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**Current and Projected National Security Threats  
to the United States**

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## INTRODUCTION

Good morning Mr. Chairman, Mr. Vice Chairman and members of the committee. It is my honor and privilege to testify before you today. I am also honored to lead the dedicated men and women of the Defense Intelligence Agency. These outstanding military and civilian intelligence professionals provide our war fighters, defense planners, and national security policy makers with information and knowledge essential to our national security. Many of our young intelligence professionals are executing their missions in remote and dangerous environments. I thank them for their service and the magnificent work they are doing for our nation. I would also like to thank you for your continued support for Defense Intelligence; our capability to focus on potential threats to the nation is essential. The threat testimony I am about to present represents what we know and judge to be the threats to our country, citizens, allies, and interests around the world today.

The United States faces a variety of complex transnational threats and potential threats from states of concern. My testimony will outline the current threat from Global Terrorism and the state of the insurgencies in Iraq and Afghanistan. It will highlight the challenges of proliferation of Weapons of Mass Destruction. Finally, I will discuss developments in states of concern and other transnational issues that present both challenges and opportunities to enhance our national security.

## GLOBAL WAR ON TERRORISM

*Al-Qaida and Sunni Extremism.* Terrorism remains the most significant threat to our nation. Al-Qaida and its affiliated groups demonstrate adaptability in response to our Global War on Terrorism (GWOT). Al-Qaida leaders, Usama bin Ladin and Ayman al-Zawahiri, are relatively isolated and under pressure from counterterrorist operations. Once the central banker of the Sunni extremist movement, the al-Qaida leadership has resorted to seeking funds from al-Qaida in Iraq (AQI) to supplement its income.

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Despite these problems, the al-Qaida leadership continues to follow both centralized and decentralized approaches to ensure its viability and that of the greater Sunni extremist movement. On the centralized track, the core leadership is attempting to maintain a level of control over strategic plans such as the war in Iraq and another major attack against the U.S. homeland. On the decentralized track, they are embracing and encouraging terrorist acts by like-minded groups and individuals that encompass the al-Qaida associated movement. These groups include the Jemmah Islamiyah in Southeast Asia, the Group for Salafist Preaching and Combat (GSPC) in Africa, and Ansar al-Islam, in addition to AQI, in Iraq.

In Iraq, al-Zarqawi and the AQI remains the major terrorist threat. He has been able to collaborate with disparate Sunni extremist groups, formalizing ties with some. He has increasingly attracted Iraqis into his organization, replacing foreign fighters with Iraqi nationals in many of AQI's leadership positions. Money, weapons and foreign fighters supporting terrorism move into Iraq, primarily through Syria and Iran. While responsible for less than 5% of the overall violence in Iraq, foreign terrorists are responsible for over 90% of suicide bombings. Coalition forces have dealt AQI serious blows, killing and capturing several of al-Zarqawi's closest associates, constricting the flow of personnel, money and material in and out of the country and degrading their operations. We are seeing divisions developing between AQI and some Sunni extremist groups.

Iraq appears to be emerging as an al-Qaida platform for launching transnational terrorist attacks. This was borne out by the November hotel bombings and August rocket attack targeting U.S. Navy ships in Jordan.

Al-Qaida will remain engaged in Afghanistan for ideological and operational reasons. Taliban and other anti-coalition militants are adopting al-Qaida tactics in Afghanistan.

Al-Qaida and Sunni extremists maintained a high operational tempo on other fronts in 2005. The trend of attacking civilian targets continued, exemplified by the bombings of London's mass transit system, resort hotels in Egypt, and a theater catering

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to westerners in Qatar. Al-Qaida publicized these events with an aggressive propaganda campaign featuring video and audio tapes from senior al-Qaida leadership.

Al-Qaida and associated jihadist groups utilize Internet technology for communications and propaganda. Technology, including e-mail, password-protected chat rooms, and websites, is used to communicate and reinforce jihadist ideology and promote anti-U.S. sentiment.

Improved security, intelligence, and military cooperation resulted in the killing or capture of key al-Qaida operatives and degraded al-Qaida logistical networks. Effects of these GWOT successes are most evident in the notable downturn in terrorist attacks in Saudi Arabia and the absence of another attack against the U.S. homeland.

***Other Terrorist Groups.*** Other terrorist organizations also pose a continuing threat to the U.S., our allies and interests. Lebanese Hizballah remains primarily focused on Lebanon and anti-Israel operations. The group is avoiding open conflict with the U.S.

The Revolutionary Armed Forces of Colombia (FARC) is seeking to escalate terrorist operations, including against U.S. interests. The FARC may be motivated to target U.S. personnel and facilities because it likely perceives that U.S. aid is fundamental to the Colombian government's counterinsurgency and counterterrorism successes.

***CBRN Terrorism.*** Several terrorist groups, particularly al-Qaida, remain interested in Chemical, Biological, Radiological and Nuclear (CBRN) weapons. Al-Qaida's stated intention to conduct an attack exceeding the destruction of 9/11 raises the possibility that future attacks may involve unconventional weapons.

***MANPADS – Threat to Civil Aviation.*** Proliferation of man-portable air defense systems (MANPADS) to non-state groups increases the likelihood of terrorist attacks

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against civilian and military aircraft worldwide. MANPADS are inexpensive, easy to transport, conceal and use, and are proven effective. While we have no indications of an imminent attack against commercial aircraft in the U.S., one could occur with little or no warning.

*Islamic World.* Across several Islamic states, positive public opinion toward al-Qaida, Usama bin Ladin and Sunni extremism has waned, according to polling. However, we have seen only a modest decline in financial support and recruitment to Sunni extremist groups. Popular backlashes were observed in Iraq and Jordan in response to the most brutal al-Qaida tactics, including hostage beheadings and attacks on civilians, Shia, and public facilities, such as the bombing of western hotels in Amman, Jordan.

Public opinion of the U.S. improved in some predominantly Muslim states, especially those in Asia, following our assistance to tsunami victims. Public attitudes toward the U.S. and Western countries in Pakistan improved following their assistance to earthquake victims in Kashmir last fall. Nevertheless, favorable opinions of the U.S. in many Muslim states remain low and are susceptible to changing events.

Several Muslim countries have made political and economic reforms, increasing democratic practices, addressing corruption, economic underdevelopment and poor services to rapidly expanding populations. However, much more needs to be done. These continuing problems will be a source of instability and extremism in many Muslim countries for years to come. This could result in continuing challenges to U.S. security interests.

The burgeoning population of European Muslims is resulting in social tension over immigration and integration, leading some to voice discontent through extremism and violence. Extremism has spread primarily through radical clerics, the Internet, and

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prisons. European countries are struggling to find ways to solve the economic and social problems that their Muslim populations face.

*Saudi Arabia.* Saudi Arabian counterterrorism efforts over the past year appear to have degraded terrorist capabilities within the kingdom. In 2005, only two terrorist attacks occurred compared to 15 significant attacks in 2004.

*Pakistan.* Pakistan remains key in the GWOT. The Pakistan military continues to conduct operations in the Federally Administered Tribal Areas. Pakistani counterterrorism operations temporarily disrupted local safe-havens and forced some Taliban and al-Qaida operatives into Afghanistan, making them vulnerable to Coalition operations.

## CONFLICT IN IRAQ

The insurgency in Iraq is complex, yet remains strong, and resilient. In January 2006, attacks averaged approximately 70 per day compared with approximately 90 attacks per day during the same period in 2005 and 25 in 2004. Attacks declined after the January '05 elections, but crept upward to an all-time high of 99 per day in October. Insurgent attacks remain focused in Sunni-dominated regions in northern, central and western Iraq. Improvised Explosive Devices (IEDs) remain the insurgents' preferred method of attack.

Reporting indicates sectarian violence is increasing; however, quantifying the trend is difficult. The elections appear to have heightened tension and polarized sectarian divides. The perception of sectarian violence is increasing in both Sunni and Shia areas. We continue to see a rise in AQI-led attacks against Shia people and their religious shrines.

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Sunni Arabs form the core of the insurgency. Insurgent leaders exploit Sunni Arab social, economic, historical and religious grievances to recruit both active and tacit support. With over a million Sunni Arab military-aged males in Iraq, insurgents have little difficulty mobilizing enough fighters and support to sustain current levels of violence. Few are motivated by Ba'athism, but insurgents are willing to use familial, tribal and professional relationships established during the former regime to advance their agenda. Networks based on these relationships remain the greatest long-term threat to stability in Iraq.

A smaller number of Iraqi terrorists and foreign fighters contribute to insurgent ranks. Psychologically, they have a disproportionate impact because of their spectacular attacks. Sunni Arab leaders hold no influence over foreign terrorists such as al-Qaida in Iraq. Since last year, tribal and local insurgent dissatisfaction with foreign fighter presence and tactics appears to have grown. However, tension is localized and has not disrupted the overall strength of the insurgency.

Security remains the most urgent issue facing the majority of Iraqis. Many elements of Iraqi Security Forces (ISF) are loyal to sectarian and party interests. Insurgents have infiltrated some units. Nationwide opposition to Coalition presence persists. Many Iraqis in Sunni Arab cities, where the insurgency is strongest, have confidence in the eventual success of "armed national resistance." Most Iraqis consider those who perpetrate violence against civilians to be "criminals" or "terrorists," but those who attack the Coalition as "patriots."

Sunni Arab attitudes are changing as the elite increasingly embrace politics; however, the degree to which this will decrease insurgent violence is not yet clear. Even moderate Sunni Arab leaders see violence as a complement to their political platforms and are pursuing a "dual track" policy of political engagement and armed resistance. Other segments of the insurgency are irreconcilable and continue to stage attacks regardless of the political conditions.

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Increased Sunni Arab representation in the Council of Representatives could foster consensus policies and decisions. However, the new government will face many of the same challenges as its predecessor. Crime and corruption are major problems exacerbating the security situation. The economy is also a major factor; unemployment and provision of basic services will not likely improve in the near-term.

The degree to which Shia and Kurdish leaders accommodate Sunni Arab demands on core issues like federalism and de-Ba'athification is key to success in Iraq. Absent an effective engagement strategy designed to foster comprehensive reconciliation, Sunni Arab elites have little cause to support the rebuilding of Iraq. Many Sunni Arab leaders view the current political solutions as predicated on perpetual minority status in a Shia-Kurd dominated government. So long as Sunni Arabs are denied access to resources and lack a meaningful presence in government, they will continue to resort to violence.

## **CONFLICT IN AFGHANISTAN**

Afghanistan held successful national and provincial legislative elections in September 2005, following the previous year's successful Presidential election. While neither pro-government nor opposition elements gained a majority in the new National Assembly, President Karzai's supporters appear to constitute the largest single voting bloc.

Afghanistan's efforts to disarm private militia groups have steadily progressed over the last year. The expansion of the Afghan National Army and police force has allowed the government to stop officially recognizing private militias as serving a legitimate security role.

Despite significant progress on the political front, the Taliban-dominated insurgency remains a capable and resilient threat. In 2005, Taliban and other anti-coalition movement groups increased attacks by 20% over 2004. Insurgents also



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increased suicide attacks almost four-fold, more than doubled improvised explosive devices attacks and increasingly used beheadings to terrorize the local population. This more active enemy will continue to negatively impact Afghan government and international efforts to create a stable Afghanistan. We judge insurgents now represent a greater threat to the expansion of Afghan government authority than at any point since late 2001, and will be active this spring.

The thriving narcotics trade also poses a significant threat to Afghanistan's progress. Narcotics production is corroding the country's developing institutions and distorting the licit economy. The narcotics trade has provided Afghan warlords, militia commanders, and corrupt government officials with substantial revenue and enabled the insurgency to operate in regions of southern and northeastern Afghanistan.

The Karzai government has a multi-faceted strategy to curbing narcotics production. Kabul's counter-narcotic strategy includes interdiction, alternative development, public awareness, poppy reduction, law enforcement and judicial reform, drug treatment, and regional cooperation. Two counter-narcotics forces, stood up by Kabul in 2004, seized metric-ton quantities of opiates during various operations over the last 18 months. Kabul also launched a new judicial task force this year to prosecute narcotics traffickers, and extradited a major narcotics dealer to the United States.

## WEAPONS OF MASS DESTRUCTION

Weapons of Mass Destruction and the means to deliver them continue to mature in a number of countries, posing a significant threat to our homeland, allies, deployed forces, and international interests. Behind global terrorism, they represent the most significant threat we face.

*Nuclear.* We believe that North Korea continued to produce plutonium for its nuclear weapons program from its 5-Megawatt Yongbyon reactor in 2005. However, we

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do not know with certainty that North Korea has any nuclear weapons. Additionally, activity at the Yongbyon 50-megawatt reactor suggests Pyongyang is seeking to convince Washington it will follow through on threats to resume construction on this unfinished nuclear reactor, adding another source for weapons-grade plutonium.

We believe Iran is committed to acquiring a nuclear weapon and is currently developing its nuclear infrastructure, which could produce highly enriched uranium and plutonium for that purpose. Despite a suspension agreement with the EU-3 and a noncompliance finding at the September 2005 IAEA Board of Governors meeting, the Iranian government broke with the Paris Accord and resumed activities at its uranium conversion and centrifuge research and development facilities.

One of China's top military priorities is to strengthen and modernize its strategic nuclear deterrent force by increasing its size, accuracy and survivability. It is likely the number of deployed Chinese nuclear-armed theater and strategic systems will increase in the next several years. China currently has more than 100 nuclear warheads. We believe China has sufficient fissile material to support this growth.

We believe that India and Pakistan also continue expanding and modernizing their nuclear weapon stockpiles. Pakistan has also developed the capability to produce plutonium for potential weapons use.

***Chemical and Biological Weapons.*** States with chemical and biological programs remain a threat to our deployed forces, homeland and interests. Some states have produced and weaponized agents whereas others have not advanced beyond research and development. For example, we believe that Iran maintains offensive chemical and biological weapons capabilities in various stages of development. We believe Syria already has a stockpile of the nerve agent sarin and apparently has tried to develop a more toxic and persistent nerve agent. We also believe the Syrian government maintains an offensive biological weapons research and development program.

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***Ballistic Missiles.*** China continues to expand and modernize its ballistic missile forces to increase their survivability and warfighting capabilities, enhance their coercion and deterrence value and overcome ballistic missile defenses. Beijing is developing a new submarine launched ballistic missile, the 8,000+ kilometer range JL-2. China has begun flight testing all these systems, which likely will be ready for deployment later this decade. China continues to develop new short, medium and intermediate ballistic missiles and has fielded numerous short range ballistic missiles to brigades near Taiwan.

North Korea continues to invest in its ballistic missile forces for diplomatic advantage, foreign sales and to defend itself against attack. During 2005, a new solid-propellant short range ballistic missile was tested, and Pyongyang is likely developing intermediate and intercontinental ballistic missile capabilities.

Overall numbers of Russian strategic ballistic missiles continue to decline. Nevertheless, Russian leaders are committed to maintaining these forces as a credible nuclear deterrent and symbol of great power status. Russia has flight-tested a new submarine launched ballistic missile, the Bulava-30. Russia continues development of the SS-27 and is developing and fielding maneuvering missiles and payloads to help defeat ballistic missile defenses.

Iran continues work on its ballistic missile programs. Tehran is developing ballistic missiles to target Tel Aviv and press reporting suggests Iran is acquiring longer-range ballistic missiles capable of striking central Europe.

India and Pakistan maintain aggressive ballistic missile programs. India flight tested a submarine launched ballistic missile for the first time in spring 2005. Pakistan is developing a new medium range ballistic missile.

***Cruise Missiles.*** The threat to deployed U.S. forces and our allies posed by cruise missiles, which include land-attack cruise missiles, lethal unmanned aerial vehicles, and anti-ship cruise missiles, is expected to increase through 2010. Several countries began or

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continued to develop and produce new land attack cruise missiles and/or anti-ship cruise missiles in 2005. Advancements in technology will increase the difficulty in countering modern anti-ship cruise missiles. Several anti-ship cruise missiles will have a secondary land-attack capability. New land attack cruise missiles and lethal unmanned aerial vehicles entering service, as well as their proliferation, will increase the threat to land-based assets.

### OTHER STATES OF CONCERN

*Iran.* Tehran will back the emerging Iraqi government to ensure a non-threatening, stable neighbor, while thwarting any U.S. and Coalition interest to extend operations into Iran.

Tehran maintains relationships with numerous Iraqi Shia factions, and will maintain its support for Iraqi Shia elements working in contrast to Coalition goals. We believe Iran has provided lethal aid to Iraqi Shia insurgents. In addition to supporting Iraqi elements, Iran will continue to support Lebanese Hizballah and Palestinian rejectionist groups in the region, posing a threat to U.S. interests.

Iran's military developments have centered on its ballistic missile program, which Tehran views as its primary deterrent. Over the past year, Iran continued testing its medium-range ballistic missile and also tested anti-ship missiles. Iran recently concluded a deal with Russia for approximately 30 short-range air defense systems, as well as other military hardware. When these systems become fully operational, they will significantly enhance Iran's defensive capabilities and ability to deny access to the Persian Gulf through the Strait of Hormuz.

*Syria.* The Syrian government has somewhat improved security along the Iraq border and increased arrests of foreign fighters and al-Qaida elements. Nevertheless,

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Syria remains the primary transit route for Iraq-bound foreign fighters and is a safe-haven for Iraqi Baathists and other former regime elements.

Damascus continues to support Lebanese Hizballah and provide several Palestinian rejectionist groups safe-haven.

Syria continues to make some improvements to its conventional forces, but did not make any major weapons acquisitions in 2005.

*North Korea.* Persuading North Korea to follow through on its September 2005 pledge to abandon all its nuclear weapons programs is a significant challenge for the U.S. and the other Six-Party Talks participants. We expect the North will employ tactics at future talks to maximize its own economic benefit and minimize what it must yield.

While Pyongyang appears intent on continuing the current North-South dialogue, it maintains a military force of approximately one million personnel. The majority are deployed close to the South Korean border.

North Korean military forces continue to suffer the consequences of the North's economic decline, but remain capable of initiating an attack on South Korea. North Korea's large force provides the regime with an effective deterrent against the more prosperous and modern South and the self-perceived option of employing threats and bravado to influence policy in Washington and Seoul.

*China.* China's military modernization remains focused on developing or acquiring modern fighter aircraft, a blue-water navy, and improved amphibious forces. The People's Liberation Army (PLA) completed its plan to cut 200,000 soldiers from the Army, likely freeing resources for other modernization efforts. The PLA is also emphasizing counterterrorism, domestic security and maritime deployments. China's announced defense budget in 2005 was approximately \$30 billion, continuing a trend of double digit increases.

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Eventual unification with Taiwan remains a national goal. Chinese efforts to strengthen its economy, enhance its international influence, and increase military capabilities will better enable it to isolate and undermine pro-separation political forces on Taiwan.

China will continue to be instrumental in resolving the North Korean nuclear issue. Over the past year, Beijing played a constructive role in facilitating the Six-Party Talks process.

China's global engagement has become more active. Beijing's need to sustain economic development and gain access to markets, raw materials and resources, as well as its desire to build global influence and limit Taiwan's international contacts, is driving this activity. Moscow remains an important strategic and military partner for Beijing. Last summer's Sino-Russia military exercise involved air, naval, amphibious and ground operations.

China's energy demands, particularly petroleum, have risen sharply. China is the world's second largest consumer and third largest importer of oil. Economic growth will ensure this trend continues. In response, Beijing has launched a worldwide search to address petroleum requirements, investing in oil sectors of regimes like Sudan and Iran.

***Russia.*** Despite an improving economy, Moscow has not addressed difficult domestic problems that will limit the scale and scope of military recovery. Russia faces increasingly negative demographic trends, a smaller number of draft-age males and worsening public health problems.

***Central Asian States.*** All five Central Asian regimes – Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan — operate under varying degrees of authoritarian leadership, repression and corruption. Each will continue to face internal stability challenges in coming years, primarily due to poor governance, porous borders,

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crime, corruption, unemployment, and poverty. If living standards and governance fail to improve, the spread of Islamic extremism could pose a further threat to stability.

All Central Asian states will continue to voice support for the GWOT, but fears of Western support for local democratic movements will hinder cooperation. Basing and overflight rights for coalition forces supporting Operation Enduring Freedom will likely continue to be granted on a case-by-case basis.

*Venezuela.* Increased oil revenue has allowed Venezuela to pursue an ambitious military modernization program to include the purchase of additional transport and maritime surveillance aircraft, surface ships, and helicopters. Venezuela is considering acquiring additional advanced fighter aircraft and submarines. Once integrated, the new equipment will significantly increase Venezuela's military capabilities.

We judge President Chavez's strategic objectives include undermining U.S. regional influence and unifying Latin America under his Bolivarian leftist ideology. While curtailing ties with the U.S., President Chavez has sought to expand military and commercial ties with Cuba, China, Iran and Russia, and has intensified efforts to influence some regional governments by offering preferential oil deals.

## TRANSNATIONAL ISSUES

Many transnational issues will increase in importance to our national security, providing us both challenges and opportunities in the next ten to fifteen years and beyond. The revolution in telecommunication and transportation associated with Globalization is decreasing distances between nations and instantly connecting like minded groups and individuals around the world. There clearly are many economic, political, and cultural benefits to these developments. However, these same developments present us numerous challenges. This section highlights several of those

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issues, in addition to the more traditional ones of Global Defense Spending and Space and Space Denial Systems.

***Information Operations.*** Numerous states, terrorist and hackers groups, criminal syndicates, and individuals continue to pose a threat to our computer systems. States represent the greatest threat. The Chinese PLA, for instance, is striving toward a doctrinal Information Warfare capability. Many other nations are using computer network operations for intelligence collection. Terrorist groups are exploiting the Internet for intelligence collection, C3, and propaganda purposes. Over the last few years, hackers have exploited thousands of DoD systems. Attribution has remained elusive with identities established in only a few cases.

***New Ungoverned or Weakly Governed States.*** The absence of effective, organized, or responsible governments threatens our national security. Ungoverned or weakly governed states provide safe-havens for terrorists, extremist groups and criminal organizations to operate with anonymity and impunity. Our challenge will be to understand the conditions leading to such governance failure, enabling us to act with regional allies to help avert the development of these extremist safe havens before they emerge.

***International Crime.*** Criminal organizations and networks have become increasingly adept at exploiting the global diffusion of sophisticated information, financial, and transportation networks. Criminal organizations are involved in illicit transfers of arms and military technologies, narcotics trafficking, alien smuggling, cyber and financial crimes. Depending on whether governments with WMD capabilities can or will control such weapons and materials, the risk could increase that organized criminal groups will traffic in nuclear, biological, or chemical weapons.

***Natural Disasters and Pandemics.*** Natural disasters present humanitarian and security challenges for affected governments and the international community. Poor responses can destabilize governments. Conversely, rapid and effective relief operations



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can enhance domestic and international standing. Examples include the favorable responses to Thailand, Indonesia, and India after the 2004 Asian tsunami, as well as the positive response our own government received for assistance offered to Asian states. Disaster response can even serve as an opportunity to resolve disputes; the Indonesian government worked with indigenous insurgent groups after the tsunami.

Pandemics also pose security challenges. Currently the H5N1 avian influenza virus is of concern. Although primarily a bird disease, nearly 170 humans have been infected since 2003, with over half dying. If H5N1 begins spreading easily among people, a highly lethal pandemic could emerge, causing significant economic and humanitarian losses. The virus is endemic in Southeast Asia but has been detected in Central Asia, Africa, Russia, and both Western and Eastern Europe. Many countries cannot identify outbreaks and countries such as North Korea and Russia may withhold outbreak information, fearing the political and economic impact of full disclosure.

***Oil and Water Resources.*** Growing populations and economies in many industrializing nations and other countries are placing strains on natural resources, increasing the potential for conflict and instability. While oil prices have stabilized, the prospect of higher prices continues to threaten global economic expansion, encourage instability and provide increased revenue for several regimes often hostile to our interests. Oil production will remain stretched thin over the next several years, sustaining market pressure and limiting the ability to quickly respond to major supply shortfalls.

Competition over water resources may also become a catalyst for conflict in regions where population and economic expansion increase water demand. Disputes over water will likely exacerbate existing tensions in many parts of the world such as the Middle East, North Africa, Sub-Saharan Africa, South Asia and Southeast Asia.

***Global Defense Spending.*** Several transnational issues pose both short-term and long-term challenges to the U.S. Non-U.S. global defense spending has remained relatively steady the past two years, amounting to an estimated \$680 billion in 2005. China and Russia, ranked one and two respectively, each accounting for approximately

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\$82 billion. The top ten countries account for two-thirds of total spending or about \$450 billion. Asia, led by China, is the only region showing consistent growth in defense spending. Additionally, Russia and Venezuela are the only major petroleum producers who have consistently used their oil revenues to fund military modernization and expansion programs.

Russia, China, and North Korea are of particular concern as proliferators of conventional weapons and military technology. Russia remains the largest exporter of military equipment behind the United States, selling approximately \$5.4 billion in 2004 and \$4.6 billion in 2005 of advanced weapons and military related technology. Items include modern aircraft, ground equipment, major surface combatants and submarines, ballistic and cruise missiles, advanced air defense systems, and sophisticated communication and radar systems. We expect Russian sales to average between \$4 to 6 billion annually for the immediate future. China is emerging as a leading arms exporter with sales averaging almost \$800 million annually. India is another nation that could become a proliferator of advanced conventional weapons. New Delhi and Moscow have been jointly developing and aggressively marketing a supersonic anti-ship cruise missile.

*Space and Space-Denial Capabilities.* Although Russia and China are the primary states of concern regarding military space and space-denial programs, the increasing availability of space technology, products, and services is providing other countries with selective capabilities in key areas. Worldwide, this availability is fueled by the proliferation of advanced satellite technologies, including small satellite systems, and increased cooperation and activity among nation-states and space-related consortia. These developments provide some countries new or more capable communications, reconnaissance, and targeting capabilities as most space systems have dual-use, military-civilian applications.

Several countries are developing capabilities which threaten U.S. space assets. Some countries already have fielded systems with inherent anti-satellite capabilities, such as satellite-tracking laser range-finding devices and nuclear-armed ballistic missiles. A

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few countries have programs seeking improved space object tracking and kinetic or directed energy weapons capabilities. However, researching these technologies is expensive and most are not expected to be widely available within the next few years. Other states and non-state entities are pursuing more limited and asymmetric approaches which do not require extensive resources or a high-tech industrial base. These efforts include denial and deception, electronic warfare or signal jamming, and ground segment physical attack.

## **CONCLUSION**

Our nation is engaged in a long war against terrorism and violent extremism, and we are faced with a multitude of that can affect our national security interests. Defense intelligence professionals will continue to provide the necessary information to our warfighters, defense planners and national security policy makers. Providing support to our soldiers, sailors, airmen and marines engaged in the Global War on Terrorism and insurgencies in Iraq and Afghanistan is our first priority. We are focusing considerable resources to help prevent or counter proliferation of Weapons of Mass Destruction. We must also monitor states of concern and other transnational issues. Developments in these areas provide the potential for future challenges and opportunities to promote our national security. I look forward to your questions.

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