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# Strategic Challenges Facing the Obama Administration

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# Nine Insights -- US National Security Strategy

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- Homeland Security (Secretary Janet Napolitano) is enormously improved since 9-11. Zero US strikes. Huge losses UK, Saudi Arabia, Indonesia, Spain.
- The wars in Iraq and Afghanistan have been bitter (40,199 US killed and wounded).
- The forty-four international terrorist organizations threatening the US are badly damaged, penetrated, losing international stature.
- Continuing proliferation of WMD nation states and technology are the principle threat to the American people and regional stability. (Iran, North Korea, Pakistan, India – possible Venezuela, Saudi Arabia, etc.)
- The war in Iraq has taken a dramatic turn for the better. We will largely withdraw in the coming 36 months. (50,000 troops by the summer of 2010). Violence is down from 1,250 attacks/week in 2003 to 100 attacks/week in 2009. The civil war will be decided 2010-2012.



# Nine Insights -- US National Security Strategy



- The war in Afghanistan will go to high-order violence in 2009-2011. Our NATO allies are essential – and weak. The Afghan Government is both a modern miracle – and astonishingly corrupt and ineffective. The Afghan Army is the “schwerpunkt” of the 25 year campaign.
- The extremely capable and experienced Obama Administration national security team (Secretary Bob Gates, Secretary Hillary Clinton, General Dave Petraeus, General Ray Odierno, General Stan McChrystal, NSC Advisor Jim Jones, Special Envoy Dick Holbrook, Ambassador Karl Eikenberry, Ambassador Ann Patterson) must create a foreign policy that takes into account a failing US economy, disenchantment with the Bush/Rumsfeld misjudgments, and enormous animosity to perceived US arrogance and unilateralism.
- Mexico (our second largest global economic partner) is facing severe economic failure and an internal violent struggle with a 100,000 person narco-criminal force. This struggle is central to both Mexican and US Security.
- US Military forces are grievously over tasked, too small, and under resourced for the former Bush international security strategy. Domestic security institutions (Customs and Border Protection, Public Health Service, US Coast Guard, US Marshall Service, DEA, FBI) are an order-of-magnitude too anemic for the dangerous challenge at hand.



# US Tools to Shape the International Environment



- Diplomacy is under-resourced and poorly organized.
- International Development Assistance lacks money and leadership.
- Arms Control is more effective than air attacks.
- International Law Enforcement Cooperation is a major success. (FBI and DEA)
- Nonproliferation Initiatives lack a modern framework and international leadership.
- Shaping World Opinion is a function of sound policy and collective diplomacy -- not slick PR.
- Covert Action and Collection has improved enormously with new resources and courageous dedication by the US intelligence community. (CIA, NSA, and DIA)
- US Military Intervention must be the tool of last resort. When employed it must be violent, focused on clear objectives, and fully integrated with other elements of national power.



# Protecting US Critical Infrastructure



- Protecting America's critical infrastructure and key assets is a formidable challenge. Our open and technologically complex society presents a huge array of targets.
- The macro numbers are enormous: 87,000 communities; 1,800 federal reservoirs; 2,800 power plants and 104 commercial nuclear power plants; 5,000 airports; 120,000 miles of railroads; 590,000 bridges; 2 million miles of pipeline; 80,000 dams.
- 85% of our critical infrastructure is privately held. Critical Infrastructure Protection (CIP) must be a public-private enterprise. Owner-operators must protect their resources.
- It is impossible to defend everything against every conceivable threat. We must move beyond gates, guards, and guns. We need to design security features into new infrastructure. We need new technology to protect potentially high-casualty targets.
- Federal Government support is vital in the transportation sector. Transportation choke points are a particular concern. We must develop a coordinated mechanism for assessing vulnerabilities and evaluating risk mitigation activities.



# The US Economy in Turmoil - 2009



- The US economy will recover significantly in the coming 24 months despite the ongoing recession caused by:
  - The credit market meltdown. (US spending 106% of what we produce past 20 years)
  - The collapse of the housing bubble.
  - Trade export-import balance deficits.
  - Tax revenue vs. expenditure shortfalls.  
((\$66 trillion unfunded liability plus \$2 trillion stimulus)
  - A grossly weakened US currency. (Federal Gov. debt \$3.8 trillion 1998 to \$5.3 trillion 2008)
  - Oil price fluctuations.
  - Incompetence in US economic regulatory mechanisms.
  - Corruption in senior financial community leadership.
  - Massive loss of jobs (9.4% unemployment) particularly in the industrial base.



# The Powerful US Global Economy



- 2007 global GDP was \$56 trillion +
  - US contributed 25% (\$14 trillion)
  - China only contributed (\$3 trillion+)
- US Defense spending 4.7% of GDP. (Includes war direct expenditures).
- US tops the World Economic Forum global competitiveness report.
- US attracted \$2 trillion + in foreign direct investment in 2007. (UK – Hong Kong – France next top three each @ \$1 trillion)
- US has manufacturing lead in pharmaceuticals and aerospace.
  - 25% of the world's total output.
- Giant US GDP:
  - Brazil GDP = Florida + Illinois GDP
  - Russia GDP = Texas GDP
  - India GDP = ½ of California GDP
- Leading global exporters -- US, China, and Germany all export over \$1 trillion each.



# Iraq – A Growing Success



- General Dave Petraeus as CENTCOM Commander and General Ray Odierno in Iraq have turned around the Iraq Civil War – for now.
- US has expended \$684 billion in war-related funding.
- The morale, fighting effectiveness, and counter-insurgency skills of U.S. combat forces continue to be simply awe-inspiring. (4,335 killed; 31,469 wounded).
- Secretary Gates and Secretary Clinton are beginning to repair foreign and national security policy in the Middle East. Tensions with Syria and Turkey are somewhat reduced. Iran is on the edge.
- Political reconciliation talks with the Sunnis show positive response. Most Shia militia forces maintain an uneasy “cease fire” with US and Iraqi forces. Iranian intervention in the Iraqi civil war is a decreasing factor.
- The Iraqi Army is real, growing, and much more willing to fight. However, they are still not adequately equipped. The Iraqi Police are now the focus of enormous new efforts in training, leadership development, and equipment. (558,000 military and police).
- The Maliki Administration is beginning to function. The nation is much less gripped with fear and distrust. The Shia dominated government is now beginning to respond to US pressure to reach out to the Sunnis and Kurds.
- US Special Operations Forces largely succeeded in defeating the foreign jihadist threat at a tactical level. AQI has fled to the northwest – Mosul and Baquba. The recent Baghdad bombings are an indication of the wave of bloodshed to come.
- U.S. combat forces will reduce their footprint to get down to 6 to 7 combat brigades. We are breaking the US Army.
- Iraq cannot sustain economic recovery (28.2 million people, GDP \$113 billion) without enhanced, long-term U.S. budgetary support.



# Afghanistan in Peril - 2009



- Afghanistan (32.7 million people, GDP \$23 billion) has become a nation with a struggling democratic government; a developing economy; a rapidly growing, disciplined Army; a mostly free press; and active diplomatic and economic ties with its neighbors and the world. US has expended \$223 billion on war-related funding.
- The level of fighting against the Taliban has intensified rapidly. Fortunately – we have significantly increased US combat forces (68,000 troops) in Afghanistan. NATO now has lead for the entire effort (37 nations).
- NATO (32,000 Non-US troops) has the lead role in supporting the Afghan government. However, NATO is seriously under-resourced for the task at hand. The assumption of ISAF command by a US four star General has dramatically increased our command flexibility. GEN Stan McChrystal is the most effective and competent operational leader to emerge from the war.
- Afghanistan is a Narco-state which produced more than 9000 tons of opium in 2007 (93% of the global heroin trade). \$4 Billion in criminal money. 900,000 drug users. Two million people are employed in the opium trade.
- The rapid creation of 144,000 troops for Afghan National Army Forces and Police is an enormous success story. These soldiers are the most disciplined, and effective military force in Afghanistan's history. In general, these troops are very courageous, and aggressive in field operations. The Afghan Army is badly under-resourced. Fortunately – new resources have been requested. Afghan Army will be 134,000 strong. The Afghan Police are a disaster.
- The Obama Administration will triple non-military aid to Pakistan to \$1.5 billion a year for five years. (Since 2002 total \$12.3 billion total aid).



# The Situation in Mexico



- The Mexican State is engaged in an increasingly violent, internal struggle against heavily armed narco-criminal cartels. (12,000 murdered in past 24 months).
- Mexico's courageous and honest senior leadership – President Felipe Calderon, Attorney General Eduardo Medina Mora, and SSP Secretary of Federal Police leader Genaro Luna are successfully confronting criminal drug cartels.
- The United States has provided only modest support to the Government of Mexico to date. (\$400 million).
- President Calderon has boldly used the tool of extradition to the US. (86 major drug criminals sent north.)
- Mexican Attorney General Eduardo Medina Mora has formed a strategy to break up the four major drug cartels into 50 smaller entities and strip away their firepower and huge financial resources.
- President Calderon has committed his government to the “Limpiemos Mexico” campaign to “clean up Mexico”. There is a clear understanding that this is an eight-year campaign—not a short-term surge.
- President Obama has endorsed the promising US-Mexican Merida Initiative. (\$900 million promised).
  - This vital program is under-funded and slow to be implemented.
- Much is at stake for future US economic and national security policy.
  - The drug menace and drug addiction is central to the US criminal and social malignancy that has put more than 2 million Americans behind bars, clogged our courts, and placed enormous burdens on our health system. Drug legalization would intensify the addiction problem and incentivize the drug cartels.
- The Obama Administration has dramatically re-engaged with Mexico. (Sec. Napolitano, Sec. Clinton, Attorney General Holder)



# Looking Toward the Future

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- Relations with Europe will continue to dramatically improve during the President Obama Administration.
- US-Russia relations will grow more hostile – Prime Minister Putin has re-established authoritarian control of the state and its mechanisms.
- Political and economic relations with China will continue to remain strong even as the PRC emerges as a major Pacific naval and air force military power.
- The crisis in Iraq will stabilize and US forces will largely withdraw in the coming 36 months.
- The next five years in Afghanistan will be complex. The political and economic situation may improve with massive new US resources. Our NATO Allies will not step up to the military challenge. The country is in misery.
- North Korea will come apart. We must facilitate a soft landing for this dangerous, starving regional nuclear power. (Five+ possible nuclear weapons and 200 missiles that can range Japan and South Korea). 250,000 North Koreans are starving in concentration camps. One million have been murdered.
- The situation in Pakistan is unstable. (83% unfavorable views of US). Our position in Afghanistan would be untenable without Pakistani support. (80% all NATO logistics by truck thru Pakistan). Democracy is at peril.



# Looking Toward the Future



- Political and economic relations with India are now immeasurably better than pre-9/11.
- Iran (Persian/Shia) will go nuclear and create instability in the Persian Gulf. The Sunni Arab nations will create a nuclear-military coalition.
- US – Japanese economic, military, and political cooperation will grow even more intense.
- Saudi Arabia will continue to modernize, maintain stability, and greatly improve the capabilities of their Armed Forces and internal security.
- Mexico in desperate need of serious US political and economic support to confront violent criminal drug cartels. US must act with great deference to Mexican sovereignty.
- The death of Castro -- meltdown of repression – 250,000 Cuban refugees within 36 months.
- Confrontation with Chavez -- instability and oil. We have no US Latin-America regional strategy.
- Terrorists will strike at America during the Obama Administration's first term.
- The Obama Administration must urgently address the strategic challenges we face: the recession; immigration; social security/Medicare; health care; education; transportation infrastructure; and national security.