand what the vulnerabilities are. And then what we recognize is that whatever the commercial information is that we're obtaining, we need to treat it in a way that actually mitigates against the risks that have been described.

Chairman WARNER. Thank you. Senator Rubio.

Vice Chairman RUBIO. Director Wray, we know that over the last three years millions of people crossed the U.S. border illegally, and many have been released into the country. Have members or people with ties to dangerous gangs like, for example, the prison gang Tren de Aragua from Venezuela, were they among the people that came into this country?

Director WRAY. Well, I don't know that I can speak to this specific gang. But certainly, we have had dangerous individuals enter the United States of a variety of sorts.

Vice Chairman RUBIO. Are we now seeing crimes from people that entered the country over the last three years, some of them with ties to gangs or other criminal organizations?

Director WRAY. Well, I guess what I would say is this. From an FBI perspective, we are seeing a wide array of very dangerous threats that emanate from the border, and that includes everything from drug trafficking. The FBI alone seized enough fentanyl in the last two years to kill 270 million people. That's just on the fentanyl side. An awful lot of the violent crime in the United States is at the hands of gangs who are themselves involved in the distribution of that fentanyl.

Vice Chairman RUBIO. But you're also seeing and tracking local law enforcement arresting and, for example, the assault on the police officers in New York. All the reporting said they had ties to this gang in particular. But there's no doubt that people that were criminals in their country of origin have crossed that border and are now in the U.S. committing crimes.

Director WRAY. Correct.

Vice Chairman RUBIO. Is there now a black market emerging to sell? We've seen reports of a black market emerging selling fake Social Security cards, fake green cards. Have you seen reporting on that?

Director WRAY. Well, certainly on the Darknet, for example, there is a significant marketplace for different kinds of stolen identity information.

Vice Chairman RUBIO. What about in the street?

Director WRAY. I think as well, yeah.

Vice Chairman RUBIO. Okay. There are smuggling networks all over the world that specialize in moving people from all over the world, including from the Middle East, Central Asia, and so forth. Are we aware of any of these smuggling organizations are run by or are conducted by people that have ties, for example, to ISIS or other terrorist organizations?

Director WRAY. So, I want to be a little bit careful how far I can go in open session. But there is a particular network where some of the overseas facilitators of the smuggling network have ISIS ties that we're very concerned about, and that we've been spending enormous amount of effort with our partners investigating exactly what that network is up to. It's something that's, again, the subject of our current investigation.

Vice Chairman RUBIO. So, there's a network we're concerned about that has facilitators involved in it that have ties to ISIS or other terrorist organizations?

Director WRAY. Correct.

Vice Chairman RUBIO. I talked about TikTok in the opening. Just to lay the groundwork here, TikTok is this American—TikTok US, American company, or headquartered putatively in America—and they have this platform which is fascinating, right? It's very effective, very good, has a lot of members. One of the things that powers it is that it is powered by an algorithm based on artificial intelligence where the more you use it, the more it learns about you. It in essence reads your mind. It knows the kinds of videos you like, and it feeds you more and more of them, causing you to go back. That algorithm is not owned by TikTok. It's owned by ByteDance, a Chinese company, correct?

Director WRAY. That's my understanding.

Vice Chairman RUBIO. And so, the only way that algorithm works is if that Chinese company has access to the data being generated by TikTok. The owner of the algorithm, ByteDance, has to have access. So, it doesn't matter where the data is stored. Ultimately, they have to have access to it in order to make the algorithm work, correct?

Director WRAY. Right. I think what you're getting to is the key point: that the parent company is, for all intents and purposes, beholden to the CCP.

Vice Chairman RUBIO. Well, the reason why I raised that is if ByteDance in China is the one that owns the driver that makes TikTok effective, isn't it true that under Chinese law, the Chinese Communist Party says that data that you're gaining access to in order to make your algorithm work, we want a copy of that data. If they said that to ByteDance in the future, ByteDance would have to give it to them.

Director WRAY. That's my understanding.

Vice Chairman RUBIO. And if they went to them and said we want you to change your algorithms so that Americans start seeing videos that hurt this candidate or help that candidate in the upcoming election, ByteDance would have to do that under Chinese law.

Director WRAY. That's my understanding.

Vice Chairman RUBIO. And if they said we want you to put out videos that make Americans fight with each other or spread conspiracy theories and get them at each other's throat, ByteDance can't go to Chinese court and fight the Communist Party. They would have to do it.

Director WRAY. That's my understanding. And I would just add that that kind of influence operation, or the different kinds of influence operations you're describing, are extraordinarily difficult to detect, which is part of what makes the national security concerns represented by TikTok so significant.

Vice Chairman RUBIO. All right. Thank you.

Senator WYDEN. Thank you very much, Mr. Chairman, and my thanks to all of you and of course the people you work with every day.

I'm going to start with this issue of government purchases of Americans' data. And former acting CIA Director Mike Morrell presents something of a different view on this. He has said that the amount of the information available for the government to buy would, quote, knock your socks off. And if it were collected through normal intelligence methods, it would be top secret information kept under lock and key.

I believe Mr. Morrell is right. It is the Wild West out there in terms of sensitive information on Americans, and the government can buy it up. Unlike normal intelligence collection, there are apparently virtually no rules here. To take one public example, I want to go to you, General Kruse, not to be going after you especially. But you said that the Defense Intelligence Agency has acknowledged it obtains and purchases actual U.S. location data. So, my question for you and any other Members who would like to add to it, are there any Constitutional or statutory limits on your agen-

cy's purchasing of the location information of Americans? Constitutional or statutory limits, any?

General KRUSE. Thank you for the question, Senator Wyden. I would say, yes, there are absolute and very clear guidelines for all of us. And when we purchase the bulk data, the first thing we do is we exclude all of the data that is within U.S. territory and is on U.S. citizens as the very first step. Our teams have been here with the Congress talking through our attorney general guidelines, have been speaking with the concerns that you and others have voiced to us. I think we have built the processes around our purchasing of commercial data and use of commercial in partnership with—

Senator WYDEN. Respectfully, I didn't hear you mention what I asked about. Either Constitutional or statutory limits. So, why don't you just send that to us for the record?

And I will just say, colleagues, this is the reason why Congress needs to pass legislation limiting government purchases of Americans' information. And I also believe that Congress needs to pass the bill that I introduced with the Vice Chairman, Senator Rubio, making sure this information isn't bought up by foreign countries, either.

So, let's go now to Section 702. And obviously, the government needs to have Section 702 to focus on foreign threats. It is just essential that it be done without throwing aside the privacy rights of law-abiding Americans. There is a workable solution. Under a bipartisan proposal that I've been part of, the government wouldn't need a warrant to run searches on Americans to see who they're talking to. It's only when the government wants to read the content of those private conversations that a warrant would be required, even though there are also many exceptions that we have put into the bill—exceptions for emergencies, consent, cyberattacks—the list goes on. Now, according to FBI's data, the FBI looks at content in less than two percent of its searches on Americans.

So, my question would be for you, Director Wray. As I've described it using your data, the data from the FBI, doesn't our warrant requirement only apply to a tiny fraction of the searches the FBI conducts when you factor in all of these exceptions? I mean, I can go through them, but I think you know them. You know, if there's any imminent danger, no warrant; if there are other dangers you have to go get the warrant later. But the exception list is very long.

So, the question is, isn't it correct that what we're talking about in the bipartisan bill here in the Senate and in the House, it would apply to only a small fraction of the searches you're conducting?

Director WRAY. As a percentage, it's not a significant percentage. Certainly, the number is significant, and I think the fundamental problem with the warrant requirement before you can look at the content, is that it's the content that tells us whether or not it's an agent of a foreign power involved, so I think that's part of the problem that we have.

[Interruption from a Member of the Public.]

Chairman WARNER. If the witness will pause for a moment. Continue.

Director WRAY. I think where I got cut off, was I was just explaining that the fundamental problem is that in the instances

where we need to look at the content, the probable cause that's lacking at that point is what's established by seeing the content. That's what tells us more often than not, that there's an agent of a foreign power involved.

And so that's what enables us to then act and go forward with the appropriate investigative steps.

Senator WYDEN. So, there's an exception for imminent danger. There's an exception in other emergencies. There is an exception to simply conversations with foreign threats. I'd like you to send to me, so we'll have this for the record, how having those exceptions will in some way obstruct you when you're trying to deal with a tiny number of warrants. This is all about Americans believing. You bet we have foreign threats. There's no question about it, but we can address those foreign threats in a way that's compatible with the liberty and the values that law-abiding Americans hold. I'm happy to work with you on it. Thank you, Mr. Chairman.

Chairman WARNER. Senator Collins.

Senator COLLINS. Thank you. Director Haines, you understandably spent considerable time talking about the significant threats that Russia, China, Iran, and North Korea pose to our country. Since the way that our disastrous withdrawal from Afghanistan unfolded, we've also seen a large increase in terrorist attacks conducted by ISIS. In fact, those number nearly 200 and have resulted in some 1,300 casualties. So obviously Afghanistan has shown that once again, the Taliban is either unwilling or unable to control terrorist groups.

Are there threats of terrorist attacks from ISIS toward Americans a problem still? And how are you balancing the great power competition with the threats from ISIS? In addition, I would like you to comment on whether or not terrorist groups backed by Iran, such as Hamas and Hezbollah, pose a threat to our homeland.

Director HAINES. Thank you, Senator.

In terms of the threat from ISIS, which you're absolutely right, remains a significant counterterrorism concern for us, most of the attacks that you're talking about, globally taken on by ISIS, have actually occurred by parts of ISIS that are outside of Afghanistan. In Afghanistan, there still remains an ISIS concern. It is one where, ironically, the Taliban is actually also concerned about it, because the ISIS group that is in Afghanistan is in fact going after the Taliban. And so, this is a place where, actually, the Taliban has taken action against that group in ways that are consistent also with our concerns and interests.

So that is one piece. In terms of the terrorist groups that are backed by Iran, absolutely. That is a major issue for us and there are a number of them. Obviously, we often talk about Iranian-aligned militia groups that have been attacking U.S. forces and assets in Iraq and Syria in particular, but also in other parts of the region attempting to. And there have been just dozens and dozens of attacks that we've been looking to manage, and that continues to be fueled by Iran. They provide weapons, they provide training, they provide money to those groups, and we still obviously see them as a destabilizing force in the region. We also see Iran's support of Hezbollah, as you noted, and of Hamas over the years—and

so considerably. Not to mention the Houthis, who are another example of this.

But certainly, that's been a large issue and my colleagues may wish to add to this.

Senator COLLINS. Thank you. Director Wray, we know that China is the primary provider of the predecessor chemicals and the pill presses for fentanyl. And you've pointed out in your testimony the extraordinary scope of the amount of fentanyl that has been produced. And indeed, 80 percent of the overdoses in Maine last year involved fentanyl.

But what we're also seeing in Maine is a new phenomenon that was reported by some enterprising journalists. And that is that Chinese nationals are establishing illegal marijuana growing operations all over the state. One public report estimates there are more than 200 of them, primarily in rural Maine. They're unregulated. They're illicit. They're destroying homes because they're growing the marijuana inside. And the marijuana is very potent.

What is the FBI doing to support local county and state officials? And why do you think the Chinese have sent their citizens to rural America to establish these illegal growing operations?

Director WRAY. Well, certainly we're observing the same phenomenon that you're describing. I know we've had a number of cases that have resulted in indictments of Chinese nationals involved with illegal marijuana grow operations here, and otherwise involved in different kinds of organized criminal activity. We are tackling that through working with our state and local law enforcement partners, through a variety of task forces. We're trying to share intelligence with them to help get ahead of the threat. I'm not sure that I could give you a reason as to why it's happening, but that is something that we're very focused on. And you mentioned the precursors to fentanyl, the pill presses, this issue. I would just add to that yet another one which is that an awful lot of the meth precursors to the labs in Mexico also come from China.

So, it's fentanyl, it's also meth and so there is certainly a big degree to which problems that we are experiencing here in an acute way, source back to them.

Senator COLLINS. Thank you.

Chairman WARNER. Senator Heinrich.

Senator HEINRICH. Thank you, Mr. Chairman.

According to the annual threat assessment, Russian President Putin probably believes, quote, that his approach to winning the war in Ukraine is paying off and the Western and U.S. support to Ukraine is finite, end quote. For any of you, what lessons is Putin taking from the U.S. failure to further support Ukraine in its fight for national survival? And what lessons might China's Xi Jinping learn from this failure?

Director BURNS. Senator, I'd be glad to address your question. I just returned from my tenth visit to Ukraine during the course of the war, and I left convinced that we're at a profoundly important crossroads for Ukraine, for European security and for long-term American interests around the world. I think down one road, with supplemental assistance approved by the Congress, lies the very real possibility of cementing a strategic success for Ukraine and a strategic loss for Vladimir Putin's Russia.

It's our assessment that with Supplemental assistance, Ukraine can hold its own on the front lines through 2024 and into early 2025; that Ukraine can continue to exact costs against Russia, not only with deep penetration strikes in Crimea, but also against Russia's Black Sea fleet, continuing the success which has resulted in 15 Russian ships over the course of the last six months.

In other words, with Supplemental assistance, Ukraine can put itself in a position by the end of 2024, the beginning of 2025, where it could regain the offensive initiative and also put itself in a position to negotiate from a position of greater strength and achieve an outcome in which Putin's goal, which was to subjugate Ukraine and to control its choices, would be denied. Where Ukraine could sustain itself as a strong, sovereign independent country, anchor itself in Western institutions and have the space and the security to recover from this terrible aggression. And leave Russia to deal with the long-term consequences of Putin's brutal and foolish invasion.

Down another road, however, without Supplemental assistance, it seems to me lies a much grimmer future. Ukraine is likely to lose ground and probably significant ground in 2024. I saw in the Battle of Avdiivka, which forced a rushed withdrawal of Ukrainian forces just a couple of days before I was in Kyiv on this last visit, the consequences of that. One senior Ukrainian partner described what happened to me. He said that, you know, our men fought as long and as hard as they could, we ran out of ammunition and the Russians just kept coming. And I think without Supplemental assistance in 2024, you're going to see more Avdiivkas; and that, it seems to me, would be a massive and historic mistake for the United States.

Senator HEINRICH. And what lesson do you think the CCP will take from that?

Director BURNS. I think the consequence of that will not just be for Ukraine or European security—

[Interruption from a member of the public.]

Chairman WARNER. Witness will continue.

Director BURNS. I think the consequences of that are going to be felt not only by Ukrainians and in European security, but across the Indo-Pacific, where if we're seen to be walking away from support for Ukraine, not only is that going to feed doubts amongst our allies and partners in the Indo-Pacific, it's going to stoke the ambitions of the Chinese leadership in contingencies ranging from Taiwan to the South China Sea.

So that's what I saw on this last visit. That's what I think is at stake for all of us. I think the truth is that the Ukrainians are not running out of courage and tenacity, they're running out of ammunition. And we're running out of time to help them.

Senator HEINRICH. Director, let's jump to the elephant in the room then. I want to thank you for your efforts to secure hostage releases and a ceasefire in the Middle East. Ramadan has now begun. Give us, to the best of your ability, a little bit on where things stand with those negotiations and what flashpoints you might be concerned could push us into a more regional conflict over the course of the next month.

Director BURNS. Sure. For the last few months, since the last hostage return and ceasefire in the latter part of November, the

President has been working very hard to try to renew that process. And I've traveled eight times to meet with my Israeli, Egyptian, and Qatari partners, and returned most recently on Saturday night from the last such trip. What's on the table right now is a potential agreement that has three main elements. The first would be the return of about 40 hostages. These are the remaining women hostages, older men, and hostages who are wounded or seriously ill—as the first step, as the first phase toward the return of all of the hostages, which I know the President has deeply committed. And that would be in return for a defined number of Palestinian prisoners held by the Israelis.

The second element is a ceasefire of at least six weeks, again, as the first step toward what might be more enduring arrangements over time.

And then the third element would be a major surge in humanitarian assistance, which under the circumstances of a ceasefire could actually be distributed effectively to people who so deeply need them.

Director BURNS. So, we're going to continue to work hard at this. I don't think anybody can guarantee success. What I think you can guarantee is that the alternatives are worse. For innocent civilians in Gaza who are suffering under desperate conditions, for the hostages and their families who are suffering also under very desperate conditions, and for all of us. So, we're going to keep at this.

Chairman WARNER. Senator Risch.

Senator RISCH. Mr. Chairman, I have a number of questions. But we've got a lot of ground to cover here, and mine really need to be in a classified setting because I refer to some classified matters. So, I'm going to reserve until we get into the closed session.

Chairman WARNER. All right. Fine.

Senator Cotton.

Senator COTTON. Senator Heinrich was going to address the real elephant in the room, which are some of our audience members accusing you of pretty serious conduct. So, Director Burns, I want to give you a chance to respond to what's been said. Is Israel exterminating the Palestinian people?

Director BURNS. Senator, all I can say is, you know, what I said before. I think there are a lot of innocent civilians in Gaza who are in desperate conditions right now. I think there are hostages and their families who are also in desperate circumstances, as well. I've learned a long time ago in crises like this, that you have to find a practical goal and pursue it relentlessly. And the goal the President has laid out, working with our Israeli, Qatari, and Egyptian partners, I think, is the most practical one I can see right now. It is to produce a ceasefire of at least six weeks, produce the return of the hostages—ultimately all of the hostages—and get desperately-needed humanitarian relief to people who need it in Gaza.

Senator COTTON. So, is that a no? You do not believe Israel is exterminating the Palestinian people?

Director BURNS. I understand Israel's need, and the President has emphasized this, to respond to the brutish attack that Israelis suffered on the 7th of October, against Hamas, against a terrorist group. But I think we all also have to be mindful of the, you know, enormous toll that this has taken on innocent civilians in Gaza.

And as the President has said, it's very important for Israel to be extremely mindful of that and to avoid further loss of civilian life.

Senator COTTON. Director Haines, do you believe Israel is exterminating the Palestinian people?

Director HAINES. I really don't have anything to add to what Director Burns has said. I fully endorse what he's commented on.

Senator COTTON. Okay. Israel—and you also stand accused of starving the Palestinian children. Is Israel starving children in Palestine or in Gaza?

Director BURNS. You know, I think, Senator, the reality is that there are children who are starving in Gaza.

Senator COTTON. But is Israel doing that?

Director BURNS. They're starving, they're malnourished as a result of the fact that humanitarian assistance can't get to them. It's very difficult to distribute humanitarian assistance effectively unless you have a ceasefire, which is exactly why I think there's great value in what's on the table now—a return of hostages and a significant ceasefire enabling people to get that humanitarian assistance.

Senator COTTON. Okay. For the record, I do not believe that Israel, nor any of you, or the United States Government is exterminating the Palestinian people or starving Palestinian children.

Director Haines, there have been several news reports, you might say leaks, to the effect that Iran does not have full control of its proxy groups. That's the headline from Politico last month. The quote: While Iran is supporting the proxy groups financially and with military equipment, intelligence officials do not believe it is commanding the attacks. Its lack of control over the Houthis and the militias in Iraq and Syria has muddied the deliberations in Washington about how to respond to repeated attacks on U.S. interests in the region, including the attack in Jordan on January 28th that killed three American troops.

But on page 18 of the assessment, the Intelligence Community writes: Tehran was able to flex the network's military capabilities in the aftermath of Hamas's attack on October 7th, orchestrating anti-Israel and anti-U.S. attacks from Lebanon to the Bab-el-Mandeb Strait while shielding Iranian leaders from significant consequences. "Orchestrating" is stronger than anything I've heard. It's not providing support or training or funding. So, it's your assessment, the Intelligence Community assessment, that Tehran has orchestrated attacks on Israel and against U.S. personnel and positions in the Middle East since October 7th?

Director HAINES. Yes. And I don't think that means that the proxy groups or that others are always listening to everything that they have to say or under their direct control. But I think orchestrating is an appropriate characterization of what they've looked to do.

Senator COTTON. So, it has, to use the dictionary definition, arranged or directed the elements of a situation to produce a desired effect, especially surreptitiously. That's correct?

Director HAINES. [Non-verbal affirmative response.]

Senator COTTON. Okay. Director Burns, on page 34 of the assessment, the IC notes that the FBI and the Department of Energy have concluded that the most likely origins for the coronavirus pan-

demic was a laboratory in Wuhan, but the CIA cannot agree with that conclusively.

Why can't the CIA reach the same conclusion that the FBI and the Department of Energy have reached?

Director BURNS. Our analysts continue to look at this very carefully. They have not yet concluded that there's definitive evidence on either side of this, whether natural transmission or a lab accident as well. And we continue to pursue, you know, more intelligence, more information that might help them to reach a definitive conclusion. But right now, they haven't been able to reach that.

Senator COTTON. Director Wray, why are your analysts so much more confident?

Director WRAY. Our analysts did very rigorous work involving a whole slew of experts of different sorts. We reached the assessment with moderate confidence, and we stand by that assessment.

Senator COTTON. Thank you.

Chairman WARNER. Senator King.

Senator KING. Thank you, Mr. Chairman. Thanks to all of you. And as others have said, thank you to the people who operate under very difficult circumstances around the world to supply us with this important information.

Director Burns, I just want to say your statement to Senator Heinrich about the impact and long-term consequences of our abandoning Ukraine is important and I think should be required reading around here.

The implications are it's a 50-year mistake that would haunt this country, both in Europe but also, as you suggest, in the Indo-Pacific, including Kim Jong Un would assess that we didn't have the staying power. He's already making noises about the peninsula.

Director Wray, you talked with Senator Rubio about TikTok. Just to reiterate, it's dangerous because it allows the Chinese Communist Party to have access to an enormous trove of data about Americans. That's number one. Is that correct?

Director WRAY. That's one of the pieces of it. There are several.

Senator KING. The second piece is the power that the misinformation and sort of policy direction, that it enables the Communist Party to exercise, correct?

Director WRAY. Well, I think the second piece is the algorithm, right? In other words, the first is the data. The second is the algorithm. The third is the software.

Senator KING. But the problem is not TikTok. It's the control by China. If TikTok were divested and owned by an American company or a Belgian company or a British company, we wouldn't have this level of problem. Is that correct?

Director WRAY. Correct.

Senator KING. Thank you.

Who controls Mexico? Is the government of Mexico in control or are the cartels in control? And how do we get at the problem of the drugs, the fentanyl? By the way, I did a little calculation a minute ago. About 15 people have died in this country of overdoses, mostly fentanyl, since this hearing started an hour and twenty minutes ago. That's how serious this problem is. One a day in my state of Maine.

How do we get control of this problem?

Director HAINES. I'll start in, because there are a lot of us, obviously, that are working to help support those who are on the front lines of this, which include the FBI, obviously, and DEA and DHS and others who are really focused on this question.

But on the first point, Senator King, with respect to Mexico, I think there's no question that it is a challenge for the government of Mexico to deal with the cartels. And there are parts of the country that are effectively under the control of the cartels in certain respects. And yet at the same time, we'd say that our cooperation with them has improved over time. And I think Director Burns and Director Wray may have more to say on this, but this is an area where we've really been able to work with them to try to help to—

Senator KING. Obviously, we have been able to work, and it's improving, but this is a drastic problem that should be treated as such in terms of the impact on Americans.

Maybe this is a DHS question. But Director Wray, do we know how fentanyl is actually getting in? Where is it coming from?

Director WRAY. You mean coming—

Senator KING. Yes. How does it get into the U.S.?

Director WRAY. It's coming through a variety of means, including at ports of entry, but there's a variety of ways it gets in. Part of the challenge of fentanyl is, of course, how small it is and how easy it is to conceal and how easy it is to be innovative in ways to get it across the border. The vast majority of the fentanyl that's killing Americans is, of course, coming from Mexico, and the vast majority of the precursors for that fentanyl is coming from China.

Senator KING. Well, I should mention that in the Supplemental that's pending in the House, which we've always focused on Ukraine, there's also a major fentanyl-blocking provision that would be very important to this country to have enacted as soon as possible.

Director Haines, you're nodding, but the record doesn't show nodding.

Director HAINES. Yes, absolutely. It's not coming to the Intelligence Community in that case, but there are—funding obviously for the capacity to do greater detection and things like that that DHS would be deploying, I believe, among others, and I absolutely agree that this is a fundamental issue. And we are—yeah, we can also talk more in closed session about some of the organizational things that we're looking to do to improve our capacity.

Senator KING. But we have a major bill to address fentanyl in that Supplemental, if we can get that out of its limbo in the House.

General, one question. I'm concerned about a gap. NSA can talk about foreign intelligence gathering not in the U.S. Here's my worry. A Saint Petersburg, Russia, troll farm sends or hacks information in the United States through a server in New Jersey or Pennsylvania or California. Does that create a gap? Talk to me about the relationship between yourself and NSA and the FBI. I just worry that there's a place there where we may lose contact.

General HAUGH. Senator, thank you for the question. So, if we think about this right now today in the context of threats to our elections, we spend an enormous amount of time collaborating

across all the elements of the U.S. government to make sure that we're aligned and that we're appropriately using our authorities to be able to garner whatever information is required to be able to identify a foreign threat.

First and foremost, we are going to collect that threat of a foreign intelligence target outside the United States. And so, one of those tools that really assists in this type of scenario is Section 702 and our ability, because—and by its very nature—if there's an origin of that threat that there's a foreign entity communicating within the United States with a communications provider, it offers us an opportunity under Section 702 to target that foreign intelligence threat outside the United States. And so, with the reauthorization of Section 702, that would ensure one means by which we are able to see the foreign part of that communication.

Senator KING. Thank you. Thank you, Mr. Chairman.

Chairman WARNER. Senator Cornyn.

Senator CORNYN. Director Wray, I wanted to ask you a little bit about some of your testimony about the border. Last year 169 individuals on the terrorist watchlist were detained at the southern border. So far this year, it's been 58. We know there were, since 2021, approximately 1.8 million got-aways; in other words, not people that turned themselves in claiming asylum, not people paroled into the interior, but 1.8 million migrants who were evading law enforcement at the border.

Can you tell us, can you tell the American people with any certainty, that there are zero people on the terrorist watchlist that were among that 1.8 million got-aways?

Director WRAY. Well, what I would say is you rightly highlighted the kind of what—You remember Secretary Rumsfeld used to refer to the known known, the known unknown, and the unknown unknown? And I think here in many ways the national security ramifications of the issues at the border are better reflected in some ways more by what we don't know about the people who snuck in, provided fake documents, or in some other way got in when there wasn't sufficient information available at the time they came in to connect the dots.

It's almost more significant, in our view, than the actual number of so-called KSTs, because those people for the most part are stopped, detained, and processed appropriately.

Senator CORNYN. And I guess you would answer the same way that people with criminal records, members of criminal street gangs, and other, being among that 1.8 million figure for migrants who got away. We don't know what that 1.8 million is composed of, do we?

Director WRAY. That's correct.

Senator CORNYN. What we do know is that more than 37,000 Chinese nationals were detained at the U.S. southern border in 2023. That number is up ten times over the earlier tally. And these individuals who were of course detained, sometimes they claim asylum, sometimes they're paroled into the interior. But again, we don't know how many Chinese nationals that may be among that 1.8 million got-aways that have made their way into the interior of the United States. You would answer the same way, I assume?

Director WRAY. Right. We don't know what we're dealing with. In that particular context, it gets especially challenging because presumably within that group, you've got not only people who may mean us harm, but also people who are fleeing the CCP and share our concerns about their authoritarian thuggishness.

Senator CORNYN. Of course, that's an important point. I'm not suggesting all of them are, but I'm just suggesting this is a huge, gaping vulnerability in our national security that we don't have answers for. I'm reminded that there were 26 co-conspirators in the 9/11 attacks against the United States, killing 3,000 people: 26 people killed 3,000 Americans on 9/11. I worry that among the people that are coming across the border, that are evading law enforcement, that there are some people among those that mean to do us harm. Do you share that concern?

Director WRAY. I do.

Senator CORNYN. And, in fact, according to public sources, this is CNN, August 30, 2023, you alluded to this earlier about dozens of migrants from Uzbekistan that were being facilitated by a suspected ISIS agent in Turkey that was assisting those migrants to make their way to the southern border and into the United States, correct?

Director WRAY. So that's a threat stream that we're very concerned about. We're very actively investigating, working with DHS, on both people whose travel was facilitated, but also members of the facilitation network in some other way overseas. There's probably more I could share on that in closed session if you would like.

Senator CORNYN. Thank you.

Well, one of the things that I think this reveals is that our border situation, the illegal immigration, has changed over the years. It seems to me coming from a border state, years ago you would look at people coming across who wanted to work, wanted to provide for their family. Now of course, we understand people fleeing violence and poverty, things like that.

But also, we see the pull factors, the fact that if you make it to the border, you can likely stay for the rest of your natural life, is an enormous magnet for people to come. But also, and not just people who have benign intentions toward the United States who want a better life, but also people that want to do us harm.

I know sometimes people say, well, this is just a fantastic theory. It's no basis in reality. Do you consider that to be a frivolous consideration?

Director WRAY. I do not. And I've been, I think, very vocal about this. We, of course, are not responsive, FBI, for the physical security of the border. We work hard to be good partners with DHS on that. But there are a whole host of threats that emanate from the border, and some of them are criminal threats. We talked about fentanyl and violence.

And then, of course, we have concerns that it could be a vulnerability that terrorist organizations could seek to exploit. I would add that we are not at the moment tracking any specific terrorist plot coming across the border in that regard. But it wasn't that long ago, as you will recall, that we had indictments of an individual who was trying to smuggle foreign nationals across the border to assassinate former President Bush.

So it goes to your point that numbers are important, but numbers don't tell the whole story. It only takes a few people who can be responsible for a whole lot of harm.

Chairman WARNER. Senator Bennet.

Senator BENNET. Thank you, Mr. Chairman, and thank you all for being here. Thank you for your service.

Director Burns, the FBI Director just mentioned President Bush. I think you were our ambassador to Russia when he was President, is that right?

Director BURNS. Yes, sir.

Senator BENNET. And you have one of the longest distinguished careers in American diplomacy and now you're in the middle of a negotiation in the Middle East that I think everybody up here hopes that you're going to be successful about.

In that context, I want to ask you about the Supplemental bill that has the Ukraine funding in it. That's a bill that passed out of the Senate with 70 votes. We almost don't pass anything around here with 70 votes—a broad bipartisan recognition of the importance of that bill.

I agree with your assessment and the Intelligence Community's assessment that Ukraine has the possibility to prevail in this conflict with Russia. Nobody two years ago would have believed that. But the way they fought, the way they've been able to be supported by our munitions and our intelligence, obviously has made a difference. But they have succeeded in ways nobody could have imagined. There are people here and there are people in the House that don't believe that. Their assessment is different than the Intelligence Community's, and their judgement is different and that's fine. We have different judgments.

I would ask you, since you're here, a little bit about the negotiating posture that Ukraine, the West, NATO, wants to put ourselves in with Vladimir Putin. And considering that question, I wonder whether you could talk a little bit about whether or not our negotiating position, if you're somebody who believes in the end, that somehow Ukraine can't prevail—although I believe they can—and believes only that they can be in a position to negotiate an end to this, why it would be better for us to pass the Supplemental from that vantage point than to fail to pass the Supplemental?

Director BURNS. Thanks very much, Senator.

I think today, first I'll start with Vladimir Putin and Russia. It's our assessment that Russia is not serious about negotiations today, in the sense that they may be interested in the theater of negotiations, but they're not really interested in negotiating in the sense of compromise right now, because as Director Haines said in her opening remarks, I think President Putin believes that time is on his side, that he can grind down the Ukrainians, and wear down the rest of us. So, if you look at the prospect of a more serious negotiation in the future, it's essential for Ukraine, first with our support, to disabuse the Russian leadership of that notion. In other words, to puncture his confidence that time is on his side, to demonstrate that for Russia also there are long-term consequences to this war. They've already suffered enormously in terms of their military: 315,000 plus dead and wounded, four times the casualties that the Soviet Union suffered in a decade of war in Afghanistan.

The destruction of something on the order of two thirds of their pre-war tank inventory. And long-term economic consequences which is fast-making Russia the economic vassal of China. Not to mention a much stronger and bigger NATO that they have to face today.

So, the challenge in 2024 is helping the Ukrainians not just to hold their own, but to continue to impose costs so that they'd be in a position of greater strength, greater leverage in a negotiation. And I think that would be my answer to that question. If you want to get to a serious negotiation, you have to help the Ukrainians demonstrate that Putin is wrong in his notion that time is on his side.

Senator BENNET. That logic seems fairly compelling to me.

Let me ask you another question, since you served Republican and Democratic Presidents over many decades. You hear people in this building say that the United States of America has to give up on our support for Ukraine in an actual conflict with Vladimir Putin, an actual conflict with Russia, because of the fear that we will not be able to afford some plausible, but nevertheless theoretical, conflict with China in the future.

Do you believe the United States of America cannot handle our commitments with respect to Ukraine and NATO and be able to deter Beijing as well?

Director BURNS. No, I don't believe that. I think we're entirely capable. Senator Rubio said this earlier, I think the United States, while we may not have uncontested primacy in the world today, we still have a stronger hand to play than any of our adversaries or rivals. So, I believe we're entirely capable of continuing to support Ukraine in a conflict that has consequences well beyond Ukraine and European security. And I think sustaining that support for Ukraine not only doesn't come at the expense of deterring China, it actually helps to deter China, whether it's in Taiwan or the South China Sea or other places. It is our assessment that Xi Jinping was sobered by what happened, especially in the first year of the war. He didn't expect that Ukraine would resist with the courage and tenacity that the Ukrainians demonstrated. He didn't expect that the United States, whom he believes is a declining power, would step up in the way the President has led, with all of your support, to show solidarity with Ukraine as well. That's had an impact, I believe, far beyond Ukraine or European security, and that's really what's at stake today.

Senator BENNET. And I would say we'd look back, Mr. Chairman, at that \$60 billion and say that it was a bargain compared to what we would otherwise spend. Mr. Chairman, my colleagues, I think almost all of them went over a minute and a half. So let me just say in the last 15 seconds that I have, that our threat assessment—

Chairman WARNER. I think the record will stand corrected. You get a couple of seconds, but we've been holding here.

Senator BENNET. Director Haines, I'll take it for the record but there is in the document, reference to the serious issues that we're confronting in space right now; and had I more time to ask you about that, we'd have a conversation.

Chairman WARNER. You'll get a chance in classified session. Senator Moran.

Senator MORAN. Chairman Warner, thank you.

Director BURNS. I was in Mexico about a year ago and met with President Lopez Obrador and my request, among others, was that he personally intervene with Chinese leadership and ask for the precursors to not be imported into Mexico, and thereby utilized, and ultimately end up as fentanyl in the United States. He committed to doing that. My understanding from his government, as well as public sources is that he did. And then there seemed to be some level of interest on the part of China in negotiating with us or having conversations with United States about that topic. I don't know that much has come from that, but you may tell me that I'm wrong.

What explains the Chinese unwillingness to be more proactive in combating precursor chemicals coming to the U.S.? Do they have the capability? Are they intentionally inflicting harm on Americans and America? Is there some quid pro quo that they're looking for?

Director BURNS. I think, Senator, since the President met with President Xi in November in California, there have been some signs of greater Chinese seriousness about dealing with this problem, effectively enforcing their own law because that's all that we're asking. When I was in Beijing in late May of last year, I raised this issue very directly with my counterparts, as well. So, I think there are some signs that the Chinese are beginning to address the problem, not just of precursor chemicals, but also of pill pressing equipment. Certainly, they can do more, and I think that's why it's so important for all of us to continue to push as hard as we can, and to make clear, as you indicated earlier, that this is a problem not only for the United States but for Mexico and for others around the world.

Senator MORAN. So, what would be China's reluctance to actually crack down on those exports?

Director BURNS. I hope that what you're seeing now is a readiness to do more, I think, since November. But I think you know that's something that obviously from the President on down, we need to continue to reinforce as hard as we can, because they do bear some responsibility for what's happening in our own society.

Senator MORAN. General Kruse, how do you assess the current balance of military power in the Pacific today between the United States and China and others?

General KRUSE. I think I would describe the balance of power today as China is on a rise that it has been planning for multiple five-year periods, and it has executed that development, that training, that exercising in a way that has put them in a position that at some point in the not too distant future, in accordance with Xi's own goals, they will be a world-leading military power.

The United States, though, is the world-leading military power today. And so, the imperative piece for us is to be on that same trajectory, to match them stride for stride and ensure we stay ahead of the growth that we see in China. There is no doubt of the growth that you see, and has been discussed today, in military power associated with China and their rise in all domains—cyber, space, as well as conventional.

Senator MORAN. Director Haines, has Iran sought to use our borders, our porous borders, to conduct terrorist activities in the United States?

Director HAINES. We have a very good example of Iran supporting, in effect, efforts to come across the border to go after a former ambassador from Saudi Arabia, for example. There was a case against Arbabsiar in that scenario. So, they have historically attempted this, but it's actually been very challenging for them and something that we consistently monitor on a regular basis. They prefer to go through—to the extent that they're able—criminal entities and other groups as a way of trying to achieve their goals.

Senator MORAN. Director Wray, there were reports of our military technologies being utilized in North Korean military equipment found in Ukraine, coming from Russia. How do we explain that?

Director WRAY. I'm definitely tracking similar incidents in terms of Iranian drones, for example, where U.S. technology has appeared as components. I think part of it has to do with dual-use technologies and companies here not being perhaps as vigilant as they need to be about the potential uses of their technologies.

And so, we're trying to be very heavily engaged with the private sector to make sure that they're more thoughtful about who they're selling to and where their pieces and components may end up.

Chairman WARNER. Senator Casey.

Senator MORAN. Senator Warner, even though you gave Senator Bennet additional time, I'll not ask for any.

Chairman WARNER. You're a very generous Member.

Senator CASEY.

Senator CASEY. Mr. Chairman, thanks very much. I want to thank the panel for your testimony today and also for your public service.

I'm going to follow up on the fentanyl, and I want to ask a related question about xylazine. And I know our colleagues have mentioned and asked questions about fentanyl.

But I'll start with Director Wray, to direct your attention to this question about fentanyl. The threat assessment this year on page 36 says that, quote, China remains a primary source for illicit fentanyl precursor chemicals and pill press equipment, end quote. And then it goes on to talk about what the cartels do. It's noteworthy, I think, that the U.S. Sentencing Commission told us that in fiscal year 2022, 88 percent of fentanyl trafficking offenders were U.S. citizens. 88 percent. In fiscal year '21, 86 percent of fentanyl trafficking offenders were U.S. citizens.

But we know how it gets here. We have a pretty good sense of how it gets here. We also know the Administration announced that it had made progress—they believe some progress—in reestablishing coordination with the Chinese government on countering fentanyl. I'm increasingly concerned, as well, about xylazine and other non-fentanyl synthetic opioids. Xylazine, as many people know, is a powerful veterinary sedative that is mixed with illicit fentanyl. And unfortunately, the City of Philadelphia has become almost ground zero for the proliferation of illicit xylazine. According to DEA, xylazine was detected in nearly half—half!—of all fentanyl related to overdoses in Philly.

So, Director Wray, I wanted to ask you, is the Chinese government holding up its end of the bargain and cracking down on illicit fentanyl traffickers?

Director WRAY. Well, I would say the scale of the problem that we're continuing to see suggests to me that there's a whole lot of room for improvement from the Chinese government. Let me just put it that way.

You mentioned xylazine. Certainly, xylazine is of concern to us. You're right that the Philadelphia area is a place where we're seeing a certain amount of that. We've got a lot of investigations in the Philadelphia and Newark areas. Of course, one of the problems with xylazine, as you I'm sure know, is it's not responsive to Narcan, so that just adds to the challenge. And certainly, xylazine has been found in drug combinations in, and I think, maybe 48 of the 50 states or something. And it's, you know, very easy to buy, unfortunately, online from China-based suppliers. So, I think that just adds to the problem. We are, in addition to our investigative work, trying to engage in your area and nearby areas with hospitals and state diversion groups and things like that to try to raise awareness about it. But xylazine is not a controlled substance currently under the U.S. Controlled Substances Act, so that's just an additional kind of aggravating circumstance.

Senator CASEY. And also, a related question. To what extent is regulation by China of xylazine and other non-fentanyl synthetic opioids part of U.S. law enforcement's discussions with their Chinese counterparts?

Director WRAY. Certainly, trying to work with the Chinese on their controlled substances listings is a key part of it. Now, part of the problem with precursors, of course, is that there's an almost infinite number of variations that people can come up with. So, even when they schedule things, you see new ones crop up in their stead.

And so, I think that just adds to the challenge. You know, you asked how serious are they. I would just point to the sheer volume that we're contending with, and I think that tells you all you need to know about how serious the Chinese are so far, so far, in helping us address the problem.

Senator CASEY. And Director Haines, I want to ask you about Iranian evasion of sanctions. We know that since the imposition of increased sanctions against Iranian oil in 2018 and '19, Iran has been increasingly successful in finding ways to evade sanctions, and its oil revenues are increasingly rising. I know the Administration is focused on blocking Iran's oil exports.

How is the Intelligence Community supporting the Administration's efforts to impose further costs on Iran, including by focusing on identifying and sanctioning so-called ghost-fleet vessels carrying Iranian oil and Chinese refineries purchasing Iranian oil?

Director HAINES. Thank you, Senator. We're very involved is the short answer. But the longer answer—And we actually do periodic reports to Congress that tell you about some of the work that we do in this area, where we're identifying where we see sanctions evasion, where we see opportunities for essentially additional targets for sanctions that might be acted on, things that are sort of third parties or others who are involved in these transactions so

that the Treasury Department and others can, in fact, go after them in that respect. And it's a constant and critical issue.

Senator CASEY. Thank you, Mr. Chairman.

Chairman WARNER. Thank you. Senator Lankford?

Senator LANKFORD. Thank you. Thanks to all of you. The team that you work around, please pass on our thanks and our gratitude to them. They work very hard. Most folks will never know who they are and not get a chance to be able to say thank you so please pass it on as well.

I do want to continue some of the conversation about the border, because while we're dealing with worldwide threats, we're seeing the worldwide threats coming towards us and some obvious vulnerabilities in this.

As has been mentioned, we've talked about in the past—well, in this fiscal year—58 people on the terror watchlist that have been identified and picked up. There's also a category called special interest aliens. Director Wray, I know you're familiar with that as well. The special interest aliens, many people may not know this definition. I'm just going to read it of what this designation is. It says: A special interest alien is a non-US person who, based on analysis of travel patterns, potentially poses a national security risk to the United States or its interests. Often such individuals or groups are employing travel patterns known or evaluated possibly to have a nexus to terrorism.

Do we have a listing of how many people have crossed our southern border that we have identified in this fiscal year that are special interest aliens?

Director Wray, do you know that number?

Director WRAY. I don't know the number, but we could follow up with you to see if that's something we could provide.

Senator LANKFORD. It has been one of our challenges to try to identify that, while on the terror watchlist we can get that number and know that it's 58 exactly. When we ask the issue of special interest aliens, we're told often that is law enforcement sensitive. We know the number is in the thousands but have not been able to get a specific number nor a specific tracking on that. So, that'd be helpful to be able to know, because the next question is the obvious one. If those individuals that are coming in—and I'm just going to give you a number if it's in the thousands—is FBI contacted when these individuals that are coming across our border? Released into the country? Because the vast majority of the SIAs, we don't have criminal background information on them. We have a theory. So, they're released into the country currently.

Is the FBI kept in contact, from DHS and others, who those individuals are? Or what kind of tracking and monitoring is on those individuals?

Director WRAY. I know that we work closely with DHS, especially CBP, on the issue of special interest aliens, including a whole lot of work on the other side of the border to try to prevent them from coming in in the first place. And I know there are instances where we're contacted, but I'm not sure that as I sit here right now, I can tell you that we're contacted in every instance.

Senator LANKFORD. Ok, that's helpful.

Mr. Holmgren, you haven't gotten a lot of questions today, and we need to give you some attention here.

Obviously, the State Department is very engaged in this in trying to be able to figure out for the intelligence side, on the information sharing. Those individuals that are crossing the border right now from many of those countries, we don't have any criminal information on these individuals. Do you know just off hand how many countries that are coming into the United States, when they're crossing our southern border, we have criminal background information? Let me give you for instance Venezuela. We were talking about Venezuelan gangs earlier and those individuals that are crossing into the country, many of them being paroled into the country. Is Venezuela freely sharing their criminal records with us? Do we know if these individuals have a criminal record?

Mr. HOLMGREN. Thank you, Senator.

I don't know exactly if Venezuela is sharing specific information with us. What I can say, though, about Venezuela, obviously, is that we've seen over seven million Venezuelans emigrate from the country since 2017, a significant portion of whom obviously have emigrated to the United States illegally. But when we do get relevant information from our counterparts at DHS and FBI, our analysts use that to help inform their judgment.

Senator LANKFORD. One of the challenges that we have as well for individuals, for instance—currently Nicaragua is not taking people back on that. And we are all dependent on State Department to impose some sort of consequences on Nicaragua to say you're a recalcitrant country. You're not taking people back on that.

Do you happen to know any of the conversation right now between Nicaragua and the United States on trying to deal with recalcitrance? Because we do have a tracking of some that have criminal records that are coming towards us and consider that a threat.

Mr. HOLMGREN. Senator, I don't have specifics on the details of engagement with Nicaragua. Happy to follow up with you offline.

Senator LANKFORD. That'd be great. Thank you very much for that.

Director Wray, let me come back to you and talk a little bit about CFATS. This is an acronym most people don't know: the Chemical Facility Anti-Terrorism Standards. We've had that since 2007. It expired in July of last year and has not been reauthorized yet. One of the aspects of that is for a chemical facility, refinery, whatever it may be, they have the ability to be able to check against the terror watchlist using this authority on that. With its expiration, there's about 9,000 people a month that used to be checked on that, just in the hiring and the process of all over the country. We have about 63,000 people we're estimating that have not been checked.

My question for you is, do we have any idea how many people show up as a hit on the terror watchlist from the hiring in the past? That when we do that check on it, which now is not occurring because we've not reauthorized this, how many folks do ping on that terror watchlist?

Director WRAY. I'm not sure I can give you a number sitting here right now. But I will tell you, I share your concern about the lapse in the authorities. And one of the challenges of this particular

space is, of course it doesn't take many for it to be a real problem. And we rely on that authority—or we historically have—to protect.

Senator LANKFORD. Could you say that number is not zero as far as how many people have pinged on the terror watchlist when that has been run in the past?

Director WRAY. Correct.

Senator LANKFORD. Thank you.

Chairman WARNER. I think you've given a number of the witnesses homework assignments there.

Senator Gillibrand?

Senator GILLIBRAND. Thank you, Mr. Chairman.

In New York's Capital Region, the Albany Nanotech Complex is set to house some of our Nation's most advanced electronics research, development, and manufacturing in particular fields like wafer processing, manufacturing, and lithography tools.

Today's annual threat assessment points out that China currently lags behind the U.S. in developing the most advanced chips, giving them cause to steal our technology, which we've seen them do over and over. I included legislation in last year's NDAA requiring DOD to establish a pilot program to enable collaboration between the NSA's Cybersecurity Collaboration Center and the U.S. semiconductor manufacturers to improve the cybersecurity and semiconductor design and manufacturing process.

General Haugh, how is the NSA working with the FBI to create safeguards against espionage and cyber attacks at leading public research facilities and at semiconductor manufacturers?

General HAUGH. Senator, thank you for the question. In terms of how we think about the China cyber threat, it is clear that they are going to be relentless to intend to steal intellectual property. And so, from our perspective, part of what NSA is really focused on doing is illuminating that threat. So, we have done a series of unclassified advisories with a number of partners, elements across U.S. government, six other nations, multiple companies, to illuminate that threat in a way that allows us to get now unity of action against that threat. Unclassified reports to allow increased unity of action.

So, from the FBI's perspective, they're a teammate in everything that we do that talks about the cyber threat within the United States. And from a specific look at semiconductors, critical technology that clearly China wants to catch up on, and from our perspective an area that we will continue to identify those threats and communicate those both through the FBI and then through unclassified advisories wherever we can.

Senator GILLIBRAND. Director Wray.

Director WRAY. I would just agree with everything General Haugh just said. I would just add to that. We have set up counter-intelligence task forces in all 56 Field Offices, including in the Albany area. NSA is a key participant with us in our national effort in that regard. And in addition to the unclassified information that can be shared through the good work that we do together, one of the advantages to the FBI engaging with private companies is because we get information from so many different sources. There are times when we can share information with a private sector entity in a way that helps protect NSA's sources and methods, just be-

cause it doesn't clearly get identified as this is something NSA told us.

Senator GILLIBRAND. Research from the Center for Countering Digital Hate found that the leading AI image-generators create election disinformation in 41 percent of cases in which they are prompted, including images that could support false claims about candidates or election fraud, in spite of controls we've been told have been put in place.

This is for the entire panel. Have any of you seen foreign adversaries with intent to use generative AI—either images, videos, audio—to deceive American voters? What are we relying on to advise the public when this inauthentic content appears?

Director Wray, you can start.

Director WRAY. I want to think about what I can say here. Certainly, AI is something that all of our most significant adversaries are taking a hard look at to enhance their efforts. We have seen AI used in a variety of settings. Whether it's been used specifically to target voters, I'm not sure that I could say that. But we are actively concerned about that as the latest wrinkle in a longstanding effort to engage in information warfare.

Senator GILLIBRAND. Director Burns.

Director BURNS. Another example is we've seen evidence that al-Qaida in the Arabian Peninsula has used AI to generate videos aimed at inspiring lone-wolf attacks as a result to the Gaza conflict as well.

Senator GILLIBRAND. Director Haines.

Director HAINES. I think another example is Russia deploying AI tools in the context of their influence efforts in Ukraine. And there we've seen, for example—I think it was in March 2022 there was a deepfake of the Ukrainian President Zelensky asking Ukrainians to lay down their arms and ultimately had to be actually countered by President Zelensky in order to address it.

Senator GILLIBRAND. Did we give them the information or capability to do that quickly?

Director HAINES. The Ukrainians? Yes, we worked with them on that.

Senator GILLIBRAND. General Haugh.

General HAUGH. So, in terms of how we're thinking about AI security, NSA established an AI Security Center. Part of that is to be able to generate and communicate to anyone that is building a model in the United States. From an AI perspective, what are those threats and what are the security mechanisms to avoid misuse of those models? We're also using the AI Security Center for how we apply all of the ethical and safety standards of how the department will leverage AI. But really, the last component would be how do we communicate to those companies the threats that they will have of their technology and how it will be employed?

Senator GILLIBRAND. Go ahead.

Mr. HOLMGREN. Sure, Senator. Quickly, you're right to raise this as a threat and I think our view of it is that tools like generative AI will essentially lower the barrier for actors, state and non-state, with fewer resources to engage in potential election interference.

Senator GILLIBRAND. And General Kruse.

General KRUSE. From a DIA perspective, I don't think I would add anything to what has been covered here, other than the counterintelligence portion of that, that has a touch point across everything that's already been mentioned.

Chairman WARNER. I would add, ladies and gentlemen, that at the Munich Security Conference, something I participated in, there were 20 tech companies that came together, most of the social media companies, on a voluntary basis to indicate both watermarking and willingness to take down AI-generated video and voice that were affecting elections, but it was voluntary, and the proof will be in the pudding.

Senator GILLIBRAND. And just for the record, no one said they have a plan to tell the American people or to advise the American people.

Chairman WARNER. This Committee will be having public hearings on this subject very shortly that Senator Rubio and I have agreed upon.

Senator Rounds.

Senator ROUNDS. Thank you, Mr. Chairman. First of all, thank you to all of you for your service and to your teams as well.

Director Wray, with regard to the PRC and some recent public reports of significant agricultural land purchases. If these land purchases are accurate, they may very well pose a threat to not only some military installations, but most certainly involved in food production that takes away from our ability to produce for our own country, as well. But just curious about whether or not you are aware could confirm land purchases by Chinese nationalists within the United States? And are you following them at this time?

Director WRAY. So, this is an issue that we're focused on a lot lately. I think what I would say is we're investigating a number of instances proactively, where we're seeing either commercial real estate or land being purchased by those with ties to the PRC near critical infrastructure. And I want to be clear, of course, foreign purchase of land including Chinese purchase of land is not itself inherently illegal. But the problem is the risk, and as has been discussed much here already in a different context, the hold that the Chinese government and the CCP have over its businesses in particular. And so, we're particularly concerned about situations where a purchase of land near a military installation, critical infrastructure, or something like that could be leveraged to enable anything from espionage, data collection, or worse.

Senator ROUNDS. Do you know if the tools that we have in place today are strong enough or capable of stopping these purchases from moving forward?

Director WRAY. Certainly, a lot of types of transactions go through the CFIUS process, but I'm not clear on whether or not that fully extends to all the kind of land purchase situations that we're concerned about. We are working through the CFIUS process when that applies. We're working with the USDA to try to work towards maybe some kind of mandatory reporting regime that might apply. So, I think there is room for plugging gaps that may exist.

Senator ROUNDS. Thank you.

I'd like to also ask, with regard to AI in particular. Look, the bottom line is, is it's not going away. It's something that we're going to have to deal with right now. It appears as though we lead the world in regard to AI capabilities. But most certainly, our near-peer adversaries recognize that and they're going to do whatever they can as a shortcut to our capabilities—air, land, sea, space, and cyberspace.

With regard to the advances with AI right now, I'm concerned as much about China and Russia and their capability to use AI to develop weapons systems that we have never really thought about as being in the forefront of a major and direct threat to the United States. And I'm going to talk about biologics, in particular. We know that China and Russia have significant capabilities with regard to AI, and that using AI you can make rapid advances, as you've noted on pages 30 through 33 in your report, that with AI you can very rapidly develop your biologics. I'm concerned about the fact that it may very well be used as a weapon system.

I'm not sure who to direct this to, but I'll start with Director Wray, and if you'd like to pass this on, that's fine. But it seems to me that this is an area that if we're not ahead in time to be able to identify and stop them, that this is probably as much of a threat to the United States as any other that we've got today.

Director WRAY. Well, I'll start, and others may want to chime in more from a military perspective. What I would say is that from an FBI perspective, one of our priorities is protecting American AI innovation from theft, especially from the Chinese. America leads the world in AI innovation and AI is often—to Senator Gillibrand's question, for example, about detecting deepfakes—one of the best weapons against AI is better AI. And so, we need to protect that innovation. And we're keenly concerned that the Chinese, which have, as I've testified repeatedly, a bigger hacking program than every other major nation combined—if they steal our AI to power it, it makes words like “force multiplier” sound like an understatement.

Senator ROUNDS. And may I just, in one last thought, just on page 32 of your report, you make it clear that Russia, China, Iran, and North Korea probably maintain the capability to produce and use pathogens and toxins. And China and Russia have proven adept at manipulating the information space to reduce trust and confidence in countermeasures and U.S. biotechnology and research.

Thank you. Thank you, Mr. Chairman.

Chairman WARNER. Senator Ossoff.

Senator OSSOFF. Thank you, Mr. Chairman. Thank you to our panel.

Director Wray, I believe you noted this earlier, but do you share my view that the threat of terrorism associated with unlawful entry through the southern border poses a serious threat to U.S. national security?

Director WRAY. Yes. I've testified repeatedly that we are concerned about the terrorism implications from potential targeting of vulnerabilities at the border.

Senator OSSOFF. How would you assess the present level of threat and risk of a terrorist attack in the United States compared to past periods during your tenure?

Director WRAY. Well, even before October 7th, I would have told this Committee that we were at a heightened threat level from a terrorism perspective, in the sense that it's the first time I've seen in a long, long time the threats from homegrown violent extremists, that is jihadist inspired extremists, domestic violent extremists, foreign terrorist organizations, and state sponsored terrorist organizations, all being elevated at one time. Since October 7th, though, that threat has gone to a whole other level. And so, this is a time, I think, for much greater vigilance than has maybe been called upon of us before October 7th.

Senator OSSOFF. Is the FBI postured to understand the extent of the terrorist threat associated with the southern border? We've been briefed on some specific threats. Do you feel that you know enough to assure us that the FBI is as well across it as you can be, or do you need more resources, or do you feel you're flying blind and not able to define the potential scope and extent of the threat?

Director WRAY. I think we are working very hard with our partners, but there's no question that we need more resources to combat the threat. I'll just give a concrete example. Through working with DHS, they collect DNA samples, and we provide kits to DHS to collect DNA samples from the people coming across the border, that then get sent to the FBI lab. That's part of why we asked for a significant enhancement because of the sheer increase in people coming across means a sheer increase in the number of samples that need to be collected. That's what helps us identify those people if they're then committing crimes somewhere in the United States. Or as happens all too often, unfortunately, they go back across the border and tried to illegally reenter again. So, we need to be able to process those samples quickly. There's a backlog. We asked in the '24 budget for enhancement. Not only did we not get an enhancement, there was a 10 percent cut to the Terrorist Screening Center. So, whatever happened in '24 happened in '24, but I would urge Congress, as we look at fiscal year '25, that we can't double down on those cuts if we're going to be serious about protecting the border.

Senator OSSOFF. Well, speaking of Congress, I think it's worth noting that a serious, tough bipartisan border security measure was put forward in the Congress. In fact, coauthored by a conservative Republican Member of this Committee, which would have surged enforcement resources to the border; which would have provided substantial resources to fight cartels, and to crack down on fentanyl trafficking; which would have tightened asylum standards and expedited adjudication and therefore removal timelines for those who were trying to enter the country without a valid reason to. The former President put out the word that he wanted the bill stopped for political reasons and the bill was stopped. In fact, not only was the bill stopped in the Senate, it was denied even a debate on the Senate floor. And this speaks to the corrosive impact of extreme partisanship and polarization in this country on our national security.

So, I'd like to ask you, Director Haines, how do our adversaries view the impact of political extremism and polarization and partisanship on America's strength and stability? We're talking about worldwide threats. Those threats can exploit our own frailties here at home.

Director HAINES. I think the best way I can answer that question is to point to the fact that we've seen that both Russia and China, for example, have taken the opportunity to highlight where there's political dysfunction or other issues that they see in the context of our governance and use it as part of their information operations globally. And both to highlight, for example to their own populations, that democracy is quite challenging and would you really want this at home kind of thing. And also, to demonstrate to our allies and partners that maybe we can't be relied on as effectively.

Senator OSSOFF. Thank you, Director Haines. Thank you all for your testimony.

Chairman WARNER. Senator Kelly.

Senator KELLY. Thank you, Mr. Chairman, and thank you, everyone, for being here today. I've been sitting here since 2:30. There's often maybe an advantage for going last in one of these hearings.

I was going to say it was the elephant in the room until my colleague from Georgia brought it up. But as I've sat here, I've heard most Members of this Committee ask something about the southern border—not everybody but the majority. I've spent a lot of time on the border, perhaps more time than maybe anybody on this Committee, maybe with the exception of Senator Cornyn, who I've traveled to the border with. And I strongly agree with what most of my Democrat and Republican colleagues have said about the problems and the challenges. Fentanyl coming north, precursors often from China heading south, violent extremist organizations, Chinese migrants who might be in Maine selling rather strong marijuana, ISIS, Iran proxies, problems in Mexico. Over and over again, they've pointed out all these problems. And I've worked on this issue, providing more pay for Border Patrol, closing gaps in border wall along the southern border, where they make sense, and they certainly do in a lot of places. More money for NGOs to help Border Patrol.

Director Wray pointed out, talking about how we need more resources to combat the threat, and it helps when DHS gets those resources. And we had the opportunity to do something about it. We really did. More money for technology, including fentanyl detection, more Border Patrol agents, more asylum officers, more authorities to rapidly expel individuals, a change in the credible fear standard, more money for detention facilities, more visas to reunite families. And this legislation was endorsed by the Border Patrol Union. And it had strong bipartisan support—until it didn't. And my colleague from Georgia points out why it didn't.

Director Wray, is it in your assessment that more resources and stronger policy that could help your partners, not necessarily the FBI, but DHS. Is that your assessment, that that would help deal with all these things that were mentioned in this Committee hearing today?

Director WRAY. Well, I'll leave it to others to speak to policies. But certainly, in terms of resources, not just for DHS but for the

FBI, we need more resources to deal with all the threats that emanate from the border that we're responsible for.

Senator KELLY. Director Haines.

Director HAINES. I don't have anything to add to that.

Senator KELLY. Director Burns.

Director BURNS. Nope, I don't have anything to add. I agree.

Senator KELLY. All right. Well, I'm going to yield back the remainder of my time, because I think it's the failure of that legislation, that alone presents a national security threat to this country, in my view.

Thank you, Mr. Chairman.

Chairman WARNER. Well, thank you. Let me thank my Members. And let me also just say for a moment we have strong views on this Committee. But one of the things I think that we have always taken some pride in is that we can disagree without questioning each other's patriotism, without questioning each other's motives, and I hope that tenor will be maintained.

Members on this side feel very strongly, I felt very strongly on the border bill. Members on the other side raised legitimate questions about the border, as well. I do hope, particularly as we deal with our intelligence professionals, the one thing we've tried to have this Committee always do, and frankly I learned from people like Richard Burr and Dianne Feinstein and Saxby Chambliss, is that that disagreement, at least in terms of the Intelligence Committee, should not go in terms of ad hominem attacks. I don't think I heard that. I heard huge policy differences. We ought to have those. But the one thing I hope and pray is that we maintain these notions. Because the intelligence professionals, who never get the recognition they need, look to this Committee to be I hope an island of sanity in an otherwise sometimes challenging political environment.

That doesn't take away anybody's views; it doesn't take away anybody's right to have those views. But I have enormous respect for every Member of this Committee regardless of which side of the aisle they sit on. And we're going to go at it time and again, but I hope we owe our intelligence professionals that kind of notion, that just because we're on different political sides of the aisle, that neither political party has a monopoly on truth or patriotism. And we can have differences of opinion without questioning each other's truth or patriotism. And with that—

Senator RISCH. Mr. Chairman, I'd like to reclaim my time, please.

Well, Mr. Chairman, first of all, I can't let this go, the last two speakers on the Democratic side, without responding. Look, I've been on this Committee for 15 years, and we do a really good job until politics do creep in. And that's what's happened here this afternoon with the last two speakers.

These are the facts. The last President of the United States closed the border. He closed the border down to almost zero crossings by the time he left office. He did it even though he was sued over and over and over again by people from the other side of the aisle. But he shut it down and he shut it down under the law that's in effect today.

Congress has done its job. It passed a law saying you cannot enter the United States without authorization. That's the law today. When the current President came in, we all know he took the policies of the former President, tore them up, and rescinded them, and now we have what we have.

As far as the bill that's concerned, everybody's talking about the former President making phone calls. He never called me. But I can tell you this. I will not vote for any bill that allows any illegals to cross into this country. And everybody here knows that bill would have allowed 5,000 a day to come into this country. That's not for me. And I don't care if the President calls me or doesn't call me. My red line is not one.

What we need to do is enforce the laws that we have. You want to talk about the front door and how we let them in the front door? I'm all in. But the back door has got to get closed.

Thank you, Mr. Chairman.

Chairman WARNER. And I would simply add that the former President and a number of my Republican colleagues had repeatedly said: to make the kind of changes you need permanently on the border, you need legislation. And that is an ongoing debate. It's a debate that we'll have here and elsewhere. And what we need, and the most important last comment I'll make because we will be breaking and going into closed Senate, is we need an Intelligence Community that's going to never be afraid to tell truth to power. And truth to power sometimes means telling us on both sides of the aisle what we don't necessarily want to hear.

I think you, the witnesses, and frankly the men and women, literally thousands of them, who you represent, do that on a regular basis. And at the end of the day, while we may hassle and haggle over some of these policy things, the most important thing you've got to do is keep speaking that truth to power, even when we don't want to hear.

We are adjourned until we move into the classified setting. (Whereupon at 4:52 p.m. the hearing was recessed, subject to the call of the Chairman.)

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ANNUAL THREAT ASSESSMENT

OF THE U.S. INTELLIGENCE COMMUNITY



OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

February 5, 2024

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INTRODUCTION

Chairman Warner, Vice Chairman Rubio, Members of the Committee, this annual report of worldwide threats to the national security of the United States responds to Section 617 of the FY21 *Intelligence Authorization Act* (Pub. L. No. 116-260). This report reflects the collective insights of the Intelligence Community (IC), which is committed every day to providing the nuanced, independent, and unvarnished intelligence that policymakers, warfighters, and domestic law enforcement personnel need to protect American lives and America's interests anywhere in the world.

This assessment focuses on the most direct, serious threats to the United States primarily during the next year. The order of the topics presented in this assessment does not necessarily indicate their relative importance or the magnitude of the threats in the view of the IC. All require a robust intelligence response, including those where a near-term focus may help head off greater threats in the future.

Information available as of 22 January was used in the preparation of this assessment.

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FOREWORD

During the next year, the United States faces an increasingly fragile global order strained by accelerating strategic competition among major powers, more intense and unpredictable transnational challenges, and multiple regional conflicts with far-reaching implications. An ambitious but anxious China, a confrontational Russia, some regional powers, such as Iran, and more capable non-state actors are challenging longstanding rules of the international system as well as U.S. primacy within it. Simultaneously, new technologies, fragilities in the public health sector, and environmental changes are more frequent, often have global impact and are harder to forecast. One need only look at the Gaza crisis—triggered by a highly capable non-state terrorist group in HAMAS, fueled in part by a regionally ambitious Iran, and exacerbated by narratives encouraged by China and Russia to undermine the United States on the global stage—to see how a regional crisis can have widespread spillover effects and complicate international cooperation on other pressing issues. The world that emerges from this tumultuous period will be shaped by whoever offers the most persuasive arguments for how the world should be governed, how societies should be organized, and which systems are most effective at advancing economic growth and providing benefits for more people, and by the powers—both state and non-state—that are most able and willing to act on solutions to transnational issues and regional crises.

New opportunities for collective action, with state and non-state actors alike, will emerge out of these complex and interdependent issues. The 2024 Annual Threat Assessment highlights some of those connections as it provides the IC's baseline assessments of the most pressing threats to U.S. national interests. It is not an exhaustive assessment of all global challenges, however. It addresses traditional and nontraditional threats from U.S. adversaries, an array of regional issues with possible larger, global implications, as well as functional and transnational challenges, such as proliferation, emerging technology, climate change, terrorism, and illicit drugs.

China has the capability to directly compete with the United States and U.S. allies and to alter the rules-based global order in ways that support Beijing's power and form of governance over that of the United States. China's serious demographic and economic challenges may make it an even more aggressive and unpredictable global actor. Russia's ongoing aggression in Ukraine underscores that it remains a threat to the rules-based international order. Local and regional powers are also trying to gain and exert influence, often at the cost of neighbors and the world order itself. Iran will remain a regional menace with broader malign influence activities, and North Korea will expand its WMD capabilities while being a disruptive player on the regional and world stages. Often, U.S. actions intended to deter foreign aggression or escalation are interpreted by adversaries as reinforcing their own perceptions that the United States is intending to contain or weaken them, and these misinterpretations can complicate escalation management and crisis communications.

Regional and localized conflicts and instability, such as from the HAMAS attacks against Israel and Israel's subsequent invasion of Gaza, will demand U.S. attention as states and non-state actors struggle in this evolving global order, including over major power competition and shared transnational challenges. From this, conflicts and bouts of instability from East Asia to Africa to the Western Hemisphere—exacerbated by global challenges—have greater potential to spill over into many domains, with implications for the United States, U.S. allies and partners, and the world.

Economic strain is further stoking this instability. Around the world, multiple states are facing rising, and in some cases unsustainable, debt burdens, economic spillovers from the war in Ukraine, and increased cost and output losses from extreme weather events even as they continue to recover from the COVID-19 pandemic. While global agricultural food commodity prices retreated from their 2022 peak, domestic food price inflation remains high in many countries and food security in many countries remains vulnerable to economic and geopolitical shocks.

At the same time, the world is beset by an array of shared, universal issues requiring cooperative global solutions. However, the larger competition between democratic and authoritarian forms of government that China, Russia, and other countries are fueling by promoting authoritarianism and spreading disinformation is putting pressure on longstanding norms encouraging cooperative approaches to the global commons. This competition also exploits technological advancements—such as AI, biotechnologies and related biosecurity, the development and production of microelectronics, and potential quantum developments—to gain stronger sway over worldwide narratives affecting the global geopolitical balance, including influence within it. The fields of AI and biotechnology, in particular, are rapidly advancing, and convergences among various fields of science and technology probably will result in further significant breakthroughs. The accelerating effects of climate change are placing more of the world's population, particularly in low- and middle-income countries, at greater risk from extreme weather, food and water insecurity, and humanitarian disasters, fueling migration flows and increasing the risks of future pandemics as pathogens exploit the changing environment.

The 2024 Annual Threat Assessment report supports the Office of the Director of National Intelligence's commitment to transparency and the tradition of providing regular threat updates to the American public and the United States Congress. The IC is vigilant in monitoring and assessing direct and indirect threats to U.S. and allied interests. For this requirement, the IC's National Intelligence Officers—and the National Intelligence Council that they collectively constitute—work closely and regularly with analysts across the IC. This work diagnostically examines the most serious of both the immediate and long-term threats to the United States, along with the evolving global order and other macro-trends, that will most influence the direction and potential impact of these threats.

The National Intelligence Council stands ready to support policymakers with additional information in a classified setting.

STATE ACTORS

PREFACE

Several states are engaging in competitive behavior that directly threatens U.S. national security while a larger set of states –including some allies –are facing intrastate conflict or domestic turmoil. These pressures and dynamics have the potential to spill over borders and across regions to destabilize areas and threaten the livelihoods, safety, and stability of billions of people. China vies to surpass the United States in comprehensive national power and secure deference to its preferences from its neighbors and from countries around the world, while Russia directly threatens the United States in an attempt to assert leverage regionally and globally.

CHINA

Regional and Global Activities

President Xi Jinping envisions China as the preeminent power in East Asia and as a leading power on the world stage. The Chinese Communist Party (CCP) will attempt to preempt challenges to its reputation and legitimacy, undercutting U.S. influence, driving wedges between Washington and its partners, and fostering global norms that favor its authoritarian system. Most significantly, the People's Republic of China (PRC) will press Taiwan on unification, an effort that will create critical friction points with the United States. Despite economic setbacks, China's leaders will maintain statist economic policies to steer capital toward priority sectors, reduce dependence on foreign technologies, and enable military modernization.

- China views Washington's competitive measures against Beijing as part of a broader U.S. diplomatic, economic, military, and technological effort to contain its rise, undermine CCP rule, and prevent the PRC from achieving its regional and global power ambitions. Nevertheless, China's leaders will seek opportunities to reduce tension with Washington when they believe it benefits Beijing and protects core interests, such as Xi's willingness to meet with President Biden at the APEC Summit in late 2023.
- China faces myriad domestic challenges that probably will hinder CCP leaders' ambitions. CCP leaders have long believed that China's technology-powered economic growth would outpace Western countries. However, China's growth almost certainly will continue slowing thanks to demographic challenges and a collapse in consumer and investor sentiment due in large part to Beijing's heavyhanded policies.
- PRC leaders' regional and global ambitions are also hampered by growing resistance to China's heavyhanded and coercive economic, diplomatic, and military tactics toward Taiwan and other countries. In particular, China's policies have led many countries and businesses to accelerate de-risking in key sectors and to limit exports of sensitive technology to China, which is further hindering PRC leaders' goals for technology-enabled economic and military development.

The PRC combines its economic heft with its growing military power and its diplomatic and technological dominance for a coordinated approach to strengthen CCP rule, secure what it views as its sovereign territory and regional preeminence, and pursue global power. In particular, Beijing uses these whole-of-government tools to compel others to acquiesce to its preferences, including its assertions of sovereignty over Taiwan.

- In 2024, following Taiwan's presidential and legislative election, Beijing will continue to apply military and economic pressure as well as public messaging and influence activities while promoting long-term cross-strait economic and social integration to induce Taiwan to move toward unification. Taiwan is a significant potential flashpoint for confrontation between the PRC and the United States as Beijing claims that the United States is using Taiwan to undermine China's rise. Beijing will use even stronger measures to push back against perceived increases in U.S. support to Taiwan.
- In the South China Sea, Beijing will continue to use its growing military and other maritime capabilities to try to intimidate rival claimants and to signal it has control over contested areas. Similarly, China is pressing Japan over contested areas in the East China Sea.
- Beijing aims to expand its influence abroad and be viewed as a champion of global development via several multinational forums and PRC-branded initiatives such as the Belt and Road Initiative, the Global Development Initiative, and the Global Security Initiative. China is promoting an alternative to existing, often Western-dominated international development and security forums in favor of norms that support state sovereignty and place political stability over individual rights. As part of this effort, Beijing seeks to champion development and security in the Global South—areas that Beijing perceives are receptive to engagement with China because of shared historical experiences under colonial and imperialistic oppression—as a way to build global influence; demonstrate leadership; and expand its economic, diplomatic, and military presence.

Beijing is balancing the level of its support to Moscow to maintain the relationship without incurring risk to its own economic and diplomatic interests. In return, China is securing favorable energy prices and greater access to the Arctic.

- The PRC is providing economic and security assistance to Russia's war in Ukraine through support to Russia's defense industrial base, including by providing dual-use material and components for weapons. Trade between China and Russia has been increasing since the start of the war in Ukraine, and PRC exports of goods with potential military use rose more than threefold since 2022.

Economics

During the next few years, China's economy will slow because of structural barriers and Beijing's unwillingness to take aggressive stimulus measures to boost economic growth. Beijing understands its problem but is avoiding reforms at odds with Xi's prioritization of state-directed investment in manufacturing and industry. A slower Chinese economy probably would depress commodity prices

worldwide, erode export competitiveness of countries that directly compete against China, and slow global growth, but it is unlikely to curtail Beijing's spending on state priorities.

- China's slowing economy could create resource constraints in the long run and force it to prioritize spending between social issues, industrial policy, military, and overseas lending.
- Xi is prioritizing what he deems “high-quality growth”—which includes greater self-sufficiency in strategic sectors and a more equitable distribution of wealth—replacing the focus on maximizing GDP growth, while also attempting to mitigate the threat of U.S. sanctions and unhappiness with semiconductor export controls.

Technology

China seeks to become a world S&T superpower and to use this technological superiority for economic, political, and military gain. Beijing is implementing a whole-of-government effort to boost indigenous innovation and promote self-reliance, and is prioritizing advanced power and energy, AI, biotechnology, quantum information science, and semiconductors. Beijing is trying to fast-track its S&T development through investments, intellectual property (IP) acquisition and theft, cyber operations, talent recruitment, scientific and academic collaboration, and illicit procurements.

- In 2023, a key PRC state-owned enterprise has signaled its intention to channel at least \$13.7 billion into emerging industries such as AI, advanced semiconductors, biotechnology, and new materials. China also announced its Global AI Governance Initiative to bolster international support for its vision of AI governance.
- China now rivals the United States in DNA-sequencing equipment and some foundational research. Beijing's large volume of genetic data potentially positions it to lead in precision medicine and agricultural biotechnology applications.
- China is making progress in producing advanced chips for cryptocurrency mining and cellular devices at the 7-nanometer (nm) level using existing equipment but will face challenges achieving high-quality, high-volume production of cutting-edge chips without access to extreme ultraviolet lithography tools. By 2025, 40 percent of all 28-nm legacy chips are projected to be produced in China, judging from the number of new factories expected to begin operating during the next two years.

WMD

China remains intent on orienting its nuclear posture for strategic rivalry with the United States because its leaders have concluded their current capabilities are insufficient. Beijing worries that bilateral tension, U.S. nuclear modernization, and the People's Liberation Army's (PLA) advancing conventional capabilities have increased the likelihood of a U.S. first strike. As its nuclear force grows, Beijing's confidence in its nuclear deterrent probably will bolster the PRC's resolve and intensify conventional conflicts.

- China probably has completed construction of more than 300 new ICBM silos and has loaded at least some of those silos with missiles.

China probably possesses capabilities relevant to chemical and biological warfare (CBW) that pose a threat to U.S., allied, and partner forces as well as civilian populations.

Military

Beijing will focus on building a fully modernized national defense and military force by 2035 and for the PLA to become a world-class military by 2049. In the meantime, the CCP hopes to use the PLA to secure what it claims is its sovereign territory, to assert its preeminence in regional affairs, and to project power globally, particularly by being able to deter and counter an intervention by the United States in a cross-Strait conflict. However, China lacks recent warfighting experience, which probably would weaken the PLA's effectiveness and leaders' willingness to initiate a conflict. In addition, PRC leaders almost certainly are concerned about the ongoing impact of corruption on the military's capabilities and reliability, judging from a purge of high-level officers including the defense minister in 2023.

- The PLA has fielded modern systems and improved its competency to conduct joint operations that will threaten U.S. and allied forces in the western Pacific. It operates two aircraft carriers and is expected to commission its most advanced carrier in 2024, operates a host of ballistic and cruise missiles as well as the DF-17 hypersonic glide vehicle, and is fielding fifth-generation fighter aircraft.
- PLA ground forces have conducted increasingly realistic training scenarios to improve their readiness and ability to execute operations, including a potential cross-Strait invasion.

The PLA is developing and deploying new technologies to enhance its capability to process and use information at scale and machine speed, allowing decisionmakers to plan, operate, and support cross-domain unconventional and asymmetrical fighting. The PLA is researching various applications for AI, including support for missile guidance, target detection and identification, and autonomous systems.

- The PLA is accelerating the incorporation of command information systems, providing forces and commanders with enhanced situational awareness and decision support to more effectively carry out joint missions and tasks.

The PLA will continue to pursue the establishment of overseas military installations and access agreements in an attempt to project power and protect China's interests abroad. Beyond developing its military base in Djibouti and its military facility at Ream Naval Base in Cambodia, Beijing reportedly is considering pursuing military facilities in multiple locations, including—but not limited to—Burma, Cuba, Equatorial Guinea, Pakistan, Seychelles, Sri Lanka, Tajikistan, Tanzania, and the UAE.

For at least a decade, Beijing and Moscow have used high-profile, combined military activities to signal the strength of the China–Russia defense relationship but have made only minor enhancements to interoperability in successive exercises.

Space

China remains committed to becoming a world-class space leader and continues to demonstrate its growing prowess by deploying increasingly capable space systems and working towards ambitious scientific feats.

By 2030, China probably will achieve world-class status in all but a few space technology areas.

- Space-based intelligence, surveillance, and reconnaissance (ISR), as well as position, navigation, and timing, and satellite communications are areas the PLA continues to improve upon to close the perceived gap between itself and the U.S. military.
- In early 2023, China's Manned Space Agency announced its intention to land astronauts on the Moon around 2030 and is engaging countries to join its lunar research station effort as part of its broader attempt to develop an alternative bloc to the U.S.-led Artemis Accords.
- China's commercial space sector is growing quickly and is on pace to become a major global competitor by 2030. For example, China is developing its own low-earth orbit (LEO) satellite Internet service to compete with Western commercial satellite Internet services.

Counterspace operations will be integral to potential PLA military campaigns, and China has counterspace-weapons capabilities intended to target U.S. and allied satellites. China already has fielded ground-based counterspace capabilities including electronic warfare (EW) systems, directed energy weapons, and antisatellite (ASAT) missiles intended to disrupt, damage, and destroy target satellites.

- China also has conducted orbital technology demonstrations, which while not counterspace weapons tests, prove China's ability to operate future space-based counterspace weapons.

Cyber

China remains the most active and persistent cyber threat to U.S. Government, private-sector, and critical infrastructure networks. Beijing's cyber espionage pursuits and its industry's export of surveillance, information, and communications technologies increase the threats of aggressive cyber operations against the United States and the suppression of the free flow of information in cyberspace.

- PRC operations discovered by the U.S. private sector probably were intended to pre-position cyber attacks against infrastructure in Guam and to enable disrupting communications between the United States and Asia.
- If Beijing believed that a major conflict with the United States were imminent, it would consider aggressive cyber operations against U.S. critical infrastructure and military assets. Such a strike would be designed to deter U.S. military action by impeding U.S. decisionmaking, inducing societal panic, and interfering with the deployment of U.S. forces.
- China leads the world in applying surveillance and censorship to monitor its population and repress dissent. Beijing conducts cyber intrusions targeted to affect U.S. and non-U.S. citizens beyond its borders—including journalists, dissidents, and individuals it views as threats—to counter views it considers critical of CCP narratives, policies, and actions.

Malign Influence Operations

Beijing is expanding its global covert influence posture to better support the CCP's goals. The PRC aims to sow doubts about U.S. leadership, undermine democracy, and extend Beijing's influence. Beijing's information operations primarily focus on promoting pro-China narratives, refuting U.S.-promoted narratives, and countering U.S. and other countries' policies that threaten Beijing's interests, including China's international image, access to markets, and technological expertise.

- Beijing's growing efforts to actively exploit perceived U.S. societal divisions using its online personas move it closer to Moscow's playbook for influence operations.
- China is demonstrating a higher degree of sophistication in its influence activity, including experimenting with generative AI. TikTok accounts run by a PRC propaganda arm reportedly targeted candidates from both political parties during the U.S. midterm election cycle in 2022.
- Beijing is intensifying efforts to mold U.S. public discourse—particularly on core sovereignty issues, such as Hong Kong, Taiwan, Tibet, and Xinjiang. The PRC monitors Chinese students abroad for dissident views, mobilizes Chinese student associations to conduct activities on behalf of Beijing, and influences research by U.S. academics and think tank experts.

The PRC may attempt to influence the U.S. elections in 2024 at some level because of its desire to sideline critics of China and magnify U.S. societal divisions. PRC actors' have increased their capabilities to conduct covert influence operations and disseminate disinformation. Even if Beijing sets limits on these activities, individuals not under its direct supervision may attempt election influence activities they perceive are in line with Beijing's goals.

Intelligence Operations

China will continue to expand its global intelligence posture to advance the CCP's ambitions, challenge U.S. national security and global influence, quell perceived regime threats worldwide, and steal trade secrets and IP to bolster China's indigenous S&T sectors.

- Officials of the PRC intelligence services will try to exploit the ubiquitous technical surveillance environment in China and expand their use of monitoring, data collection, and advanced analytic capabilities against political security targets beyond China's borders. China is rapidly expanding and improving its AI and big data analytics capabilities for intelligence operations.
- More robust intelligence operations also increase the risk that these activities have international consequences, such as the overflight of the United States by the high-altitude balloon in February 2023.

Challenges

Xi Jinping's prioritization of security and stability for the CCP is undermining China's ability to solve complex domestic problems and will impede achieving the CCP's goal of becoming a major power on the world stage. China's leaders probably are most concerned about corruption, demographic

imbalances, and fiscal and economic struggles—all of which influence economic performance and quality of life, two key factors underpinning domestic support for the government and political stability.

- Beijing's growing national security focus has generated new laws on data security and anti-espionage targeting foreign firms, driven a crackdown on PRC technology companies, and calls for all of China's society to participate in counterintelligence activities.
- Xi continues to regularly reprimand, publicly warn, investigate, and conduct firings based on the dangers of corruption. However, anti-corruption efforts probably never will uproot underlying problems because of the unrivaled power of top party officials, and Xi's insistence that the party apparatus has exclusive power to monitor and fight corruption.
- Despite an easing of restrictions on birth limits, China's birth rate continues to decline. Marriage rates are on a similar downward trajectory, which will reinforce negative population trends and a shrinking labor force.
- Xi's blending of domestic and foreign security threats is undermining China's position and standing abroad, reducing Beijing's ability to influence global perceptions and achieve its objectives. Beijing's hardline approach to alleged separatism in Xinjiang, Hong Kong, and Tibet, as well as broader crackdowns on religion and dissent in China, have generated widespread global criticism of China's human rights abuses and extraterritorial interference.

RUSSIA

Regional and Global Activities

Russia's war of aggression against Ukraine has resulted in enormous damage at home and abroad, but Russia remains a resilient and capable adversary across a wide range of domains and seeks to project and defend its interests globally and to undermine the United States and the West. Russia's strengthening ties with China, Iran, and North Korea to bolster its defense production and economy are a major challenge for the West and partners. Russia will continue to pursue its interests in competitive and sometimes confrontational and provocative ways and press to influence other countries in the post-Soviet space to varying extents.

- Russia almost certainly does not want a direct military conflict with U.S. and NATO forces and will continue asymmetric activity below what it calculates to be the threshold of military conflict globally. President Vladimir Putin probably believes that Russia has blunted Ukrainian efforts to retake significant territory, that his approach to winning the war is paying off, and that Western and U.S. support to Ukraine is finite, particularly in light of the Israel-HAMAS war.
- Putin has upended Russia's geopolitical, economic, and military revival and damaged its international reputation with the large-scale invasion of Ukraine. Nevertheless, Russia is implementing policies to mitigate these costs and leveraging foreign relationships to minimize sanctions-related damage and rebuild its credibility as a great power.
- Moscow's deep economic engagement with Beijing provides Russia with a major market for its energy and commodities, greater protection from future sanctions, and a stronger partner in opposing the United States. China is by far Russia's most important trading partner with bilateral trade reaching more than \$220 billion in 2023, already surpassing their record total 2022 volume by 15 percent.

Moscow will continue to employ all applicable sources of national power to advance its interests and try to undermine the United States and its allies, but it faces a number of challenges, such as severance from Western markets and technology and flight of human capital, in doing so. This will range from using energy to try to coerce cooperation and weaken Western unity on Ukraine, to military and security intimidation, malign influence, cyber operations, espionage, and subterfuge.

- Russia's GDP is on a trajectory for modest growth in 2024 but its longer-term competitiveness has diminished in comparison to its pre-war outlook. Russia has increased social spending, which probably has reduced public backlash, and increased corporate taxes, which has provided enhanced budget flexibility and financing options.
- Moscow has successfully diverted most of its seaborne oil exports and probably is selling significant volumes above the G-7-led crude oil and refined product price caps, which came into effect in December 2022 and February 2023, respectively in part because Russia is increasing its use of non-Western options to facilitate diversion of most of its seaborne oil exports and because global oil prices increased last year.

- Russia will retain significant energy leverage. In the first half of 2023, Russia was still the second-largest supplier of liquefied natural gas to Europe and announced reduction in its crude oil exports as part of its OPEC+ commitment.
- Russia is offsetting its decline in relations with the West by expanding ties to China, Iran, North Korea, and key Global South countries.
- The renewed efforts of Armenia, Moldova, and some Central Asian states to seek alternative partners highlight how the war has hurt Moscow's influence, even in the post-Soviet space. Russia's unwillingness to expend the resources and political capital to prevent Azerbaijan from reacquiring Nagorno-Karabakh from ethnic Armenians through a military offensive in September 2023 underscores how Moscow's war in Ukraine has weakened its role as a regional security arbiter.

Conflict in Ukraine

Russia's so-called special military operation against Ukraine has incurred major, lasting costs for Russia, failed to attain the complete subjugation of Ukraine that Putin initially sought, and rallied the West to defend against Russian aggression. Russia has suffered more military losses than at any time since World War II—roughly 300,000 casualties and thousands of tanks and armored combat vehicles.

- The Russian military has and will continue to face issues of attrition, personnel shortages, and morale challenges, though its reliance on mines, prepared defensive positions, and indirect fires has helped it blunt Ukraine's offensives in 2023.
- Nonetheless, this deadlock plays to Russia's strategic military advantages and is increasingly shifting the momentum in Moscow's favor. Russia's defense industry is significantly ramping up production of a panoply of long-range strike weapons, artillery munitions, and other capabilities that will allow it to sustain a long high-intensity war if necessary. Meanwhile, Moscow has made continual incremental battlefield gains since late 2023, and is benefitting from uncertainties about the future of Western military assistance.

Military

Moscow's military forces will face a multi-year recovery after suffering extensive equipment and personnel losses during the Ukraine conflict. Moscow will be more reliant on nuclear and counterspace capabilities for strategic deterrence as it works to rebuild its ground force. Regardless, Russia's air and naval forces will continue to provide Moscow with some global power projection capabilities.

- Moscow's announced plans to massively expand its ground forces almost certainly will fall short, but nonetheless will over time result in a larger even if not qualitatively better military. Russia has been successfully recruiting record numbers of contract enlisted personnel by offering significant benefits and manipulating propaganda about the war in Ukraine. Ongoing increases in defense spending probably will provide sufficient funding to gradually increase manpower without Moscow having to resort to mobilizing reservists.

Russian Private Military and Security Companies and Paramilitary Activities

Russia will rely on private military and security companies (PMSCs) and paramilitary groups to achieve its objectives on the battlefield in Ukraine, to augment Russian forces, to move weapons and to train fighters, to hide Moscow's hand in sensitive operations, and to project influence and power in the Middle East and Africa.

WMD

Russia will continue to modernize its nuclear weapons capabilities and maintains the largest and most diverse nuclear weapons stockpile. Moscow views its nuclear capabilities as necessary for maintaining deterrence and achieving its goals in a potential conflict against the United States and NATO, and it sees this as the ultimate guarantor of the Russian Federation.

- Russia's inability to achieve quick and decisive battlefield wins, coupled with Ukrainian strikes within Russia, continues to drive concerns that Putin might use nuclear weapons. In 2023, Putin publicly touted his willingness to move nuclear weapons to Belarus in response to a longstanding request from Minsk.
- Moscow will continue to develop long-range nuclear-capable missiles and underwater delivery systems meant to penetrate or bypass U.S. missile defenses. Russia is expanding and modernizing its large and diverse set of nonstrategic systems, which are capable of delivering nuclear or conventional warheads, because Moscow believes such systems offer options to deter adversaries, control the escalation of potential hostilities, and counter U.S. and Allied conventional forces.

Russia will continue to pose a CBW threat. Scientific institutes there have researched and developed CBW capabilities, including technologies to deliver CBW agents. Russia retains an undeclared chemical weapons program and has used chemical weapons at least twice during recent years: in assassination attempts with Novichok nerve agents, also known as fourth-generation agents, against Russian opposition leader Aleksey Navalny in 2020 and against UK citizen Sergey Skripal and his daughter Yuliya Skripal on UK soil in 2018.

Cyber

Russia will pose an enduring global cyber threat even as it prioritizes cyber operations for the Ukrainian war. Moscow views cyber disruptions as a foreign policy lever to shape other countries' decisions and continuously refines and employs its espionage, influence, and attack capabilities against a variety of targets.

- Russia maintains its ability to target critical infrastructure, including underwater cables and industrial control systems, in the United States as well as in allied and partner countries.

Malign Influence Operations

Russia will remain a serious foreign influence threat because of its wide-ranging efforts to try to divide Western alliances, undermine U.S. global standing, and sow domestic discord, including among voters inside the United States and U.S. partners around the world. Russia's war in Ukraine will continue to feature heavily in its messaging.

- Moscow views U.S. elections as opportunities and has conducted influence operations for decades and as recently as the U.S. midterm elections in 2022. Russia is contemplating how U.S. electoral outcomes in 2024 could impact Western support to Ukraine and probably will attempt to affect the elections in ways that best support its interests and goals.
- Russia's influence actors have adapted their efforts to better hide their hand, and may use new technologies, such as generative AI, to improve their capabilities and reach into Western audiences.

Space

Russia will remain a key space competitor despite facing difficulties from the effects of additional international sanctions and export controls, domestic space-sector problems, and increasingly strained competition for program resources within Russia. Moscow is prioritizing assets critical to its national security and integrating space services—such as communications; positioning, navigation, and timing; and ISR.

- Moscow employs its civil and commercial remote-sensing satellites to supplement military-dedicated capabilities and has warned that other countries' commercial infrastructure in outer space used for military purposes can become a legitimate target.
- Russia continues to train its military space elements and field new antisatellite weapons to disrupt and degrade U.S. and allied space capabilities. It is expanding its arsenal of jamming systems, directed energy weapons, on-orbit counterspace capabilities, and ground-based ASAT missiles that are designed to target U.S. and allied satellites.
- Russia is investing in EW and directed energy weapons to counter Western on-orbit assets and continues to develop ground-based ASAT missiles capable of destroying space targets in LEO.

Challenges

While Putin portrays the failure of the PMSC Vagner revolt in June 2023 as evidence that Russian society is united behind his leadership, he continues to face domestic challenges, including support from elites, economic pressure, and the burden of the war in Ukraine.

- Moscow probably needs to balance increased military spending with the need for additional revenue without overburdening private and state-backed firms or the Russian public with the cost of the war. Russia faces long-term problems including a lack of foreign investment, particularly in its energy sector.

IRAN

Regional and Global Activities

Iran will continue to threaten U.S. interests, allies, and influence in the Middle East and intends to entrench its emergent status as a regional power while minimizing threats to the regime and the risk of direct military conflict. Tehran will try to leverage recent military successes through its emboldened threat network, diplomatic gains, its expanded nuclear program, and its military sales to advance its ambitions, including by trying to further bolster ties with Moscow. Iran will seek to use the Gaza conflict to denounce Israel, decry its role in the region, and try to dissuade other Middle Eastern states from warming ties with Israel, while trumpeting Iran's own role as the champion of the Palestinian cause. However, Iran's position on the conflict is unlikely to mask the challenges that it faces internally, where economic underperformance and societal grievances still test the regime.

- Decades of cultivating ties, providing support, funding, weapons, and training to its partners and proxies around the Middle East, including Lebanese Hizballah, the Huthis, and Iranian-backed militias in Iraq and Syria, will enable Tehran to continue to demonstrate the efficacy of leveraging these members of the "Axis of Resistance", a loose consortium of like-minded terrorist and militant actors. Tehran was able to flex the network's military capabilities in the aftermath of HAMAS' attack on 7 October, orchestrating anti-Israel and anti-U.S. attacks from Lebanon to the Bab al-Mandeb Strait while shielding Iranian leaders from significant consequences.
- During 2023, Iran expanded its diplomatic influence through improved ties with Russia, Saudi Arabia, and Iraq. Iran stipulated a readiness to re-implement the 2015 Joint Comprehensive Plan of Action (JCPOA) to gain sanctions relief, but Tehran's continued support to terrorist proxies and threats to former U.S. officials have not favored a deal.
- The economic, political, and societal seeds of popular discontent are still present in Iran and could threaten further domestic strife such as was seen in the wide-scale and prolonged protests inside of Iran during late 2022 and early 2023.
- Iran also will continue to directly threaten U.S. persons in the Middle East and remains committed to its decade-long effort to develop surrogate networks inside the United States. Iran seeks to target former and current U.S. officials as retaliation for the killing of Islamic Revolutionary Guard Corps (IRGC)-Qods Force Commander Qasem Soleimani in January 2020, and previously has attempted to conduct lethal operations in the United States.
- The conflict in Gaza and Iran's support to HAMAS could further weaken Iran's attempts to improve its international stature and entice foreign investment.

Iran will remain a threat to Israel and U.S. allies and interests in the region well after the Gaza conflict, and probably will continue arming and aiding its allies to threaten the United States as well as backing HAMAS and others who seek to block a peace settlement between Israel and the Palestinians. While Iran will remain careful to avoid a direct conflict with either Israel or the United States, it nonetheless enabled scores of militia rocket, missile, and UAV attacks against U.S. forces in Iraq and Syria; Hizballah exchanges of fire with Israel on the north border with Lebanon; and Huthi missile and

UAV attacks, both on Israel directly and on international commercial shipping transiting the Red Sea.

WMD

Iran is not currently undertaking the key nuclear weapons-development activities necessary to produce a testable nuclear device. Since 2020, however, Tehran has stated that it is no longer constrained by any JCPOA limits, and Iran has greatly expanded its nuclear program, reduced IAEA monitoring, and undertaken activities that better position it to produce a nuclear device, if it chooses to do so.

- Iran uses its nuclear program to build negotiating leverage and respond to perceived international pressure. Tehran said it would restore JCPOA limits if the United States fulfilled its JCPOA commitments and the IAEA closed its outstanding safeguards investigations. Tehran downblended a small quantity of 60 percent enriched uranium and significantly lowered its rate of production from June to November 2023.
- Iran continues to increase the size and enrichment level of its uranium stockpile, and develop, manufacture, and operate advanced centrifuges. Tehran has the infrastructure and experience to quickly produce weapons-grade uranium, if it chooses to do so.
- Iran probably will consider installing more advanced centrifuges, further increasing its enriched uranium stockpile, or enriching uranium up to 90 percent in response to additional sanctions, attacks, or censure against its nuclear program.

Iran probably aims to continue research and development of chemical and biological agents for offensive purposes. Iranian military scientists have researched chemicals, toxins, and bioregulators, all of which have a wide range of sedation, dissociation, and amnesic incapacitating effects.

Military

Iran's hybrid approach to warfare—using both conventional and unconventional capabilities—will pose a threat to U.S. interests in the region for the foreseeable future. Iran's unconventional warfare operations and network of militant partners and proxies enable Tehran to pursue its interests and maintain strategic depth with a modicum of deniability.

- Iran has started taking delivery of advanced trainer aircraft and probably will seek to acquire new conventional weapon systems, such as advanced fighter aircraft, helicopters, and main battle tanks. However, budgetary constraints will slow the pace and scale of acquisitions.
- Iran's missile, UAV, air defense, and naval capabilities will continue to threaten U.S. and partner commercial and military assets in the Middle East.

Iran's ballistic missile programs have the largest inventory in the region and Tehran is emphasizing improving the accuracy, lethality, and reliability of its missiles. Meanwhile, Iran's work on space launch vehicles (SLVs) including its Simorgh—would shorten the timeline to produce an ICBM, if it decided to develop one, because the systems use similar technologies.

Cyber and Malign Influence Operations

Iran's growing expertise and willingness to conduct aggressive cyber operations make it a major threat to the security of U.S. and allied and partner networks and data. Tehran's opportunistic approach to cyber attacks puts U.S. infrastructure at risk for being targeted, particularly as its previous attacks against Israeli targets show that Iran is willing to target countries with stronger cyber capabilities than itself. Iran will continue to conduct malign influence operations in the Middle East and in other regions, including trying to undermine U.S. political processes and amplify discord.

Ahead of the U.S. election in 2024, Iran may attempt to conduct influence operations aimed at U.S. interests, including targeting U.S. elections, having demonstrated a willingness and capability to do so in the past.

- During the U.S. election cycle in 2020, Iranian cyber actors obtained or attempted to obtain U.S. voter information, sent threatening emails to voters, and disseminated disinformation about the election. The same Iranian actors have evolved their activities and developed a new set of techniques, combining cyber and influence capabilities, that Iran could deploy during the U.S. election cycle in 2024.

Challenges

Despite weathering protests in late 2022 and early 2023, Iran continues to face domestic challenges that constrain the regime's ability to achieve its goals. Mismanagement and international sanctions are brakes on the economy that limit the regime's ability to buy domestic support and legitimacy.

- Iran's economy continues to struggle amidst high inflation – likely to top 40 percent for 2023, sanctions pressure, and a depreciating currency. Most wages are unable to keep pace with the higher prices, leading to declines in households' spending power. During the coming years, Iran also will be increasingly challenged by climate change as water becomes scarcer.
- Iran's dependency on oil export revenues and slowing economic growth in China—Iran's largest buyer of oil—portend weaker revenues for Tehran and potentially higher budget deficits, probably forcing lower government spending on infrastructure, including for power and water.
- Iran's Supreme Leader, Ali Khamenei, has been serving in the position since 1989 and is in his mid-80s. His eventual passing could challenge a system characterized by elite factionalism that has only undergone a single supreme leader transition.

NORTH KOREA

Regional and Global Activities

North Korean leader Kim Jong Un will continue to pursue nuclear and conventional military capabilities that threaten the United States and its allies, which will enable periodic aggressive actions as he tries to reshape the regional security environment in his favor. North Korea has emerged from its deepest period of isolation driven by a combination of nearly two decades of severe UN sanctions and its self-imposed COVID-19 lockdown. Today, it is pursuing stronger ties with China and Russia with the goal of increasing financial gains, diplomatic support, and defense cooperation. Kim almost certainly has no intentions of negotiating away his nuclear program, which he perceives to be a guarantor of regime security and national pride. In addition, Kim probably hopes that he can use his burgeoning defense ties with Russia to pursue his goal of achieving international acceptance as a nuclear power.

- In late 2023, Kim hosted high-level Chinese and Russian delegations in Pyongyang, and made his first trip overseas since the onset of the COVID-19 pandemic to meet with President Putin. Since this meeting, North Korea probably has begun shipping munitions to Russia in support of the conflict with Ukraine in exchange for diplomatic, economic, and military concessions.
- In response to strengthening trilateral cooperation between the United States, Japan, and South Korea, Pyongyang has sought to demonstrate the danger posed by its military through missile launches and rhetoric threatening nuclear retaliation. North Korea routinely times its missile launches and military demonstrations to counter U.S.–South Korea exercises in part to attempt to coerce both countries to change their behavior and counteract South Korean President Yoon Suk Yeol's hardline policies toward the North.
- North Korea increasingly will engage in illicit activities, including cyber theft labor deployments and the import and export of UN-proscribed commodities, to fund regime priorities such as the WMD program.

WMD

Kim remains strongly committed to expanding the country's nuclear weapons arsenal, which serves as the centerpiece of his national security structure.

- In March 2023, Kim ordered an increase in the nuclear weapons stockpile and the expansion of weapon-grade nuclear material production. North Korea also unveiled a purported tactical nuclear warhead and claimed it could be mounted on at least eight delivery systems, including an unmanned underwater vehicle and cruise missiles.
- North Korea has been prepared to resume nuclear tests at the Punggye site since mid-2022.

North Korea maintains its CBW capabilities, and Pyongyang may use such weapons during a conflict or in an unconventional or clandestine attack.

Military

North Korea's military will pose a serious threat to the United States and its allies by its investment in niche capabilities designed to provide Kim with options to deter outside intervention, offset enduring deficiencies in the country's conventional forces, and advance his political objectives through coercion. Kim remains strongly committed to developing capabilities intended to challenge regional missile defense, diversify options to deliver nuclear warheads, and enhance second-strike capabilities.

- North Korea is working to develop its conventional capabilities, although testing and fielding occurs at a slower pace compared with developments in the missile force, given priority and systemic resource constraints. In 2023, North Korea showcased new UAV systems that appear similar to the U.S. MQ-9 Reaper and Global Hawk, though the technical capability probably is limited compared to the U.S. systems.

Kim will continue to prioritize efforts to build a more capable missile force—from cruise missiles through ICBMs, and hypersonic glide vehicles—designed to evade U.S. and regional missile defenses and imports a variety of dual-use goods in violation of UN sanctions, primarily from China and Russia.

- In 2023, North Korea launched its ballistic missile submarine following years of modifying an old Romeo-class submarine. Kim has stated his intention to convert more submarines for a similar mission.
- In January 2024, Pyongyang launched a new, solid-propellant missile that it claims is an intermediate-range ballistic missile equipped with a maneuverable, hypersonic reentry vehicle.
- In 2023, North Korea launched three SLVs, two failed and the third successfully placed a satellite in orbit.
- In 2023, North Korea conducted five flight tests of its ICBMs, including the Hwasong-15 and Hwasong-17 liquid-propellant ICBMs as well as its new solid-propellant ICBM, the Hwasong-18.

Cyber

North Korea's cyber program will pose a sophisticated and agile espionage, cybercrime, and attack threat. Pyongyang's cyber forces have matured and are fully capable of achieving a variety of strategic objectives against diverse targets, including a wider target set in the United States and South Korea.

North Korea will continue its ongoing cyber campaign, particularly cryptocurrency heists; seek a broad variety of approaches to launder and cash out stolen cryptocurrency; and maintain a program of IT workers serving abroad to earn additional funds.

Challenges

While North Korea has managed to weather the effects of the pandemic and its extreme self-imposed isolation; in the long term, Kim will have to balance his desire for absolute state control

with the negative impact upon his country's economic well-being. The Kim regime has prioritized recentralizing authority above its population and its economy with brutal crackdowns and serious mismanagement of agriculture that probably are worsening living conditions. The North Korean regime has long feared losing control over its people and is trying to roll back the relatively modest levels of private economic activity that have arisen since the 1990s and to ensure state domination over everyday life.

- The regime's recentralization campaign is meant to ensure the long-term survival of Kim-family rule. Its intensity stems from the collapse of fellow communist dictatorships during the 1990s in which the gradual erosion of authority and infiltration of foreign ideas eventually undermined the state. The crackdown restricts livelihoods and promotes inefficient state controls, contributing to food shortages and some decline in civil order—particularly violent crime.

CONFLICTS AND FRAGILITY

Preface

The potential for interstate conflict and domestic turmoil in other countries around the world also continues to pose challenges for U.S. national security, both directly and as threats to our allies and partners. Rising tension and instability from these flashpoints can be exacerbated by the intensifying global power competition given the complex and interconnected security landscape. Conflicts, particularly those that disrupt global trade and investment flows, might lead to rising energy prices and increased economic fragility even in countries that are not directly involved or are far removed from the conflict. For example, tourism, which is a major foreign exchange earner for Egypt, Jordan, and Lebanon, has fallen sharply since the onset of the Gaza conflict and disruptions in Ukrainian food exports in 2022 helped to fuel rising global food prices. Regional and localized conflicts have far-reaching and sometimes cascading implications for not only neighboring countries, but also the world. In addition to being illustrative of this phenomenon, the ongoing conflict in Gaza also highlights the potential for spillover into larger and more dangerous conflict.

Gaza Conflict

The HAMAS attack against Israel in October 2023 and Israel's responding military campaign in Gaza has increased tensions throughout the region as Iranian proxies and partners conduct anti-U.S. and anti-Israel attacks, both in support of HAMAS and to pressure the United States. Media coverage of the destruction and loss of life are being amplified by active social media campaigns on all sides, roiling public reactions among neighboring countries and around the world. Israel will face mounting international pressure because of the dire humanitarian situation in the Gaza Strip, and Iranian-backed attacks will jeopardize stability in Lebanon, Iraq, the Gulf, and the Red Sea. The risk of escalation into direct interstate conflict, intended or otherwise, remains high.

- The Gaza conflict is posing a challenge to many key Arab partners, who face public sentiment against Israel and the United States for the death and destruction in Gaza, but also see the United States as the power broker best positioned to deter further aggression and end the conflict before it spreads deeper into the region.

Israel and Iran are trying to calibrate their actions against each other to avoid escalation into a direct full-scale conflict. We assess that Iranian leaders did not orchestrate nor had foreknowledge of the HAMAS attack against Israel.

Since October 2023, Iran has encouraged and enabled its various proxies and partners—including Hizballah, Iranian-backed groups in Iraq and Syria, and the Huthis in Yemen—to conduct strikes against Israeli or U.S. interests in the region.

- Hizballah is calibrating this pressure on Israel from the north while trying to avoid a broader war that would devastate Hizballah and Lebanon. Hizballah's leadership, though, probably will consider a range of retaliatory options depending on Israel's actions in Lebanon during the upcoming year.

- In Iraq, Iranian-aligned militias almost certainly will continue attacks against U.S. forces in Iraq and Syria.
- The Huthi's continued ballistic missile, cruise missile, and UAV attacks against merchant vessels transiting the Red Sea, which are disrupting international shipping, and on Israel create a real risk of broader escalation.

Both al-Qa'ida and ISIS, inspired by the HAMAS attack against Israel, have directed their supporters to conduct attacks against Israeli and U.S. interests. The HAMAS attack is encouraging individuals to conduct acts of antisemitic and Islamophobic terror worldwide and is galvanizing individuals to leverage the Palestinian plight for recruitment and inspiration to conduct attacks. The Nordic Resistance Movement—a transnational neo-Nazi organization—publicly praised the attack, illustrating the conflict's appeal to a range of threat actors.

In regard to Gaza, Jerusalem remains focused on destroying HAMAS, which its population broadly supports. Moreover, Israel probably will face lingering armed resistance from HAMAS for years to come, and the military will struggle to neutralize HAMAS's underground infrastructure, which allows insurgents to hide, regain strength, and surprise Israeli forces.

The governance and security structures in Gaza and the West Bank as well as the resolution of the humanitarian situation in Gaza and rebuilding will be key components of the long-term Israeli–Palestinian relationship.

- Israeli Prime Minister Binyamin Netanyahu has publicly stated his opposition to postwar diplomacy with the Palestinian Authority (PA) toward territorial compromise.
- Netanyahu's viability as leader as well as his governing coalition of far-right and ultraorthodox parties that pursued hardline policies on Palestinian and security issues may be in jeopardy. Distrust of Netanyahu's ability to rule has deepened and broadened across the public from its already high levels before the war, and we expect large protests demanding his resignation and new elections. A different, more moderate government is a possibility.

HAMAS's and the PA's continued animosity will be a factor in governance outcomes as will HAMAS's broad popular support. Much also will hinge on Israel's decisions regarding how to deal with Gaza in the aftermath of its campaign as well as scale and scope of its support for the PA.

Potential Interstate Conflict

Interstate conflict can have broader cascading security, economic, and humanitarian implications on a regional and even global scale. The following are a few of the potential conflicts between states that could spill over with repercussions that may require immediate U.S. attention.

China Maritime

Beijing's efforts to try to assert sovereignty claims over islands in the South and East China Seas will result in persistently high tension between the PRC and its neighboring competing claimants and increase opportunities for miscalculation, even though Beijing probably prefers to avoid direct conflict. Beijing

maintains a maritime presence near contested areas, and its military bases in the Spratly Islands allow for a sustained presence in disputed areas and provide the capability to rapidly react to crises in the South China Sea.

- In 2023, the PRC Coast Guard used water cannons and floating barriers to block Filipino access to disputed areas in the South China Sea. The PRC's collisions with Filipino supply ships generated media attention that highlighted China's aggressive behaviors. Manila is unlikely to relinquish its outpost at Second Thomas Shoal presenting more opportunities for inadvertent escalation by either side.
- Tension between China and Japan over the Senkaku Islands last flared up a decade ago. Since then, Chinese ships have constantly remained in the proximity of the disputed islands, occasionally entering the territorial zone, and driving responses from Japan's Self-Defense Force to monitor the activity.

India–China

The shared disputed border between India and China will remain a strain on their bilateral relationship. While the two sides have not engaged in significant cross-border clashes since 2020, they are maintaining large troop deployments, and sporadic encounters between opposing forces risk miscalculation and escalation into armed conflict.

India–Pakistan

New Delhi and Islamabad are inclined to sustain the current fragile calm in their relationship following their renewal of a cease-fire along the Line of Control in early 2021. However, neither side has used this period of calm to rebuild their bilateral ties as each government has focused on more pressing domestic priorities including election preparations and campaigning and for Pakistan, concerns over rising militant attacks in its west. Pakistan's long history of supporting anti-India militant groups and India's increased willingness, under the leadership of Prime Minister Narendra Modi, to respond with military force to perceived or real Pakistani provocations raise the risk of escalation during a crisis. There remains the potential for an event to trigger a rapid escalation.

Azerbaijan–Armenia

Relations between Armenia and Azerbaijan are likely to remain tense, but Azerbaijan's retaking of Nagorno-Karabakh (N-K) has reduced volatility, and a military confrontation probably would be limited in duration and intensity. Nevertheless, the lack of a bilateral peace treaty, the proximity of their military forces, the lack of a cease-fire enforcement mechanism, and Azerbaijan's readiness to use calibrated military pressure to advance its goals in talks with Armenia will remain. Moreover, the transition of N-K governance from ethnic Armenians to Azerbaijanis and Azerbaijan's demand for access to a land corridor linking Azerbaijan to its exclave will elevate the risk of armed confrontation.

- In September 2023, Azerbaijan initiated a military operation that led to the defeat of the N-K Self Defense Force and the surrender of the de facto N-K authorities. The rapid exodus of most of the region's ethnic Armenian population and the planned self-dissolution of the

government allowed Baku to advance plans to integrate the region with Azerbaijan, effectively removing this longstanding issue from the bilateral peace agenda.

Potential Intrastate Turmoil

Intrastate turmoil—whether grounded in domestic unrest, economic discontent, or governance challenges—can fuel cycles of violence, insurgencies, and internal conflict. The challenges often are intertwined with diminished socioeconomic performance, endemic corruption, population dislocations, pressures from climate change, and the spread of extremists' ideologies from terrorist and insurgent groups. During the past decade, an erosion of democracy around the world, strains in U.S. alliances, and challenges to international norms have made it more difficult for the United States and its allies to tackle global issues while creating greater opportunities for rogue governments and groups to operate with impunity. Below we highlight a few instances that will have the potential for greater impact on global security and the potential for action from the United States, its allies, and partners.

The Balkans

The Western Balkans probably will face an increased risk of localized interethnic violence during 2024. Nationalist leaders are likely to exacerbate tension for their political advantage and outside actors will reinforce and exploit ethnic differences to increase or protect their regional influence or thwart greater Balkan integration into the EU or Euro-Atlantic institutions.

- Clashes between Serb nationalists and Kosovar authorities have led to deaths and injuries, including injuries to NATO peacekeepers, in 2023.
- Bosnian Serb leader Milorad Dodik is taking provocative steps to neutralize international oversight in Bosnia and secure de facto secession for his Republika Srpska. His action could prompt leaders of the Bosniak (Bosnian Muslim) population to bolster their own capacity to protect their interests and possibly lead to violent conflicts that could overwhelm peacekeeping forces.

Afghanistan

The Taliban regime has strengthened its power in Afghanistan, suppressed anti-Taliban groups, bolstered international engagement, and will continue to prioritize enforcement of theocratic rule. However, the Taliban will not adequately address Afghanistan's persistent humanitarian crisis or structural economic weaknesses.

- The Taliban will continue to implement restrictive measures, carry out public punishments, crack down on protests, and prevent most women and girls from attending secondary school and university. However, near-term prospects for regime-threatening resistance remain low because large swathes of the Afghan public are weary of war and fearful of Taliban reprisals, and armed remnants lack strong leadership and external support.

- Regional powers will continue to focus largely on keeping problems contained in Afghanistan and seek to develop transactional arrangements with the Taliban while proceeding cautiously with Taliban requests for formal recognition.

Sudan

Prolonged conflict heightens the risks of conflict spreading beyond Sudan's borders, external actors joining the fray, and civilians facing death and displacement. The Sudanese Armed Forces and Rapid Support Forces are still fighting because their leaders calculate that they can achieve their goals absent a negotiated cessation of hostilities. With Sudan at the crossroads of the Horn of Africa, the Sahel, and North Africa, it could once again become an ideal environment for terrorist and criminal networks.

- Sudan's warring security forces may be receiving more foreign military support, which is likely to hamper progress on any future peace talks. Any increased involvement by one external actor could prompt others to quickly follow suit.

Ethiopia

Ethiopia is undergoing multiple, simultaneous internal conflicts, heightening interethnic tension and the risk of atrocities against civilians. A new conflict emerged in the Amhara Regional State in April 2023, when the Ethiopian Government clashed with Amhara militia and fighting persisted throughout the year. While the Cessation of Hostilities Agreement in November 2022 between the Ethiopian Government and the Tigrayans ended a two-year war, unresolved territorial issues could lead to a resumption of conflict.

The Sahel

Since 2020, the Sahel has experienced seven irregular transfers of power because leaders have failed to address poor governance and public grievances or adequately resourced their militaries to achieve their missions. This turmoil raises the likelihood that these crises will metastasize and spillover to neighboring countries in Coastal West Africa in 2024. Many Coastal West African governments are facing potential coups because of lingering civil-military strains, growing public dissatisfaction with their failure to deliver improved governance and living standards, and an increase in foreign partners willing to condone military rule to focus on narrow security interests. Future coup leaders most likely will calculate that competition among major powers will create the space to weather any international fallout.

- Russia has opportunistically capitalized on domestic turmoil, offering rhetorical and, in some instances, substantive support to those seeking to oust regimes.
- Mounting crises are beginning to fray regional institutions, further hampering their ability to develop effective regional security responses. In 2023, juntas in Burkina Faso, Mali, and Niger formed a separate alliance to buck pressure from the Economic Community of West African

States (ECOWAS), historically one of the most consistent bodies in trying to uphold anti-coup norms in the region.

- Several Western partners are focusing on core security interests in the region—such as stemming migrant flows, containing geopolitical rivals, and CT gains—at the expense of longer-term support to democracy and governance.

Haiti

Conditions will remain unpredictable as weak government institutions lose their grip on power to gang territorial control, particularly in the capital Port-au-Prince. This will be coupled with an eroding economy, infrastructure, and an increasingly dire humanitarian situation. Gangs will be more likely to violently resist a foreign national force deployment to Haiti because they perceive it to be a shared threat to their control and operations.

- Top Haitian gang leaders such as G-9 leader Jimmy “Barbeque” Cherizier and Kraze Barye leader Vitelhomme Innocent have called for the overthrow of Prime Minister Ariel Henry’s government.
- The Haitian National Police has been unable to counter gang violence and has been plagued by resource issues, corruption challenges, and limited training.

Venezuela

Disputed Venezuelan President Nicolas Maduro will retain a solid hold on power and is unlikely to lose the 2024 presidential election because of his control of state institutions that influence the electoral process and his willingness to exercise his power. The opposition, which has often been divided, holds few public positions of influence.

- Support from China, Iran, and Russia help the Maduro regime evade sanctions.
- So far, the regime has banned top opposition candidates from holding public office, restricted media coverage of opposition politicians, and placed close allies in the National Electoral Council to ensure Maduro’s victory while also trying to avoid blatant voting fraud.

More than 7.7 million Venezuelans have left the country since 2017, 6.5 million of whom are living in Latin America and the Caribbean. Venezuelan emigration to the region and the United States is likely to remain elevated through next year as the lack of economic opportunities are likely to persist.

- More than 80 percent of Venezuelans have incomes below the poverty line and low-levels of economic growth would be insufficient to lift most out of poverty or mitigate drivers of migration.

TRANSNATIONAL ISSUES

PREFACE

Transnational threats interact in a complex system along with threats from state-actors, often reinforcing each other and creating compounding and cascading risks to U.S. national security. Increasing interconnections among countries also have created new opportunities for transnational interference and conflict. Several clear and direct challenges are the rapid development of technologies, the spread of repression beyond physical borders, the threats posed by transnational organized crime and terrorism, and the societal effects of international migration.

CONTESTED SPACES

Disruptive Technology

New technologies—particularly in the fields of AI and biotechnology—are being developed and are proliferating at a rate that makes it challenging for companies and governments to shape norms regarding civil liberties, privacy, and ethics. The convergence of these emerging technologies is likely to create breakthroughs, which could lead to the rapid development of asymmetric threats—such as advanced UAVs—to U.S. interests and probably will help shape U.S. economic prosperity.

- For example, stealth technology has significantly impacted conventional defense systems and has driven the efforts of varying countries to start a new round of research on detection systems and guided weapons. A key trend is the development of advanced materials with enhanced stealth properties with reduced reflection and absorption properties.

Advances in AI and new machine learning models are moving AI into its industrial age, with potentially huge economic impacts for both winners and followers and unintended consequences—from rampant deepfakes and misinformation to the development of AI-generated computer viruses or new chemical weapons. Generative AI is a means for discovering and designing novel technologies and advanced system-level processes that could strengthen a country's technological, economic, and broader strategic competitiveness.

- China is pursuing AI for smart cities, mass surveillance, healthcare, drug discovery, and intelligent weapons platforms. Chinese AI firms are already world leaders in voice and image recognition, video analytics, and mass surveillance technologies.
- PRC researchers have described the application of generative AI to drug discovery as “revolutionary.” On average, it takes more than 10 years and billions of dollars to develop a new drug. AI can make drug discovery faster and cheaper by using machine-learning models to predict how potential drugs might behave in the body and cut down on the need for painstaking lab work on dead-end compounds.

- Russia is using AI to create deepfakes and is developing the capability to fool experts. Individuals in warzones and unstable political environments may serve as some of the highest-value targets for such deepfake malign influence.

Innovators in synthetic biology probably will control new military and commercial applications and hold trillions of dollars in production capacity, including supply chains for products that vary from disease-resistant crop seeds to metals to pharmaceuticals.

- Countries, such as China and the United States, that lead biotechnological breakthroughs in fields such as precision medicine, synthetic biology, big data, and biomimetic materials, will not only drive industry growth, but also international competition and will exert substantial influence over the global economy for generations.

Digital Authoritarianism and Transnational Repression

Foreign states are advancing digital and physical means to repress individual critics and diaspora communities abroad, including in the United States, to limit their influence over domestic publics. States are also growing more sophisticated in digital influence operations that try to affect foreign publics' views, sway voters' perspectives, shift policies, and create social and political upheaval. Digital technologies have become a core component of many governments' repressive toolkits even as they continue to engage in physical acts of transnational repression, including assassinations, abductions, abuse of arrest warrants and familial intimidation. The PRC probably is the top perpetrator of physical transnational repression.

- During the next several years, governments are likely to exploit new and more intrusive technologies—including generative AI—for transnational repression. From 2011 to 2023, at least 74 countries contracted with private companies to obtain commercial spyware, which governments are increasingly using to target dissidents and journalists.
- PRC expatriates have faced accusations of false bomb threats in countries around the world, resulting in local police investigations, revoked visas, placement on travel blacklists, and sometimes detention, as means to harass dissidents overseas. The PRC also probably will seek to maintain its public security bureaus also known as “overseas police stations” to monitor and repress the Chinese diaspora.

WMD

Nuclear Weapons

The expansion of nuclear weapons stockpiles and their delivery systems, coupled with increasing regional conflicts involving nuclear weapons states, pose a significant challenge to global efforts to prevent the spread and use of nuclear weapons. Arms control efforts through 2035 will change in scope and complexity as the number of strategic technologies and the countries that have them grow.

- China and Russia are seeking to ensure strategic stability with the United States through the growth and development of a range of weapons capabilities, including nontraditional weapons intended to defeat or evade U.S. missile defenses.
- North Korea continues to threaten to conduct a seventh nuclear test and the potential for heightened tension between Pakistan and India could increase the risk of nuclear escalation.

Chemical Weapons

The use of chemical weapons, particularly in situations other than state-on-state military operations, could increase in the near future. During the past decade, state and non-state actors have used chemical warfare agents in a range of scenarios, including the Syrian military's use of chlorine and sarin against opposition groups and civilians, and North Korea's and Russia's use of chemical agents in targeted killings. More state actors could use chemicals in operations against dissidents, defectors, and other perceived enemies of the state; protestors under the guise of quelling domestic unrest; or against their own civilian or refugee populations.

Biological Weapons

Current biological agents and rapidly advancing biotechnology underscore the diverse and dynamic nature of deliberate biological threats. Rapid advances in dual-use technology, including bioinformatics, synthetic biology, nanotechnology, and genomic editing, could enable development of novel biological threats.

- Russia, China, Iran, and North Korea probably maintain the capability to produce and use pathogens and toxins, and China and Russia have proven adept at manipulating the information space to reduce trust and confidence in countermeasures and U.S. biotechnology and research.

SHARED DOMAINS

Environmental Change and Extreme Weather

The risks to U.S. national security interests are increasing as the physical effects of climate and environmental change intersect with geopolitical tension and vulnerabilities of some global systems.

Climate-related disasters in low-income countries will deepen economic challenges, raise the risk of inter-communal conflict over scarce resources, and increase the need for humanitarian and financial assistance.

- Climate-related disasters and economic losses in low-income countries are poised to continue contributing to cross-border migration.
- Competition over access and economic resources in the Arctic, as sea ice recedes, increases the risk of miscalculation, particularly while there is military tension between Russia and the other seven countries with Arctic territory.
- El Nino weather patterns are combining with the effects of climate change and pre-existing vulnerabilities in critical infrastructure to worsen populations' exposure to flooding, drought, heatwaves, and intense storms. El Nino-related events are projected to reduce global economic growth, resulting in more than \$3 trillion in lost GDP during the rest of the decade.
- Droughts are decreasing shipping capacity and energy generation in Central America, China, Europe, and the United States, and insurance losses from catastrophes have increased 250 percent during the past 30 years.
- Changing weather patterns' effects on major agricultural exporters and important local agricultural areas may put more stress on food systems in vulnerable areas of Africa, Latin America, and South Asia. The sustainable fish stocks on which some coastal populations depend are declining because of rising ocean temperatures and overfishing, particularly by illegal, unreported, and unregulated (IUU) fishing.

Intensifying effects of climate change—combined with El Nino weather patterns—are likely to exacerbate risks to human health, primarily but not exclusively, in low- and middle-income countries. Rising land and ocean temperatures, changing precipitation patterns, and increased frequency of severe weather events are likely to intersect with environmental degradation, pollution, and poor resource management to exacerbate food and water insecurity, malnutrition, and disease outbreaks.

Health Security

National health system shortfalls, public mistrust and medical misinformation, and eroding global health governance will impede the capacity of countries to respond to health threats. Countries remain vulnerable to the introduction of a new or reemerging pathogen that could cause another devastating pandemic.

- The predicted shortage of at least 10 million healthcare workers by 2030 will occur primarily in low- and middle-income countries.
- Global health governance and adherence to UN health protocols may be eroded during the coming year by continued disregard by governments of international health institutions and norms and adversary interference in global health initiatives.
- Drivers for infectious disease emergence are on the rise, including deforestation, wildlife harvesting and trade, mass food production, and lack of international consensus on biosafety norms. These drivers are compounded by factors that facilitate global spread, such as international travel and trade, inadequate global disease surveillance and control, weakened health systems, public distrust, and medical misinformation.
- Significant outbreaks of highly pathogenic avian influenza, cholera, dengue, Ebola, monkeypox, and polio have stretched global and national disease detection and response systems further straining the international community's ability to address health emergencies.

Our Assessment of the Origins of COVID-19

The IC continues to investigate how SARS-CoV-2, the virus that causes COVID-19, first infected humans. All agencies assess two hypotheses are plausible: natural exposure to an infected animal and a laboratory-associated incident.

- The National Intelligence Council and four other IC agencies assess that the initial human infection with SARS-CoV-2 most likely was caused by natural exposure to an infected animal that carried SARS-CoV-2 or a close progenitor, a virus that probably would be more than 99 percent similar to SARSCoV-2. The Department of Energy and the FBI assess that a laboratory-associated incident was the most likely cause of the first human infection with SARS-CoV-2, although for different reasons. The CIA and another agency remain unable to determine the precise origin of the COVID-19 pandemic, as both hypotheses rely on significant assumptions or face challenges with conflicting reporting.
- Beijing continues to resist sharing critical and technical information about coronaviruses and to blame other countries, including the United States, for the pandemic.

Anomalous Health Incidents

We continue to closely examine anomalous health incidents (AHIs), particularly in areas we have identified as requiring additional research and analysis. Most IC agencies have concluded that it is very unlikely a foreign adversary is responsible for the reported AHIs. IC agencies have varying confidence levels because we still have gaps given the challenges collecting on foreign adversaries—as we do on many issues involving them. As part of its review, the IC identified

critical assumptions surrounding the initial AHIs reported in Cuba from 2016 to 2018, which framed the IC's understanding of this phenomenon, but were not borne out by subsequent medical and technical analysis. In light of this and the evidence that points away from a foreign adversary, causal mechanism, or unique syndromes linked to AHIs, IC agencies assess those symptoms reported by U.S. personnel probably were the result of factors that did not involve a foreign adversary.

- These findings do not call into question the very real experiences and symptoms that our colleagues and their family members have reported. We continue to prioritize our work on such incidents, allocating resources and expertise across the government, pursuing multiple lines of inquiry and seeking information to fill the gaps we have identified.

Migration

Conflict, violence, political instability, poor economic conditions, and natural disasters will continue to displace growing numbers of people within their own national borders and internationally—straining countries' capacity to absorb new arrivals and governments' abilities to provide services and manage domestic public discontent. The Western Hemisphere most likely will continue to sustain high levels of intra-regional migrant flows driven by poor socioeconomic conditions and insecurity as well as pull factors that include economic opportunity, family reunification, and perceptions of immigration policies in recipient or transit countries.

- The number of individuals internally displaced from their homes in 2022 was more than three times higher than the average of the previous 10 years. Irregular migration to high-income countries is increasing as several countries in Africa, Latin America, and the Caribbean experience political turmoil and poor economic performance.
- Political repression and lack of economic opportunities will continue to drive Cuban, Nicaraguan, and Venezuelan emigration; however, those regimes will continue to blame U.S. sanctions and policies for irregular emigration from their countries.
- Changes to Western Hemisphere countries' visa requirements—such as Nicaragua's relaxation of requirements for nationals from Haiti—could trigger new surges in U.S.-bound irregular migration.

NON-STATE ACTOR ISSUES

Transnational Organized Crime

Transnational criminal organizations (TCOs) threaten U.S. and allied public health systems, exploit the international financial system, and degrade the safety and security of the United States and partner nations. TCOs incite instability and violence, drive migration, and provide some U.S. adversaries with additional avenues to advance their geopolitical interests.

Foreign Illicit Drugs

Western Hemisphere-based TCOs involved in illicit drug production and trafficking bound for the United States and partner nations, endanger the health and safety of millions of individuals and contribute to a global health crisis. Illicit drugs including fentanyl, heroin, methamphetamine, and South American-sourced cocaine all contribute to global demand for drugs.

- Mexico-based TCOs are the dominant producers and suppliers of illicit drugs to the U.S. market, including fentanyl, heroin, methamphetamine, and South American-sourced cocaine.
- Both Colombia and Ecuador are impacted by record levels of cocaine being produced and trafficked to international markets contributing to a global drug demand, while fueling drug related violence within their borders.

Fentanyl

Illicit fentanyl will continue to pose a major threat to the health of Americans. In 2023, a majority of the more than 100,000 annual drug overdose deaths in the United States are attributed to illicit fentanyl mostly supplied by Mexican-based TCOs, even as U.S. law enforcement seized record amounts of illicit fentanyl, precursor chemicals, and pill pressing equipment.

- Mexico-based TCOs are the dominant producers of illicit fentanyl for the U.S. market, although there also are independent illicit fentanyl producers, and the fragmentation of fentanyl operations has made disruption efforts challenging. Some aspects of fentanyl production are spilling over into the United States with drug traffickers conducting the finishing stages of fentanyl pill packing or pressing in the United States.
- China remains the primary source for illicit fentanyl precursor chemicals and pill pressing equipment. Brokers circumvent international controls through mislabeled shipments and the purchase of unregulated dual-use chemicals. However, Mexico-based TCOs also are sourcing precursor chemicals to a lesser extent from other nations such as India.

Money Laundering and Financial Crimes

TCOs are defrauding individuals, businesses, and government programs, while laundering billions of dollars of illicit proceeds through U.S. financial institutions. Their fraud schemes and tactics vary

widely. Some use shell and front companies to obfuscate their illicit activities and some TCOs rely on professional money launderers or financial experts and other tactics to launder illicit proceeds.

- TCOs still rely on traditional money laundering methods and bulk cash smuggling operations to repatriate drug proceeds from the United States, while some money launderers are using cryptocurrency transactions.

Cyber Crime

Transnational organized criminals involved in ransomware operations are improving their attacks, extorting funds, disrupting critical services, and exposing sensitive data. Important U.S. services and critical infrastructure such as health care, schools, and manufacturing continue to experience ransomware attacks; however, weak cyber defenses, coupled with efforts to digitize economies, have made low-income countries' networks also attractive targets.

- The emergence of inexpensive and anonymizing online infrastructure combined with the growing profitability of ransomware has led to the proliferation, decentralization, and specialization of cyber criminal activity. This interconnected system has improved the efficiency and sophistication of ransomware attacks while also lowering the technical bar for entry for new actors.
- Transnational organized criminals sometimes cease operations temporarily in response to high-profile attention, law enforcement action, or disruption of infrastructure, although group members also find ways to rebrand, reconstitute, or renew their activities.
- Absent cooperative law enforcement from Russia or other countries that provide cyber criminals a safe haven or permissive environment, mitigation efforts will remain limited.

Undermining Rule of Law

TCOs and criminal gangs undermine the rule of law through exploiting corruption networks, committing acts of violence, and overpowering regional security forces. TCOs regularly co-opt foreign government officials through bribes or threats to create a permissive operating environment and target officials who support stronger counter-drug efforts.

- TCOs bribe foreign political candidates and security officials in an effort to limit enforcement actions and to protect illicit operations, such as illicit drug production or cross-border smuggling operations.
- Drug-related gang violence in Ecuador has led to surging homicide rates and the assassination of a presidential candidate. The nation has declared multiple states of emergency, suspending essential public services—including public transportation—and closing schools and businesses.

Human Trafficking

TCOs and criminal actors view human trafficking, including sex trafficking and forced labor, as low risk crimes of opportunity. Multiple criminal actors engage in operations that seek to exploit vulnerable

individuals and groups to bolster illicit revenue streams. TCOs that engage in human trafficking may also engage in drug trafficking, weapons smuggling, human smuggling, and money laundering.

- Human traffickers typically coerce or defraud their victims into sex trafficking or forced labor, confiscating identification documents and requiring the payment of debts. In 2023, U.S. law enforcement officials noted multiple incidents where unaccompanied minors were exploited in forced labor operations in U.S. food processing plants to pay off debts.
- TCOs based in the Western Hemisphere and Asia are most likely to engage in human trafficking activity with ties to the United States.

Migrants transiting the Western Hemisphere to the United States are exploited by criminal actors through kidnapping for ransom, targets of forced labor, or victims of sex trafficking operations. TCOs, human smugglers, gangs, and lone criminal actors are all taking advantage of elevated levels of U.S.-bound migration, and vulnerable migrants are at risk of being trafficked.

- Some migrants, who voluntarily use human smuggling networks to facilitate their travel to the United States, are trafficked during their journey.

Global Terrorism

U.S. persons and interests at home and abroad will face an ideologically diverse threat from terrorism. This threat is mostly likely to manifest in small cells or individuals inspired by foreign terrorist organizations and violent extremist ideologies to conduct attacks. While al-Qa'ida has reached an operational nadir in Afghanistan and Pakistan and ISIS has suffered cascading leadership losses in Iraq and Syria, regional affiliates will continue to expand. These gains symbolize the shift of the center of gravity in the Sunni global jihad to Africa.

- Terrorists will maintain an interest in conducting attacks using chemical, biological and radioactive materials against U.S. persons, allies, and interests worldwide. Terrorists from diverse ideological backgrounds continue to circulate instructions of varied credibility for the procurement or production of toxic or radioactive weapons using widely available materials in social media and online fora.

ISIS

ISIS will remain a centralized global organization even as it has been forced to rely on regional branches in response to successive leadership losses during the past few years. External capabilities vary across ISIS's global branches, but the group will remain focused on attempting to conduct and inspire global attacks against the West and Western interests.

- ISIS–Greater Sahara and ISIS–West Africa contribute to and capitalize on government instability, communal conflict, and anti-government grievances to make gains in Nigeria and the Sahel.
- ISIS-Khorasan is trying to conduct attacks that undermine the legitimacy of the Taliban regime by expanding attacks against foreign interests in Afghanistan.

Al-Qa'ida

Al-Qa'ida's regional affiliates on the African continent and Yemen will sustain the global network as the group maintains its strategic intent to target the United States and U.S. citizens. Al-Qa'ida senior leadership has not yet announced the replacement for the former emir, Ayman al-Zawahiri, reflecting the regionally focused and decentralized nature of the organization.

- Al-Shabaab continues to advance its attack capabilities by acquiring weapons systems while countering a multinational CT campaign, presenting a risk to U.S. personnel. In 2023, al-Shabaab also expanded its operations in Northeast Kenya.

Hizballah

Lebanese Hizballah will continue to develop its global terrorist capabilities as a complement to the group's growing conventional military capabilities in the region. Since October 2023, Hizballah has conducted attacks along Israel's northern border to tie down Israeli forces as they seek to eliminate HAMAS in Gaza. Hizballah probably will continue to conduct provocative actions such as rocket launches against Israel throughout the conflict.

- Hizballah seeks to limit U.S. influence in Lebanon and the broader Middle East, and maintains the capability to target U.S. persons and interests in the region, worldwide, and, to a lesser extent, in the United States.

Transnational Racially or Ethnically Motivated Violent Extremists

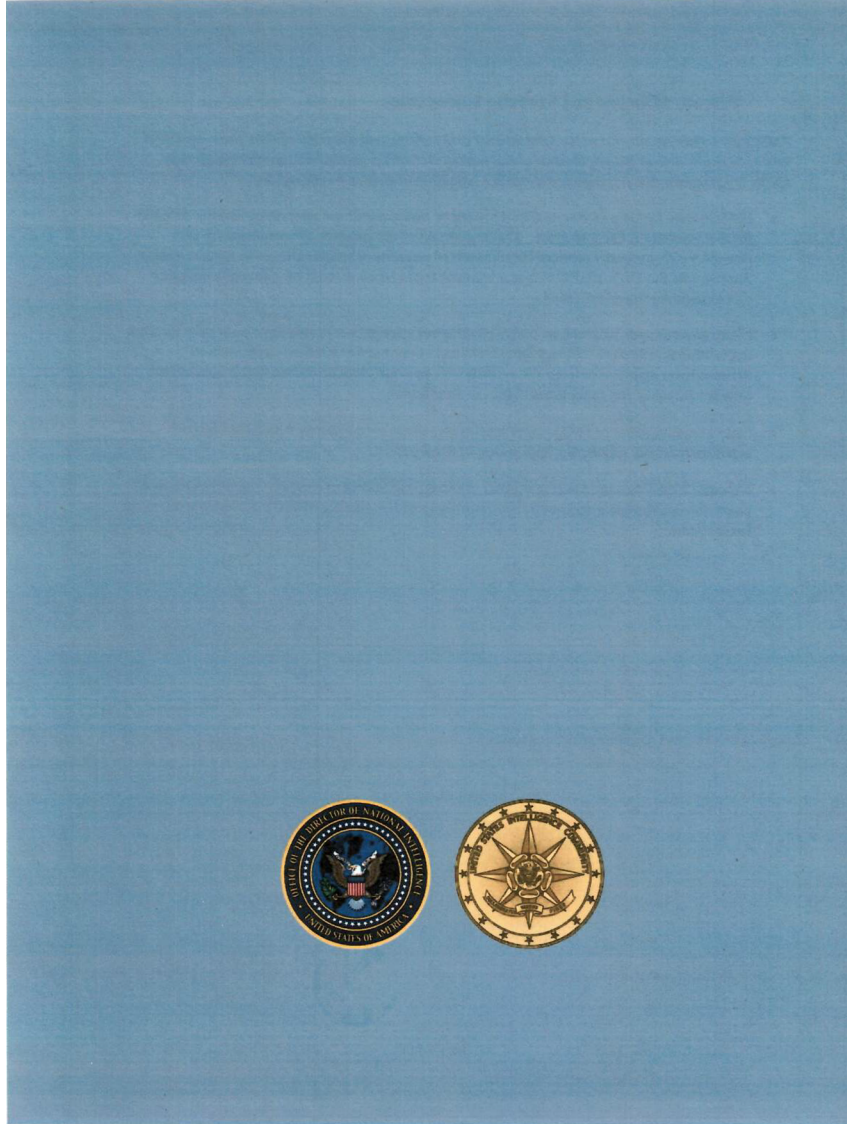
The transnational racially or ethnically motivated violent extremists (RMVE) movement, in particular motivated by white supremacy, will continue to foment violence across Europe, South America, Australia, Canada, and New Zealand inspiring the lone actor or small-cell attacks that pose a significant threat to U.S. persons. The loose structure of transnational RMVE organizations and networks, which encourage or inspire but do not typically direct attacks, will challenge local security services and creates resilience against disruptions.

- Lone actors are difficult to detect and disrupt because of their lack of affiliation. While these violent extremists tend to leverage simple attack methods, they can have devastating, outsized consequences.
- RMVE publications and manifestoes from previous attackers feed the RMVE movement with violent propaganda, targets, and tactics. The Terrorgram Collective, a loosely connected network of online channels and chatrooms, has a global reach and with its sophisticated online publications seek to inspire violence.
- Since early 2022, we have identified five RMVE attacks and five suspected RMVE attacks, killing a total of 27 people, by apparent lone actors in the United States and abroad. During the same period, there have been disrupted RMVE plots, arrests, and threats reported in several European countries.

Private Military and Security Companies

PMSCs are a growing presence in the international environment, and a handful of these firms associated with U.S. rivals, such as Russia, threaten global security in many countries and regions through their ability to potentially foment violence and escalate instability in already fragile regions

- PMSCs have become an essential component of modern military operations and the demand for their services is likely to grow. The largest part of the industry are corporations who provide for-hire security services for commercial interests or states. However, China, Russia, Turkey, and the UAE see PMSCs as a valuable tool in their arsenal for either advancing or protecting their interests abroad.
- Many governments will look to PMSCs to play an important role as a force multiplier for their conventional militaries—filling highly technical or manpower-intensive tasks such as maintenance, logistics, or fixed site security—or in some cases providing highly specialized, turn-key direct-action capabilities absent in their forces.
- Only a small number of PMSC contracts involve direct intervention, which are high-risk activities that may require the application of deadly force.
- No other PMSC has the funding sources, training, and size to operate on Vagner's scale as a proxy force, although a state actor could similarly scale a smaller PMSC's activities within one to two years.



**Questions for the Record Submitted to
Mr. Holmgren by
Senator Lankford (No. 1 to No. 2)
U. S. Senate Select Committee on Intelligence
March 11, 2024**

Question 1:

Is Venezuela freely sharing the criminal record of individuals who are attempting to immigrate to the United States and/or crossing the southern border? Do we know if the Venezuelans entering our country have a criminal record?

Answer:

We do not receive from Nicolas Maduro and his representatives' criminal records of individuals who attempt to irregularly enter the United States. While we are generally unable to access foreign criminal databases, we may obtain information on some cases through INTERPOL or other sources that contain information from foreign governments. Non-citizens encountered by U.S. Customs and Border Protection (CBP) undergo screening and vetting, to include additional fingerprint biometric vetting, consistent with the CBP inspection process.

Question 2:

How is the State Department working to ensure that it is holding recalcitrant countries accountable and using its authority under Section 243(d) of the Immigration and Nationality Act?

Answer:

Visa sanctions remain an important tool when the U.S. government seeks to compel improved cooperation on returns. The threat of visa sanctions incentivizes countries to increase cooperation on issuing travel documents and accepting removal charters. Limited and targeted sanction actions under Section 243(d) as part of a suite of broader measures can be effective, including applying visa sanctions to a specific group.