



Beacon Global Strategies' Key Issues to Watch in 2016

As we begin the new year, Beacon Global Strategies has worked closely with our counselors, advisors, and board members to consider the macro trends and factors impacting the national security landscape in 2016 and beyond. BGS will closely watch the following issues in the coming year and we welcome your thoughts on these and other topics we should track.

- As the military response to ISIL intensifies, key U.S. partners and allies in the Middle East and Europe will increase their investments in counterterrorism, intelligence, and security.
- Despite appearing to be in a cooperative mode with the U.S. and other major powers, Iran will continue to act in its own self interest and demonstrate its determination to attain greater regional influence, as we've seen from recent ballistic missile tests; Iranian actions will trigger intense congressional and administration scrutiny of Iranian compliance.
- As the Joint Comprehensive Plan of Action Implementation Day approaches, European and Asian firms have shown tremendous interest in doing business in Iran, but the business environment will continue to be complex and relatively opaque. Investment in Iran will be fraught with legal, policy, and PR risk.
- Partial satisfaction of Minsk may lead to partial relief of sanctions against Russia, but Putin's aggression in both Ukraine and Syria will continue to trigger sanctions review and require reassurance of allies in the region with new capabilities and our own force posture.
- Owing to differences over how to address the ongoing refugee crisis, combat radicalization and terrorism at home, and strengthen Europe's weaker economies, the European Union will

remain at risk for fragmentation and policy paralysis.

- The increasing threat of terrorism post-Paris and post-San Bernadino will cause the pendulum to swing back toward an emphasis on the enhanced collection of intelligence, as post-Snowden privacy concerns are eclipsed by an increased focus on security.
- Meanwhile, social media companies will continue to grapple with managing terrorist and extremist content on their sites and the ongoing debates on encryption and data localization.
- Large new capital flows from China and elsewhere into the U.S. technology sector will trigger national security reviews by U.S. regulators and heightened scrutiny of these investments by Congress and the Administration.
- The Internet of Things will expand the “attack surface” for the next wave of cyber threats. Spending on cyber security will continue to increase; however, consumers of cyber security including the US companies and the U.S. government still struggle to translate cyber spending to actual cyber security.
- The Department of Defense will continue its outreach to Silicon Valley in an effort to infuse innovation into the procurement system; however, low margins and bureaucratic hurdles will continue to frustrate non-traditional players while more established firms seek recognition for the innovative technologies they develop.
- In the space domain, the Administration will continue to prioritize assured access to space, competition in space launch, and security in space.
- The growing demand for drones, both for military and civilian use, will continue to drive ethical and privacy debates that will require policy solutions. Global demand for unmanned aircraft will grow, testing the Administration’s nascent policy on export of this technology. awards will create winners and losers and recast the competitive landscape in the defense health market for the next several years.

The drumbeat of support for transforming the DoD and veterans’ healthcare system may reach fever pitch this year, with an increasing number of proposals from the Congress, think tank community, and veterans’ groups.

BGS is available to advise on these matters as well as other national security and geopolitical issues.