



POLICY, NATIONAL SECURITY, AND THE ROAD AHEAD

February 2016

**BARRY R. McCAFFREY
GENERAL, USA (RETIRED)**

BIOGRAPHY OF GENERAL BARRY R. MCCAFFREY, USA (RET.)



Barry McCaffrey served in the United States Army for 32 years and retired as a four-star General. At retirement, he was the most highly decorated serving General, having been awarded three Purple Heart medals (wounded in combat three times), two Distinguished Service Crosses (the nation's second highest award for valor) and two Silver Stars for valor.

For five years after leaving the military, General McCaffrey served as the Director of the White House Office of National Drug Control Policy (ONDCP). Upon leaving government service, he served as the Bradley Distinguished Professor of International Security Studies from 2001-2005; and an Adjunct Professor of International Security Studies from 2006-2010 at the United States Military Academy at West Point, NY. He served as an Associate Professor in the Department of Social Sciences from 1973-1976 teaching American Government and Comparative Politics.

General McCaffrey is a member of the Council on Foreign Relations and an associate of the Inter-American Dialogue. He has served on the Board of Directors of several corporations in the engineering design, technology, healthcare and services sectors. He joined the Board of Directors of Excelitas Technologies Corp. and the Board of Directors of Beacon Health Options. He serves on the International Advisory Board of Fleishman Hillard, and he is proud to serve on South Carolina's SCRA Board of Advisors.

General McCaffrey attended Phillips Academy, Andover, Mass.; and graduated from West Point with a Bachelor of Science degree. He earned a master's degree in American Government from American University and attended the Harvard University National Security Program as well as the Business School Executive Education Program.

In 2015 he was selected for the Doughboy Award -- the highest honor the Chief of Infantry can bestow on any Infantryman -- for outstanding contribution to the United States Army Infantry. In 2007 he was inducted into the US Army Ranger Hall of Fame at the US Army Infantry Center, Ft. Benning, GA. In May 2010, he was honored as a Distinguished Graduate by the West Point Association of Graduates at the United States Military Academy. In 1992 he was awarded the State Department Superior Honor Award for the principal negotiation team for the START II Nuclear Arms Control Treaty. In 2004, Catholic University of America awarded him the James Cardinal Gibbons Medal (Highest Honor), to honor him for distinguished and meritorious service to the United States of America.

General McCaffrey is married to Jill Ann McCaffrey. They have three married adult children and six grandchildren. Their son, Colonel Sean McCaffrey, just retired from the Armed Forces after his third combat tour.

Currently, General McCaffrey is President of his own consulting firm based in Alexandria, Virginia www.mccaffreyassociates.com. He also serves as a national security and terrorism analyst for NBC News.

LONG TERM INTERNATIONAL SECURITY CHALLENGES



- Pivot to the Pacific -- Chinese naval and air power.
- North Korean threat to Japan and South Korea.
- Iranian threat to the Persian Gulf states, Iraq, Syria, and Israel.
- Russian border expansion; Ukraine, Crimea, The Baltic States, Poland.
- Civil war and failed states. (59,205 total US killed and wounded in Iraq and Afghanistan).
- The growing cyber-threat.
- The proliferation of nuclear, biological, and chemical weapons.
- International terrorism. (US cites 59 Foreign Terrorist Organizations – 6 added in 2014).
- International crime and drug cartels.
- Refugees (19.5 million refugees worldwide at the end of 2014).
- Humanitarian crisis (Ebola, Tsunami, Natural Disasters).

ISLAMIC STATE IN IRAQ AND SYRIA



- Started as an al Qaeda splinter group.
 - Primarily a Sunni-Shia civil war to re-draw the map of the Middle East.
- Led by Abu Bakr al-Baghdadi
 - Formed militant group in Salaheddin and Diyala provinces north of Iraqi capital before joining al Qaeda in Iraq.
 - Was detained for 4 years in Camp Bucca -- U.S.-run prison in southern Iraq. (Released in 2009.)
- ISIS brings in more than \$1 million a day in revenue and is the richest terrorist group on the planet.
- Between 30,000 – 50,000 militants fighting for ISIS.
 - Nearly 12,000 are foreigners (500-1500 British, 1000 French, 100 US)
 - 10% women
- More than 17,000 civilians killed in Iraq in 2014.
- 4,450 US Troops currently in Iraq.

VIOLENCE IN PAKISTAN & AFGHANISTAN



- Afghan government (President Ashraf Ghani and CEO Abdullah) in disarray for more than one year after swearing in.
- Afghan security forces in charge. (ANA – 185,300; ANP – 152,600; AAF – 6,600).
- Currently 9,800 US Troops in Afghanistan under experienced leadership of new CG, LTG Mick Nicholson.
- Pakistan has suffered more than 53,000 terrorist related deaths since 2003. (as of August 31, 2014)
- More than 3,300 coalition combat deaths in Afghanistan since 2001.
- 22,788 Afghan security forces killed in combat since 2001.
- For almost a decade, 54% of terrorist activity has occurred in Iraq, Afghanistan, and Pakistan.

RUSSIA



- President Putin essentially running a criminal oligarchy. The rule of law and democracy imperiled.
- Economy size equivalent to Italy.
- Since 2006, Russians have sent nearly \$200 billion out of the country.
- GDP could contract by 4% in 2015.
- The International Institute for Strategic Studies estimates that Russia now only has about 845,000 military personnel -- as well as a potential reserve of 2 million people with recent military service.
- 25% of Russian men die before age 55 -- average life expectancy for Russian men is age 64 (alcohol, heroin, tobacco, diet).
- According to IISS, Russia operating moderate strategic air (1 aircraft carrier; 1,400 combat capable aircraft) and naval forces (5 cruisers; 18 destroyers; 64 submarines - 11 carrying ballistic missiles)
- \$45 billion drop in oil revenues this year. Inflation to peak at 15-17%.
- Russian people world class: physics, mathematics, chess, literature, ballet, and historical valor of military forces.

GLOBAL US MILITARY STRENGTH

(2.3 Million Military Personnel)



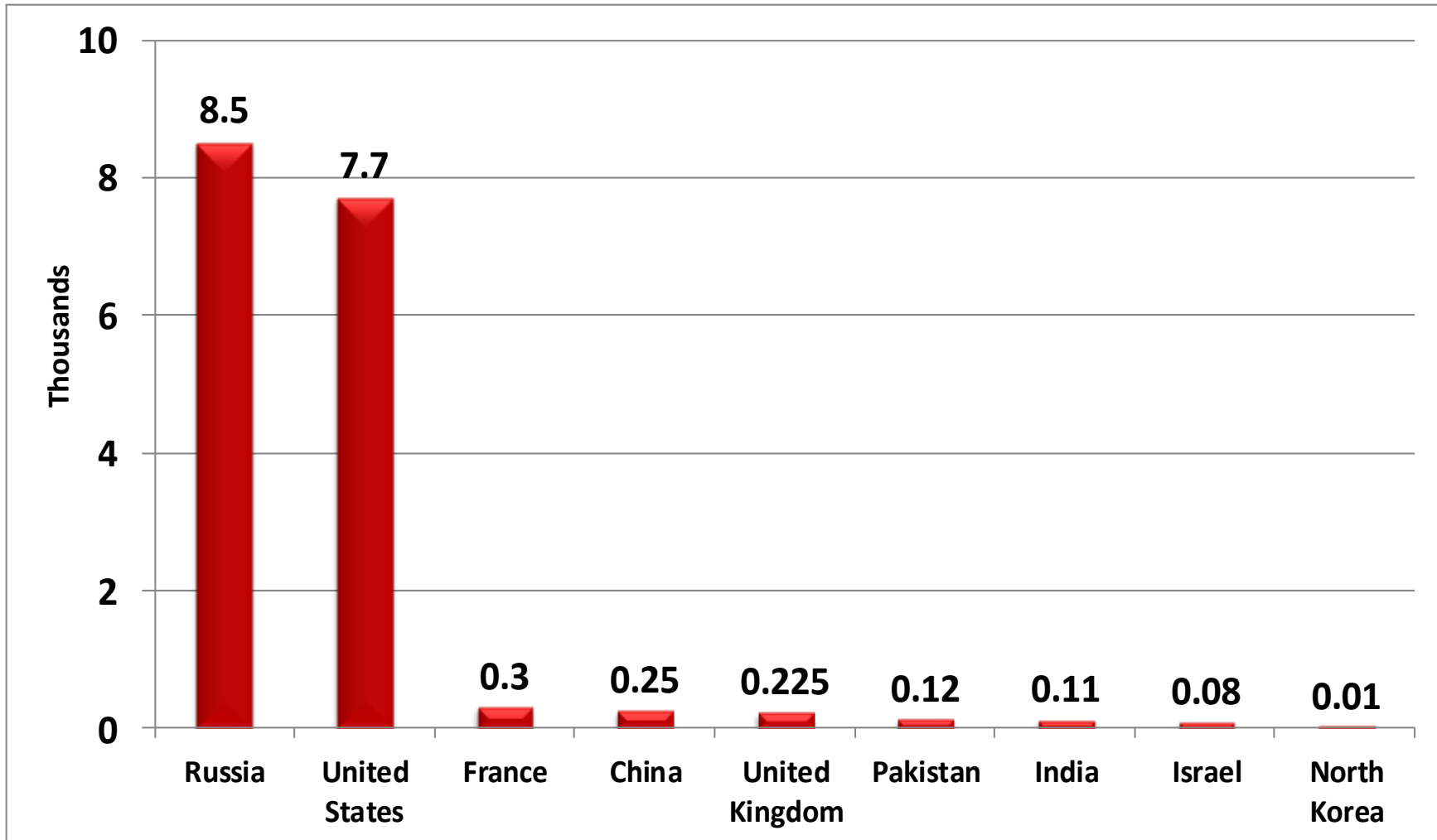
GROUND COMBAT SYSTEMS	TOTAL
Tanks	8,325
Armored Fighting Vehicles	25,782
Self-Propelled Guns	1,934
Towed Artillery Pieces	1,791
Rocket Projectors (MLRS)	1,330
Portable Mortar Systems	7,500
Portable AT Weapons	28,000
Logistical Vehicles	106,407

SEA POWER	TOTAL
Total Combat Ships	290
Aircraft Carriers	10
Frigates	24
Destroyers	62
Submarines	72
Coastal Craft	12
Mine Warfare	14
Amphibious Assault	28

AIR POWER	TOTAL
Air Force Aircraft	5,484
Army Aircraft	5,050
Navy Aircraft	2,710
Marine Aircraft	1,160
Coast Guard Aircraft	231
Air Force ICBMs	450
Air Force Satellites	63
Total Bombers, Fighters, Attack (all branches)	4,040
UAV's	882

CURRENT WORLD NUCLEAR STOCKPILES

(Nuclear non-proliferation treaty signed by 188 nations)



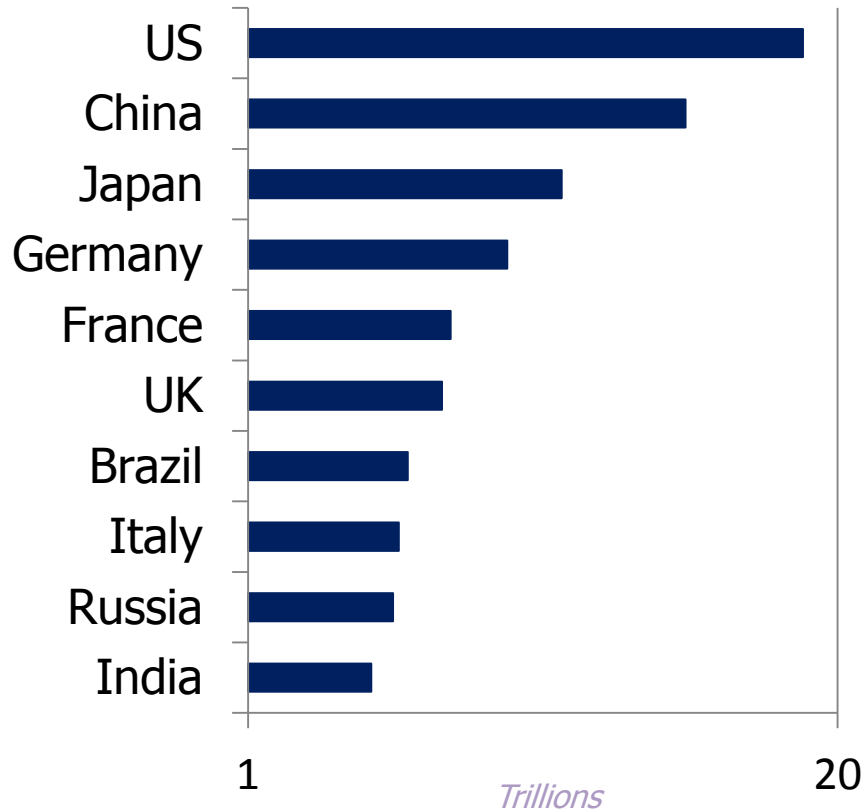
***Source: Bulletin of the Atomic Scientists – September/October 2013*

GLOBAL ECONOMY

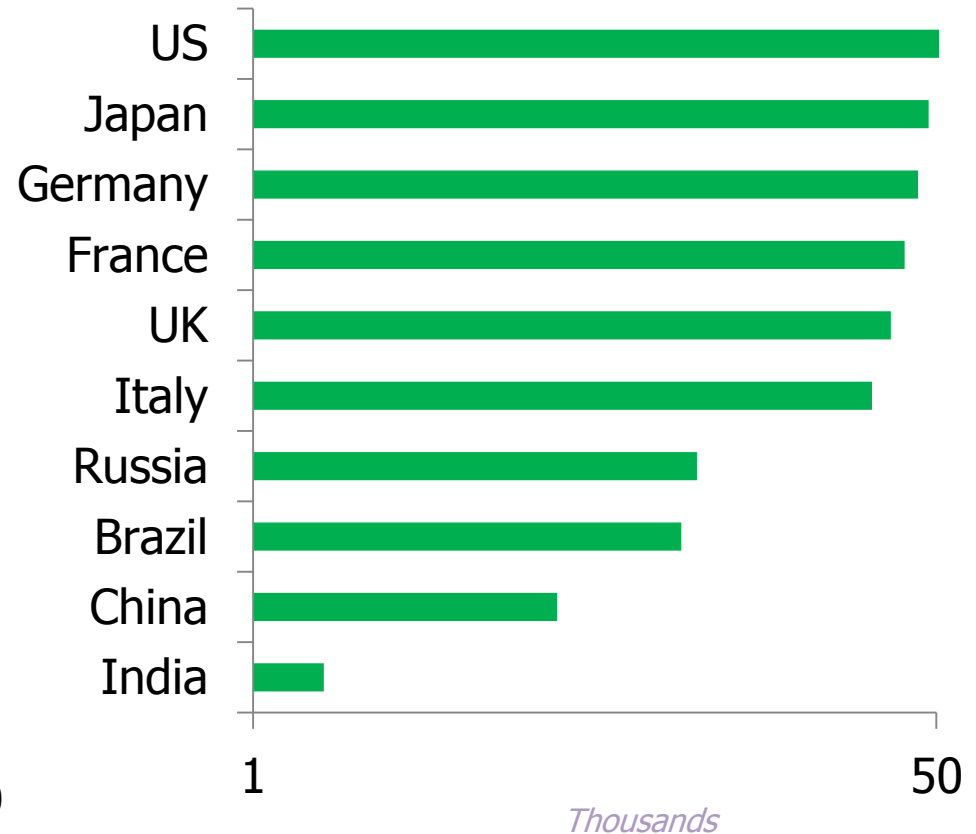
COMPARATIVE GDP DATA



2014 GDP



Per Capita



*****All data retrieved from the World Bank – January 2015***

GLOBAL ENERGY PRODUCTION AND DEMAND



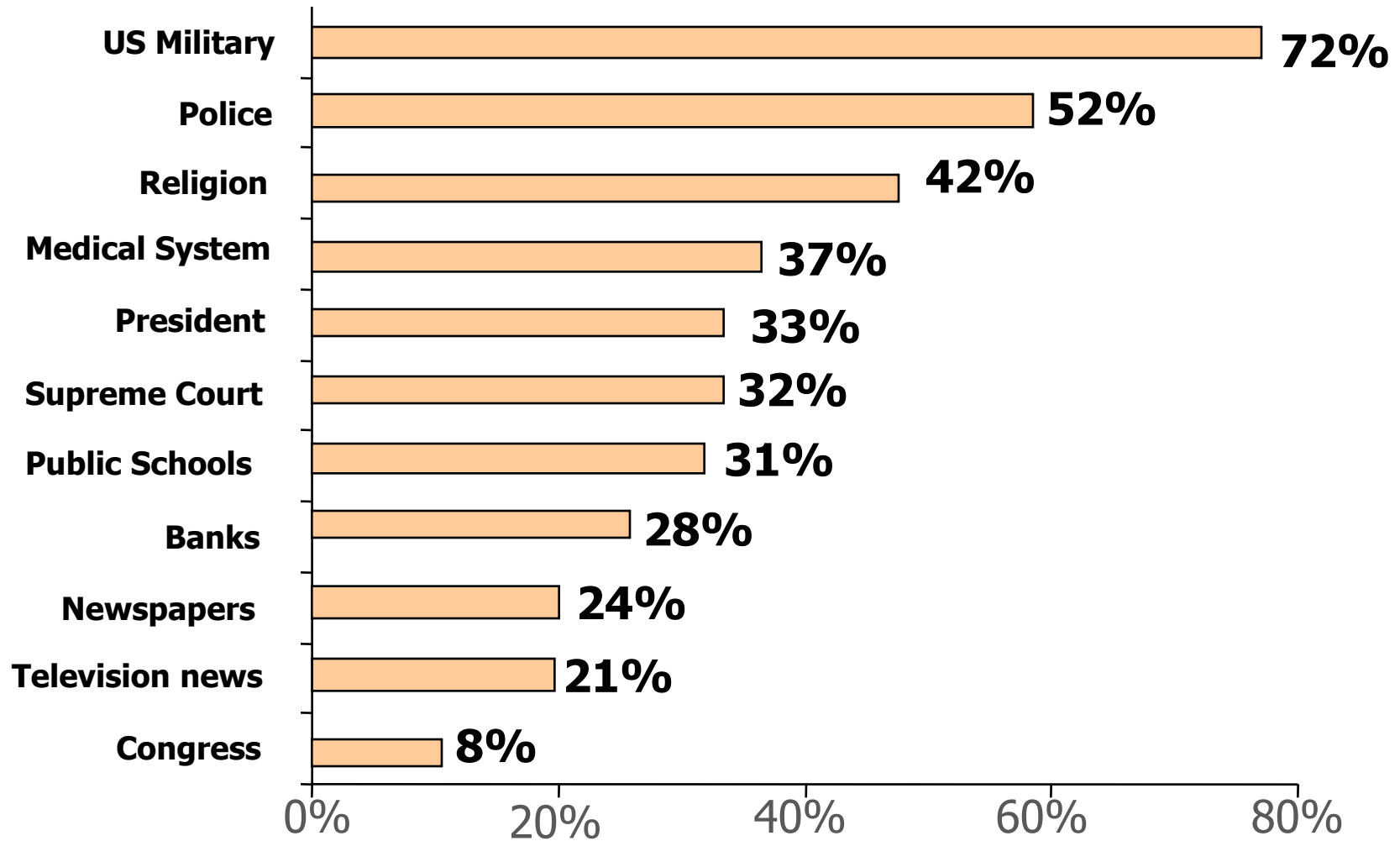
- Unknown impact on global economy of oil at less than \$35 per barrel.
- Production in Nigeria, Venezuela, Mexico, UK, and Indonesia decreasing.
- Iran hoping to put another 500,000 barrels a day on the market.
 - (Iran pumped 2.9 million barrels daily in December 2015.)
- Production in Libya and Iraq threatened by internal warfare.
- Net US import of petroleum and other liquids consumption fell from 60% of total demand in 2005 to 45% in 2011. Will be 34% of total demand in 2019.
- US crude oil production last year grew by more than one million barrels a day. The largest increase in the world. The largest increase in US history.
- US recorded the worlds highest increase in natural gas consumption and production in 2012. (US also had highest drop in coal use.)
- The U.S. could become the world's biggest oil producer by 2020, overtaking OPEC giant Saudi Arabia. International Energy Agency predicting North American oil production to dominate world-wide supply growth over the next five years – due to “hydraulic fracking” and “shale oil recovery” technologies that can access formerly inaccessible reserves.

THE GROWING CYBER THREAT



- U.S. Director of National Intelligence ranks cyber crime as the number 1 national security threat. (Over terrorism, espionage, and weapons of mass destruction.)
- 61,000 cyber-security breaches against the US federal government just in 2014.
- 7% of U.S. organizations lost \$1 million or more due to cyber crime in 2013.
 - 19 % of U.S. entities claimed losses between \$50,000 and \$1 million.
 - Average US bank probe – 1 million times per month.
- Estimated annual cost of cybercrime and economic espionage to the world economy more than \$445 billion – almost 1% of global income (Center for Strategic and International Studies).
- Hacking costs the U.S. more than \$300 billion per year.
- Research firm Gartner projected that the world would spend \$79.9 billion on information security in 2015, with the amount rising to \$101 billion in 2018.
- The single largest threat to the U.S. is China -- 70 % of America's corporate intellectual property theft originates in China.

A US CRISIS OF CONFIDENCE IN INSTITUTIONS



***Source: The Gallup Organization, Poll dated June 2-7, 2015*

NEAR TERM INTERNATIONAL SECURITY CHALLENGES



- **#1 RISK** -- International jihadist threat to populations in Europe and the United States.
(Paris – London – New York City)
- **#2 RISK** -- NATO/ISAF WITHDRAWAL FROM AFGHANISTAN:
 - 13,000 NATO-ISAF forces are 870 miles from the open sea--- and NATO Naval forces.
 - Pakistan safe transit essential to logistics survival of the force.
- **#3 RISK** -- Aggression by a nuclear armed Iran and war in the Gulf.
- **#4 RISK** -- North Korean military/nuclear confrontation with South Korea, Japan, and UN/US Forces.
- **#5 RISK** -- Pakistan implodes – General Raheel Sharif and the Pak Army/ISI lose control – security of 90-110 nuclear weapons at risk.
- **#6 RISK** -- Chinese naval and air power confrontation with US and Asian allies.
- **#7 RISK** -- ISIS
- **#8 RISK** -- Putin– Russia—Ukraine
- **#9 RISK** -- The popular Fidel Castro dies in Cuba - violent regime change takes place.
Implications for Venezuela.