Chairman Lugar, Senator Biden, distinguished Members of the Committee, thank you for the opportunity to testify today on the important topic of “The Changing Face of Terror: A Post 9/11 Assessment.” I will summarize my formal written statement and ask that you include my full testimony in the record.

We have achieved some success in the War on Terror. A significant portion of al-Qaeda’s senior leadership has been caught or killed, and we have degraded the group’s global network. Most recently, we learned of the successful effort to kill Abu Musab al-Zarqawi, which dealt a severe blow to al-Qaeda. We have also worked to successfully disrupt terrorist plots. While recognizing these successes, we also recognize that significant challenges remain.

The terrorist threat is constantly evolving, while radicalization has spread. Usama bin Ladin and the core al-Qaeda leadership group seeks to expand their influence, as does al-Qaeda in Iraq, which includes foreign fighters from the region and Europe. Self-radicalized and self-organized groups and cells pose a growing threat. We have seen the results in Madrid, London, and Egypt. The perpetrators of these attacks do not necessarily depend on operational support or guidance from centralized al-Qaeda command structures, but what they share with the core al-Qaeda group is a violent ideology, a belief in existential war.

The enemy gains strength from exploiting local grievances and conflicts, building alliances with regional groups such as the Jemaah Islamiya terrorist organization in Southeast Asia, and engaging in intelligence collection, deception, sabotage and even open warfare, as we are seeing in Iraq and Afghanistan.
Trends and Developments

In addition to increased radicalization, the State Department’s Congressionally mandated Country Reports on Terrorism outlines other important trends and developments. For example, in response to our operational success, enemy operational elements are becoming smaller in size and less tightly organized. We see more threats emerging from small cells and even individuals, some with greater autonomy. This makes them more difficult to detect and engage. These looser terrorist networks are less capable but also less predictable and in some ways more dangerous. We may face a larger number of smaller attacks, less meticulously planned, and local rather than transnational in scope.

Terrorist groups are becoming more sophisticated in their use of technology, particularly the Internet, to improve their global reach, intelligence collection, and operational capacity. Technological sophistication has been matched by a growing sophistication in terrorist propaganda, information operations and increasingly diffuse organizational structures. Terrorists continue to seek access to sophisticated weapons of mass destruction, including chemical, biological and radiological technology — making efforts to counter WMD proliferation a fundamental part of the fight against terrorism.

Another trend is the increasing overlap of terrorist and criminal enterprises. In some cases, terrorists use the same networks as transnational criminal groups, exploiting the overlap between these networks to improve mobility, build support for their terrorist agenda, and avoid detection. Hizballah operatives, for example, are involved in a wide range of criminal activities, ranging from trafficking in counterfeit or pirated goods to sophisticated money laundering. They are also involved in a variety of financial crimes, including credit card and insurance fraud.

Iraq must also be included in a discussion of trends. We are determined to deny Iraq to terrorists who seek to undermine its new government. Al-Qaeda and its associated foreign fighters seek to hijack, transform, and direct local Sunni insurgents in Iraq. They view Iraq as a training ground and indoctrination center for Islamic extremists from around the world, particularly from Europe, North Africa and the Middle East. They not only want to defeat the U.S., the coalition, the international community and our Iraqi allies, but also the notion of democracy in the Middle East. Networks that support the flow of foreign terrorists to Iraq have been uncovered in several parts of the world. Although Zarqawi is now dead, the terrorist organizations still pose a threat as their members will try to terrorize
the Iraqi people and destabilize the government as it moves toward stability and prosperity.

**Structure of International Terrorism**

**Al-Qaeda Today.** Al-Qaeda and its affiliated groups remain the primary terrorist threat to the international community. Our collective international efforts have harmed al-Qaeda. The capture of Hambali reduced the linkages between al-Qaeda and affiliated groups in Southeast Asia. The capture of Abu Faraj-al-Libi diminished contacts in the Middle East and North Africa. The death of Ayman-al-Zawahiri’s lieutenants in January 2006, in Pakistan, further isolated al-Qaeda leadership. The death of Zarqawi in Iraq last week disrupts the al-Qaeda leadership network. In this respect they are weaker and pose less of a direct threat.

Al-Qaeda’s core leadership no longer has effective global command and control of its networks. The few enemy leaders that have avoided death or capture find themselves isolated and on the run. Thus, al-Qaeda increasingly emphasizes its ideological and propaganda activity to help its cause. By remaining at large, and intermittently vocal, bin Ladin and Zawahiri seek to symbolize resistance to the international community, retain the capability to influence events, and through the use of the media and internet, aim to incite actual and potential terrorists. They seek to claim local and regional conflicts as their own. This was evident in the recent bin Ladin audiotape where al-Qaeda aimed to appropriate the humanitarian crisis in Darfur as part of its “cause.”

There is evidence that core leaders including bin Ladin and Zawahiri are frustrated by their lack of direct control, as demonstrated by the 2005 Zawahiri-Zarqawi correspondence. With its Afghan safe haven gone, with Pakistan reducing its safe haven along the border, and with global international cooperation constraining terrorist mobility, al-Qaeda and its affiliates are desperate to claim Iraq as a success. This is why, even until his last breath, Zarqawi feared a viable Iraqi nation and continued efforts to foment terrorist attacks and sectarian violence against Iraqis. We must retain unrelenting pressure against al-Qaeda. We must work together to ensure al-Qaeda will never regain its tight, pre-9/11 command and control structure.

**Safe Havens.** Like enemy leadership, enemy safe havens have great strategic importance. Safe haven allows the enemy to recruit, organize, plan, train, coalesce, rest, and claim turf as a symbol of legitimacy. This is why al-Qaeda and its affiliates place so much emphasis on safe haven. We must focus on both the
physical space and cyberspace that the enemy uses to recruit, fundraise, plan and train. We must also focus on ideological safe havens where belief systems, ideas and cultural norms provide space within which terrorists can operate. We must also bring an end to state sponsorship of terrorism, with Iran and Syria being the most prominent examples, in light of their ongoing support to Hizballah and a wide array of Palestinian terrorist groups.

Physical safe havens usually straddle national borders or exist in regions where ineffective governance allows their presence. Examples include the Trans-Sahara, Somalia, the Sulawesi and Sulu Sea littoral, and the Afghanistan-Pakistan border. Because of the importance of safe havens, much of our present strategy in the War on Terror is focused toward their elimination. Denying terrorists safe haven therefore demands a regional response as a matter of priority. For this reason, building regional partnerships is one foundation of our counterterrorism strategy. We are helping partner countries fight terror. We are joining with key regional countries, working together to not only take the fight to the enemy, but also to combat the ideology of hatred that uses terror as a weapon. We must work with our many partners around the world to build and sustain democratic, well-governed states that respond to the needs of their people and conduct themselves responsibly in the international system.

There are some examples of success against enemy safe haven. Colombia now boasts police forces in all 1,098 municipalities throughout the country, and is trying to work with bordering countries to combat the FARC. With U.S. Government assistance, the Philippine Government now has increasing control of the island of Basilan and is beginning to create stability on the island of Jolo, both areas of operation for Jemaah Islamiya and the Abu Sayyaf Group. Algerian forces have reduced the GSPC strongholds in Algeria to small, isolated pockets. Starting in 2004, Pakistan has continued its effort to wrestle the Federally Administered Tribal Areas from al-Qaeda influence, but this will be a difficult task.

Enemy safe havens also include cyberspace. Terrorists often respond to our collective success in closing physical safe havens by fleeing to cyberspace where they seek a new type of safe haven. Harnessing the Internet's potential for speed, security, and global linkage, terrorists increase their ability to conduct some of the activities that once required physical safe haven. They not only use cyberspace to communicate, but also to collect intelligence, disseminate propaganda, recruit operatives, build organizations, fundraise, plan, and even train.
There are several thousand radical or extremist websites worldwide, many of which disseminate a mixture of fact and propaganda. Countering the messages that terrorists propagate cannot be done quickly or easily. It must become part of a long-term strategy that will demand concerted action at all levels.

**Current CT Initiatives**

Our strategy to defeat terrorists is structured at multiple levels -- a global campaign to counter violent extremism; a series of regional collaborative efforts to deny terrorists safe haven; and numerous bilateral security and development assistance programs designed to build partner CT capabilities, as well as liberal institutions that support the rule of law, and address political and economic injustice.

This strategy is aimed to enhance our partners' capacity to counter the terrorist threat and address conditions that terrorists exploit. We work with or through partners at every level (both bilaterally and multilaterally), whenever possible. To implement this strategy, U.S. Ambassadors, as the President’s personal representatives abroad, lead interagency Country Teams that recommend strategies using all instruments of U.S. statecraft to help host nations understand the threat, and strengthen their political will and capacity to counter it.

Our strategy is aimed over the long-term. Over time, our global and regional operations will reduce the enemy's capacity to harm us and our partners, while local security and development assistance will build our partners' capacity. Once partner capacity exceeds threat, the need for close U.S. engagement and support will diminish, terrorist movements will fracture and implode, and the threat will be reduced to proportions that our partners can manage for themselves over the long term.

Examples of such strategies include the Trans-Sahara Counterterrorism Initiative (TSCTI), the Middle East Partnership Initiative (MEPI), and the Regional Strategic Initiative (RSI). The TSCTI is a multi-faceted, multi-year strategy aimed at defeating terrorist organizations by strengthening regional counterterrorism capabilities, enhancing and institutionalizing cooperation among that region’s security forces, promoting democratic governance, discrediting terrorist ideology, and reinforcing bilateral military ties with the United States.

The MEPI is a presidential initiative that was launched in 2002 so that democracy can spread, education can thrive, economies can grow, and women can
be empowered in the Middle East. The Initiative is a partnership that works closely with academic institutions, the private sector, and non-governmental organizations in the Arab world with the goal of building a vibrant civil society so reform can flourish. As such, both the TSCTI and MEPI are examples of “home-grown, partner-led” initiatives.

The third example of one of our long-term, interagency CT strategies is the RSI. My office has worked to develop this program which is designed to establish flexible regional networks of interconnected Country Teams. We are working with Ambassadors and interagency representatives in key terrorist theaters of operation to assess the threat and devise collaborative strategies, actionable initiatives and policy recommendations.

The RSI is a key tool in promoting cooperation between our partners in the War on Terror -- between Malaysia, Indonesia and the Philippines, for example, as they deal with terrorist transit across the Sulawesi Sea; or among Iraq’s neighbors working to cut off the flow of foreign fighters to Iraq.

To date, several RSI strategy sessions have been held. These include strategy sessions in Southeast Asia, among Iraq’s neighbors, and most recently in the Horn of Africa. More are scheduled in the coming months. These sessions are chaired by Ambassadors, with Washington interagency representatives in attendance. The sessions focus on developing a common, shared diagnosis of the strategic situation in a region. Using this common perspective, networked Country Teams then identify opportunities for collaboration, and self-synchronize efforts across multiple diverse programs in concert with the National Counterterrorism Center’s strategic operational planning effort to achieve the President’s national strategic goals. We are engaging enemy networks with flexible, strong interagency regional networks of our own.

**Effectiveness of USG CT Approach**

The War on Terror is an enormous effort across varied geographical regions and a multiplicity of programs, with numerous partners. In measuring its effectiveness, we must focus on how our efforts affect the enemy rather than focusing solely on the scale and efficiency of our inputs. These inputs have improved dramatically in efficiency and coordination across the whole of government since the war began – but success demands that we translate this improved performance into an improved effect on the enemy.
At the global level, al-Qaeda leaders are less and less able to offer practical support and leadership to their affiliated networks, because of the need to remain constantly on the run and in hiding. They increasingly focus on propaganda efforts to inspire their followers. But bin Ladin’s statement directly admitting responsibility for the 9/11 attacks shook many potential supporters, who had been convinced by conspiracy theories and the lies of terrorist supporters that they had been unjustly framed for the attacks. Bin Ladin’s own words have undermined him.

We see some progress in Iraq, where a new, sovereign government is taking shape. Here, terrorists have suffered significant damage. The most recent example is the death of Zarqawi. Zarqawi was the most important al-Qaeda terrorist in Iraq, responsible for a gruesome campaign of hate, violence, and intolerance that included beheadings, bombing of innocent civilians in Iraq and Jordan and for targeting Americans and members of the international community. But most importantly, he was a key promoter of sectarian conflict and communal violence between Iraqis of the Sunni and Shia communities. Many challenges remain in Iraq, but his death may afford us and our Iraqi partners more time and space to address the social-political-economic conditions that the enemies of Iraq seek to exploit.

In the Horn of Africa, terrorists continue to exploit poor governance, lack of basic societal infrastructure, and the failed state of Somalia. The fight against terrorism is inseparable from the need to address the underlying conditions, as well as targeting terrorists themselves. We continue to work with partners across the region to help local people build a better future for themselves, improve governance and rid themselves of the terrorists who prey on them.

In Afghanistan and Pakistan, terrorist-affiliated insurgents such as the Taliban are seeking to spread their influence into settled districts and undermine government efforts to improve administration and meet people’s basic needs. They seek to exploit the changeover of forces in Afghanistan and draw on local grievances to build alliances between terrorists and insurgents. But our partner governments remain committed to the struggle, and we must help them.

Closer to home, Canada has proven a key partner in the war against terror, recently disrupting a major extremist plot. Like the U.S. and other open, democratic societies, Canada faces challenges from those who seek to exploit its freedoms. While the emergence of the extremists behind this plot is worrisome, Canada’s security forces detected and disrupted this plot with world-class
professionalism. We continue to work closely with Canada in an enormous range of counter-terrorism programs.

Role of Regional and Multilateral Partnerships. Our work with regional and multilateral partnerships is important to achieve U.S. Government counterterrorism goals. The United States finds strength in numbers and cannot accomplish these goals alone. Further, by working through international partners we can provide CT assistance in certain parts of the globe that is politically more palatable than if we provided it bilaterally. Examples of progress with regional partnerships include the Inter-American Committee against Terrorism (CICTE) and the Organization of Security and Cooperation in Europe (OSCE). Through CICTE, the U.S. has delivered more than $5 million in capacity-building in the region, providing training to hundreds of security officials in the region. The OSCE has pushed its 55 members to implement ICAO travel document standards, sponsoring workshops and training for government officials, as well as to modernize shipping container security and prevent and suppress the financing of terrorist organizations.

Likewise, we have had success in working with multilateral organizations. In 2005, we adopted two resolutions in the UN Security Council aimed at counterterrorism. The first, resolution 1617, strengthened the current sanctions regime against the Taliban, bin Ladin and al-Qaeda and their associates, and endorsed the Financial Action Task Force standards for combating money laundering and terrorist financing. The second, resolution 1624, addressed incitement to terrorism and related matters. In addition, we continued to work through the UN 1267 Sanctions Committee to impose binding financial, travel, and arms/munitions sanctions on entities and individuals associated with al-Qaeda, the Taliban, and bin Ladin. We also worked within the UN General Assembly to ensure the Outcome Document, issued at the end of the high-level plenary meeting of the 60th General Assembly, contained a clear and unqualified condemnation of terrorism “in all its forms and manifestations, committed by whomever, wherever, and for whatever purposes,” and set objectives for UN actions to counter terrorism.

Within the G-8, we worked with our partners in 2005 to complete virtually all outstanding project tasks included in the 28-point action plan that is part of the Secure and Facilitated International Travel Initiative (SAFTI) issued at the June 2004 Sea Island Summit. This included strengthening international standards for passport issuance; developing new measures to defend against the threat of MANPADS; establishing a Point-of-Contact network to deal with aviation threat emergencies; and expanding training and assistance on transportation security to third-party states.
Conclusion

As I survey the changing face of terror, I draw three conclusions. First, we must maintain flexibility in our approach as the enemy continues to evolve. In doing so, we must measure counterterrorism success in the broadest perspective. Tactical and operational counterterrorism battles will be won and lost, but we wage these battles in a global war within a strategic context. We must fight the enemy with precise, calibrated efforts that will deny the enemy its leadership, its safe havens, and its financial and criminal networks of support.

Second, we must replace an ideology of hatred with an ideology of hope. Over the long term, our most important task in the War on Terror is not the “destructive” task of eradicating enemy networks, but the “constructive” task of building legitimacy, good governance, trust, prosperity, tolerance, and the rule of law. Social and governmental systems that are characterized by choices, transparent governance, economic opportunities and personal freedoms are keys to victory. Ignoring human development is not an option. It is imperative that we encourage and nurture democratization. When a lack of freedom destroys hope, individuals sometimes feel they are justified to lash out in rage and frustration at those they believe responsible for their plight. In fact, no cause, no grievance can justify the murder of innocent people. Public diplomacy programs that encourage exchanges of ideas and seek to develop regional and local programming to reject violence and hate, and instead encourage tolerance and moderation are critical.

Third, the United States cannot fight counterterrorism alone. We must use all tools of statecraft, in cooperation with our growing network of partners, to construct enduring solutions that transcend violence. Because of our collective efforts and our interdependent strength, we will win this fight. Our citizens and global partners expect no less.

Mr. Chairman, this completes the formal part of my remarks and I welcome your questions and comments.