

UNCLASSIFIED

# Lockdown

Challenge to Nation State Power and Influence	Gap in Global Standard of Living	U.S. Economic Competitiveness	Perception of Serious Threat to U.S. Security and/or Quality of Life
Low	Increasing	Weak	High



## Summary

*This is a multi-threat world marked by persistent terrorism, nuclear proliferation, and the most challenging economics the U.S. – and the world – have faced in more than 50 years. The U.S. has been the primary target of WMD attacks launched by a new, radical Islamic terror network. The assaults have exposed critical vulnerabilities in supply chain and transportation systems. In response, the U.S. has turned heavily defensive, protectionist, and isolationist. This has had a profoundly negative impact on nearly every aspect of economic life in the U.S., with harsh and bewildering effects across much of the global economy. While Europe, too, has experienced terrorist violence (including a dirty bomb attack in its most important port), the frequency and human cost have been considerably less. Less isolated from the world, Europe is meeting its economic challenges relatively well. Meanwhile, nuclear proliferation continues unabated. An uneasy balance of terror hangs over the Middle East. Many developing countries are collapsing, without export markets and now foreign aid. The heady era of globalization and multilateral interdependence is over. China is the principal victim of the U.S. lockdown, and its economic and political desperation is now taking an ominous turn.*

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.

UNCLASSIFIED

## Lockdown

### *The End of the World as We Knew It*<sup>1</sup>

(One Perspective on the U.S. in 2030)

Today is Thursday, September 11, 2030. It is now 29 years since the attacks on the World Trade Center and the Pentagon and 11 years since the even more traumatic dirty bomb explosions in Chicago and Philadelphia and the fizzled detonation of a nuclear device in Los Angeles. We find ourselves in an awkward hiatus during what has become known as the “era of terror.” On one level, we seem to have achieved a degree of domestic security. But across the nation legitimate questions have been raised about the cost of achieving this security – the economic costs, the cost to our lifestyle and culture, and the cost to the future U.S. position in the world. The question today in 2030 is, “Where do we as a nation go from here?” Do we stay hunkered down? Do we creep cautiously out of our bunker to re-engage the world? Or, do we take more vigorous steps to assert our essential vision, our values and wishes for our nation and for the world?

The objective of this essay is modest: It is to create some perspective on the hard choices facing this nation by tracing back and highlighting the milestone events of the last 30 years that brought us to where we are today. I will leave it to the policy makers and the politicians to sort out the choices.

---

## Hope at the Start of the New Century

---

It is difficult now to remember the promise with which the new century began for the United States. The Internet and technology boom were still fueling a strong economy; the bubble had yet to burst. And in fact the Y2K non-event seemed to prove that our technological prowess was a lot more robust than we had given ourselves credit for. The economy was expanding at more than 5 percent a year. Interest rates were low and inflation was 2 percent. Unemployment was 4 percent, and the percentage of families in this country at the poverty rate was the lowest it had been since the early 1970s. Meanwhile, globalization was marching forward; global trade grew by 12 percent in 2000. The world economy had expanded by more than 4 percent, the best performance in more than a dozen years. Best of all, we were not at war; that is, there were no major U.S. combat operations going on overseas.

When President George W. Bush was inaugurated in January 2001, warning signs were already appearing on the economic front, as high-flying equity and soaring Internet-driven markets had already begun to fall back down to earth. But for most Americans, there was no ominous aura preceding the 9-11 “seizure”; it came like a shot out of the clear blue skies that shone over the Northeast that September morning.

---

<sup>1</sup> Excerpts from “It’s the End of the World as We Knew It,” by Susan Liu Thomason. Copyright 2030. *The Atlantic Monthly* [VirtuPrint], July 27, 2030.

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

**Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.**



UNCLASSIFIED

## Lockdown

Think back now. Global terror was a fairly remote concern to most Americans. The 1993 World Trade Center attack was all but forgotten. Only security specialists and foreign policy wonks knew about al Qaeda, Osama bin Laden, and the terror agendas of other Islamic extremist groups. Terror attacks against U.S. interests in Saudi Arabia (1995 and 1996) and Africa (1998) were items of passing concern to most Americans, and certainly not nightmare images of what was to come. A January 2001 report<sup>2</sup> raised the frightening possibility of a major attack in the U.S., but few inside or outside of Washington paid much attention.

The events of 9/11 were predictably traumatic for the American people, especially when followed by the anthrax incidents and seemingly unending rumors of additional attacks on the nation. They set in motion a range of security and defense actions that would run into hundreds of billions of dollars and consume countless hours of government time and attention. Chief among these actions were the military interventions in Afghanistan (2002) and then in Iraq (2003). Large private companies, especially those in potentially vulnerable sectors such as chemicals, information/technology, and financial services, made huge investments as well to fortify their vital infrastructures.

## Status quo ante 9/11

Psychologically, the Afghanistan and Iraq campaigns made the war on terror a rather distant and remote “away game” again. Without terror events at home to disrupt our lives or worry us about personal safety and security, Americans pretty much resumed their normal lives. By 2005, commercial air traffic had returned to pre-9/11 levels, signaling that the country felt sufficiently secure to fly again. Meanwhile, the U.S. economy after the 2001-2002 slump was growing fairly well. Sustained low interest rates created a massive real estate and consumer spending bubble that would hurt later, but kept the economy rolling on for an unexpectedly long period of time.

While the U.S. had managed to get life back to normal, al Qaeda struck civilian targets overseas in Bali, Madrid, London, and then Jordan. The 24-hour news cycle permitted each of these stories to be headline material for about one week before yielding to another big event, typically unrelated to terror, but occasionally huge: the devastating tsunami of 2004 and then our own Hurricane Katrina tragedy of 2005, for example.

During the fifth anniversary of 9/11 in 2006, the homeland security hawks made their prime-time news pitches, but nothing stuck, despite recent terror alerts in Europe and elsewhere. Iraq was growing more unstable and U.S. casualties were mounting. Increasingly, there was greater Congressional scrutiny on homeland security expenditures – at federal, state, and local levels – and a lot of fighting among the different levels of government over who should pay for what. Everyone cried poverty – and everyone was right. Few infrastructure protection initiatives emerged from anywhere, although over 2008-11 new port security technologies and processes were introduced with great fanfare, to bolster security of major supply chains and the nation’s

<sup>2</sup> In the last of three reports, the U.S. Commission on National Security for the 21<sup>st</sup> Century warned of a likely terrorist threat on U.S. soil, which the government was not prepared to manage.

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

**Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.**



UNCLASSIFIED

## Lockdown

major marine terminals. At the same time, the federal government, already invested heavily in the Iraq and Afghanistan campaigns, pressed state and local authorities to do more with their own resources.

In 2012, Congress drastically cut funding for Iraq. This was justified by an official Iraqi request for the U.S. and its allies to accelerate withdrawal, ostensibly on the grounds that the country was on the way to stability and the U.S. presence only complicated things. Actually, while violence had diminished substantially, governance was very shaky, and the nation began to fracture along ethnic and religious lines, leaving a very weak central government only nominally in control and the Shia majority reaching out defiantly to Iran. Around the same time, the U.S. and NATO withdrew all but a handful of advisors from Afghanistan. NATO declared victory but in reality only Kabul and the larger metropolitan areas were secure and stable. Much of the rest of the country was under the control of the Taliban or local warlords.

The other big Middle East story was the long-awaited but ultimately unsuccessful establishment of a Palestinian homeland. The key players signed an inchoate agreement in 2014. It contained a nerve-wracking 18-month phase-in of key provisions, the most important of which was a deal on Jerusalem's jurisdiction. One would have thought this issue would have been resolved before the Palestinian homeland was announced, but peacemakers on both sides were desperate to show a way forward to stability, if not outright peace. Also, to ensure Israel's acceptance of the agreement, Iran dropped its pledge to destroy Israel, implicitly acknowledging its right to exist.

To cement the agreement, Israel and the Palestinians agreed to a NATO- and UN-organized peacekeeping force. The Transitional Israeli-Palestinian Security Force (TIPS-FOR) comprised troops from the UK, France, Italy, Russia, Jordan, Egypt, Argentina and the U.S. The U.S. assumed a markedly low profile in direct support. It supplied a very small number of troops to the peacekeeping operation, although it maintained a significant background role in logistics and intelligence. The U.S.'s public line was that it made diplomatic sense for America not to have a dominant role, given its historical support for Israel. The more truthful explanation was that the new U.S. administration had no support at home for another foreign operation, especially one so fraught with risk as this.<sup>3</sup>

In the end, the international peacekeepers were unsuccessful. The beginning of the end was the 2015 bombing of the Al-Aqsa mosque in the Old City of Jerusalem by the fringe Zionist extremist group G'dud Haivri – The Jewish Legion. (Ironically, this occurred in a zone patrolled by, among others, U.S. members of TIPS-FOR, an unfortunate fact not lost on Arab conspiracy theorists.) A steady deterioration of security and, worse, confidence in the peace process ensued, with Israelis and Palestinians exchanging attacks. Within six months, the peace process had completely broken down and the peacekeepers had been withdrawn.

<sup>3</sup> The TIPS-FOR peacekeeping force was composed of 8,000 troops, only 200 of which were U.S. TIPS-FOR had temporary stations in the West Bank and Gaza, clustered around border-crossing areas and acting as a security buffer between Israel and the Palestinians. TIPS-FOR also patrolled key routes, airports and the coastline (although Israel retained the right to heavily guard and monitor the airspace, sea- and space-ports, and communications networks if faced with imminent danger).

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

**Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.**



UNCLASSIFIED

## Lockdown

In the end, TIPS-FOR looked much like all the other unsuccessful peacekeeping efforts over the previous two decades – not enough people, an unclear mandate, and lack of control over extremist elements on both sides. When the TIPS-FOR troops departed, the region found itself left with a mortally wounded plan for Palestinian statehood.<sup>4</sup> And the U.S. found itself criticized by adversaries and allies alike for failing to save the Palestinian state in its moment of crisis – yet all the while continuing to support and bankroll Israel’s security infrastructure. The outrage this fueled in much of the Muslim world cannot be overestimated.

The end of the Palestinian state was by no means the only dark cloud over the region. The nations of the world, traditionally concerned about nuclear proliferation, had effectively given up the struggle. Iran, we now know, had developed a nuclear strike capability by 2017. This was never officially acknowledged by Iran, but intelligence agencies had pretty much confirmed this fact. Most observers believe that the key reason (besides U.S. and European diplomatic intervention) why Israel at this time did not attack Iran preemptively at that time was because of the moderate nature of the regional governments in power – a secular-oriented group in Iran, as well as a relatively non-hostile Palestinian leadership under Hamas. Unfortunately, this hopeful state of affairs did not last. After the Palestine state fell apart, a hard-line fundamentalist government rose to power in Iran. Once again the harsh anti-Israel rhetoric returned. But against widespread expectations, the new regime did not call for Israel’s destruction. No one believes this cold war is healthy or productive, but a decade later this balance of terror has at least kept the hostile parties from blowing each other up.

Meanwhile, the U.S. did little or nothing to discourage or prevent other rising powers such as Brazil from joining the ranks of nuclear powers, which has become, tragically, the symbol of having arrived among the world’s most powerful and influential nations. In my opinion, only extraordinary luck, rather than providence, has kept nuclear nations from blowing one another to perdition. But the odds of this “dumb luck” continuing are not in our favor, with each new member of Club Nuke.

We must also remember the 2016 Mall of America terror bombing, an event that many editorialists pointed to as evidence that the U.S. was not nearly so secure as it believed it was, and that, in fact, the nation had grown dangerously complacent in terms of homeland security. This was the first terror attack on U.S. soil since 9/11 (although the bombing of the Mexican resort of Cancun in April 2013 was arguably an anti-U.S. attack, as two-thirds of the 51 victims were American citizens). The Mall of America incident, while it involved “only” 126 deaths, had an understandably more powerful impact. It happened *inside* the U.S., in “Middle America,” and in a crowded shopping area filled with innocent civilians. It could have happened anywhere. News that the perpetrators were *not* formally connected to a wider conspiracy network was at the same time reassuring and more frightening. The three young Syrian-American men had only recently become radicalized by extremist Islamic teaching, after an extended period of drug and alcohol abuse, dead-end jobs, and the aimlessness common among the youth of the underclass. To most Americans, this looked a lot more like Timothy McVeigh than Osama bin Laden.

<sup>4</sup> Israeli security forces reoccupied the Palestinian territories when TIPS-FOR departed. This had predictable consequences – more violence, repression, and permanent tension. Today, the West Bank and Gaza remain heavily fortified by Israel.

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

## Lockdown

Still, the Mall of America incident was costly. For the next two months, people tended to stay away from shopping malls and large public gatherings in general, despite the presence of private security guards and, for a while, national guard patrols. Retailers, among others, took a big hit, and their Internet-ordering capabilities were overwhelmed by the surge in on-line ordering. The financial markets had a hard time shaking this off, even as the country returned to some semblance of normalcy a few months later.

## A Broader Malaise

A strong, cohesive nation rises to the occasion when crisis strikes. The years 2016-18 were marked by neither cohesion nor strength. We were finding the world a dangerous and troubling place that we could no longer lead by ourselves, a world where Cold War-era alliances were on their last breaths. Budget realities and fears of unmanageable foreign entanglements accelerated the process of shutting down bases, including facilities in an increasingly independent and unification-bound South Korea. Political and financial realities pushed the country to reduce troop strength around the world, and radically reduce U.S. foreign aid, bilateral and multilateral alike.

Commentators remarked that the U.S. was showing signs of fatigue – certainly diplomatic, but in other aspects as well. It certainly seemed we were being out-hustled in the global economy by China, India, and a handful of other emerging markets with ambition and drive. The economy was stable and we continued to retain competitive advantage across select sectors and industries (agriculture, biotechnology, pharmaceuticals, financial services, etc.), but the future picture was not reassuring. Our automotive industry showed no sign of regaining lost market share. Most hot new consumer products were being developed as well as produced overseas. Fears were growing that the U.S. had ceded not only low-wage jobs to Asia but possibly future high-paying jobs in advanced electronics, software, business services, and pharmaceuticals as well. To more long-term analysts, Korea's re-unification plans, announced in 2018, only compounded these fears, although most recognized that a reunited Korea would not realize its economic potential for at least another 20 years.

The moment of fiscal reckoning had begun in earnest, as our foreign debt holders were rebalancing foreign exchanges reserves in favor of euros over dollars. By 2018, a national debate was in full force over how the nation could possibly afford to honor existing commitments to Social Security, Medicare, and other entitlements, given the need for better childcare and schools, more affordable health care, and a more competitive economic infrastructure. These debates were ugly and rancorous. And they might be still going on today had our world not been turned upside down in 2019.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

## Lockdown

### March 14, 2019: A Profound Madness

Up until 2019, September 11, 2001 was still considered the watershed date in the modern era of terrorism. That all changed, of course, with the events of March 14, 2019, when nearly all our worst fears about terrorism in the U.S. came to pass: in a series of masterfully planned and executed explosions, by far the worst of which was the “fizzled” detonation of a nuclear weapon in the Port of Long Beach, 7,053 people perished. As it was, this level of human loss was unthinkable. And yet it could have been far worse. As we soon learned, the fizzled detonation could have been a full-blown nuclear explosion under different circumstances.<sup>5</sup> The fatalities could have run to the tens of thousands, authorities now believe.

Within hours of the Long Beach attack, two shipping containers, one in Chicago and the other in Philadelphia, were remotely detonated by terrorist conspirators connected with the Long Beach assault. These were radioactive (dirty bomb) explosions, resulting in comparatively small numbers of deaths (47) but intensifying almost beyond belief the disorder, fear, and uncertainty that swept the nation over the next several weeks. In the immediate aftermath, it was almost impossible to shake the notion that the U.S. was under nuclear attack. Our national confidence – our ability to protect our borders, preserve our domestic freedoms and way of life, and trade and interact productively with the rest of the world – was shaken to the core.

The March 14 postmortems exposed our vulnerabilities. All of the devices originated outside the country. This was part of the terrorists’ point: to radically and violently damage (if not fully sever) our economic lifelines with the rest of the world, while killing many people and scaring the hell out of the nation. Our adversaries exploited a ruthlessly efficient and seemingly impenetrable supply chain created over nearly a dozen years with state-of-the-art sensing, tracking, and surveillance technology. In effect, they managed to use cheaper, much lower-tech versions of many of these same technologies we relied upon – against us. They exploited shipping and inter-modal transportation systems reliant on experience, reliability, and trust. They penetrated known, established private logistics networks, two owned by leading “big box” retailers. Identifying seams where human factors could be exploited, they paid off truck drivers and minimum-wage security guards at critical and vulnerable junctures. They observed, made detailed plans, demonstrated extraordinary patience, and executed, if not flawlessly, with devastating effect: thousands of lives lost; billions of dollars in destroyed, degraded, or contaminated infrastructure; and incalculable damage to the nation’s psyche.

The architecture of the terror conspiracy was global.<sup>6</sup> We were suddenly introduced to “the new al Qaeda,” an entity going by the name of “The New Dawn.” Like al Qaeda, The New Dawn was

<sup>5</sup> A fizzle is a low-order nuclear reaction, compromised by a potential range of factors, including physical stress or inappropriate triggering.

<sup>6</sup> The estimated 75 conspirators were nationals of more than a dozen countries: Saudi Arabia, Iran, South Africa, Egypt, Pakistan, Afghanistan, Syria, Yemen, Turkey, Morocco, Indonesia, the Philippines, Brazil, Russia, Ukraine, and the U.S. They were based primarily in Pakistan, Egypt, Germany, Holland, and in North America. At least two dozen entered the U.S. illegally through Canada, where they held legitimate visas. Several used genuine merchant marine credentials to move in and out of ports without being tracked. The americium-241 was sourced in the former Soviet Union, with ties to Latin

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

## Lockdown

more a stateless network than a discrete organization. The leader was charismatic and virtual, the true land-based identity still unknown. It had core affiliates (three of which carried out the 3/14 attacks) and many more independent affiliates all over the world (although concentrated in a selection of nations with high Muslim populations). A salient characteristic of The New Dawn was intentionally toned-down Islamist rhetoric. This was a tactic to remove barriers to alliances with a broad range of potential partners: professional smugglers, underworld financiers, free-lance saboteurs, and anti-West revolutionary types. Most importantly, The New Dawn concentrated its wrath on the U.S., which it viewed as “the vanguard of injustice, oppression, and economic slavery in the modern world.” And it showed a chilling willingness to inflict massive human losses to achieve its goals, a fact that would make it a pariah among moderate-leaning Arab governments, but unfortunately not among the many marginalized and impressionable Arab youth.

For about a month the U.S. was consumed by paralyzing fear that nuclear bombs or radioactive devices in containers already in transit could be detonated anywhere. People stayed close to home and, as much as possible, away from major transportation centers where an explosive device could be hidden. They tuned in to endless cable programs on “Living with Dirty Bomb Risks” and the like. Blog sites traded rumors and radiation remedies. Over the first three months, many parents found excuses to work at home, to be closer to their families and, ideally, far away from another possible detonation. Churches were once again filled, and many stayed that way.

Cargo transportation was paralyzed. Tens of billions of dollars in commerce were lost as ships were prevented from unloading containers at the nation’s port terminals. There was widespread panic hoarding, as consumers correctly anticipated shortages of goods. Retailers were devastated; the government provided emergency loans to keep some from shutting down entirely. The U.S. stock market suffered an overnight 35 percent drop in value; the Securities and Exchange Commission activated “circuit breakers” to limit trading volatility. Lastly, special emergency sessions of Congress were convened to push through emergency homeland security measures in the face of a national crisis.

It is hard to appreciate the magnitude of the challenge for the homeland security response. It was almost impossible to reassure a panicky public of an imminent return to normalcy. Few expected that to happen at all. Moreover, the sheer scale and complexity of shipping and logistics systems created impossible challenges for remediation of the newly identified risks. The whole system had to be redesigned and then restructured, to cover cargo formerly belonging in the low-risk “trusted” category as well as that in the high-risk (unknown or “non-trusted”) category. For this reason, it was infeasible to keep commerce flowing at anything resembling pre-crisis rates. For several weeks, shipping containers were individually inspected before they were permitted entry into the country, strangling trade.

---

American drug cartels, and a secret cluster of sympathetic Southeast Asian financiers. The containers belonged to two of the most prominent U.S. retail chains. One was shipped out of Hong Kong, the other out of Sao Paulo. Electronics, sensors, and communication equipment used to weaponize the containers were made in China and Southeast Asia, under U.S. and European brand names, and sold to the conspirators over the Internet.

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

**Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.**



UNCLASSIFIED

## Lockdown

If misery loves company, we got a small measure of solace four months into our own crisis. In the Port of Rotterdam, a container exploded when customs inspectors attempted to search its contents. The explosion killed seven people and contaminated another three dozen or so within its reach. The explosion also prompted fears over another wave of attacks. And in 2020, Chinese authorities reported that they had safely intercepted a similar explosive device from a container ship transiting between Hong Kong and Shanghai. Chinese officials provided no details and requested no assistance in the investigation, and to this day doubts exist over the veracity of the report.<sup>7</sup>

## The Larger Crisis

The fallout from March 14 was both real and figurative. There was the radioactive cleanup and then there was the crisis of confidence – in our safety, security, and relationships with our allies and with the rest of the world. This second form of fallout proved to be the most enduring.

Inevitably, perhaps, the post 3/14 anti-terror policies contributed mightily to our increasing isolationism. Notwithstanding the longer-term economic consequences, the consensus was that we had no choice but to drastically limit incoming cargo traffic as an initial response; it was the only way we could manage the terror risk responsibly and effectively. This involved tough decisions about priorities: What did we really need to import? What could we do without? Fortunately, we were self-sufficient in all essential foods. We did not need grains, for example. (In fact it was our fervent hope to be able to continue to export grains, meats, and other farm products where we held clear competitive advantage.) We most certainly needed imported oil and natural gas, even with greater conservation and more aggressive use of alternatives such as nuclear and solar. We needed to be able to continue importing medicines. On the other hand, we chose not to license consumer imports and other non-essentials that could be produced in the U.S. or within our immediate security zone (which over time expanded to NAFTA – Canada and Mexico). But even today in 2030, we can only manage safely and securely to import some 75 percent of the container volume that we handled prior to 3/14.

If this picture were not bleak enough, we recall how much uglier it became with the sinking of the tanker *Providence* in the Port of Houston in May of 2023. This involved no high-tech WMD, but a simple, yet very powerful underwater mine, which sank the inbound oil tanker and paralyzed one of the nation's busiest ports for nearly three months. Environmental damage from the attack was massive. Many transport modes were affected by this event, as it disabled port, rail, and oil refinery operations, with ripple effects through the system, including retail.

The process of constructing a new trade regime based on priority imports was not easy, clean, or pleasant. In fact, it sparked retaliation on the part of many of our most important trade partners, such as China. Globally, it ushered in a markedly more protectionist trade environment and it

<sup>7</sup> Some analysts contend that the reported dirty bomb attack helped legitimize the Chinese government's crackdown on anti-government activity among Muslim Uighurs in the far western province of Xinjiang and to justify, however unconvincingly, its buildup of naval strength in the South China Sea and its patrolling of the Formosa Strait.

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

## Lockdown

unquestionably damaged economic growth for the rest of the world. With major supply chains pulled apart, how could it not? Notwithstanding the dynamic growth of China, India, and Brazil over the preceding decades, the world still depended on the U.S.'s ravenous appetite for consumer imports.

A more fully integrated, trusting world might have avoided the trade wars that developed between the U.S. and its trading partners; a measure of prosperity would have helped, too, for even without the terror attacks, global growth was notably slumping by 2019, and protectionist sensitivities were on the rise among the world's major trading nations.

The most dramatic trade conflict emerged with China. China retaliated against the U.S. by essentially banning all non-essential U.S. imports. In 2021, the U.S. proposed a plan whereby China would permit U.S. inspections and surveillance in China's customs zones. China refused, hinting that such access would provide the U.S. with information outside the bounds of its legitimate trade security concerns. Moreover, the U.S. balked on reciprocal access for Chinese officials. Relations steadily worsened when these talks broke down. From where we sat, China was being unreasonable and belligerent. But China had suffered greatly from the collapse of its exports to the U.S.; it could not help but feel a certain level of hostility. Its development was critically undermined. One IMF official said, off the record, that by 2029 China's GDP growth had fallen to 4.5 percent – about half what it had been leading up to the decade ending in 2019. This was a huge, unexpected setback. And it would have far-reaching social and political consequences for China, and – as we'll see – for the world.

## A Radically Changed Relationship to the World

Traumatized by 3/14 and fearful that the homeland might be under permanent attack, the U.S. made a conscious decision to hunker down at home and radically attenuate its foreign commitments. The harsh economics of those days made the job somewhat easier.

In 2020, the U.S. economy was mired in a deep recession, with inflation and interest rates both remaining in double digits through the crisis period. There was no way to finesse fiscal imbalances any longer.

The President personally hammered out a deal with congressional leadership, leading to an impressive (and highly unusual) bi-partisan pact that became known as "The Security and Recovery Pact" (SRP). SRP was born out of the desperation of the times. The legislation passed under the SRP umbrella included the following:

- Increases in homeland security expenditures, for greater transportation and infrastructure protection (including more focused security on a select number of key "critical" ports), along with greater outlays for intelligence activities and technology related to the defense of the homeland;

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

## Lockdown

- Development of the Department of Homeland Defense (DHD), a new single government body responsibility for all activities related to national security;
- Reprogramming of defense spending, with reductions in conventional defense spending, in part accomplished by numerous foreign base closings and the redeployment of military personnel in homeland security missions;
- Re-establishment of U.S. military presence in the Panama Canal Zone, at the invitation of the Panamanian government;
- Major fiscal overhaul, including a more progressive tax structure, with gentle reductions in spending on entitlement programs such as Social Security, Medicare, etc., through means testing, tighter eligibility requirements, and reduced cost-of-living escalations;
- Major cuts in foreign assistance programs, but with funding increased for Mexico and new economic partners in the hemisphere (especially in the Caribbean and Central America);
- Creation of a NAFTA security arrangement, to advance border security, assure long-term access to critical commodities (especially energy), and create hospitable alternative centers of production and investment in the hemisphere for firms planning to relocate Asian operations back to the Americas.

One of the greatest challenges in executing this plan was communicating it effectively to the world and reassuring our allies of our intentions. European Union (EU) leaders had a different view of the homeland security situation. (The UK was, as always, an exception; its response was much closer to that of the U.S.) They had not suffered the trauma the U.S. had, and they feared that a U.S.-type pullback from global commerce would be counterproductive, especially at a time of sluggish growth and rising economic turbulence. Why risk further instability? So, the EU, while enhancing border security, did not go to anywhere near the extent the U.S. had.<sup>8</sup> Not only did the EU not turn excessively protectionist (though aggressively retaliating against the U.S. when it believed such action was warranted), many EU firms exploited the U.S.'s rising isolation by jumping in where U.S. firms were either departing or scaling back operations, especially in Asia. This dynamic enabled most of the EU countries to weather the 2019-2027 crisis relatively well, all things considered.

Economically, Japan also pulled through, but its politics grew tense as the nation debated the consequences of a united Korea, an increasingly hostile China, and rising terror and general lawlessness in its major trade lanes. Japan-U.S. relations grew closer, especially as Japan evolved into an important customer for U.S. defense contractors. A defensive Japanese military buildup,

---

<sup>8</sup> The EU was not immune to the terror and protectionist shocks affecting the major economies in 2019-2024, but the leadership had considerably more policy room to maneuver. Germany and France argued strenuously against measures that could jeopardize energy supplies or foreign market access. Many EU nations were also conscious of not wanting to antagonize relations with their own Islamic populations by, for example, clamping down on immigrant groups. Considerable progress had been made with these groups since the 2005 riots in France.

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

**Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.**



UNCLASSIFIED

## Lockdown

including significant naval capabilities, took place after wrenching internal debates – and with full U.S. backing.

The U.S. also forged strategic alignment with its two hemispheric partners, Canada and Mexico. The North America Free Trade Agreement (NAFTA) was expanded to include new border and economic security provisions. Mexico agreed to these new provisions. Canada pledged to cooperate in most aspects, but resisted U.S. pressure to embrace U.S.-type border controls and personnel monitoring. The Northwest Passage, now open several months during the year, provided new trade opportunities between the U.S. and Canada (i.e., there is currently a “working understanding” that the Northwest Passage is NAFTA jurisdiction). The pain of de-globalization was to some extent mitigated by this “NAFTA+.” Many firms, including Japanese and even some Chinese manufacturers, transferred operations from Asia to Mexico (or the Caribbean Basin) to qualify for preferred treatment with respect to U.S. market access. In exchange for long-term energy supplies, the U.S. guaranteed Mexico significantly increased numbers of both temporary worker visas (one million) and permanent resident visas, while increasing penalties for non-authorized entry into the country.<sup>9</sup> The U.S., however, remained keen on securing greater control over its northern and southern borders. The U.S. is forward deployed but only in very few countries with the utmost strategic importance.

## 2030 Looking Forward

The planners of next year’s 255<sup>th</sup> anniversary of the founding of this country are hoping for a brighter national outlook than exists today. Many invited speakers are doubtless drafting the type of hopeful, uplifting addresses traditional on such occasions. It should not be otherwise, for without hope there is no way forward.

In the cold, hard light of contemporary events and conditions, however, we are confronted by the reality that a positive reversal of fortune, no matter how long overdue it may seem, is not imminent. We could still easily find ourselves poorer and less secure in five or ten years.

<sup>9</sup> The national ID card system made it very difficult for undocumented residents to work, attend school, open bank accounts, establish credit lines, or transact business without a Federal Identification Card (FIC). Counterfeiting of these cards was difficult, though not impossible, and not beyond the financial means of well-funded terrorist groups, as we learned later.

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

**Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.**



UNCLASSIFIED

## Lockdown

Seven years have passed since the last officially recognized terror attack in this country (involving the destruction of lives or physical property, anyway). Perhaps the near future will see an increase in the frequency and destructiveness of cyber-destruction, for fun, profit, or terror.<sup>10</sup> We may be living through yet another hiatus; maybe in our weakened state we are a less attractive target; maybe all the hunkering down, the hundreds of billions invested in securing the homeland – and our acceptance of significant restrictions on our liberties – have paid off, at least in terms of achieving an acceptable level of basic security.

The choices facing the current generation of leaders are extraordinary. While we have survived the most profound assaults on our homeland and demonstrated admirable self-reliance and perseverance in many areas, our material welfare continues to decline, in part because we are no longer at the dynamic center of the grand global exchange of goods, services, inventions, culture, belief, and ideas. We are much less relevant to the world.

What is clear among the many choices we face as a nation is that the current emphasis on security and isolation will be challenged by trends and events around the world that will have long-term implications for our safety and well being as a nation. Among the numerous unintended consequences of our domestic security arrangements is a China that is economically and politically desperate as it moves to reassert control once and for all over Taiwan. And our isolation and disengagement have contributed to the proliferation of nuclear weapons in some of the most unstable areas of the world.

Finally, what about Africa and other poorer regions that are the unintended and indirect victims of terrorism and the resulting economic turmoil? Since 2019, especially, it is hardly an overstatement to say that the poorest of the poor nations have been ignored. Their further marginalization multiplies the pool of economically desperate and demoralized young people who form the recruiting ranks of global terrorist and criminal organizations. Terrorism experts warn us about the risks of allowing such conditions to fester, but for more than a decade rich countries, including the U.S., have not been engaged meaningfully in these regions.

Many questions, no easy answers. There are indeed hard choices ahead as we plot a path to 2050 and a future that leaves the U.S. safer, more secure, and prosperous.

---

<sup>10</sup> Although cyber-attacks had been going on since the Web was popularized, what was little appreciated at the time was the extent to which cyber-attacks (which were perpetrated at different times by terrorists, thieves, and mischief makers) were becoming both an increasing economic burden and yet another depressing aspect of life that had changed – and clearly for the worse. One of the largest U.S. banks had their VISA systems penetrated in 2029 and several billion dollars of false bills were sent out. Shortly after that, SWIFT, the world's largest global financial system, which handled over 2 billion transactions per day, was hit and shut down for almost a week. More recently, a virus in the National Healthcare Information System (NHIS) in the U.S. caused the medical records of over 5 million patients to be e-mailed to the entire subscription base of Google's gmail members.

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

**Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.**



**Lockdown****Characteristics Matrix****Scenario Chronology**

- 2012: U.S. military operations in Iraq and Afghanistan have been completed. Iraq is now three virtually distinct, independent entities. Outside of Kabul, much of Afghanistan is lawless and unstable.
- 2013: Terror attack aimed in part at U.S. tourists in Cancun, Mexico.
- 2014: Palestinian homeland is announced, with planned 18-month phase-in; small contingent of U.S. troops is involved.
- 2015: Jewish extremist group bombs Al-Aqsa mosque in Old City of Jerusalem, sparking outrage throughout Muslim world. The agreement over Palestine collapses and the peacekeepers withdraw.
- 2016: Conventional terror attack in Mall of America in Minneapolis; 126 people are killed. New security provisions enacted in U.S.
- 2017: Reports published that Iran has achieved a regional nuclear strike capability; Iran denies this, but world assumes the worst.
- 2018: Korean re-unification announced following rise to power of more moderate North Korean regime in 2015.
- 2019: National crisis erupts as the “New Dawn” radical Islamic terror network mounts a series of WMD attacks on the U.S. More than 7,000 people are killed. This leads to a temporary crippling of port commerce. U.S. Congress passes emergency legislation to protect against new attacks and to work around trade obstacles.
- 2020: U.S. trade restrictions spark wider protectionism, exacerbating global economic downturn. China repels U.S. scrutiny and intelligence-gathering efforts; bilateral trade all but breaks down.
- U.S. economy weaker than at any point since the mid-1970s. Unemployment tops 15 percent. Unusual bipartisan consensus around homeland security and economic recovery priorities.
- 2023: Another shock, as terrorists sink a large tanker in the Port of Houston.
- U.S., Mexico, and Canada sign a new NAFTA security pact involving energy, trade preferences, security, and immigration.
- 2028-30: Major cyber-attacks on U.S. financial infrastructure and health system.
- 2030: China begins naval exercises widely believed to be prelude to “taking” Taiwan.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown****Global Drivers****Level of Stability and Conflict in the World**

This has been a world of persistent and widespread terror concern, although by 2030 no physical attacks on the U.S. homeland have occurred in seven years.

The U.S. had been hit by a series of WMD attacks and its global trade and transportation infrastructure has been severely compromised. Offensive nuclear capabilities have spread to Iran, Brazil, and South Africa; Egypt, Syria, and others are on their way to developing a capability as well. The Middle East is laden with instability, with the failure of the independent Palestinian state.

The U.S. has pulled back its foreign commitments. In 2030, it is watching with concern as an economically handicapped and politically desperate China is making hostile moves toward Taiwan.

In the Americas, civil war continues in Colombia. Insurgents there are providing haven to New Dawn and other extremist groups.

Much of sub-Saharan Africa is suffering from economic and political disintegration, with a growing number of ungoverned failed states.

**Global Security & Geopolitics**

*Distribution of military power*

Military power is notably more widely distributed, particularly in the nuclear domain. Asymmetrical tactics and tools are accessible to any hostile groups committed to inflicting damage on conventional powers. Military knowledge and experience is plentiful, as are for-hire terror contractors (the gunslinger for hire is back).

The U.S., under considerable fiscal pressure, has drastically rationalized its foreign military commitments, to ensure sufficient homeland security and reassure the public. Troops have been removed from Korea and Europe (with a base in Turkey remaining). In 2020, the U.S. accepted Panama's invitation to return to the Canal Zone to protect shipping lanes. There is now considerable National Guard involvement in domestic U.S. security. Heated political debates within the states demonstrate a resistance toward the Guard being sent overseas (for example, to thwart China's accession of Taiwan).

The North Atlantic Treaty Organization (NATO) effectively dissolved after the collapse of the Palestine-Israel peacekeeping mission, as homeland security became a more pressing priority. Europe is reacting mostly to threats within its borders. It is avoiding substantial direct commitments to former colonial areas undergoing turmoil, such as sub-Saharan Africa.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

With the dissolution of NATO, the EU has formalized the European Defense Union and instituted a combined rapid reaction defense force. The special relationship between Great Britain and the U.S. is unaltered.

Japan has been rebuilding its military with the approval of the U.S., notwithstanding extreme protests from China and Southeast Asia. U.S. naval forces are back in the Philippines and we are helping Japan to build up its own navy to protect its security and trade interests. The U.S. is still in Guam and Diego Garcia.

A balance of terror is being managed so far successfully in the Middle East, as both Iran and Israel are known to have nuclear weapon capabilities, but the potential for massive destruction leaves their neighbors and the rest of the world very uneasy. In 2030, hostile parties in the region are no closer to peace than they were in the early 2000s.

*Global alliance structures (NATO, others)*

Global alliance structures tend to be informal, short term, and opportunistic. NATO dissolved after the collapse of the Palestine-Israel peacekeeping mission. Notwithstanding trade conflicts, the U.S. continues to collaborate with traditional Western allies, Japan, and others on anti-terror issues, though much of this is behind the scenes. The U.S., Canada, and Mexico have established collective security protocols as part of an expanded NAFTA. The U.S. is supporting Japan’s defense build-up and Panama’s interests in protecting the Canal. U.S. military and economic aid for Israel remains at roughly the early 2000s levels. Apprehension is still felt over Canada’s reluctance to tighten border security despite repeated breaches, as well as its unwillingness to sign an expanded security agreement.

*WMD (proliferation, use, cooperation on, perceived threat from)*

In general, the last two decades have witnessed widespread proliferation of WMDs, both observed and suspected.

In 2019, there was a series of WMD terrorist attacks in the U.S., Europe, and, reportedly, in China. The U.S. was the primary target. In a single day a nuclear device and two “dirty bombs” were detonated, causing much human and material loss.

The Nuclear Non-Proliferation Treaty is being effectively ignored. Nuclear weapons have proliferated. With reunification in 2015, North Korea is no longer considered a hostile nuclear threat. China has overseen North Korea’s de-nuclearization. Brazil, Israel, South Africa, and Iran have nuclear weapons as well.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

*Comparative military expenditures/ 'security dilemma'*

The classic security dilemma is alive and well. Military expenditures have been on the rise in many parts of the world, but especially in states that are in the process of developing nuclear weapons: Egypt, Syria, and Saudi Arabia. The U.S., however, has been emphasizing anti-terror and homeland security operations.

In an uncertain world, regional economic powers are beginning to invest in sophisticated regional military capability – for example, Brazil, China, Iran, Russia, Egypt, Japan, and South Africa.

The U.S. has achieved apparent success regarding security, but at extreme costs – both financial and with regard to the loss of civil liberties.

*Willingness for collective action*

Isolationism runs deep, almost without exception. Where action is required (e.g., the Middle East, in the face of a nuclear Iran), nations tend to prefer collective action to limit risk and exposure. However, most of these activities are extremely ad-hoc; it is difficult to orchestrate coalitions and partnerships. Few, if any, nations are willing to take action on their own. This same reticence to work together applies to management of the global commons.

*National Defense Strategy threats and challenges*

<i>Traditional</i>	Increasing – increasing in likelihood, and increasing consequences
<i>Irregular</i>	Increasing – increasing in likelihood, and increasing consequences
<i>Catastrophic</i>	Increasing – increasing in likelihood, and increasing consequences
<i>Disruptive</i>	Increasing – increasing in likelihood, and increasing consequences

*Definitions of the threat types above:*

- *Traditional* – Traditional challenges posed by states employing legacy and advanced military forces in long-established, well-known forms of military competition and conflict.
- *Irregular* – Irregular challenges from the adoption or employment by non-state and state actors to counter stronger state opponents – terrorism, insurgency, civil war, etc.
- *Catastrophic* – Catastrophic challenges including the surreptitious acquisition, possession, and possible terrorist or rogue employment of WMD or methods producing WMD-like effects.
- *Disruptive* – Disruptive future challenges emanating from competitors developing, possessing, and employing breakthrough technological capabilities intended to supplant our advantages in particular operational domains.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

*Multilateralism*

This is an extremely unfavorable environment for multinational solutions. NATO’s dissolution is a blow to multilateralism. The WTO and economic/trade/financial organizations have much less influence as a result of the poor global economy, financial insecurity, and trade barriers. As a bloc, the EU is relatively strong and out-competing the other major regions of the world.

*Intelligence/  
counterintelligence  
(technology, sharing)*

Intelligence priorities for the U.S. include homeland security and force protection. Secondary priorities include targeting former partners and allies who may now be competitors in fields such as general commercial/financial/technological information and nuclear proliferation. There’s a constant and difficult balance between the need for sharing and concern over potential leakage and double-agent activity. Counterintelligence capabilities are extremely important. In the U.S., notwithstanding widespread domestic surveillance, there is limited but vigorous push-back on the part of civil liberties groups and activists. Such groups are now just starting to have an impact on middle America.

Complicating matters is a rash of cyber-attacks affecting banking and sensitive federal records.

The U.S. has a “Trust and Verify” philosophy with Mexico, and a “Trust *but* Verify” philosophy with Canada.

Since the Port of Houston attack (2023), the U.S. has achieved near-perfect domain awareness of known maritime threats, yet there is a continuing unease with regard to asymmetrical threats.

**World Economic System**

*Levels of stability  
and dynamism*

The only successful efforts at stability are regionally focused. Examples of these are NAFTA and the EU.

The world never achieved a level of equilibrium after traumatizing terror incidents and resulting economic and political fallout. Terror events and geo-political instability are casting a shadow over the global economy. There is low dynamism, with very little R&D spending and long-term investment, public or private, in this depressed economic environment.

Sources of instability across the globe include: New Dawn, local terrorists, mercenaries, growth of regional military powers, nuclear proliferation, collaboration between the criminal underworld and terror networks, collapse of alliances, poor and unstable economic conditions, protectionism, and political instability of governments.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

<i>Reserve currencies</i>	The dollar has long lost its primacy as the world major reserve currency. The euro is the dominant reserve currency, followed by the yen; gold has become important as well.
<i>International financial institutions</i>	There is a diminished IFI role overall, in an era of significantly reduced capital availability on the part of lenders and due to perceptions of high risk.
<i>Dominant players, regions, centers of innovation</i>	<p>The U.S. is notably less dominant economically and diplomatically, though it remains a powerful force in world affairs. Militarily, the U.S. remains the single biggest power. However, due to base closures and the rise of new regional powers, global perception of the U.S. military power is that it is reduced.</p> <p>China has been hit hard by its sudden loss of the U.S. export market and the subsequent decline in direct foreign investment. The nation has been forced to focus more on its own internal market and those of Korea and Southeast Asia. European trade and investment has not compensated for China's loss of commerce with the U.S. Moreover, Europe has turned somewhat protectionist in the sluggish global economic environment. This is especially true in the higher value-added goods that China has been promoting; Europe has resisted ceding turf to China (and others) in such markets. Rising protectionism is a challenge globally, for China, and for all export-oriented economies. The loss of U.S. markets has slowed Chinese GDP growth and income growth. Domestic discontent over diminished economic opportunities is significant. China is asserting itself more aggressively in the region to draw attention away from the nation's economic setbacks. A major increase in naval exercises points to an eventual seizure of Taiwan.</p> <p>India, after a strong development push to 2020, has stumbled badly, a victim of the weak global economy, protectionist pressures, and sectarian violence. It has failed to take advantage of China's diminished prospects, and the U.S. and EU have failed to provide preferential trade and investment incentives to entice direct investment in India.</p> <p>The EU has returned "home" in the sense that it has turned isolationist politically, but remains commercially engaged with the world, especially with China and Asia. Domestic reforms have ameliorated discontent within its immigrant communities and have led to greater integration at a time of slowing immigration into the EU. The economies are doing relatively well, compared with the U.S., at a time of overall global economic hardship. With the dissolution of NATO, the EU has formalized the European Defense Union and instituted a combined rapid reaction defense force. The special relationship between Great Britain and the U.S. is unaltered.</p>

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

*Role/structure of transnational business and business organizations*

Global businesses have become less global, more regional and/or national. This applies to management, trading partners, and workforce composition. This state of affairs is particularly pronounced in the United States. In many cases, capital and ownership structure remain global. Financial services and the service industry in general are less affected by trade barriers.

A number of U.S. and other multinationals operating in China or other lower-wage countries have been affected by U.S. import restrictions. Some are making the extreme move of relocating manufacturing facilities back to the U.S., or to Mexico, with which the U.S. has established a number of safe processing and shipping zones that take advantage of cheaper Mexican labor costs and more robust U.S. security protocols. Others are finding similar low-cost alternatives in Southeast Asia, for example. (This is particularly true for product manufacturing destined for non-U.S. markets, such as the EU.)

U.S. firms are by necessity balancing product portfolios in favor of goods and services for the U.S. (as opposed to the global) market. There are increasing restrictions on foreign purchases, especially in the manufacturing area, as well as sales of sensitive technology. The largest and most influential manufacturing and marketing companies (e.g., Toyota, Boeing, etc.) have managed in many cases to protect their supply and production chains by providing superior security and desired products. (In Toyota’s case, close U.S.-Japanese relations was a positive factor.)

*Dynamics of international debt*

The U.S. is no longer dependent on Chinese finance. Emergency fiscal measures have helped control the rise in the fiscal deficit and stem the increase in the national debt. The debt nonetheless remains relatively large as a share of GDP and is a drag on the economy. Larger, developed countries promote domestic “Security Bonds” to raise financing, in an increasingly insular world. Minimal stabilization financing is available for countries with acute balance-of-payments problems, as the IMF’s capital base has grown very limited.

*Unemployment/social fabric*

There is extremely high un- and underemployment. Social safety nets have been stretched to the breaking point. Countries heavily dependent on international trade and lacking domestic resources undergo acute distress. Nations dependent historically on aid face starvation, mass migration, and political chaos.

**Globalization**

Globalization is seriously challenged on all fronts: trade, capital flows, people, ideas. There is a significant decline in absolute terms relative to the feverishly integrating days of the 1990s owing to slower growth and protectionism. The U.S.,

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

of all the major nations, is by far the most protectionist and insular. Europe has managed to retain a long-term, global economic perspective, though not without resorting in some instances to defensive, protectionist practices.

**International Trade**

Trade flows crashed after the 2019 radioactive explosions in the U.S. and remained severely disrupted for 18 months, only to rebound slowly and unevenly, in accordance with national priorities and security considerations. Smuggling and black market activity have arisen to bypass restrictions on non-essential imports (e.g., consumer goods from China). This is high risk/return activity as shortages rise and security concerns are heightened. As economics weaken, countries use security concerns to limit imports in actions that are essentially motivated by protectionism. U.S. imports by 2030 are still between 25 and 40 percent below pre-2019 levels.

**Governance/  
Quality of  
Governance**

*Predominant ideology*

Isolationism, protectionism, and elements of xenophobia (in the U.S.), with the EU maintaining stronger trade ties to the rest of the world. Stronger countries have either strong nationalistic (e.g., Russia) or regional (e.g., EU) identification.

*Role/influence of non-governmental/  
supra-governmental  
organizations,  
e.g., UN, regional  
political blocs, I/Os,  
private NGOs*

Multilateral organizations are withering. This is especially true of the UN and development banks, which have little funds to lend and operate with much reduced personnel and services. The WTO has been overrun by protectionism. It has all but ceased trying to reverse the protectionist tide.

NGOs are unsuccessfully attempting to fill the void created by the reduced role of multilaterals and nation-states in providing aid, etc.; their funding and scope of operations are limited. Church organizations have managed to stay involved with serving the most desperate. This is as true in the U.S. as it is globally.

*Presence/absence of an  
architecture for global  
issues management*

Global institutions are weak and deemed ineffectual. The architecture for global issues management is extremely limited, and mostly championed by the EU. Global management is, at best, ad hoc, with extremely limited global leadership and resources to sponsor actions. UN peacekeeping missions are short, under-funded, and mostly without sustained effect. Trust between nations, even between the U.S. and its traditional allies, is occasionally strained. There is little significant, sustained support for poor nations – only episodic relief amid high-visibility disasters. The IMO operates, but without teeth.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

*Failed states/  
Balkanization/  
ungoverned spaces/  
mutual separation*

There are many failed states where countries lack stable institutions, minimal economic stability, and defenses against diseases. In sub-Saharan Africa, Liberia, Côte d'Ivoire, Kenya, Burundi, and Congo are among the most chaotic and unstable. Instability in Nigeria has seriously undermined its oil production and exports. Severe economic and political problems are by no means limited to Africa. In the Americas, Haiti has turned all but ungovernable; the little order that exists is managed by competing militias. In Latin America, leftist or populist governments are falling to military-led or -backed regimes. In Central Asia, the smaller and less economically valuable countries are dangerous and desperate. Across the developing world, the loss of aid and support from traditional donors, on top of a global economic slowdown, has been devastating.

Parts of Indonesia, including the more remote parts of the northernmost island of Sumatra, have grown increasingly ungoverned amid ethnic strife and violence.

*Non-traditional actors –  
new forms of influence,  
new affinity  
associations*

Globally distributed terror cells, broadly “franchised” but highly autonomous, co-exist with transnational criminal and underworld groups and mercenaries. In addition the New Dawn remains a capable centralized “terror network.” There has been increasing collaboration between the two sets of actors, almost exclusively on commercial terms (underworld criminal groups provide smuggling and forgery expertise, for example).

Religious organizations, many acting in alliances, represent countervailing influences in select cases.

Virtual affinity groups have proliferated, many rising and dying quickly.

*Borders: nature  
and permeability*

There are hardened borders in the First World, at the same time that borders are disappearing between failed states. The EU (internally) is intentionally refraining from “lockdown” that marks U.S. policies, systems, and psychology, and that is giving the region some competitive advantages in the economic sphere. Promising Asian professionals in science and engineering are more apt to find jobs and attractive academic postings in prestigious European universities than in the U.S.

*Charismatic leadership  
(source of)*

There is a tendency toward hyper-nationalistic, xenophobic leadership; there is a wide appeal of religious messages to economically desperate youth in poor countries looking for a cause.

The New Dawn has created a charismatic virtual leader who supplies doctrine and support to the greater network. World authorities have not been able to ascertain a

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

land-based source for these communications.

**Terrorism**

Terrorism in its many forms is an ever-present reality; it is a tool (and/or a service to be purchased) available to practically any desperate group that chooses the path of violence, and frequently used.

The primary source of terror in the world is the Islamic extremist group calling itself The New Dawn. It is considered the successor to al Qaeda, which effectively dissolved upon Osama Bin Laden’s death. The New Dawn was founded by a new generation of leaders from a wide range of countries, Arab and non-Arab alike. It has also recruited from among Islamic enclaves in Europe and the U.S. When it initially appeared on the scene, The New Dawn appeared less possessed by messianic zeal than al Qaeda. Its rhetoric suggested a preference for terror attacks on economic targets over civilian population. Whether or not an ultra-extreme faction won an internal power struggle is not clear. But after March 2019, most people believed that mass killing was in fact a major goal of The New Dawn.

The New Dawn’s strength and terror potential is rooted in the fact that it is global, virtual, highly decentralized, and secretive. Dawn planned and executed the 3/19 terror attacks in the U.S. and several other smaller incidents in Europe and Asia. Most recently it has claimed responsibility for the bombing of a high-end department store in Dubai in 2027. The New Dawn is dedicated to the economic and political destruction of the U.S., with a secondary goal of punishing U.S. allies and “co-conspirators.” The group’s public statements rail against the U.S.’s support for Israel, and for support of corrupt regimes in Africa and the Middle East.

Terrorism is not limited to The New Dawn. Tools and means of terror have been adopted by revolutionary groups and militias in hot spots around the world. In addition, certain nation states (China, Korea, Taiwan) are suspected of using cyber-terror to intimidate, injure, or gain information about adversaries.

**International Arms Trade**

There is a mix of illicit and legitimate arms market, which is vibrant and global, ranging from small arms to CBRNE.

**International Crime/Illicit Economy**

Transnational crime has grown both widespread and increasingly invisible. Smuggling has grown large in the U.S. as a result of import controls and trade restrictions. Smugglers, money launderers, and mercenaries often sell their services to terror organizations, such as The New Dawn. International maritime piracy and crime have become a major impediment to trade. They are pronounced in the Caribbean, Southeast Asia, South Asia, and the Mediterranean.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown****The Global Commons**

The Commons are up for grabs, as there is no credible, effective governance.

There are widespread space-based communications applications globally. Many are for intelligence-gathering purposes. There is considerable concern over security of communications and navigation infrastructure among concerned nations. The U.S. has undertaken research & development of space-based satellite defense systems. There has been limited weaponization of space. Space-based research funding has been diverted to space-based security infrastructure.

Global maritime commons are effectively ungoverned and unmanaged, though essential sea lanes are secure. Resources of developing countries are being pillaged.

Large countries with strong navies continue to enjoy freedom of navigation. Nevertheless, there are rising concerns over U.S.-Chinese tensions spilling over into maritime transit rights. The EU is worried about getting caught in the crossfire.

**Energy**

Notwithstanding a slowdown in economic growth and reduced growth in energy demand, nations seek to secure, even hoard, long-term energy supplies. Conservation has been forced by perceived supply constraints and high prices.

With modest government support and incentives, U.S. industry has invested heavily in energy alternatives (ethanol, biomass, wind, solar) to attenuate dependence on fossil fuels and oil imports from acutely unstable Middle East and (to a lesser extent) Latin American suppliers. Mexico, through successful deep-drilling in coastal areas, has evolved into an important supplier for the U.S. Oil has been discovered in the Northern Sea Route above Russia but extraction methods are not yet commercially viable. Oil prices are now \$100-\$120/bbl (U.S. \$2007) as a result of supply constraints, transportation costs, security, political risk premiums, etc.

**Agriculture/Food/  
Aquaculture/  
Fisheries**

Globally, there is an emphasis on self-reliance, to the fullest extent possible, though this is rarely practical as a long-term strategy. Major producing nations, including the U.S., are limited in export possibilities because of security obstacles and protectionism. Cost of shipping for security (and fuel) reasons is extremely high.

Many bio-tech solutions to maximize yields and to reduce the need for chemical inputs have emerged. The technology is now widely available and accepted. Nonetheless, food is relatively expensive, and this is creating dietary changes, depending on the market.

Large sections of the developing world are experiencing malnutrition and in the worst cases starvation because of dire economic conditions, loss of aid, and disease.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

There have been major cutbacks in EU and U.S. subsidies to the farm sector, as well as major reductions in imports from non-secure export nations.

Globally, fish stocks are under extreme pressure because of over-fishing, poaching, and the fact that no international agreements are in operation. In the North American EEZ there are still viable wild stocks, in part owing to enhanced MDA and elimination of poaching.

Aquaculture has a much more prevalent role in Asia and in the NAFTA region, which is relying increasingly on home-grown protein sources. The U.S. is exporting farm-raised fish products to Japan, where there is large unmet demand.

**Water, Minerals, Other Critical Resources**

There are continued conflicts over water and specific rare minerals, especially those with military applications. Some conservation of water is enabled by advanced crop genomics (use less water and/or pesticides). Globally and in the U.S. groundwater pollution is increasingly widespread and tipping over into crisis conditions in some cases. Access to potable water has become one of the principal causes of conflict in Southeast Asia, Southwest Asia, and Africa.

**Global Health**

Together the weakening of the institutions that support collaborative global health action and disinvestment in the global health infrastructure have allowed the AIDS epidemic to worsen, most acutely in Africa. International efforts to produce seasonal influenza vaccines and prepare for a potential pandemic have collapsed. While polio has been successfully eradicated, previous gains in the area of measles elimination have been reversed. TB, and especially multidrug-resistant tuberculosis (MDR-TB), threatens large segments of the world’s population. Malnutrition, dysentery, infant mortality, and respiratory problems are all on the rise. Finally, steadily worsening environmental conditions are contributing to declining health. Poor air quality is driving the rise in respiratory problems.

**Environment**

A fairly clear global consensus has formed around the view that human activity is significantly contributing to global warming. However, there are no new global environmental initiatives, nor any other new agreement (since the 2005 Kyoto Protocol) to limit burning of fossil fuels, because of harsh economics and the more pressing concerns of terrorism. The only silver lining here is that high fuel costs have contributed in many instances to non-regulated, market-led conservation. Remediation efforts that do exist tend to be regional.

While sea levels are continuing to rise, no significant changes have been observed in

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

coastal geography, demographics, or activities.

**Global Climate Change/Natural Disasters**

There has been a continued steady decline in the health of the global environment, but no disaster threshold has been passed (leading to major, sustained disasters). Lower economic growth and consumption in emerging nations (China, India) has slowed the rate of environmental degradation.

Natural disasters such as cyclones continue to hurt coastal regions of the world, but relief efforts are regional, not global in nature. While no more frequent, cyclones tend to be more severe.

**Demographics/ Migration**

There is a pronounced decline in cross-border movement of people into developed nations, owing to intense terror and disease concerns. In poor regions, disease, crop failures, hunger, and conflict keep large numbers of people on the move.

In the U.S., Western Europe, and Japan (and, increasingly, China), low birth rates have contributed to widespread “social insecurity” with respect to future living standards and quality of life. Most developed countries are at best “muddling through” by reducing entitlement benefits, but the net results are longer working lives, less comfortable retirement situations, and higher dependence on extended families.

In the U.S., there is a relatively large guest worker program with Mexico. Security restrictions succeed in limiting both legal and illegal immigration into the U.S., though economic desperation keeps some (e.g., Haitians) knocking on U.S. doors. Illegal maritime immigration continues to be a problem; the U.S. standard of living is still significantly higher than much of the Americas.

**Science and Technology**

*Leading sectors*

Among the key cutting-edge sectors are security and data encryption technology, nuclear and alternative energy, sensor technology, biotechnology (for medical, health and agricultural purposes), and nanotechnology (for both military and civilian applications).

*Government and private funding*

Military/homeland security and import substitution are major drivers of S&T funding. But it is extremely focused on these areas. Private funding is strong in growth sectors such as pharmaceuticals and biotechnology, as well as security.

*Leading nations/regions*

The leading nations and regions are Europe (pharmaceuticals, bio-science, aerospace, and defense), Japan (alternative energy vehicles and transportation,

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

electronics, pharmaceuticals, nano-technology), U.S. (sensor technology, security technology, bio- and agri-technology), China (cyber-security, aerospace, and transportation), and Brazil (agri-technology).

*Technological transformation*

The general population does not typically realize the benefits of technological advances. Technology gains are driven by defense, health, and security sectors, and not the leisure sector. A streamlined licensing process for the nuclear industry enables power plants to be fully operational within three to five years. Smart non-proliferation technology embedded in the power plant design reduces risks of nefarious exploitation. Advances in hydrogenation of Canada-based shale oil provide new sources of fossil fuel.

*Attitudes, ethics, values due to science and technology investments*

S&T attitudes range from neutral to moderately positive. S&T is not a prominent feature of people’s lives, especially since there are few new consumer blockbusters on the market – at least that people can afford. People across the globe are still looking to S&T to create solutions to the world’s pressing problems – energy, environment, aging, and, of course, terrorism. The reality is that government and private industry’s risk tolerances are very low: thus, innovation has consequently slowed. Ethical concerns around Genetically Modified Organisms (GMO) have been offset by the need for self sufficiency.

**Global Education/  
Distribution of  
Knowledge**

Transnational flows of students and professors are highly restricted, although this is less the case in Europe, which has resisted the harsh immigration restrictions in place in the U.S. Societies that cultivate and reward science and engineering (e.g., Korea and Brazil) develop at a more rapid pace. China and India’s incentives for S&T have helped avert more drastic declines in those nations’ fortunes. Some of their best and brightest have emigrated to the EU.

**Global Media**

There has been a slowing of cross-border media expansion because of bad economics, greater restrictions, and heightened security consciousness (limiting movement of correspondents, for example). There is a tendency for governments to limit media freedom, for security and economic reasons. Limited advertising revenue has resulted in fewer news outlets, less innovation, and growing market concentration.

**Religion**

There is increasing religious identification globally as people grow worried and feel vulnerable. There are many different expressions: traditional, evangelical, Pentecostal, fringe, and ultra-fringe extremist. The outbreak of potential world-ending risks (e.g., nuclear war) feeds the growth of messianic movements within all

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

the major faiths. In other cases, these same conditions have motivated the formation of new, religious-based volunteer societies that embrace a “social gospel” philosophy of service to the poor and vulnerable.

**Global Transportation**

This is a very challenging time primarily because of security risks and bad economics. Mobility in general is very costly because of high energy costs and security premiums. Many transportation companies have failed in the absence of new entrepreneurial activities, stunted innovation in air- and rail-product design, and losing business models. The tourism industry is local and less global. Global travel is limited to priority business and up-market leisure. Two Russian firms have made viable businesses of selling short space flights to bored rich people.

The U.S. military only patrols sea-lanes vital to U.S. commerce. Generally, if the U.S. or the EU does not regulate global transportation, it does not get regulated, and there is a general decline in common global standards for safety, security, and health.

**Infrastructure**

*(maritime, industrial/  
manufacturing,  
energy, undersea,  
transportation,  
space-based)*

Regional infrastructure gets a huge boost from NAFTA-plus. Applications include pipelines, rail, roads, ports, transshipment centers, etc. There is major development of Mexican ports, and west-east rail links.

Offshore and undersea energy infrastructure spending is increasing globally.

Countries are scrambling to utilize trade infrastructure in the face of declining global commerce. EU is the only major region that has not suffered a steep decline. Very little new construction or upgrading has taken place.

Globally, mass transportation projects are helping to offset the effect of very high energy costs.

Short-sea shipping is seen as an alternative to trucking and rail as a way to move people and goods.

Space-based infrastructure is maintained but new development is limited to security applications.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

**Strength/Weakness of Maritime Legal Regime**

There are internationally very weak but regionally strong maritime legal regimes. As part of NAFTA+ a new maritime security regime has been established for the North American region, including cargo pre-inspection and information-sharing. All of this is highly transparent. Bilateral agreements exist between Japan and select other important trading partners.

The IMO operates, but with without teeth. The U.S. remains IMO-compliant, but tends to use it strictly to justify its actions.

The U.S. has acceded to the Law of the Sea convention to claim outer continental shelf economic resources.

**Global Culture**

There is a tendency toward more national or regional culture. Much of the popular music, for example, has a patriotic subtext. People are traveling abroad significantly less, and capital and ideas are less mobile across borders. Observers say the world has become more reserved. People are less trusting; some are less willing to go to public gatherings. Among the world’s youth there is a growing sense of frustration and discontent due to a perceived sense of a lack of opportunities.

**Poverty & Development**

The prolonged economic downturn has hit developing countries (especially the poorest of the poor) particularly hard. Poverty is widespread and traditional measures to understand its dimensions are failing to capture its extent. Rich countries are contributing less; global companies are investing less; falling tax revenues are undermining government services; and all of this is leading to deterioration in civil society. Poor countries are increasingly reliant on NGOs and church groups for help, but these organizations themselves are hurting for funds. One of the few sources of new inbound aid is very focused support for transportation security (e.g., port and shipping security). This tends to be in the interest of the donor organization, though it has sustained some export capability for countries that might otherwise have grown completely marginalized.

**Telecommunications/ “Virtuality”**

Cyber-attacks are common everywhere, but they are particularly focused on U.S. private industry, the government, and unfortunate individuals. Some of this is terror related; some is criminal, for profit or mischief. In 2009, the inter-bank settlements system was shut down for 36 hours. (The sophistication of the attack points to The New Dawn or perhaps a foreign state, but no one as yet knows for certain. This is still being investigated.) China and Taiwan trade attacks and accusations of seeking to undermine each other’s information infrastructure. The U.S. and other major targets have developed more secure intranets, which trade security for more restricted and less efficient access.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

These cyber-attacks cause a significant disruption in “our way of life” and exposes our vulnerabilities in a technologically dependent society. This leads to tighter government, private, and self-regulation of networks, contributing to a vastly slower internet and a general loss of confidence in networked systems, and in privacy. A severely restricted volume of data now flows through a decentralized peer-to-peer framework based on personal contacts and loyalty. Groups that are willing to violate the law will gravitate toward the disruptive nature of cyber-warfare, especially in an environment where direct attribution remains difficult (terrorists/extremists, anti-environmentalists, hackers, anti-globalization, etc.).

**U.S. Drivers****U.S. National Security Position**

Since 2019, federal law enforcement missions have been militarized. To regain America’s confidence to secure itself, there’s been a very strong move to consolidate and federalize as much of the military and security capacity as possible. More military capability is available locally and regionally. The emphasis is on national security, with a blurring of the lines between defense and traditional security functions. A single government body (the Department of Homeland Defense) is given responsibility for all activities related to national security. The old DHS suffered multiple failures and setbacks. This drives the change to the single government body, along with the strong fiscal argument in favor of rationalizing security and defense functions (at a time of very difficult economics). One of the casualties of this reorganization is posse comitatus. The global posture of the U.S. is very limited. The Navy is forward deployed, but only to areas of utmost strategic interest. In the Northern Pacific, the U.S. relies on Japan becoming an offensive force. By invitation, the U.S. has returned to the Panama Canal Zone. In general, the U.S. posture is very North American-centric (U.S., Canada, Mexico, and the Caribbean).

In general, homeland security missions enjoy strong support from Congress and the American people. But by 2030 there are beginning signs of weariness over heavy security outlays – which have been sustained ostensibly at the cost of social programs and global competitiveness.

**Global Perception of the U.S.**

This is a complicated image. In many parts of the world the U.S. is burdened by its legacy interventionist reputation, its failure to ensure the success of the Palestinian homeland, and its unceasing support for Israel. In many areas there is reluctance on the part of foreign countries to host U.S. warships. To its critics, the U.S.’s economic problems are the consequence of its own greed and self-absorption. They do not see the U.S. as necessarily less threatening due to its significantly reduced

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

military footprint internationally. The Europeans tend to be more empathetic, especially Britain, but nonetheless feel compelled to go their own way in managing their relationships with the rest of the world. Japan sees the U.S. as vulnerable and has taken advantage of this in arranging favorable terms for military and economic (mostly trade-security) cooperation.

**U.S. Economy**

*GDP growth;  
key growth sectors*

In the years since 2019, the U.S. economy has been weaker than it has been in half a century. It is not a depression, but for many (who are too young to have known real economic insecurity) it certainly feels like it is. In 2030, the economy has only begun to stabilize after a sustained fall, precipitated by events beginning with the 2019 terror attacks. Since that time, the nation has suffered through what amounts to a deep, prolonged recession, with GDP growth averaging less than 1.5 percent between 2020 and 2030. High inflation and un- (and under-) employment have contributed to the highest “misery index” since 1973. Back then, however, most Americans felt certain that the crisis of the day (oil price shock) would pass. Today, there is less certainty about this. There has been too much damage – especially in confidence – for happy days to reappear again soon. Signs of life appear in agriculture, health care, biotechnology, security services and specific new technologies, such as nanotechnology. Entertainment (especially home entertainment) is fairly healthy, as one would expect during a long economic downturn. There is a resurgence of localized manufacturing activity within the U.S. (and/or within the greater NAFTA economic zone), to make up for import restrictions that have hit Chinese exports to the U.S. particularly hard.

*Government  
economic policy/  
business regulation*

Acute security concerns have rippled across the economy and business, particularly global trade relationships and supply chains. In addition, there is increased government supervision of sensitive R&D (for example, biotech, nanotechnology, etc.), foreign business travel, employment practices, and so forth. Since 2019, the trend has been toward greater government intervention in markets and in the economy. “Price supervision” was introduced in 2020-21 to prevent opportunistic price gouging, especially for gasoline and basic necessities. Some states have gone far beyond federal policies in this area. In the years immediately after the security crisis, there’s a strong patriotic and security flavor to advertising and product promotion. “NAFTA-Made” becomes the popular standard.

*Availability of capital/  
investment climate*

Capital markets tend to be tight; few households can save and there is a high-risk premium on borrowing terms. Bankruptcies are widespread after the trade crash; one large national retail chain was forced to seek Chapter 11 protection. In addition, several U.S. transportation companies collapsed under the weight of falling demand, high energy, security, and insurance costs. Venture capitalists are diverting funds to more vibrant Euro-Asian start-ups. These are increasingly scrutinized transactions

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

owing to security regulations having to do with capital flows.

*Employment*

The unemployment rate peaked at 18 percent with severe underemployment during the 2020-2025 period. By 2030, the rate has fallen to 11-12 percent, as the economy stabilizes and because of government-funded, low-wage jobs in civil works and social services. During this time, it became all but impossible for foreigners to get work visas here. The chief exception has been a highly successful and expanded temporary visa program with Mexico, formed as part of the new NAFTA security arrangement. Social implications of the economic conditions lead to a return to family-centric organizational structures. Rural, agricultural-based communities see a decline in their income (but keep their jobs) whereas the urban/suburban job market as a whole is significantly reduced. Government work has become very attractive for the stability and for the benefits. There is also a patriotic draw to serve.

*U.S. infrastructure  
(maritime, industrial/  
manufacturing,  
energy, undersea,  
transportation,  
space-based)*

Regional infrastructure gets a huge boost from the deepened and extended NAFTA. Applications include pipelines, rail, roads, ports, transshipment centers, etc. There has been a major development of Mexican ports, and west-east rail links.

Despite investments in efficiency early in the century, U.S. ports have excess capacity. U.S. government favors a distributed architecture to ensure redundancy in time of attack. A number of failed private ports have gone into limited government trusteeship, almost as a strategic reserve in times of need. These ports include Houston and Long Beach. The U.S. Government is targeting major ports for security upgrading and modernization including the ports of Los Angeles, Corpus Christi, New York, and Seattle. Within the NAFTA region, short-sea shipping is seen as an alternative to trucking and rail as a way to move people and goods. The Jones Act has been extended to the NAFTA countries.

There has been aggressive development of Alaskan pipelines and offshore energy infrastructure, including deep drilling platforms, wind farms, etc. Because of high oil prices, previously closed oil leases have been reopened for exploration and development, including the Gulf of Mexico, California, and the Florida coast.

We have the military and support infrastructure to do limited, short-term power projection wherever we need to.

Space-based infrastructure is maintained but new development is limited to security applications. The U.S. has undertaken research & development of space-based satellite defense systems.

U.S. naval vessels continue to exercise freedom of navigation. Nevertheless, there

**These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.**

**Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.**



**Lockdown**

are rising concerns over U.S.-Chinese tensions spilling over into maritime transit rights.

Financial incentives have been put in place for chemical and other potentially hazardous industrial infrastructure to move away from major population areas, but for most firms this is too expensive. Instead, security is tightened and highly regulated.

There are many new pieces to the homeland security infrastructure in the wake of the 2019 terror attacks:

- New high-tech sensors and UAVs are being used to detect and monitor potential national threats
- There is renewed interest in consequence management (civil defense)
- Radiation detection equipment is incorporated into key nodes in transportation infrastructure and choke points, as well as mobile law enforcement platforms
- Personnel tracking technology is deployed – it is available, widely adopted, and relatively low cost.

*Trade and investment (FDI) relationships*

U.S. global trade relationships have been seriously challenged since 2019. Outside of NAFTA, many bilateral trade restrictions exist. Only a trickle of commerce now exists with China. Trade depends heavily on security and intelligence practices and bilateral understandings between the transacting countries. Trade and commerce is challenged by protectionism, some of which is imposed under the guise of security. Foreign investment is less affected by protectionism than by just plain bad economics. At the same time there is some benefit to the U.S. and NAFTA economy from new incoming manufacturing investment transplanted from China and elsewhere.

*Fiscal and monetary policies and status*

Public finances in 2030 are still precarious, notwithstanding efforts to increase tax revenue and control spending on non-essential items. Although less now than during the years of the crisis, the nation’s finances are still in the red. A more progressive tax system is in place, with fewer loopholes and corporate giveaways. Entitlement programs have been “reformed” to keep them solvent and sustainable for the next generation of retirees. All programs are means-tested. Meanwhile, however, new programs have been introduced to assist laid-off workers and at-risk populations. With trade-related inflation very high, authorities have attempted to maintain some monetary discipline, without choking all life out of the economy. It is a constant juggling and balancing act.

*Resource dependency*

Energy consumption has fallen as households and industry have embraced simple,

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

market-based conservation practices. Slower economic growth has helped as well.

Generally, energy distribution tends to be a priority for national security or homeland defense and critical infrastructure needs.

Access to strategic materials is challenging, as many of the source locations have fallen into chaos. On the flip side, the NAFTA countries have effectively denied access to the regional fisheries.

**U.S. Political Landscape**

*Political trends in U.S. (fragmentation, unity, third parties, civic engagement) and campaign finance reform*

The political environment is a rich brew of contradictions: high political fragmentation before the 2019 crisis, followed by a renaissance of very positive civic engagement at the local level. There are pockets of acute labor unrest and fringe political groups calling for socialist solutions for the current malaise. In some quarters, there is pronounced xenophobia (the worst cases leading to vigilante actions against Muslim Americans), but this is not widespread and it has not prevented the establishment of a large guest worker program with Mexico. America has tended toward isolationism out of fear and insecurity, while businesses and the affluent yearn for the good old days of globetrotting travel and commerce. Finally, the crisis has allowed the forging of a consensus around a set of security and economic stabilization policies that most have agreed are in the nation’s interest.

*Civil liberties vs. security*

However reluctantly, the majority of Americans have traded some civil liberties for increased security. A national ID program is now in place. Very few commercial transactions are out of the reach of government surveillance. Resistance to this brave new world was initially limited to fringe civil liberty groups, but the base is beginning to expand, especially among the young. There are a fair number of survivalist communities that resist government incursions into their private lives.

*Balance between federal/state/local/ private sector/ NGO’s and non-profit organizations*

The balance is layered, depending on the sector (e.g., defense, security, regulatory, job, education, health care, etc.). Differential relationships emerge among the actors based on conditions within each sector. For example, political debate is raging in several states over the extent of states’ rights, including unfunded mandates and the role of the National Guard. Church-based organizations flourish, but NGOs dependent on private funding diminish in stature and prominence.

*Isolationism vs. engagement in the world*

The U.S. has turned inward, maintaining a focused and limited set of strategic relationships, based on national security interests: for example, Europe (counter-terrorism); Mexico and Canada (energy and border security); Japan (Asia-Pacific stability and trade). There’s a growing questioning over the wisdom and desirability

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

of continued U.S. isolation. This movement is beginning to gain a political voice.

*Locus of political power*

The balance of power has shifted decisively to Washington; state and local governments are strapped for cash. This has created a political backlash in the states, and anger is driving a greater interest in states rights despite the revenue shortfall. There has been no meaningful campaign finance reform. While there has been little reform of K Street, there are fewer dollars available to lubricate the lobbying machine.

**U.S. Society**

*Public perception of military careers and of government*

Public perceptions of the federal government have changed, from marked displeasure over its failure to ensure domestic security (ostensibly because of overreaching foreign commitments) to, more recently, a degree of reassurance that the country is now reasonably safe. At the same time, no one is happy over tax and entitlement program changes – but no one thinks the changes are unfair, either. Perceptions of local government vary, depending on the economic health of the region where one lives and the quality of local leadership. Some governors have won important political points by securing funds for infrastructure security.

For many, government service and military service are desirable careers, as they offer long-term stability, benefits, training, and for some, adventure. Others pursue private sector or non-governmental jobs; they see government employment as too limiting.

*National loyalty and identifications*

Initially, there was very strong patriotic fervor after the terror attacks. This has diminished in intensity as the U.S. has lost economic ground and the population is tired of living under extreme security conditions. Despite the malaise on the part of the older generation, the younger generation wants to enjoy life and travel internationally. They feel deprived and seek greater opportunities than their parents enjoyed. Civil libertarians worry that the security impetus has gone too far.

Relations with and loyalty to local leadership depend heavily on the charisma and effectiveness of local leadership (and their ability to secure federal funds for local projects).

*Integration/fragmentation of U.S. society & tendency toward violence*

The threat of terror has enhanced societal cohesion to some degree, but this tends to be focused at the local or state level. Opportunities to rally around the flag are few, and fleeting. At the height of the crisis in 2019-21 there was a rise of vigilante actions against Arab and/or Muslim citizens.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

Public responses to the 3/19 attacks were varied. In some areas, community links grew as people depended on one another for support and formed informal social networks. At the same time, depression, drug abuse, and alcoholism rose as Americans struggled to survive in a fear-stricken and isolated society. Increasingly disruptive terrorist attacks on soft targets led to a siege mentality with adverse psycho-social effects. Suicide rates escalated.

Economic stress has contributed to a wide range of extreme behaviors. For example, longshoremen rioted in California after extended work furloughs, for example.

Militia groups are thriving in some areas – an outgrowth of extreme survivalist groups in some cases.

*Education*

Tighter security measures have led to a sharply curtailed number of foreign students in the U.S. and U.S. students studying abroad. The resulting decline in innovation negatively impacts U.S. competitiveness and its ability to leverage technological advancements. Standards of education range widely, with wealthy and privileged communities opting out of the public school system. For working class families, trade schools are compelling, as they offer affordable training and often lead to secure jobs. Traditional community colleges are very appealing. Recent innovations are specialized two-year colleges in existing or emerging professions such as health-care management, physical therapy, and entertainment marketing.

*Health care*

The protection of the U.S. population from health threats from abroad is the overwhelming priority. There are health screenings at border crossings. In addition, the government provides immunizations free. However, the rest of the public health infrastructure has eroded. The federal government is providing limited subsidies to state and local public health authorities – just enough to maintain a bare-bones public health system. Medicare, like Social Security, is now needs-tested and more restricted in coverage. Tort reform has been passed, to relieve the burden on physicians and health centers. There are very few for-profit hospitals, outside of very wealthy communities. There are limited public hospitals run by cities; many are limited to ER services.

In preparation for a potential nuclear attack or other crisis events, there is a national emergency medical corps focused on basic life support and decontamination.

*Aging population of U.S.; societal and political effects*

Social Security disbursements have become tightly restricted with high barriers to access based on needs-testing. The retirement age has been raised to minimize government outlays on entitlement programs. Coupled with high inflation rates,

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

elderly purchasing power is severely reduced. As a result, multigenerational families are on the rise.

*Religious or cultural affinities*

There has been a revival of traditional and new religions (some apocalyptic), as people look for solace and meaning in a harsh world. After the terror attacks there were anti-Muslim hate crimes and vigilantism, though by 2030 this has simmered down. Isolationism has bred cultural parochialism and less global awareness, fueling the fire for those already concerned with the cost of prolonged isolation. Latin influences in U.S. culture continue to be pronounced.

*Leisure activities/tourism*

There is very little international travel and it is limited to the most affluent. Short sea and coastal/inland water cruises still exist (Alaskan cruises, Baja California, NW Passage, e.g.) although the cruise industry is very security conscious. Newer cruise ships are smaller and more secure.

Low-budget vacations to state and national parks are more popular. There's a 1970s feel to this world, with camping and exploring the great outdoors popular. There's also an extreme survivalist element to this, too.

There is ample leisure time with many people working in government and regular 40 hour/week jobs. The retirement age has been raised (to ease the crushing fiscal burden).

Community sports, theatre, and entertainment are big. So is anything that is inexpensive and that does not require significant travel. Virtual entertainment is very popular.

Leisure boating is severely restricted. Recreational boating licenses are required, limited, and difficult to obtain. For those avid boaters who fight the bureaucratic battle and manage to get on the water, options are limited. Waters near major modernized ports and trade routes are "no boating" zones.

**Regions and Key Countries**

**Canada**

Canada enjoys a close economic and diplomatic relationship with the U.S., but maintains an independence that keeps it from agreeing to a broad security arrangement with the U.S. (and Mexico). Canada wants to keep its trade options open (especially with respect to Asia) and domestic political pressures resist hard border and port security arrangements sought by the U.S. Canada is still a critically important trading partner of the U.S., exporting shale oil, hydropower, and water.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

Immigration into Canada is somewhat more restricted from third countries, but not to the extent sought by the U.S.

The Northwest Passage is open part of the year for commercial maritime transit. (See Arctic/Antarctic section for more details.)

**Mexico**

Mexico enjoys a special economic and security relationship with the U.S., which includes a long-term energy agreement and a limited guest worker program. It is also a beneficiary, along with some Central American countries, of re-directed manufacturing from China. Mexican agricultural exports and tourism benefit from closer ties with the U.S. (Mexico takes advantage of reduced exports from South America to the U.S.) The net effect of this is moderate growth and social stability. Mexico's port facilities developed for global trade are underutilized and have been diverted to NAFTA regional trade. Mexico is aggressively developing offshore oil.

**Central America & Caribbean**

The region as a whole has not risen to the economic, security, and protectionist challenges of the world after 2019. (NAFTA and CAFTA countries have done better owing to preferential trade and security arrangements with the U.S.) Intra-Latin American trade is now emphasized, but only to a point, as protectionism is widespread. Mexico's closeness to the U.S. is straining its diplomatic relations with the rest of Latin America.

With the exception of Panama and Costa Rica, Central America and the Caribbean are in serious economic straits. Some states are on the verge of failing (e.g., Guyana, Suriname, and Bolivia). Haiti has effectively failed. U.S. military presence is back in Panama by invitation. Smuggling and black market activities are rampant throughout the region.

Panama Canal expansion has been suspended owing to the economic downturn and decline in trade after 2020.

Cuba undergoes a soft landing post-Castro. The harsh global economy is more than compensated by phased removal of U.S. trade sanctions in exchange for a limited security agreement. Cuba becomes another Jamaica, economically struggling but not desperate. It is receiving minimal U.S. government attention. Cuba is trying to distinguish itself as the new Jewel of the Caribbean. Cubans sponsor smuggling of illicit Asian goods into the U.S.

The Bahamas falls under effective U.S. control for security and anti-smuggling purposes. Some of the other Caribbean islands not under the NAFTA security umbrella become ungoverned, in effect. Economic desperation has led many in the

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

Lesser Antilles to seek better prospects in Puerto Rico or the USVI. The smaller, tourism-dependent islands are particularly desperate.

**South America**

South America has a “carved up” feel to it. The U.S. is concentrating its Hemispheric interests on the Caribbean and Central America. Consequently, South America is left pretty much on its own. China has a sizeable legacy economic presence in the region, but has pulled back since experiencing its own problems.

Brazil is a strong regional actor and an aspiring global actor. Brazil has developed a nuclear weapons capability, with no particular threat target. This is a means of asserting power and getting recognition as a member of “the club” and the de facto leader of South America.

MERCOSUR is still a going concern, but incapable of reversing the protectionist tide.

Venezuela has experienced a soft landing post-Chavez. After being “burned” from Chavez-era populist economic policies (a crisis in 2012 left the nation in dire economic straits), new leadership embraced more moderate, centrist policies, domestically and vis-à-vis the U.S. The result has been an economy that is still very energy-dependent but stable and more open to private investment. Venezuela remains an important oil supplier to the U.S. and the region.

Colombia lacks economic advantages, especially with the U.S. trade cut. The U.S. and Colombian government have ceased eradication efforts (though the U.S. is increasing anti-drug efforts within core security zones, especially Mexico). Cocaine and heroin continue to be exported, though the U.S. security infrastructure creates new complications for drug smugglers and keeps drug prices from collapsing. Other than Bogota, Cartagena, and major ports, most of Colombia is under the rule of militias. The New Dawn maintains training bases in secret, remote Andean locations.

**North Africa  
& Middle East**

The region has weathered a period of slowing increase in demand for oil, because of the global economic slowdown. The U.S. is no longer dependent on Middle East oil (owing to increasing investment in nuclear imports from Mexico and Canada, and economically driven conservation). However, the oil market is global and the U.S. is affected by all events that influence oil prices. China’s energy appetite is still substantial, even with its slowing growth.

Hopes in the region were raised with the moderation of Hamas leadership, which led to a revived peace process culminating in the 2014 establishment of a Palestinian

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

---

**Lockdown**

---

homeland. This turned out to be short-lived. The long-awaited settlement unraveled when a Jewish extremist group nearly destroyed the Al-Aqsa mosque in the Old City of Jerusalem. A multinational peacekeeping force on site failed to reverse the two-way tide of violence that ensued. The U.S. lent only token support to the peacekeeping mission after withdrawing from Iraq that same year, further damaging its standing in the region.

Iraq has become a loose confederation, made up of Shia, Sunni, and Kurdish regions that are practically independent. The Shia leadership is operating in close cooperation with Iran. Turkey is extremely uneasy over the emergence of Kurdistan.

Over the last 10-15 years the U.S. has greatly reduced and rationalized its military presence in the region. Israel receives U.S. military aid, roughly at 2007 levels, although the risk-reward equation is commonly debated. In the Gulf, the U.S. retains a reduced naval presence because of fiscal considerations and rising domestic opposition. The major remaining U.S. military presence in the region is in Turkey.

Sometime around 2016-17 Iran achieved an offensive nuclear capability. But it has never publicly admitted as much. (Iran is also believed to be bankrolling terror activities, though it denies this as well.) The new, hard-line Iranian regime now in power has not called for Israel's destruction. Some Western diplomatic analysts find this salient, in a hopeful sense. (Calling it a tacit acceptance of Israel's right to exist, as some have, might be going too far.) Others, including many Israelis, are still very uneasy about a hostile regime in power in Iran. No one believes this "cold war" is healthy or productive. But whatever the case, more than a decade later, the two nations have managed to refrain from going to war against each other.

A balance of nuclear terror remains. Egypt and Saudi Arabia are believed to be developing nuclear capabilities. In 2028, Egypt democratically elected a new leader who denounced Israel in unequivocal terms. Saudi Arabia has gradually and quietly opened up, in an effort to cool off rising discontent among the young and restless. Sustained high oil prices have enabled the Saudis to invest in education and jobs for the young population who might otherwise be at risk for terrorist recruiting.

Jordan is experiencing immense internal political pressure (owing to its large Palestinian population). The U.S. is providing covert support to buttress the regime.

North African states are either staying neutral or turning hard-line, anti-Israel, and/or anti-West. Turkey is reaching out to the region; it is growing more alienated after having been denied full EU membership while at the same time suffering regional criticism for allowing a U.S. military presence within its borders.

---

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown****Sub-Saharan Africa**

The region as a whole is undergoing drastic economic and political instability. The only exceptions are sub-regions that enjoy rich energy or mineral reserves, especially strategic materials for military applications. AIDS has decimated populations in all but a handful of countries. Tribal and ethnic tensions are widespread, as are smuggling and piracy. As national militaries disappear, national boundaries are in some cases crumbling. Aid has been drastically cut, with all but token help from former colonial powers and very modest sums from NGOs and church groups.

South Africa has persistent pressures on its borders – “the weight of sub-Saharan Africa.” Economic distress and conflicting loyalties and allegiances (tribalism) have undermined South African nationalism. Further, AIDS has decimated the working age population. Many economic and political elites have fled. Natural resources remain one of the few viable economic sectors.

**Europe**

Europe, while by no means immune to terror attacks, has not been traumatized like the U.S. It has made a strategic decision not to lock down to the extent that the U.S. has. So far, this strategy has paid off economically for the region, as it enjoys richer trade and investment relations with much of the rest of the world. It has weathered the global economic downturn much more effectively. It is somehow muddling through its challenging demographic situation, despite a more lopsided population pyramid than the U.S. European aerospace and defense industries are leading sectors in the economy, selling into the global arms market. U.S.-EU trade relations are tense and increasingly restricted. In security matters, U.S.-EU relations are constructive and cooperative. The euro is relatively strong and has become the most important reserve currency.

Bulgaria and Romania are the newest EU members. EU countries went through a period of greater integration of ethnic minorities, especially from Islamic countries, after the Paris riots of 2005. These were significantly successful, to the extent that many formerly alienated immigrant populations have become more integrated into the economic mainstream and are feeling more fully European. The 2019 attacks in the U.S. resulted in more restrictive EU entry from third countries, but did not close the valve entirely.

The UK is the preferred transshipment point for trade between the U.S. and Europe.

**Former Soviet Union**

Russia and Central Asia have authoritarian (but not unified) governments and have adopted a historical approach to exerting strong central control over domestic order, owing to widespread disillusionment over “the failed promise of market democracy.” These governments co-exist, but have little trust. The region is

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

dominated by a very assertive and newly expansionist Russia and all can agree that they do not welcome Russia's attentions. China's interests in regional resources help to balance Russia's interests.

A highly centralized and authoritarian government rules Russia. It has grown out of a revivalist "peasant" movement reminiscent of the peasant revolts that have swept Russia historically. Called "The New Earth Movement," it extols the virtues of the mythical Russian character: loyalty, incredible endurance, hard work, and more than a touch of the messianic beliefs that had fueled both the Third Rome movement under the Tsars and Communist expansion under the Soviets. Essentially, "Mother Russia" is back. A strong populist connection is fostered toward all things Russian – including land, history, tradition, and culture. Underworld elements have nearly disappeared under strict, near-military rule (although it is rumored that many criminals now work in the quartermaster corps and the intelligence services).

Following a series of coups in neighboring countries (Georgia, Ukraine, and Belarus), Russia was welcomed in and has reasserted its influence under a broadly shifting banner of pan-Slavism. Increasing isolation from the EU and the prospect of a strengthening Russia has led to the rise of highly authoritarian governments in all these countries.

Baltic countries (except Belarus) remain strong members of the EU and are doing relatively well, but keep looking over their shoulders at Moscow. They have long memories and are worried about long-term security.

China has been reaching out to Central Asian countries for energy and resources. Limited and hesitant cooperation exists between Russia and China. Three-way competition has developed among the EU, Russia, and Central Asian countries over resources and allegiances.

**China  
(including Taiwan,  
Hong Kong, etc.)**

China has been hard hit by loss of U.S. trade and broader global economic distress. It has experienced sharply falling economic growth, declining investment, rising unemployment, a growing health crisis (HIV/AIDS and TB), and serious domestic unrest. The 2019 terror attacks antagonized economic and trade relations between the U.S. and China. China cooperates, but minimally, in global anti-terror security arrangements. In particular, it resists intelligence sharing with, among others, the U.S., as an infringement upon its national sovereignty. Japan is getting into the act by selectively limiting imports from China, ostensibly on security grounds.

China's economic policies turned more statist, command-and-control, and drastic. It is building roads and keeping factories open even when it does not make economic sense to do so. The state seeks to maximize employment via conscription to lessen

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown**

domestic political risk, keep young people off the street, and prevent demand from collapsing.

China's domestic malaise is projected out toward Taiwan, as a way of focusing the country and distracting everyone from domestic problems. There is a significant crackdown on dissident movements. China continues to project its influence and economic requirements in its continental shelf, Africa, and parts of Latin America, to secure access to energy and natural resources. China is asserting its power and strategic interests by patrolling the Straits of Malacca. It is attempting to extend its MDA and operational capability into blue water.

China is building up its armed forces, especially its navy, notwithstanding private protests from Japan and the U.S. China's economic and diplomatic relations with Japan are nearing a crisis state. By 2030, relations between China and Taiwan are approaching the point of no return, with China widely expected to make a military move. The U.S. and the rest of the world remain bogged down by a range of competing threats and challenges.

Taiwan is building up defense capabilities in anticipation of a possible move on the part of Beijing. It is a very tense time. The economy has suffered and Taiwan finds itself with very few friends as its defining moment approaches.

---

**South Asia  
(India, Pakistan,  
Bangladesh,  
Sri Lanka)**

India is negatively affected by the global economic downturn, protectionist pressures, sectarian violence, domestic political turmoil, and persistent worries about relations with neighboring Pakistan, now back under military rule, and still harboring New Dawn personnel. Owing to tightened U.S. cyber-security and U.S. public interest pressures to keep computer programming and support jobs at home, India has not been able to leverage its earlier success in IT and CRM outsourcing. These once hot growth sectors have stalled. India has not been able to avoid the problems caused by terror attacks. Because of visa restrictions, there are fewer opportunities for students to study abroad overall (e.g., in the U.S.) and for professionals to emigrate. Also, the economic downturn intensified tensions between educated classes and the government, as well as between regions. This has fed Hindu extremists, and exacerbated tensions with Pakistan over Kashmir.

Pakistan has returned to military government after a brief, unsuccessful interlude of civilian government. Osama Bin Laden was killed by Pakistani bounty hunters in 2015. Other militant groups and New Dawn nodes remain resident in the country.

Outside India, South Asia has been particularly hard hit by near elimination of international development and humanitarian assistance.

---

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

**Lockdown****North Asia  
(Japan, Korea)**

Regime change in N. Korea in 2015 brings moderates to power and enables reunification with the south by 2022 with China's encouragement and support. The U.S. pulled out in 2020.

Japanese-U.S. relations are very tight. Japan became a priority trading partner with the U.S. after 2019 and cooperates on a wide range of security and intelligence matters. At a time of rising global protectionism, there is significant co-dependence between the two nations. Japan benefits from U.S. patrolling of key sea lanes. More intimate integration with U.S. economically has softened the blow caused by the restructuring of Asian supply-chain relationships. Japan is building up its Navy, with overall U.S. encouragement, but in the process is exacerbating tense relations with Asian trade partners, especially China.

**Southeast Asia,  
Australia,  
New Zealand**

Southeast Asia has moved further away from the U.S. as its trade and economic relations with China have grown increasingly close. Japan has managed to remain involved in the region because of its legacy relationships and the favored nature of its technology. But China is trying to push Japan out.

Philippines, Malaysia, and Indonesia have significant domestic terror cells, which put pressure on governments and remain a challenge to political stability. Manila and Jakarta have been targets of terror attacks. Indonesian authorities have concentrated governance and control on major population centers. Much of the rest of the country grows isolated and ungovernable. Radicalized Muslim elements support New Dawn's agenda. In these ungoverned spaces piracy and smuggling is rampant.

The U.S. Navy is in the Philippines, by invitation, to support the government's security requirements and to bring some badly needed money into the Philippine economy. For the U.S., the Philippines base provides a regional presence and a base from which to monitor China's activities in Southeast Asia.

Australia and New Zealand are managing to maintain a delicate balance in their diplomatic and economic relationships with their Anglo-American allies and with their regional neighbors. Security and intelligence cooperation have cemented strong, though not exclusive, ties with the U.S. and UK. At the same time, Australia and New Zealand have maintained a strategic independence in trade and diplomatic relationships. They are dealing with all major blocs and players, including China, to their economic advantage. ANZUS remains an important U.S. military alliance.

These scenarios do not represent a U.S. Coast Guard forecast of the future in any way. They are only hypothetical environments for developing and testing strategic concepts.

Customized from Project Horizon material by the USCG (CG-511) and the Futures Strategy Group, February 2007 and August 2007.



UNCLASSIFIED

---

## Lockdown

---

### Arctic/Antarctic

**Arctic** – The Arctic falls into the North American sphere of geo-economic and strategic interest with the potential for new North Slope oil resources. The Northwest Passage is open part of the year creating security and resource concerns for the U.S. and Canada. Part of NAFTA+ is a working understanding that the NW Passage is not an international strait – that it is now a NAFTA jurisdiction. Canada has not given up its territorial claim.

Canada is charging fees for passage. It sees the Passage as a commercial proposition, not unlike the Panama Canal. The U.S. provides resources to assist Canadian security measures in the NW Passage.

The Northern Sea Route is navigable six months during the year. Russia has adopted a reasonable tariff policy for the Northern Sea Route, making trade from the Pacific to Atlantic feasible. Oil deposits and other valuable resources have been discovered in the Route, although extraction is not yet commercially viable.

**Antarctica** is de facto falling under the interest of the Euro-Chinese energy consortium. Germany, in particular, provides machinery for development. Russia and Norway supply ice-breaking technology. The U.S. has folded up its bases; it is too remote and expensive. Research is undertaken by organizations affiliated with energy and resource development companies with Antarctic interests, in hopes of exploiting unclaimed resources.

---

