STATEMENT OF

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TERRORISM AND IRAN: DEFENSE CHALLENGES IN THE MIDDLE EAST

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Introduction

Last month I walked down the main street of Raqqah, the former capital of the brutal Islamic State in Iraq and Syria (ISIS). Amidst the mountains of rubble, reminiscent of European cities in World War II, vegetable sellers and falafel carts have set up shop, Raqqawi citizens are coordinating reconstruction efforts, and children are preparing to return to school – evidence of the indomitable spirit of the Syrian population.

Our Global Coalition to Defeat ISIS and partners, in particular the Iraqi Security Forces (ISF) and Syrian Democratic Forces (SDF), have made extraordinary progress for over three years, liberating Mosul and Raqqah—the former capitals of ISIS's self-proclaimed "caliphate." Now, more than 98% of the territory in Iraq and Syria formerly held by ISIS is no longer under their control. In Afghanistan, our Operation Enduring Freedom Coalition of 39 countries is supporting an increasingly capable Afghan National Defense and Security Forces (ANDSF) as they destroy Taliban and ISIS safe havens, remove terrorists from the battlefield, and establish the conditions for greater Afghan governmental control. U.S. Navy vessels and the Combined Maritime Force (CMF) patrol the Gulf and Red Sea, ensuring the free flow of commerce through these strategic waterways. Every day, our military and civilian personnel, forward deployed across the region, conduct training exercises and strengthen our partners' abilities to defend themselves from external threats and challenge violent extremism within their borders. These activities, paired with robust diplomatic efforts from our country teams also help balance against Iran's destabilizing influence in the region.

Our success over the last year is largely due to the unyielding support of our allies, tremendous cooperation with our interagency partners, provision of additional authorities, and the continued faith of the American people in our military. However, despite the great strides we have made,

there is much work left to do. The challenges in the region are many: terrorism, violent conflicts, massive refugee populations, economic stagnation, social upheaval, great power competition, nuclear and ballistic missile threats, humanitarian crises, and radical violent ideologies to name a few. As our country begins to shift focus to threats in other parts of the world, the CENTCOM region remains vital to United States' security and economic interests. We will continue to ensure our nation's resources are responsibly employed to protect the American people from terror, promote American centers of trade and prosperity, and preserve peace through strength to deter future conflicts.

CENTCOM's Challenging Environment

The CENTCOM area of responsibility stretches from northeast Africa, across the Middle East, to Central and South Asia. The twenty countries within this vast region confront profound social, economic, and political upheaval while simultaneously facing grave security challenges in the form of widespread conflict, expansionist regional powers, violent extremist organizations (VEOs), and destabilizing behavior from outside actors. The enduring tension between the nuclear powers of India and Pakistan remains unreconciled while fractured states like Yemen and Syria are wrestling with enormous humanitarian concerns. The generational Israeli-Palestinian conflict simmers incessantly below the surface and complicates partnerships and coordination. Iran, Russia, and China are increasingly competing to be the partner of choice – militarily, politically, and economically – with U.S. allies. Turmoil in the Central Region seldom remains contained, and regional problems quickly become global as they bleed across Combatant Command seams into Africa, Europe, Asia, and threaten the United States.

Humanitarian Crises. Years of conflict in Iraq, Syria, Afghanistan, and Yemen have caused large-scale humanitarian crises, created havens for extremism, blurred national borders, and provided Iran and Russia opportunities to expand their influence in the region. Millions of refugees stress Middle Eastern

and European countries. The government of Iraq, in partnership with the UN, has facilitated the return of millions of Internally Displaced Persons (IDPs), but sustainable returns are contingent on successful security and stability efforts. In Syria, the return of displaced persons has started but the vast majority cannot safely return to their homes until fighting has ended, IDPs feel free from Syrian regime reprisals, and Explosive Remnants of War (ERW) are cleared from their roads and homes. Yemen is plagued by cholera and malnutrition, with nearly 80% of the population requiring urgent humanitarian assistance.

Economic Uncertainty. Economic prospects across the region remain hampered by poor economic policies and corruption, which are compounded by inadequate education and health services. This has led to stagnant economies marked by inflation, low wages, and high unemployment. Many economies in the CENTCOM region depend on oil and gas revenues, but low oil prices have challenged governments' abilities to balance fiscal considerations with social contracts. Large state-owned sectors and bloated civil service departments are a drag on economic growth and limit opportunities for a burgeoning youth population.

Corruption inhibits reform and stabilization efforts and undermines the population's confidence in its government. Unfortunately, corruption in the Central Region is at historically high levels; according to Transparency International Corruption Index, 90% of countries in the Middle East score a failing grade, and CENTCOM includes some of the most corrupt countries in the world – Syria, Yemen, and Iraq. President Ghani is challenging persistent corruption in Afghanistan by putting reforms in motion to fight corruption in the military and government. Iraqi Prime Minister Abadi is working with the World Bank and the International Monetary Fund to implement an ambitious reform program, but the challenges are daunting. Some of the countries in the region are working to address these economic challenges; Saudi Arabia's Vision 2030 program, Egypt's

ambitious macroeconomic reforms, and Jordan's concerted efforts to boost GDP growth rates and reduce unemployment are a few examples.

Violent Extremism. The violent extremist ideologies of ISIS, al-Qa'ida (AQ) and other VEOs remain a threat to the United States and our allies and partners, not just in the CENTCOM region but worldwide. Although ISIS has steadily lost control over physical territory and no longer controls any major population centers in Iraq or Syria, Sunni populations remain vulnerable to identity-based recruitment into VEOs. Violent extremists have utilized online forums to spread violent interpretations of Islam to audiences across the globe. The impressionable youth in this tumultuous region, seeking community and justice, are highly susceptible to extremists' teachings; consequently, a new generation of radicalized followers could become online citizens of a "virtual caliphate," dedicated to the struggle against the West.

Both ISIS and AQ are resilient and have proven capable of projecting propaganda and inspiring attacks throughout the region and outside of the Middle East. In Egypt, ISIS has expanded its reach into the mainland and carried out mass-casualty attacks. ISIS-Khorasan (ISIS-K) continues to orchestrate high-profile attacks in Afghanistan. Al-Qa'ida in the Arabian Peninsula (AQAP) continues to plan attacks on the homeland from the ungoverned spaces in Yemen.

Proxy Warfare. The Central Region has a long history of proxy warfare, violent militias, and irregular forces operating in the "grey zone" – military competition short of war. Iran has extended its tentacles across the region through numerous proxies, including Lebanese Hizballah operating in multiple countries, hardline Iranian-backed Shia Militia Groups (SMGs) in Iraq and Syria, and Iranian support has enabled the Houthis. The result is prolonging the civil war in Yemen, threatening Saudi Arabia and the UAE, and risking expansion of Yemen's civil war into a regional conflict. Iran uses its

proxies to secure supply lines for malign activities and influence neighboring governments.

Militants operating out of remote areas in Pakistan threaten Afghanistan and India.

Nuclear/Ballistic Missile Proliferation. Regional conflicts and power imbalances drive nations to seek and acquire nuclear weapons and extend ballistic missile capabilities to secure their influence. As an example, Iran continues to develop advanced ballistic missile capabilities and also transfer them to the Houthis and to its Hizballah proxies. This will enable them to strike U.S. partners and allies, and the possibility Tehran will reinvigorate its nuclear program in the out-years of the Joint Comprehensive Plan of Action (JCPOA) remains a potential risk. Nuclear proliferation, combined with proxy warfare, increases opportunities for miscalculation and generates a serious threat to the region and the United States.

Regional Competitors. Iran remains the major threat to U.S. interests and partnerships in the Central Region. The competition between Iran and Saudi Arabia for influence in the region exacerbates multiple security dilemmas throughout the Middle East – from Iran's support of Houthis in Yemen, to Riyadh's attempt to diminish Hizballah's authority in Lebanon. Iran is also working through proxies and friendly political allies in Iraq, Syria, and Lebanon to establish an arc of influence, or "Shia Crescent" across the Middle East. As we navigate the many challenges and relationships in our region, we partially view them through the lens of countering Iran and diminishing malign influence.

We must also compete with Russia and China as they vie for access and influence in the Central Region. Russia's presence in Syria established Moscow as a long-term player in the region, and the Kremlin is using the conflict in Syria to test and exercise new weapons and tactics, often with little regard for collateral damage or civilian casualties. An increase in Russian surface-to-air missile systems in the region threatens our access and ability to dominate the airspace.

On the diplomatic front, Moscow is playing the role of arsonist and firefighter – fueling the conflict in Syria between the Syrian Regime, YPG, and Turkey, then claiming to serve as an arbiter to resolve the dispute. Moscow continues to advocate for alternate diplomatic initiatives to Western-led political negotiations in Syria and Afghan-led peace processes in Afghanistan, attempting to thwart the UN's role and limit the advance of American influence. Russia's insistence on a separate Syrian political peace process at Astana and Sochi detracts from the internationally-sanctioned UN talks in Geneva. In Afghanistan, Moscow has exaggerated the presence of the ISIS-K threat, and while the Coalition and the Afghans are the only forces actively fighting ISIS there, Russia has used familiar propaganda techniques to brand ISIS's presence as a U.S./NATO failure.

Russia is also trying to cultivate multi-dimensional ties to Iran. Though historic rivals, Moscow and Tehran share interests across the region, including an overarching desire to sideline, if not expel, the U.S. from the region. Russia and Iran are both trying to bolster a brutal regime in Syria, limit U.S. military influence in Iraq and Afghanistan, and fracture the longstanding U.S.-Turkey strategic partnership.

Russia also maintains significant influence in Central Asia, where the countries of the former-Soviet Union rely on Russia to varying degrees for their economic and security needs. This is problematic as Russia's efforts could limit U.S. engagement options and provide Moscow additional levers of influence, particularly as NATO forces deployed in Afghanistan are dependent on Central Asian partners for logistical support. Since 2014, Russia has increased Eurasian integration efforts to reassert Moscow's dominant influence along the periphery or buffer zone.

Likewise, an increasingly assertive China is testing Russia's dominance in the economic and security arenas of Central Asia but also posing challenges to U.S. influence. China seeks to capitalize on regional concerns over what it perceives as waning U.S. influence and support. Toward this end,

Beijing is building and strengthening trade, infrastructure, defense, and political relationships across the Middle East, Central and South Asia.

China is pursuing long-term, steady economic growth that bolsters its international influence and access to energy resources. Its Belt and Road Initiative (BRI), which includes the China-Pakistan Economic Corridor (CPEC), could serve as a stabilizing, profit-generating project in the region, but it could also improve China's military posture. This collection of infrastructure projects already provides China with access to Gwadar Port in Pakistan, which is operated through a Chinese-Pakistani agreement and has the potential to increase China's strategic presence in the Indian Ocean. China also recently established its first overseas military base adjacent to the Bab al Mandeb (BAM) in Djibouti. While Beijing claims both locations support peacekeeping and humanitarian operations, the new military base and port allow China to project forces more permanently within the region and influence strategically valuable trade waterways.

China also seeks to increase its economic and diplomatic cooperation with Iran. The lifting of UN sanctions under the Joint Comprehensive Plan of Action (JCPOA) opened the path for Iran to resume membership application to the Shanghai Cooperation Organization, a Eurasian political, economic, and security organization. This, along with the existing BRI cooperation between the two nations, increases China's ties to Iran.

China considers its relationship with the GCC states critical for its current economic needs. The Gulf States provide approximately one-third of China's oil, and Qatar is its single largest supplier of natural gas. Like Russia, China has sought to arbitrate some conflicts in the region, offering to mediate between Saudi Arabia and Iran. While China will continue to develop its relationships with nations in the Middle East, Beijing will likely maintain its stance of avoiding a major role in ongoing conflicts.

North Korea plays a relatively minor role in the Central Region, but its potential export of ballistic missile and nuclear technology remains an area of concern. For decades, North Korea widely proliferated ballistic missile expertise and materials to a number of actors including Iran and Syria. North Korea also exports cheap labor to various Middle Eastern countries; remittances from these laborers are a significant source of revenue for North Korea, despite the State Department's efforts to persuade our partners to expel these workers.

<u>Prepare – Pursue - Prevail</u>

CENTCOM's mission is to direct and enable military operations and activities with allies and partners to increase regional security and stability in support of enduring U.S. interests. We aim to accomplish this mission through our strategic approach of "Prepare, Pursue, Prevail." This approach aligns with the recently published National Defense Strategy (NDS), which directs us to "Compete, deter, and win in conflict and reinforce all levers of national power from sustainable positions of military advantage." It also aligns with the POTUS-approved strategies for Iraq and Iran. These strategies look to consolidate gains achieved through defeating ISIS, while neutralizing and countering Iran's destabilizing influence, and ensuring a stable Iraq does not align with Iran and remains a productive strategic U.S. partner.

Preparing in advance of crises creates decision space for leaders and allows for the responsible and effective employment of resources and forces. Effective preparation enables CENTCOM to compete with the other major actors in the region through strengthening alliances and partnerships. **Pursuing** opportunities ensures we seize and maintain the initiative as we meet each of the challenges in our complex region. We also retain the flexibility to effectively deter threats, preferably short of military force. We constantly seek to **Prevail** in conflict, winning the current fight and preparing for the next challenge.

CENTCOM Priorities

While the CENTCOM team manages a broad range of difficult challenges on a daily basis, a significant portion of our efforts and resources are necessarily focused in three areas: supporting the Administration's South Asia Strategy – to include Operation FREEDOM'S SENTINEL (OFS) and Resolute Support Mission (RSM) in Afghanistan; countering VEOs in the Central Region, to include Operation INHERENT RESOLVE (OIR) in Iraq/Syria; and countering Iranian destabilizing activities across the region.

Supporting the Administration's South Asia Strategy. Since my last posture hearing, CENTCOM has begun a transition – an operational alignment and rebalancing to better address challenges, mitigate risk, and optimize resources in an ever-changing battlespace. With ISIS's territorial control crumbling in Iraq and Syria, we have shifted our main effort to implementing the military component of the South Asia Strategy in Afghanistan through OFS and NATO's non-combat RSM, while still retaining sufficient resources to enable local security forces to prevent the reemergence of ISIS in Iraq and Syria.

The NDS directs us to deter adversaries from aggression against our vital interests and to discourage destabilizing behavior. Working "by, with, and through" the ANDSF, we have maintained constant pressure on the Taliban with the intent of removing their influence on the population and forcing them to reconcile with the Government of the Islamic Republic of Afghanistan (GIRoA). Our conditions-based approach to the conflict gives hope to our Afghan partners and demoralizes the enemy. This strategy reaffirms the U.S. government's enduring commitment to Afghanistan while supporting two complementary missions – counter-terrorism operations and security force assistance of RSM. Preventing AQ and ISIS-K from directing or

supporting external attacks against the United States and our allies is a vital national interest, and the RSM preserves peace through a strong network of alliances both regionally and globally.

The GIRoA is making dedicated and transparent efforts to combat corruption at every level and ensure an effective Afghan fighting force. Implementation of the current GIRoA 4-Year Roadmap is improving overall ANDSF capabilities. Our method of working "by, with, and through" the ANDSF ensures we are training Afghan forces to take the lead in combat, enabling them with key assets like intelligence and logistics, and working through the GIRoA to find Afghan solutions to Afghan problems.

ANDSF capability to respond to crises has greatly improved over the last few years, and they are able to prevent security setbacks from becoming cascading events; however, the ANDSF does not have the ability to prevent the insurgency from maintaining a rural presence and occasionally threatening a population center or critical ground lines of communication (GLOC). The increase in U.S. and RSM partner military personnel enables the provision of enhanced train, advise, and assist capability to the ANDSF. This will advance the ANDSF's ability to plan and execute simultaneous offensive military operations, keeping constant pressure on the enemy.

In addition to our plan for closer, more persistent advising, we are developing critical capabilities within the ANDSF to provide them clear advantages over the Taliban. The Afghan Air Force (AAF) continues to develop offensive capability, and our security cooperation funds are training maintainers as the AAF transitions from dated Russian platforms to modern U.S. aircraft. We are also working to double the size of the Afghan Army's Special Operations force – currently the most effective combat element against the Taliban.

Simultaneously, we are targeting many of the Taliban's revenue and support networks; illicit narcotics production and trafficking largely finances insurgent operations. The Taliban remains a resilient adversary capable of inflicting heavy ANDSF casualties, but we, shoulder to shoulder with our

ANDSF partners, will continue to apply military and economic pressure to force the Taliban to the negotiating table.

Kabul's uncertain political situation remains the greatest risk to stability as the ANDSF increases security nationwide and the GIRoA prepares for planned 2018 elections. GIRoA continues to suffer from a professional governmental capacity deficit, competing interests, and corruption. We are pursuing opportunities to develop bilateral relationships with Central and South Asian states to promote regional stability and to encourage them, and our NATO allies, to contribute financial and advisory support to the GIRoA. As an example, we strongly support improved Indian-Afghanistan ties as a means to advance Kabul's economic interests and increase Afghanistan's financial independence.

As Afghanistan's neighbor and a critical supply route for RSM operations, **Pakistan** presents both challenges and opportunities as we implement the new South Asia Strategy. Pakistan's cooperation is imperative for the success of our South Asia strategy. As the President made clear in the unveiling of the strategy last August, the United States expects Pakistan to take decisive action against the Taliban and Haqqani Network leaders that operate from its territory. Taliban and Haqqani leadership and fighters continue to find sanctuary in Pakistan. Other Pakistan based groups like Lashkar-e-Tayyiba threaten Pakistan's neighbor, India, and carry out attacks that jeopardize regional stability and U.S. strategic interests.

Pakistan has made many sacrifices in the war against terrorism, including important contributions in significantly degrading AQ and combatting ISIS-K. Anti-Pakistan militant groups like Tehrik-e-Taliban Pakistan (TTP) are able to conduct devastating terrorist attacks within Pakistan, killing scores of civilians and military. The Pakistani military is conducting counterterrorism operations against select terrorist groups that target the Pakistani state. Pakistan has also

undertaken several high profile and effective counter-insurgency operations in North Waziristan and other parts of the Federally Administered Tribal Area (FATA) against TTP. Security along the border with Afghanistan will remain a priority in 2018 as Pakistan seeks to expand border control mechanisms and efforts to improve paramilitary security capabilities. Recently we have started to see an increase in communication, information sharing, and actions on the ground in response to our specific requests --- these are positive indicators. However, ongoing national counter-terrorism efforts against anti-Pakistan militants throughout the country have not yet translated into the definitive actions we require Pakistan to take against Afghan Taliban or Haqqani leaders. This problem is compounded by increasing cross-border terrorist attacks and fires between Pakistan and Afghanistan, which hinders both countries' abilities to coordinate on border security.

We have preserved our valuable military-to-military relationship with Pakistan and attempted to increase transparency and communication with influential military leaders, while pressing our serious concerns about Pakistan's provision of sanctuary and support to militant and terrorist groups that target U.S. personnel and interests. Achieving long-term stability in Afghanistan and defeating the insurgency will be difficult without Pakistan's support and assistance. Although most security assistance for Pakistan is currently suspended, since 2002 Pakistan has been among the largest recipients of U.S. provided Foreign Military Financing (FMF) and International Military Education and Training (IMET). To date Pakistan has also been reimbursed hundreds of millions of dollars in Coalition Support Funds (CSF) for counter-insurgency operations that support U.S. security objectives in the region. We use ground and air routes in Pakistan to deliver materiel to Afghanistan. However we also have options to utilize routes through the other Central Asian nations.

CENTCOM continues to promote U.S. interests in the rest of the **Central Asia/South Asia** (CASA) sub-region, which includes the countries of Afghanistan, Pakistan, Kazakhstan, the Kyrgyz Republic,

Tajikistan, Turkmenistan, and Uzbekistan. While our Central Asia partners continue to seek U.S. engagement, Russia, China, and Iran continue to discourage cooperation and engagement between Central Asian countries and the United States. Despite this pressure, several CASA governments continue to support the transit of supplies to U.S. troops in Afghanistan and engage the United States on shared interests related to access, border security, counter-terrorism, counter-narcotics, and counter-insurgency.

Our Central Asian partners remain concerned about the long-term stability of Afghanistan and Pakistan as well as the specter of returning foreign terrorist fighters to their home countries. We are postured not only to help them address transnational threats, but also to continue to develop our military-to-military relationships in the CASA sub-region. In support of these efforts, our two major forums that promote military cooperation, the CASA Directors of Military Intelligence Conference and CASA Chiefs of Defense Conference, are developing beyond ceremonial affairs into venues that encourage free-flowing military-to-military communication and seek practical solutions to security challenges. These efforts, in addition to our operations in Afghanistan, will ensure that CENTCOM continues to support the Administration's South Asia Strategy in the CASA sub-region with a long-term, regional approach.

The U.S.-Kazakhstan relationship is our most advanced military relationship in Central Asia. We are making notable progress as the Kazakhstani Ministry of Defense focuses on institutional reform of its Non-Commissioned Officer (NCO) corps, human resources administration, and its professional military education system. Reliance on Russian-produced equipment presents challenges to developing a more robust defense sales relationship. Despite these challenges, Kazakhstan looks to the U.S. to balance, not replace, Russian and Chinese influence through a multi-vector foreign policy, which allows more security cooperation possibilities.

The **Kyrgyz Republic** has increasingly aligned its interests with Russia and China. The U.S.-Kyrgyz security relationship has declined since the closure of the Manas Transit Center and the termination of the bilateral Defense Cooperation Agreement in 2014. Despite the Kyrgyz armed forces' desire to improve military-to-military cooperation with CENTCOM, Kyrgyz senior civilian leaders have shown little interest in improving military relations.

Tajikistan remains a key U.S. partner in Central Asia due to its 800-mile border with Afghanistan. While U.S-Tajik relations are positive, Russia is increasingly impinging on U.S. influence and spreading inaccurate information about Afghanistan and the region. Tajikistan is Central Asia's poorest country, and its armed forces are habitually under-funded and ill-equipped, which complicates our efforts to help the Tajiks build and sustain long-term security capacity. Moreover, the Russian forces at the 201st Military base located outside of Dushanbe loom large on the political and military landscape. The Tajik government also depends heavily on foreign assistance and on the remittances of its migrant laborers working in Russia, giving Moscow considerable leverage over the country. Despite all of these challenges, CENTCOM continues cooperation with Tajikistan focused on border security, counterterrorism, and counter-drug trafficking. Tajikistan is a major transit point for Afghan opiates; our efforts to help strengthen Afghan-Tajik border security are important to reducing the drug trade that funds the Taliban and destabilizes the region.

Turkmenistan is an important nation due to its strategic geographic location between Europe and Afghanistan. Turkmenistan, as other Central Asian states, is concerned about instability in Afghanistan and thus supports international counter-VEO, counter-terrorism, and border security efforts. Currently, we are building our partnership with Turkmenistan through medical exchanges.

Uzbekistan remains a key U.S. partner in Central Asia due to its strategic geographic location at the heart of Eurasia and proximity to Afghanistan. Over the past year, Uzbekistan experienced a relatively

smooth succession of power from the late President Karimov to President Shavkat Mirziyoyev, who has instituted a number of reforms as Uzbekistan's second president since independence in 1991. Our bilateral relations serve to counter Russian and Chinese influence in the region. Russia exercises a degree of political and economic influence, yet the Uzbeks continue to pursue a strategic relationship with the U.S. Uzbekistan has been a relatively closed society, but we are now seeing positive changes within Uzbekistan that are leading to improved military-to-military relations, to include increased military professionalization and training. CENTCOM is also working to improve its military's logistics and sustainment systems to better support previously transferred U.S. defense equipment. We also continue efforts to bolster Uzbekistan's special operations forces.

Countering Violent Extremist Organizations. Another critical objective from the NDS is to prevent terrorists from directing or supporting external operations against the U.S. homeland, allies, and partners. In the past year, Operation INHERENT RESOLVE has achieved remarkable success against ISIS in Iraq and Syria. The ISF and SDF are operating at their most effective levels since the operation began. Millions of IDPs have returned home and are starting to rebuild. The destruction of ISIS' so called physical "caliphate" is imminent, but now we must consolidate gains by investing in the population that will hold this territory and keep ISIS from returning. The U.S. Strategy for Iraq contains four primary objectives: stabilize Iraq, limit Iran's influence and its use of Iraq to shape the Middle East, achieve a stable Iraq economy, and sustain an enduring relationship with the ISF. We must now look to how we effectively resource these objectives along with the President's objectives in Syria.

The Coalition's campaign to defeat ISIS has had considerable success. Coalition airstrikes have killed hundreds of ISIS leadership figures and facilitators in Iraq and Syria, which has disrupted ISIS' command and control network; degraded its use of unmanned aerial systems (UAS);

reduced its ability to conduct research and development, procurement, and administration; and denied sources of funding for terrorist activities. These losses have undermined ISIS' ability to conduct attacks throughout the region and the world. With the loss of terrain and the liberation of the population, ISIS can no longer generate funding through extortion and taxation. Additionally, airstrikes and ground operations have crippled and seized hydrocarbon generating facilities and facilitation routes that moved and supplied ISIS fighters and supported illicit oil sales. We have also degraded ISIS media operations; the most recent version of their monthly online terror magazine "Rumiyah" was last published in September 2017.

In Iraq, the ISF fought a vicious, urban battle to liberate Mosul, with ISIS providing stiff resistance using tunnels, vehicle-borne improvised explosive devices (VBIEDs), and unmanned aerial systems. The liberation of Mosul provided the ISF with the momentum that led to the quick liberation of Tal Afar and Hawijah. Our partnership with the ISF is an excellent example of the successful application of the "by, with, and through" approach. Using a minimal number of U.S. and Coalition advisors, we enabled the ISF with robust communications, logistics, intelligence, and precision fires. Iraqi forces led from the front in each operation, and their success elevated their legitimacy with the population.

There remain enduring political and cultural challenges in Iraq. Reconstruction, discontent with corruption and any delay of rebuilding efforts as well as the Kurdistan stand-off could fuel future instability. ISIS' reversion to an underground insurgency will remove the greatest unifying factor among Iraq's competing factions and may reignite unresolved grievances. In the post-ISIS period, the GoI will be challenged to rebuild Sunni areas while balancing competing security demands, enacting government reforms, and managing tensions among Iraq's political factions. The KRG remains a strategic partner and their negotiations with Baghdad for a peaceful settlement are critical to ensure the disputed territories are not further complicated by intra-Iraq divisions.

In Syria, the fight against ISIS has been complicated by the multiple countries involved in the conflict, many of whom have widely divergent interests. Syrian President Bashar al Assad remains in power, and, due to military support from Russia, Iran, and Lebanese Hizballah (LH), is attempting to bring all of Syria under regime control. In 2017, the regime made significant territorial gains in central and eastern Syria, culminating in reducing opposition enclaves in western Syria and seizing urban centers from ISIS along the western bank of the Euphrates River from ISIS. Nevertheless, the Assad regime has insufficient forces to adequately secure recaptured territory and often faces insurgent counterattacks behind its lines. The regime is highly dependent on billions of dollars in external Iranian and Russian economic and military support, the cost of which press both Moscow and Tehran to seek an end to the conflict.

The intervention of the Coalition and regional powers in the Syrian conflict has blocked Assad's ability to recapture major portions of northern Syria, and entrenched opposition fighters and VEOs across Syria continue to challenge regime control. Diplomatic efforts to establish deescalation zones were most successful in a deal negotiated between Russia, the U.S., and Jordan in southwest Syria. Russian and Iranian-led Astana talks have been far less successful, and Russian bombardment of the Astana agreed de-escalation zone in East Ghouta calls into question Moscow's sincerity in guaranteeing the security of these areas. There has been some success, often under UN auspices, to negotiate on humanitarian issues, but Syrian regime recalcitrance to allow aid deliveries is probably driven by Assad's choice to use starvation as a weapon of war. Assad's reluctance to negotiate directly with the Syrian opposition, and Moscow's reluctance to force him to do so, indicates significant challenges lie ahead in forging a political resolution to the conflict.

For the Coalition, the SDF's liberation of ISIS' capital Raqqah in October 2017 was a significant turning point in the conflict. The SDF, which is composed of local Sunni Arabs and

Kurds, has been a valuable partner in the fight against ISIS, and they sacrificed greatly to liberate large portions of their country. Simultaneous operations by the SDF in Syria and the ISF and PMF in Iraq effectively isolated ISIS remnants in the Middle Euphrates River Valley (MERV) and along the Syrian side of the Iraq-Syria border where both forces are currently conducting operations to kill or capture all remaining ISIS fighters.

Pro-Regime Forces (PRF) and Russia also continue to operate in the MERV as they isolate ISIS fighters south of the Euphrates River, though Assad's decision to prematurely withdraw his forces has likely given valuable breathing room to ISIS on the western side of the river. With PRF operating in close proximity to Coalition-backed forces in the MERV, de-confliction measures are vital, and we have worked closely with Russia to prevent accidental strikes and to ensure the safety of the various forces on an increasingly complex battlefield. The Coalition does not seek to fight the Syrian regime, Russian or pro-regime forces partnered with them. While the deconfliction efforts have been largely effective, the Coalition recently demonstrated its commitment to defend U.S. and partner forces operating in Syria by striking PRF that conducted an unprovoked attack on SDF and Coalition forces. And we will continue to do so, as necessary.

Though our partnership with the SDF is critical to defeating ISIS in Syria, it has created challenges with our NATO ally Turkey, who views the Kurdish People's Protection Units (YPG) elements within the SDF as analogous to the PKK terrorist group. U.S. Special Operations forces have been working with vetted elements of the SDF for several years to defeat ISIS. Our assistance to the SDF has been focused on this goal, and we have included safeguards and transparency measures to ensure it does not physically threaten Turkey. In January, Turkey began air strikes and ground incursions into the predominantly Kurdish enclave of Afrin, where CENTCOM has no presence or direct relationships in northwest Syria, in an attempt to, according to the Government of Turkey, "remove the terrorist threat

from its border." Though we have no relationship with YPG fighters in Afrin, who previously cooperated with Russia and the regime, these operations directly impact our ability to affect a lasting defeat against ISIS through the SDF. Many fighters in the SDF have familial ties to the Kurds in Afrin, and they are now forced to choose between completing operations against ISIS fighters in the MERV and assisting their fellow Kurds in northern Syria. Our alliance with Turkey is paramount, and we will continue to assist the Turkish military in countering the PKK and other VEOs that threaten their border, but we must continue to urge restraint as their actions have clearly increased risk to our campaign to defeat ISIS.

Amidst the visible damage caused by the Syrian civil war, the country has also witnessed a far less-publicized change: democratic organizations in the form of local civil councils have assembled in places previously controlled by ISIS. These councils are providing the necessary basic functions of governance and starting to rebuild their war-torn communities. These ad-hoc democratic organizations come in various forms and engage in a range of activities from providing the most basic services to rallying the population against the re-emergence of VEOs. For example, in the cities of Manbij and Raqqah, local councils ran civic campaigns against ISIS in concert with more moderate rebel groups, providing a two-pronged strategy that ultimately prevented ISIS from regaining a foothold in these areas. In other parts of Syria, councils have developed a more sophisticated capacity and are building roads, repairing sewage lines, and holding local elections. As Secretary of State Tillerson has said, "Interim local political arrangements that give voice to all groups and ethnicities supportive of Syria's broader political transition must emerge with international support." Any interim arrangements must be truly representative and must not threaten any of Syria's neighboring states. Similarly, the voices of Syrians from these regions must be heard

in Geneva and in the broader discussion about Syria's future." The key to the success of these groups is their ability to maintain legitimacy among the populace.

Although these local councils have made great strides, they can only provide aid and assistance to the population at the pace at which they receive it. As we enable local solutions to local problems, supporting these local councils with our full range of Department of Defense, interagency, and Coalition capabilities will help them maintain popular support and set conditions for enduring, stable governance.

A significant challenge we face as we complete the defeat of ISIS is the repatriation of hundreds of foreign fighters to their home countries. The SDF and ISF are both holding several hundred fighters from a number of different countries in prisons or temporary detention facilities, with no clear process for prosecution or repatriation. The longer these fighters remain in detention together, the greater danger they pose as they form new connections, share lessons learned, and prepare to re-establish networks upon their release or escape. This urgent problem requires a concerted international effort involving law enforcement, intelligence sharing, and diplomatic agreements.

Yemen is another area where VEOs pose a threat to the homeland. The civil war continues unabated and the humanitarian crisis worsened in the last year. Saudi Arabia and the UAE continue to lead a coalition supporting Yemeni President Abdrabbuh Mansour Hadi, and despite attempts to reestablish itself in Aden, some elements of the Republic of Yemen government (ROYG) remain in Riyadh, Saudi Arabia. Houthi forces control Yemen's capital, Sana'a, and are undeterred in their efforts to retain key territory and attack the Saudi coalition. The civil war has severely affected Yemen's population, with nearly 80% of the population requiring urgent humanitarian assistance. Similarly, its economy has been devastated by insecurity, extremely high unemployment (35%) and near cessation of its petroleum industry. Neither the Houthis nor the exiled Hadi government has the ability to govern effectively. In December 2017, the relationship between previously aligned Houthis and former

President Ali Abdullah Salih disintegrated and culminated with Salih's assassination by his former allies. It is unclear if the Saudi-backed Hadi faction can capitalize on these events, and Salih's forces have splintered, adding continued chaos.

Terrorist groups like AQAP and ISIS-Yemen continue to maintain a presence in Yemen and are focused on attacks against ROYG, the Saudi coalition, and Houthi targets. Since mid-2014, ISIS-Yemen has leveraged the chaotic security situation to expand its capabilities and conduct intermittent attacks against Saudi coalition and Yemeni security targets in Aden. AQAP still aspires to threaten Western interests with high-profile attacks, although U.S. and Saudi coalition strikes have removed successive levels of leadership and logistics support, critically damaging their network. Our Emirati partners have also played a key role in countering the threat from AQAP and ISIS-Yemen in southern Yemen.

The conflict in Yemen has opened opportunities for Iran, which continues to provide support to the Houthis with the aim of building a proxy to pressure the Saudi-led coalition and expand its sphere of influence. This support enabled the Houthis to launch missiles at Saudi Arabian and Emirati cities and target ships in the Bab al Mandab and Red Sea on multiple occasions in the last year, threatening Americans and our partners and raising the risk of broader regional conflict.

CENTCOM is partnering with the Saudi-led coalition to help maintain a favorable regional balance. Our goal is to ensure that nations in close proximity to Yemen are able to secure their borders and safeguard their populations while negotiations lead to a cessation of hostilities between Houthis and the ROYG. Saudi Arabia has announced that it is working to facilitate the movement of humanitarian assistance, food, and fuel by opening ground and air avenues from Saudi Arabia into Yemen, utilizing additional ports, and partnering with NGOs to provide humanitarian and medical assistance.

The Levant, which includes the countries of, Syria, Israel, Jordan, and Lebanon – and Iraq and Egypt remain an active area for CENTCOM theater security cooperation and partnership due to instability stemming from the Syrian Civil War, the rise of ISIS, and malign Iranian influence.

Though the scourge of ISIS is receding, Levantine countries remain under threat of attack, as seen in Egypt where ISIS-Sinai continues to carry out barbaric attacks against civilians and Egyptian security forces, including the November murder of over 300 citizens in prayer at a mosque in northern Sinai.

U.S. assistance to our partners in the Levant has enabled improved border security in Lebanon and Jordan. The Lebanese Armed Forces (LAF) demonstrated this kinetically in August – expertly routing ISIS fighters on their eastern border during Operation Dawn of the Hills.

In Jordan, the Jordanian Armed Forces (JAF) remain a dedicated partner, providing access, basing, and overflight essential to furthering U.S. interests in the region – we must ensure we do not take them for granted. Though the GOJ and the JAF have successfully handled security concerns and domestic stability challenges, regional turmoil and persistently low economic growth rates have led to rising unemployment and high national debt. Additionally, Jordan currently hosts approximately 660,000 UN-registered Syrian refugees and 63,000 Iraqi refugees, straining government resources, services, and infrastructure. Despite this strain, the GOJ recently facilitated critical humanitarian support to the Rukban IDP camp on the Syrian side of the border. Continued commitment to funding Title 10 programs, in addition to FMF and economic and humanitarian assistance, enables Jordan to mitigate its humanitarian and economic difficulties, while remaining a capable partner in coalition efforts. The JAF is also contributing to stabilization efforts in OIR, including reopening the Turaybil / Karama border crossing with Iraq in August 2017, a key step in normalizing relations and restoring trade between the two countries.

Lebanon is critical to our national security interests and exemplifies our challenges in the Middle East. Wedged between a key friend in the region, Israel, and a corridor of Iranian influence from Tehran through Iraq and Syria, Lebanon has managed to remain relatively stable in a region embroiled in conflict. However, Lebanon faces a stagnant economy, a Syrian refugee crisis, and the growing influence of Hizballah, which holds a de-facto veto on Lebanese policy decisions due to their strategic political alliances, omnipresent threat of violence, strength as a social service provider, and financial support from Iran. Furthermore, the possibility of an Israel-Hizballah conflict is a constant threat to the stability of Lebanon and security of Israel.

Our effort to strengthen the Lebanese security forces, especially the LAF, as the country's only legitimate security provider is a critical aspect of our policy to promote Lebanese sovereignty and security. With successful operations like Dawn of the Hills, the Lebanese people are realizing more and more that the LAF, their country's most trusted and respected institution, is increasingly capable of protecting them from external threats. The United States is the LAF's top security assistance partner, and our consistent, long-term commitment and training efforts, in addition to the more than \$1.7 billion in security assistance provided since 2006, have successfully modernized and strengthened the LAF as a fighting force. U.S. Special Operations military and civilian personnel have forged a strong relationship with the LAF and enhanced their capabilities, making them a capable partner in our regional counter-terrorism campaign. During the most recent military operations against ISIS, U.S. military personnel assisted the LAF in planning and conducting combined arms maneuver, aerial reconnaissance, and integrated fires. Since our security assistance began, Lebanon has maintained an exemplary track-record for adhering to regular and enhanced end-use monitoring protocols. We are confident the LAF has not transferred equipment to Hizballah. Nonetheless, we are concerned about Hizballah's efforts to infiltrate Lebanon's security

institutions and have made clear that any cooperation with Hizballah will risk our continued cooperation and assistance.

On the western edge of the CENTCOM area of responsibility, **Egypt** remains an anchor of U.S. interests in the region given its strategic location, demographic heft, religious and cultural influence, and its enduring peace treaty with Israel. Egypt is an essential partner in countering the flow of foreign fighters, materiel, and financial support to extremists transiting from Libya through Egypt into the Central Region. Egypt supports our overflight requests, ensures Suez Canal transit, and shares our commitment to defeat ISIS. The cornerstone of this relationship is our security assistance partnership. In one example of our intensifying joint efforts, in January 2018, we celebrated the successful signing of the bilateral Communications Interoperability and Security Memorandum of Agreement (CIS MOA), crowning over thirty years of effort to enhance security and counterterrorism cooperation.

ISIS-Sinai continues to conduct daily attacks against the Egyptian Armed Forces (EAF) and security services, causing hundreds of casualties, while other extremist organizations have carried out attacks on the mainland. The United States commitment to continuing to support Egypt in this fight against terrorism, in bringing security for the Egyptian people, is steadfast. Until now, the EAF has contained most of the violence in the northeastern Sinai Peninsula; however, without a comprehensive whole of government strategy to defeat ISIS-Sinai, the threat will persist and grow. The United States is committed to working with Egypt to develop a comprehensive counter-insurgency strategy that addresses the underlying political, economic, and social conditions that give rise to extremist elements, while defeating the threats that plague Egypt and the region.

Through our partnership efforts, we have observed improvement in the security of Egyptian maritime and land borders. The EAF has shown some success stemming the flow of fighters and illicit material into Israel and the Central Region. We will look to strengthen our security cooperation

partnership through continued engagement and with development of their counterterrorism/counterinsurgency strategy and capabilities, including the prioritization of FMF toward appropriate defense
articles and training. In FY16 and FY 17, Congress appropriated up to \$1.3 billion in FMF and \$1.8
million in IMET. As a sign of our continued support of Egypt's efforts, the President requested
Congress continue to provide \$1.3 billion in military assistance for Egypt in FY 2018, despite the
increasingly constrained budget environment. Moreover, the United States and Egypt have elevated
the strategic nature of the assistance relationship through mechanisms such as our Military
Cooperation Committee and Defense Resourcing Conferences. Through these means we help
Egypt plan for its security needs on a long-term basis.

Countering Iranian Expansionism. Countering the Iranian regime's malign influence in the region is a key component of our efforts to defend allies from military aggression, bolster our partners against coercion, and share responsibilities for the common defense. Our relationships with the GCC countries play a key role in this effort.

Iran is generating instability across the region, and the Iranian Threat Network (ITN) continues to increase in strength, enhancing its capacity to threaten U.S. and partner nation interests.

Concurrently, the Iranian regime continues to maintain longstanding criticisms that the United States is a source of instability in the Middle East and cannot be trusted. While the International Atomic Energy Agency reports that it continues to monitor and verify Tehran's implementation of its JCPOA nuclear-related commitments, Iran continues to express frustration with the degree and pace of sanctions relief under the JCPOA and has publicly criticized U.S. statements regarding continued participation in the JCPOA. Iran seeks expanded economic, and in some cases diplomatic, engagement with the International Community to achieve what it views as the full benefits of sanctions relief afforded under the deal. The United States is upholding its JPCOA commitments

and has made clear that Iran's economic troubles stem not from issues related to JCPOA implementation, but from internal economic mismanagement, a weak banking sector, and widespread corruption, among other factors.

Over the past year, Iran has focused its regional efforts primarily on operations in Syria and Iraq to expand its influence in the region and secure supply routes to Hizballah to threaten Israel. Iran has provided increasingly sophisticated maritime and missile attack capabilities to the Houthis in Yemen. Additionally, Iran continues smaller-scale support to other groups such as Bahraini Shia militants, Gaza militants, and the Afghan Taliban. It remains wary of U.S. and coalition intentions throughout the region, and continues to engage Western nations in the "grey zone," rather than through direct conflict.

Iran will continue to pursue policies that threaten U.S. strategic interests and goals throughout the Middle East while seeking to expand diplomatic and economic relations with a wide range of nations. Leaders in the Islamic Revolutionary Guard Corps—Quds Force (IRGC-QF) have taken advantage of surrogates, businesses, and logistics entities to execute direct action, intelligence, influence building, terrorism, and cyber operations against the U.S. and our partner nations. By supporting proxies in the fight against ISIS in Iraq and Syria and against the Saudi coalition in Yemen, Tehran seeks to gain lasting influence and indebted allies in each country. The conflict in Syria has also proven the ITN's expeditionary capacity; fighters from Iraq, Afghanistan, Pakistan, and Lebanon wage war there solely at Iran's behest. After the current conflicts abate, the ITN will undoubtedly turn its attention to other adversaries; future flashpoints could occur wherever there is a U.S. or allied presence.

Iran continues to acquire and develop increasingly lethal weapons to raise the cost of direct military conflict. The expansion of Iran's military capabilities over the last decade enables Tehran to threaten international trade and regional stability throughout the Gulf and beyond. Production of advanced military equipment and threats to the free flow of commerce through the Strait of Hormuz are intended

to challenge the U.S. enduring presence in the region. Iran's military is composed of approximately 700,000 personnel divided into two separate militaries: the Islamic Republic of Iran Armed Forces (Artesh) and the Islamic Revolutionary Guard Corps (IRGC), which both continue to improve. Iran's ground forces are improving their ability to quickly mobilize and deploy in response to internal and external threats. Iran has also advertised the development of quick reaction forces, consisting of armor, artillery, and heliborne assets that can deploy within four hours.

Iran postures its forces and supports proxies to threaten – or be able to threaten - strategic locations like the Bab al Mandeb, Strait of Hormuz, and oil platforms. With little warning, Iran could quickly close the Strait of Hormuz using stockpiles of naval mines and disrupt key maritime chokepoints throughout the region. Iranian surface to air missiles (SAMs) along its littoral pose a significant threat to U.S. Intelligence, Surveillance, Reconnaissance (ISR) assets operating in international airspace. During 2017, Iran's capabilities improved with the deployment of advanced S-300 long-range SAM systems provided by Russia.

Additionally, Tehran continues to increase its strategic power projection capability with its expanding ballistic missile force. Iran has the largest missile force in the Middle East, which can range 1,200 miles and reach key targets in the region. Iran is continuing to increase the range, precision, and lethality of these missile systems. Tehran relies on these systems to deter adversaries and provide a reliable retaliatory capability against neighbors and U.S. forces.

Iran intends to expand its regional influence, counter Saudi Arabia, threaten Israel, and maintain a capability to threaten strategically important maritime transit routes in the Bab al Mandeb, Strait of Hormuz, and the Gulf. On a positive note, over the past year, we have seen an overall reduction in unprofessional Iranian actions toward U.S. and coalition vessels; such interactions decreased by 36% from 2016 to 2017.

To counter Iranian expansionism and destabilizing activities, CENTCOM will deter conventional Iranian aggression, bolster our network of allies and partners, and compete for influence throughout the region. Our forces maintain a high level of readiness at bases across the region and consistently patrol the waterways – this persistent presence deters Iranian conventional military attacks against our allies and protects international sea lanes. By improving our Arab partners' capacity to defend themselves and encouraging them to work together as a coalition, we also create a bulwark against Iranian aggression and proxy warfare.

Our efforts to compete to be the partner of choice for our Gulf and Levant partners further weakens Iranian threat networks and limits Tehran's malign political, economic, and military influence. This is especially crucial in Iraq, where Baghdad must work with Iran as a neighboring state, but limit Tehran's manipulation and infiltration of political parties and government institutions. We must continue to be a reliable partner to the ISF to build their capacity to provide internal security and protect their borders. Ongoing stabilization efforts that strengthen Iraqi social and economic institutions will also impede Iran's ability to negatively influence our Iraqi partner.

On the **Arabian Peninsula**, GCC states are among the United States' best partners in the region and a counter-balance to Iran. The virtually unhindered access, basing, and overflight approvals from our Gulf partners, as well as their contributions of troops and airlift have been critical to the success of Defeat-ISIS operations over the past year. The GCC also represents the most promising baseline effort for promoting collective defense initiatives, including joint counter-terrorism and ballistic missile defense. As they look to the United States for military equipment, training, and assistance, it is essential we seek opportunities to include GCC partners in our combined efforts to defeat regional threats posed by extremism and Iran's burgeoning influence. However, the most significant complicating factor in the unified deterrence to Iranian malign activity is the still-unresolved rift between Saudi Arabia, UAE,

Bahrain, and Egypt with Qatar. While efforts to reduce the impact on military-to-military relationships among the Gulf States have been largely successful, the rift continues to present challenges in the political sphere.

Within the GCC, the **Kingdom of Saudi Arabia** (**KSA**) is undergoing potentially far-reaching changes in social, economic, and security spheres under the banner of Vision 2030 and the National Transformation Plan, which includes wide ranging fiscal and cultural liberalization. This could alter the dynamics of the Saudi economy. King Salman's appointment of his son Mohammed bin Salman as the Crown Prince, the purported anti-corruption campaign, and recent Saudi efforts to influence Lebanon have exacerbated an environment of uncertainty in the kingdom's future.

Saudi Arabia remains embroiled in the conflict in Yemen, which appears to be at an impasse in terms of a political or diplomatic solution with the Houthis. To assist with the military aspects of the conflict, we have increased the number of advisors to the Saudi military over the past year to help improve command and control and formalize targeting processes. These additional training and advisory efforts will help mitigate incidents of avoidable civilian casualties in Yemen.

The **United Arab Emirates**' strategic location, vast natural resources, willingness to engage terrorist organizations, and ambition to be at the forefront of military innovation makes them a valuable partner. The UAE was among the first countries to join the Defeat-ISIS Coalition.

Although its military role tapered off when its resources shifted to Yemen in March 2015, Abu Dhabi remains active in pursuing many of the Coalition's lines of effort, including counter-ISIS messaging, stabilization, countering ISIS financing, and stemming the flow of foreign fighters.

Bahrain hosts CENTCOM's naval component and CMF and has publicly supported the Defeat-ISIS effort, including allowing U.S. forces to conduct counter-ISIS strikes from its territory. In Yemen, Bahrain's air, land, and sea forces participated in Saudi-led coalition

operations against AQAP and the Houthis; these deployments have improved the overall readiness of the Bahrain Defense Force. We continue to make strides in our collaborative efforts to enhance the Bahraini Coast Guard's capacity and expand Bahrain's role in countering piracy and violent extremism in the region's maritime domain.

Internally, Bahrain is dealing with a domestic economy negatively impacted by low oil prices, political discord, and a persistent, low-level threat from Iranian-backed militant groups. We continue to provide appropriate assistance to help it address security threats. Prior restrictions on FMS to Bahrain created tension in the bilateral relationship; recent movement on key FMS cases, however, has provided renewed strength in military and political ties with Bahrain. We continue to reassure our Bahraini counterparts that we remain committed to our partnership, while also encouraging them to respect freedom of expression and pursue dialogue with the nonviolent political opposition.

The Government of **Kuwait** continues to provide a critical environment within the Central Region for access, basing, and overflight in support of U.S. and coalition operations and hosts the forward headquarters of CENTCOM's army component, U.S. Army Central Command. Kuwait is also CENTCOM's primary logistics gateway for movement into and out of the region.

Over the last 20 years **Qatar** has provided the U.S. with invaluable regional access through basing and freedom of movement for U.S. forces at Camp As-Sayliyah and Al Udeid Air Base – home to the Combined Air Operations Center, U.S. Air Forces Central Command, U.S. Special Operations Command Central Forward, and the CENTCOM Forward Headquarters. Qatar hosts approximately 10,000 U.S. service members, and aircraft launched from Al Udeid Air Base support operations throughout the region.

While the rift has had little direct impact on U.S. operations, it has imposed significant restrictions on Qatar's freedom of movement in the region through the closure of land borders and air space.

Additionally, it has impacted Qatar's participation in Gulf state-hosted multilateral exercises and eroded coalition building efforts. It has also proven to be a distraction from Saudi-led operations in Yemen. In a concerning development, the rift has pushed Qatar to become more reliant on Iran and less connected to the GCC.

Despite its small size, Qatar has contributed to coalition operations throughout the region, including against ISIS, and seeks to expand its participation in other regional coalitions. Qatar is currently the second largest FMS customer in the world with \$25 billion dollars in new cases and is on track to surpass \$40 billion dollars in the next five years with additional FMS purchases. Qatar's efforts to expand its military both in size and capacity have resulted in increased bilateral military engagements between CENTCOM and the Qatari Armed Forces. This gives the United States an invaluable opportunity to make a positive impact on the military development of a key partner in a turbulent region.

The **Sultanate of Oman's** relationship with the United States remains strong, and Oman continues to play a constructive role in regional diplomatic issues, including serving as an interlocutor for the U.S. in dealing with Yemen, Iran, and the GCC. However, unless the government successfully makes policy changes to constrain government spending and attract foreign investment, Muscat will likely face an economic crisis in the next few years. Oman's strategic location provides CENTCOM with key logistical, operational, and contingency capabilities; it provides important access in the form of over 5,000 aircraft overflights, 600 aircraft landings, and 80 port calls annually. The Omani military also participates in numerous bilateral exercises and training events on a yearly basis.

Required Programs, Capabilities, and Resources

In order to ensure we can effectively execute the NDS and protect our national interests, we must be properly postured, alongside our interagency partners, with the necessary policies, capabilities, and resources to address the challenges and capitalize on the opportunities mentioned above. To this end, CENTCOM requires specific means in the form of programs, capabilities, and resources. We sincerely appreciate Congress' continued support for fiscal authorities and appropriations required to support ongoing theater operations, as well as the increased responsiveness of the USG in tackling the challenges inherent to the Central Region's complex environment.

Building Partner Capacity (BPC). The Counter-ISIS Train and Equip Fund (CTEF), Afghan Security Forces Fund (ASFF), Combatant Commanders Initiatives Fund (CCIF), Coalition Support Fund (CSF), and Commander's Emergency Response Program (CERP) have been key enablers to the battlefield successes the Coalition achieved in disrupting and dismantling ISIS and the Taliban. Your approval and increase in ASFF funding to support Afghan Aviation modernization allowed the ANDSF to begin closing their gaps in aerial fires and lift capability and reduced their reliance on U.S. and Coalition forces, while also making them more lethal against the Taliban and ISIS-K.

In Syria, CTEF-procured equipment and supplies provided to the Vetted Syrian Opposition (VSO) like the SDF have been instrumental to their success against ISIS. We will continue to use Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) and other humanitarian and civic assistance funding to improve conditions and access for other U.S. federal and international aid organizations' follow-on missions. These authorities must respond in a timely manner to environmental and operational challenges. We continue to prioritize our needs based on our most critical requirements, coalition and interagency capabilities, and the conditions on the ground.

In Iraq, the success of the ISF in dismantling the physical caliphate and the fragmentation of the ISIS hybrid-conventional force over the past year is a validation of our Coalition's BPC effort. As we

reduced major combat operations, the authorities granted to the Office of Security Cooperation – Iraq (OSC-I) were expanded to cover critical sustainment efforts. These authorities allow OSC-I to work with all ISF that are posturing to battle a potential insurgency and secure their border with Syria. OSC-I is currently executing programs to enhance professionalization of the ISF along with prudent implementation and oversight of FMF. In FY18, OSC-I will leverage \$42 million in authorities to transform the ISF into a sustainable, affordable, and effective force through security sector reform and security cooperation efforts.

CENTCOM efforts to implement and focus BPC initiatives yielded increased capabilities to support security cooperation and partner nation goals. The Section 333 authority also authorizes funds to be available for two fiscal years and program sustainment for up to five years, allowing for execution of long-lead time programs without cross-fiscal year constraints and improved program maintenance, training, and sustainment support.

The CENTCOM Exercise and Training Program continues to be one of the most cost effective and efficient tools to conduct security cooperation engagement with partner nations throughout the region. Every exercise, including the planning process, provides an opportunity to demonstrate U.S. resolve in the region, strengthen partnerships, promote cooperation among our partners, conduct key leader engagements, and sustain and improve both joint and combined readiness. The program continued to grow in complexity and relevance with extended participation throughout the CENTCOM region during FY17 and into FY18.

CENTCOM executed 53 bilateral and multilateral exercises during FY17 with 42 partner nations, spanning seven Combatant and Functional Commands. This enhanced U.S. Joint Force capability supports theater-wide contingency operations and sustains U.S. presence and access in the region. Other program impacts include improving partner nation interoperability through

military-to-military engagement, integrating staff planning, executing Joint and Combined operations, developing coalition warfare, and refining complementary partner warfare capabilities given conflicts that are increasingly trans-regional, multi-domain, and multi-functional in nature.

However, continued force reductions in the area of responsibility, as well as the increased operational use of forces remaining in theater, threaten the viability of the CENTCOM Joint Exercise Program. Exercises like EAGER LION – the largest CENTCOM exercise – are routinely affected by reductions in participating forces or threatened with cancellation due to competing requirements for operational forces. Mitigation is limited with current exercise program funding levels that provide restricted air/surface options for movement of out-of-theater (CONUS) based forces to participate in exercises.

Forces and Equipment: The Key to Interoperability. With the greater focus on operations "by, with, and through" our partners to accomplish common objectives, interoperability is increasingly important, and our BPC and FMS programs remain instrumental to this process. The "total package" approach with which we pursue equipment support and long-term sustainment ensures that maintenance support and training are a part of the FMS plan from the outset.

However, due to political considerations, cost, or delivery speed, some of our partners are seeking alternate sources of military equipment from near-peer competitors like Russia and China. When our partners go elsewhere, it reduces our interoperability and challenges our ability to incorporate their contributions into theater efforts.

CENTCOM must also remain prepared for major unforeseen contingencies and crises; prepositioned war reserve materiel is a critical equipment enabler as we posture to address emerging and unforeseen threats. The tyranny of distance between our service depots and the Central Region requires ready, prepositioned capability sets that can rapidly integrate with deploying forces for contingency

response. These capability sets provide the necessary shock absorber and help us preserve decision space for the national leadership at the front-end of emerging contingencies. Congressional support for the services' regeneration and reset of prepositioned war reserve material remains essential to our operational depth and resiliency.

Integrated Air and Missile Defense (IAMD). We are also working to counter the adaptive threats from enemy networks and adversary states in the form of emerging missile and unmanned aircraft technologies. CENTCOM continues to employ IAMD and Counter Unmanned Aerial System (CUAS) resources to provide the best possible defense design to the theater.

Threat missile systems continue to improve in accuracy, giving them the ability to selectively target CENTCOM's critical assets. Current IAMD resources remain vital to helping CENTCOM maintain acceptable levels of risk without creating additional demand on the force. Providing IAMD protection to deployed U.S. forces and our critical infrastructure is crucial to mission success and provides a visible deterrence to regional aggression. Moreover, it signals U.S. commitment to partners and provides flexibility to respond to contingencies.

Partner nations continue to field missile defense systems that are technologically interoperable with U.S.-based defense systems. Several partner nations have also expressed interest in working together with the U.S. to address the growing CUAS problem set. We must work with our partners to integrate the systems into one comprehensive network that enables better interaction, flexibility, and increased levels of protection against all potential adversarial air and missile threats.

Several of the GCC countries have expressed a desire to integrate their missile and CUAS defense systems with U.S. IAMD systems. The U.S. Patriot force in the GCC is an important warfighting capability and a visible symbol of U.S. partnership, resolve, and deterrence and is

linked to bi-lateral defense agreements. Integration of these systems would increase duration and level of protection provided by the defense design against the spectrum of threats in theater.

Critical Munitions. We appreciate continued Congressional support for the procurement and development of precision and specific purpose munitions, which are essential to defeat the threats to our national interests. Multiple factors increase demand on worldwide precision munitions stock levels, to include readiness to address threats from China and Russia, enduring combat operations, investment in our "by, with, through" approach, our directive to minimize collateral damage, and the drawdown in munitions funding prior to OIR. Projected expenditures coupled with partner requests for precision munitions show a system under stress down to the industrial level. Saudi Arabia, in particular, continues to request precision munitions to assist in reducing the threat from Iranian-supported Houthi forces in Yemen in the most precise manner possible.

We have implemented controls for existing and projected requirements to ensure we can meet our current commitments while staying ready to meet future operational needs. We also continue to work across the Department on process improvements to provide a more precise demand signal to the Services and the industrial base and enable multi-year investment in this critical commodity area. Congressional support for base budget, production, and forward positioning of critical preferred precision and specific purpose munitions is vital to the future success of military operations.

Intelligence, Surveillance, Reconnaissance (ISR) Assets. Competition with China and Russia are increasing demands across the theater for ISR assets. In addition to continued ISR requirements to enable our partners in Iraq, Syria, and Afghanistan, counter-Iran operations in Yemen, the Bab al Mandeb, and the Gulf place substantial ISR demands on already severely limited resources. We also anticipate additional requirements to assist Egypt in their counter-ISIS operations in the Sinai

The Processing, Exploitation, and Dissemination (PED) enterprise is also stressed by continuous operations; shortfalls of PED for collected intelligence will continue in the foreseeable future, necessitating an increased focus on automation and development of new PED tools, including tools to exploit publically available information. Funding for organizations such as the National Media Exploitation Center is also critical to our ability to handle the volume of captured enemy material.

In order to partially mitigate these ISR shortfalls, CENTCOM is working closely with the Services, Joint Staff, Combat Support Agencies, Office of the Secretary of Defense, and the interagency to acquire contract ISR solutions, incorporate non-traditional ISR (such as that collected from strike assets), and improve efficiency and asset de-confliction.

Our Coalition partners are also assisting with ISR collection and PED, but this support is limited by national policies regarding deployed force levels and manner of employment as well as resource shortages. Further, partners are generally challenged to address many of CENTCOM's requirements, such as those where multi-discipline, low-observable, or strike-capable assets are required. All of these factors combine to substantially increase operational risk in those areas that will not receive adequate ISR coverage due to decreased capacity.

Information Operations/Strategic Communications. The operational information environment continues to evolve at a rapid pace; our adversaries are not limited by geographic boundaries as they increase global radicalization and recruitment online. Russia and Iran are also waging strategic communications campaigns to cloud perceptions of U.S. success in Syria and Iraq and to call into question our commitment to key partners in the region. Offensive Information Operations (OIO) capabilities developed and refined over the last two years provide CENTCOM and the Department of Defense with the best "high impact/low cost" investment to deter aggression,

counter destabilizing behavior, and decrease the potential for direct action operations requirements.

CENTCOM combines actions and information by employing assets ranging from print, radio,
television, and the internet to conduct robust, synchronized information operations in order to influence,
disrupt, corrupt, or usurp our adversary's decision making. These efforts also directly support both the
Iran and Iraq strategies that specifically call for integrated strategic communications campaigns.

The ISIS problem set has enabled the Department of Defense to closely collaborate with other U.S. government agencies, Coalition partners, and regional allies to coordinate and synchronize messaging strategies. We are building on our combined experiences to create a broad, long-term, whole-of-government approach that amplifies our efforts toward conflict prevention. We also routinely work with Iraq, Jordan, Kuwait, and Saudi Arabia to improve interoperability, share lessons learned, and ultimately develop a collaborative strategy to counter violent extremism – our regional partners will play the largest role in shaping their own futures.

As we work to address the propaganda that terrorist organizations use to recruit new followers, we must also address the serious threat that state-sponsored disinformation poses to U.S. national security. Amidst these trends in the information environment, it is more critical than ever that the U.S. government has a comprehensive, whole-of-government approach to strategic communication that supports and harmonizes with our military efforts. In this vein, the Department of Defense works closely with the Department of State's Global Engagement Center (GEC), and we appreciate that Congress has expanded its mandate to synchronize and coordinate the federal government's efforts to recognize, understand, expose, and counter these harmful propaganda and disinformation efforts. Recognizing that information operations will continue to be a force multiplier, we must ensure organizations like the GEC can compete and win in the information environment.

Cyber Operations/Cybersecurity. All of the traditional threats within the Central Region are exacerbated by several challenges in the cyberspace domain. The global nature of cyberspace means it has no legal boundaries, challenging our legal system and ability to deter threats or respond to contingencies. We have an adaptive enemy who has proven creative in the information environment.

Based on the speed of technological evolution, attackers in the cyberspace domain have an advantage over defenders. Worse, friendly capabilities can be co-opted by adversaries at a scale and ease greater than in other domains. Consequently, small groups can exercise state-like powers, while a state actor can have tremendous impact. Defenders must expend a disproportionate amount of resources to protect multiple avenues of attack on many different networks and resources.

Integrated Operations with Interagency Partners. Whole of government solutions are critical to resolving the complex problems in the Central Region, and we strive to balance our own authorities and resources with our interagency partners' unique capabilities, expertise, and authorities. Our embassy country teams across the region are doing an incredible and critical job providing nuanced information, recommendations, and support for military operations, and senior embassy leadership is integral to facilitating our access to senior foreign leadership. We strive to ensure that our military activities in the AOR reinforce our embassy colleagues' diplomatic engagements in order to mutually advance national security priorities. The Department of State and U.S. Agency for International Development (USAID) have been invaluable partners from the inception of combat operations in Iraq and Syria to efforts focused on consolidating hard fought gains. As Secretary Tillerson mentioned in his recent remarks at Stanford, "The United States has had diplomats on the ground in affected areas working with the UN, our partners in the Global Coalition to Defeat ISIS, and various NGOs. We will continue to devote personnel and resources to

stabilization efforts." In partnership with USAID, CENTCOM has been heavily involved in the conduct of foreign humanitarian assistance and foreign disaster relief operations across the region. Steady-state foreign humanitarian assistance activities are a key security cooperation tool that enhance our BPC efforts and improve Department of Defense visibility, access, and influence while addressing critical humanitarian needs. We request your support of the Administration's annual OHDACA funding request to allow us to continue these important engagement activities.

Counterdrug-funded train and equip programs have become increasingly important in the CENTCOM AOR. We work with our interagency partners in the region to reduce drug trafficking. This is most evident in the Central Asian states, where a large part of CENTCOM's security cooperation activities provide counter-narcotics support. We routinely send additional manpower to embassies in the region to assist them in executing counter-drug programs that include infrastructure improvements, communications equipment, and training in the latest technology such as scanners and ground sensors. Together this builds an effective capability to stem the flow of illicit trafficking in narcotics, weapons, and persons. For example, the Regional Narcotics Interagency Fusion Cell (RNIFC) in Bahrain continues to facilitate the maritime interdiction of heroin and weapons emanating from the Makran Coast of Pakistan, by providing intelligence support to Allied naval partners.

We are also working closely with the Drug Enforcement Administration (DEA) and Department of Justice (DOJ) to provide counter-threat finance, counter-facilitation, and counter-procurement support to U.S. Forces-Afghanistan's reinvigorated counter-threat finance cell. Continued linguist support and law enforcement training for Afghan DEA mentored units is critical to receiving time-sensitive information from the DEA-sponsored judicial wire intercept program. We will also participate in the Department of Treasury-led Terrorist Financing Targeting Cell in Saudi Arabia. This initiative is part of a larger Saudi-

led GCC effort to counter violent extremism in the Arabian Peninsula and throughout the Central Region.

In the past year, we have also seen the effective expansion of our Department of Defense Rewards program, which allows for our IA partners to incentivize sources that deliver information, at great risk, that result in increased force protection or counter-terrorism kinetic strikes.

A key component of our working relationship with the IA is the exchange of personnel; representatives from eight U.S. government departments and agencies reside within the CENTCOM Headquarters, a majority co-located in our Operations Directorate's Interagency Action Group (IAG). We sincerely appreciate the provision of high-quality personnel to support CENTCOM operations. Reciprocally, we have embedded personnel within the headquarters of several USG partners. These embeds provide support to the gaining organizations and facilitate collaboration on mutually supportive IA objectives. Embeds also allow us to maintain visibility and coordinate activities across our "seams" with EUCOM, PACOM, and AFRICOM.

Coalition Partners. A unique characteristic of CENTCOM remains the presence of 49 nations at our headquarters in Tampa. Over the last 15 years, the composition, task, and purpose of the national representation has changed based on security trends, ongoing operations, and our partner engagement strategy. Each nation is represented by a Senior National Representative, and most nations have additional officers that regularly synchronize with their counterparts in the Command staff, creating an integrated, coalition-centric approach to our operations.

Many nations consider counter-VEO operations a focal point for their efforts. We capitalize on this extraordinary access to our partners to facilitate information sharing, interoperability, operational support, and force generation. Our co-location with SOCOM in Tampa also enables us

to capitalize on economies of scale and synergies between our respective commands and coalition partners.

In spite of the longevity of the Coalition, the current environment of fiscal austerity may inhibit our ability to sustain it at an optimal level of performance. Additionally, the lack of national-level intelligence sharing agreements often hinders the timely and comprehensive communication of information. Our classified networks are largely unavailable to our partner nations and inhibit our ability to integrate operations, often requiring costly and labor-intensive solutions to overcome.

However, utilizing a coalition-centric approach necessitates a paradigm shift and a deliberate acceptance of risk in order to foster an environment of reciprocal information sharing. We have an opportunity to sustain momentum in the global campaign against ISIS and other VEOs while continuing to refine the whole-of-coalition approach. Opposition to violent extremism provides unique alignment of national interests and can increase trust, understanding, and cooperation on other critical issues. If we can sustain an enduring coalition, we will be able to deal with persistent conflict in the region and be postured for response when necessary. Our lessons learned can inform departmental and national strategies for attaining increased levels of integration with our partners.

Conclusion

Given the many forces driving change and uncertainty in the region, U.S. commitment to the CENTCOM area of responsibility is more important now than ever. Recent experience has shown that a precipitous withdrawal of support, before conditions for stabilization have been set, can lead to catastrophic results. We have also learned that a modest commitment of resources, applied steadily and consistently over time, and in a predictable fashion, can assist our partners in managing change, adjusting to new threats, and building their own capacity to act. This has the additional benefit of lessening our own requirements in future contingencies and building our reputation as a reliable partner.

Working "by, with, and through" our allies and partners allows us to multiply the effect of relatively modest commitments to ensure this crucial and truly "central" region never again requires a mass deployment of U.S. forces. We will retain the necessary American military presence in the region to protect the homeland from terrorist attack, preserve a favorable regional balance of power, and achieve our strategic objectives and interests found in our national strategies.

CENTCOM remains the only geographic Combatant Command executing active combat operations. In the last year, we have made great strides toward defeating ISIS. This year we will shift our focus to the South Asia Strategy in order to push OFS toward a successful conclusion, while consolidating the gains we have made against ISIS, supporting our political and security objectives in the Gulf and Levant, and countering Iran. We must continue to degrade and destroy VEOs that threaten the safety of our citizens and partners by pursuing ISIS across the Central Region. We will continue to counter expansionist regional powers and inappropriate nuclear ambitions by developing strong allies and building peace through strength.

We remain mindful that **ours is a team effort** and that success in the complex Central Region requires that we work together. This applies not just within the command but with our fellow Combatant Commands, our Component Commands, our established combined/joint task forces, the Central Region's 18 country teams, and the agencies and organizations of the U.S. government which have continued unwavering support over the almost two decades of persistent conflict. Our deliberate and close relationships with the U.S. Department of State, USAID, the U.S. Department of Treasury, the Defense Logistics Agency, the Defense Threat Reduction Agency, the Defense Intelligence Agency, the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, and the Joint Improvised Explosive Devise Defeat Organization have paid enormous dividends in the pursuit of shared national goals and objectives. We look forward to

continuing to work with them and others on behalf of our nation. Further, we continue to benefit from

our allies in the region, who support the CENTCOM headquarters with more than 200 foreign military

officers from 49 nations – all of whom are a part of the success of CENTCOM, and we are grateful for

their partnership.

In all of this, the outstanding men and women who comprise the United States Central Command

are our finest and most precious resource. The world class CENTCOM team – which includes more

than 90,000 Soldiers, Sailors, Airmen, Marines, Coastguardsmen, and Civilians stationed throughout the

CENTCOM area of responsibility – is highly-skilled, motivated, and stands ready to do whatever is

necessary to accomplish the mission. They continue to make great sacrifices and contributions to ensure

the command meets our strategic objectives and protects our nation's interests. We must ensure they

have everything they need to do their jobs as effectively and efficiently as possible. This includes

ensuring a safe environment for all our personnel, regardless of their race, gender, creed, or religion.

We are also keenly aware and grateful for the sacrifices made by our families. They are vital

members of our team, and we could not complete our mission without them. They, too, make important

contributions and tremendous sacrifices each and every day in support of us and on behalf of the

Command and a grateful nation.

CENTCOM: Prepare, Pursue, Prevail!

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