Thank you, Mr. Chairman, for your invitation to testify today on this most important topic. Now that nearly five years have passed since the devastating attacks of 9/11, this is clearly the right moment to stand back and ask the questions you pose in this hearing – how have things changed since 9/11, how has the threat evolved, and how are we doing in countering it?

In addressing these questions, I intend to focus mainly on al-Qaeda and those inspired by it. And while the war in Iraq clearly bears on these issues, I intend to deal more with the war outside Iraq than with the ongoing conflict there. While
US conventional military forces carry the main burden in Iraq, obviously supported by intelligence officers, the war being fought outside Iraq and outside parts of Afghanistan has been, and in my judgment remains, largely an intelligence war. And the challenges associated with that will also be part of what I try to address today.

Another distinction that I will try to explore is that between the *tactical* and the *strategic* aspects of the war on terrorism. While our actions since 9/11 have been carried out in a thoughtful strategic context, they have been largely tactical in nature. The emphasis has been on degrading and disrupting the terrorist networks that exist, and we have done this very effectively. As a nation, we have put less energy into dealing with the root causes of terrorism – the complex social, economic and political factors that are the engines driving the terrorist movement.

Where We Have Been: 9/11 in Context

My background is of course in intelligence, and it goes without saying that, like other Americans, intelligence officers viewed 9/11 as a devastating tragedy – but not as the *beginning* of a war. US intelligence had been combating terrorists for at least two decades and had considered itself at war with Al-Qaeda since the mid to late 1990s. The attack of 9/11 was thus seen by intelligence as a catastrophic loss in a war that had been ongoing.
It was a war in which the United States had seen both victories and defeats. Among the victories were the disruption of a Ramzi Youssef plot to down ten civilian US airliners over the Pacific in the mid-1990s, the disruption of plots to bomb our embassies in Yemen, Albania, and at least one West European capital, and the disruption of a wide array of planned attacks on US interests in the US, Jordan, and other parts of the Middle East in 2000-2001 (the so-called Millennium plots.)

Among the defeats were the bombings of our embassies in East Africa in August, 1998, the attack on the USS Cole in Yemen in October, 2000, and of course the most devastating loss – 9/11 itself.

So, while 9/11 will forever be viewed as the major demarcation line between eras in US counter terrorism, it was also in a sense the most dramatic mark along a continuum – the major battle lost in a long-running war.

And while the specific targets, timing, and method of attack came as surprises to intelligence, the community was expecting some kind of major terrorist event. Throughout the summer of 2001, the conviction grew within US intelligence that a major attack was coming – so much so that the alarms sounded by the intelligence community were seen by many in the policy world as having an almost frenzied quality – the more so since the intelligence lacked the sort of specificity that policymakers hungered for at that time.
After the attacks occurred, the nation’s response benefited from the fact that much thought had been given, beginning in the Clinton administration -- to tactics and strategies designed to undermine al-Qaeda’s Afghan sanctuary.

This all came into play in the immediate aftermath of 9/11 as the CIA’s strategy of working closely with Afghan tribal allies moved to center stage and as the relationships built years before with the Afghan Northern Alliance paved the way for CIA teams to be on the ground in Afghanistan just 16 days after 9/11. This was of course the front end of what became the successful takedown of the sanctuary by combined military and intelligence capabilities in Operation Enduring Freedom.

What Has Changed

Since 9/11 and the early days of Enduring Freedom, much has changed in our nation’s approach – and also in the enemy camp.

Having made the point that this is largely an intelligence war, I need to talk in particular about how intelligence has evolved since 9/11. It is not well understood that by 9/11, the intelligence community was already in the midst of a dramatic transformation – one that accelerated as the community adjusted to its new authorities and responsibilities post- 9/11. Following resource cuts approaching 25 percent in the 1990s after the Soviet collapse, intelligence capabilities had become extremely stretched. Hiring had come to a virtual standstill, and the CIA in the mid to late 1990s was training only a couple dozen clandestine service
It was during this time of resource stress and constantly shifting priorities that the terrorist challenge began to come into sharper relief. It was also in this period that the CIA embarked on a strategic plan designed to increase its collection capabilities, adapt them to new technological realities, enhance its analytic expertise, and ensure that its scientific work stayed on the cutting edge. These efforts were just off the ground and just beginning to benefit from a restoration of some resources when 9/11 hit.

The intelligence community had already moved far away from the Cold War paradigm by the time of 9/11, but the momentum increased markedly in the wake of the attack. Any comparison with how intelligence was postured in the Cold War illustrates this dramatically.

Back then, for example, intelligence focused on tracking and locating big things, such as motorized rifle regiments, deployed strategic forces, bombers, submarines. Today, intelligence still has to do much of that but, meanwhile, has learned to hunt with considerable success for small things – a suitcase with a bomb, a single person in a city of 17 million, one room in an apartment, a single packet of data moving through the global information network.

During that earlier era, intelligence worried mainly about governments and political parties – especially those with a Soviet connection. Today, there is still a
requirement to follow governments and parties, but for what they represent in and of themselves. And in seeking to counter terrorism, the requirement is to look deeper into other societies – down to towns, regions, religions, and tribes – while also assessing the societal stresses that can be factories for terrorism.

During the Cold War, the secrets intelligence had to unlock were shared by hundreds of individuals in ministries and embassies. – a large pool from which to recruit agents. Today, the secrets terrorists guard most closely are shared by small numbers of people, and they are likely to be living in remote areas, possibly in caves, or broken into small groups scattered throughout dense urban environments. None of them will be found at cocktail parties, embassy receptions, or government ministries. In other words, the recruiting pool has shrunk, avenues into are constricted and obscure, and those who fight terrorists have had to adjust to this new reality.

The Cold War period was also often marked by a shortage of data on many issues. Today, despite the difficulty of acquiring secrets through classic espionage, the capture of a terrorist cell in the computer age may yield enormous amounts of data – as much as we house in a small public library. The challenge is to find ways to sort it, fuse it with other data, and discern any threatening patterns in it.

Finally, years ago intelligence acquired by the US had to be shared mainly with other agencies in the federal government and with a few foreign partners. Today, it must be shared with a worldwide anti-terrorist coalition and with
thousands of local law enforcement officers in the US. Today, a local cop on the beat should be able to access nationally compiled domestic and foreign data, and that data should reflect the essence of Homeland and overseas information acquired by agencies such as the FBI and the CIA.

Beyond these broad trends, the specific practices of the intelligence community on counterterrorism have changed substantially since 9/11. Little of this is recorded or even acknowledged in the 9/11 Commission Report, because the Commission drew a line at October, 2001 and did not delve into changes and improvements subsequent to the attack. Therefore, the report takes no real account of these in its analysis or its recommendations.

As I told the Senate Armed Services Committee in testimony in August, 2004, this was the most dramatic period of change for the intelligence community in my memory,

- Our policies – the nation’s and the intelligence community’s underwent fundamental changes. The principal change is that post-9/11 national policies and the authorities given to the intelligence community allowed it to go decisively on the offensive against terrorists worldwide. As a result, most of the traditional sanctuaries are dismantled or under relentless pressure. The complex logistical, financial, and communications networks that sustain terrorist activities have also been disrupted or made less effective through the efforts of the US and its allies.
• Day to day *practices* have also changed dramatically. While the degree of pre-9/11 tension among agencies has been highly exaggerated by critics and commissions, it is nonetheless true that there is routinely closer integration of effort today. While there is always room for improvement, intelligence officers, law enforcement, and military officers serve together and share information in real time on the front lines of the fight at home and abroad. When something happens, the default instinct today is to *share* information. A good example was the discovery in August, 2004 of highly detailed Al-Qaeda-sponsored casing reports on some of our most important financial institutions. Within a day or so, all of this was in the hands of federal and local law enforcement and local officials right down to the affected building managers.

• *Operational integration and response* has also advanced markedly. Since 9/11, CIA has followed a practice of holding operational meetings, often on a daily basis, bringing together intelligence and law enforcement representatives, along with defense intelligence and military officers stationed at CIA. Decisions made at the table have gone immediately to
officers in the field and their foreign partners, whose penetration and
disruption of terrorist networks yielded the precise kind of intelligence
represented by the casing reports discovered a year and a half ago. And
during the last year, this integration has been given an additional boost as
the new National Counter Terrorism Center has begun to take hold.

• The world wide anti-terrorist coalition has changed. This still takes
constant tending, as I will discuss below, but the climate of skepticism and
disbelief we frequently encountered abroad has diminished in the face of
the new realities of terrorism. As a result, the coalition is broader, deeper,
and more committed than before 9/11. This reflects the very high priority
the intelligence community has placed on building relationships with
foreign counterparts, recognizing that the work cannot be done without
local officials who are ready and willing to work jointly with the US. It also
reflects the growing recognition on the part of many partners that they are
personally threatened by the terrorist drive and that the terrorists’
campaign is drawing more heavily on local resources and indigenous
populations.
• Needless to say, our laws have also changed. Principally, the Patriot Act that you recently renewed has given the intelligence community real time access to data it did not formerly have, and this has permitted a more productive integration of data from all sources.

• Finally, our institutions have changed. Almost two years before the stand up of the National Counter Terrorism Center (NCTC) late last year, the intelligence community had pooled resources to create its progenitor – the Terrorist Threat Integration Center (TTIC). The NCTC is really an augmented version of the TTIC, with a strategic planning function added. What made both institutions unique is the bringing together of more than 20 databases from a wide variety of foreign intelligence, domestic law enforcement, homeland security, military, and diplomatic agencies. Both TTIC and NCTC also are unique in the diversity of their personnel; like TTIC before it, the NCTC is staffed by officers from agencies as diverse as CIA, FBI, Coast Guard, Homeland Security, Customs, and Treasury. While there is much work still to be done – more on that later – these institutions hold the promise of integrating data more thoroughly and with less chance that something will be missed.
The terrorist landscape has also undergone enormous change since 9/11.

- Obviously, the key strategic change was Al Qaeda’s loss of its most comfortable sanctuary as a result of Operation Enduring Freedom in Afghanistan. This forced the leadership and foot soldiers to scatter, making them more vulnerable to apprehension and less able to plan and execute large operations securely.

- A second key strategic development was the decision of Pakistan’s President Musharraf to work in close partnership with the US on counterterrorism following 9/11. This helped expose key operatives to capture and disruption in Pakistan’s urban areas, where so many of the major US counter terrorist successes have occurred. President Musharraf continues to walk a dangerous tightrope in a country whose populace is deeply skeptical of his cooperation with the US, which remains today no less essential to our ultimate success against al-Qaeda in particular.
• A third key strategic moment came in the aftermath of successful al Qaeda attacks in Saudi Arabia in May, 2003, leading the Saudi leadership to dramatically step up operations against Al Qaeda in the Kingdom. More than 200 operatives have been brought to justice there since then, in aggressive operations that have cost the lives of at least 20 Saudi officers.

In other arenas, including Yemen and other Gulf countries, the Levant, Southeast Asia, North and East Africa, and Europe, intelligence-based partnerships have kept the movement under pressure that has in many cases seriously hindered or prevented terrorist fundraising, communication, and operational planning.

The by now widely-cited figure of 2/3 to 3/4 of al Qaeda’s 9/11 era leadership in custody or killed is testament to the success of the US effort. And beyond these acknowledged successes, there is the less visible but relentless grinding away at other essential components of the terrorist networks – the couriers, the facilitators, the fund raisers, the safe house keepers, the technicians – that US intelligence officers and their foreign partners have pursued for years. This seldom-noticed work, if left undone or neglected, would allow these networks to regenerate in ways even more dangerous than we have seen in recent successful terrorist attacks in London, Madrid, Sharm-el-Sheik, Amman, and elsewhere.
So the terrorist movement we now confront is in some ways less dangerous than the 9/11 era al Qaeda and in some ways more. It is less dangerous in that terrorists now have more obstacles to overcome in attempting to orchestrate large scale international terrorist operations. It is more dangerous in that the movement is now more amorphous and operates in smaller cells that are widely dispersed geographically. It is driven less by a hierarchical command structure and geographic considerations and more by an ideology that is spread easily by the internet and other electronic media.

The movement now has an African face, a European face, an Asian face, and – as illustrated most recently by the plot foiled in Canada this month -- a North American face. It is not easily “profiled”. While the inspiration, and presumably some level of funding and training, still comes from the center, more autonomy is flowing to locally based parts of the network that recruit operatives from indigenous populations and rely on the external operatives for only portions of the planning and execution.

Clearly, the movement in its current configuration presents new challenges for intelligence and law enforcement officers seeking to penetrate the networks, acquire their secrets, and bring them to justice. Terrorist cells are more dispersed, they have gone to school on our successes, and they are adopting stealthier forms of recruitment, training, reconnaissance, and operational execution.
And while many of the recent attacks – London, Madrid, Istanbul, Casablanca, Bali, Sharm el-Sheik, and the attempted attack in Canada this month – appear local in nature, we must not delude ourselves into thinking this is no longer an international movement. Even if these attacks are not being staged by a centrally directed, hierarchical movement, the goals and consequences of each attack transcend regional borders, in that successful attacks feed recruitment efforts world wide. Dispersed cells, moreover, are connected by, among other things, the celebration of each attack in jihadist chat rooms and the propaganda that moves across the internet after each terrorist success.

Although it can be argued that our successes must be making it harder for Al Qaeda to mount a major attack in the United States, we cannot take any real comfort in that or afford to believe it. Nothing would boost the movement more or provide a greater incentive to al Qaeda’s seemingly flagging donors than another attack on American soil. For al Qaeda, this remains the brass ring, the way to recoup its losses and return the movement to its earlier preeminence.

To avert an attack in the US, we must be alert to the certainty that al-Qaeda is looking for new ways to surprise us and to circumvent obstacles we have put in their path. We must recall constantly something that would have profound consequences in any fight: we are up against an opponent who plays by no rules. Therefore, we are most vulnerable when we begin to feel comfortable that we have closed off their avenues of approach or that we can predict their profile or methodology. We have learned a lot about how they operate, but they have
also gone to school on our successes. And they have undoubtedly learned a lot from our increasingly public discussion of how we have succeeded.

What Must Be Done?

Against the backdrop of these changes, what is required of intelligence and our national policymakers looking out over the next five to ten years?

The requirements range from the heroic to the mundane, from the short term tactical to the long term strategic -- but all are essential to success. Although it is possible to draw up a list, it is important to emphasize that these tasks cannot be approached serially; they must be tackled simultaneously, albeit with varying degrees of intensity. Among the key aspects of the problem:

- First, and perhaps most obviously, we must intensify our focus on the remaining elements of the leadership, including of course Bin Laden and his deputy, Ayman Al-Zawahiri. Intelligence has had noteworthy success in weakening the central leadership of the movement through the apprehension of a large number of the 9/11 perpetrators, most notably the operational architect of the attack, Khalid Sheik Mohammed, and many of his lieutenants. That said, the movement has now evolved beyond the possibility of a “decapitation strategy”. Although success by the German plotters in their assassination attempt on Hitler in July, 1944 probably would have ended World War II, wrapping up Bin Laden will not end this war.
But it would nonetheless be an operational setback and an enormous symbolic blow to the movement. Essentially, taking Bin Ladin and al-Zawahiri out of play would weaken the international glue in the movement, lead to further fractures among extremists, throw many of them off balance, and reduce the overall threat the movement poses in its current configuration.

Second, our policies must reflect the certainty that there is no unilateral solution to the problem America now faces. American intelligence has been extraordinarily successful in building counterterrorist partnerships with other intelligence services around the world but must now -- along with counterparts across the US government -- tighten, deepen, and build on these relationships. They cannot be allowed to flag or wither. And as important as the intelligence relationships are, they in many cases need stronger diplomatic and military-to-military components. The goal should be to build shared commitment with other societies – a goal that will require resources for training and equipment and large investments of personal time on the part of US officials. Increasingly, the terrorist nexus will be in remote parts of multiple and diverse societies where Americans will have trouble operating. Senior American officials need to be able to pick up the phone and reliably mobilize the resources of other countries in response to intelligence leads – not through pressure or superpower
preeminence but as the result of shared commitments developed over time. If this kind of “intelligence diplomacy” is neglected, we will find ourselves lacking some of the fundamental tools required to defeat terrorists where they live.

- Third, success against this adversary has little to do with structure or organization in the intelligence community, despite the near exclusive attention paid to that since 9/11; it has everything to do with something even more prosaic – the effective fusion of data. As noted earlier, success against terrorist networks has yielded an enormous amount of data -- enough that sophisticated algorithms are required to sort through it efficiently. But along with volume, it is the diverse sources of this data – and classification levels that range from none to the most sensitive -- that make it especially hard to integrate and share. It is critical that our terrorist data be managed in a way that a local law enforcement officer trying to sort out suspicious activity somewhere in the Midwest is able to reach into a database to bounce his findings off of what CIA case officers have picked up overseas, what FBI officers may be hearing in New York City or what Customs or Border Patrol officers may have learned – and for all of this to work just as well in reverse. The US has made impressive strides toward that goal with institutions such as the National Counter
Terrorist Center and a variety of databases developed by the CIA’s Counter Terrorist Center, but we are still not where we need to be. If there was ever a goal worthy of a “Manhattan Project” approach – bringing together the best minds in industry and technology – this is it. Getting this done should be a legacy issue for the new Director of National Intelligence.

- *Fourth the key to intelligence success against terrorists is speed and agility in responding to leads, and we must be on guard against anything that reduces the progress the intelligence community has achieved on that score in recent years.* Response decisions must frequently be made in a matter of minutes or hours on highly perishable intelligence. The possibility of honest error is thus ever present. The National Intelligence Director must be careful not to allow the new intelligence structure to evolve into an additional layer of approvals that would compromise speed and agility, and he must also preserve and enhance the responsible risk taking environment that the community has created in recent years.

- Congressional intelligence committees and other overseers, meanwhile, must exercise careful judgment as they pursue their important work, mindful that one way to ensure risk aversion is to highlight every error made in the course of taking risks.
• **Fifth, our intelligence and military services must stay on the offense, but the country must pay increasing attention to the defense.** Intelligence will frequently pick up the signals necessary to prevent attacks, but given the highly compartmented secrets in the terrorist world, intelligence professionals can bat over .900 and still fail. The homeland security effort has come a long way since 9/11, but I wonder if our country is yet beyond a mindset geared to the expectation that specific intelligence on timing, target, and method is the primary way to avoid terrorist attacks. Clearly, that should be the goal, but given the large body of data we now have on potential terrorist targets and methods, we need to ensure that we are using that data systematically to close the gaps in our vulnerabilities here at home. This should not be seen as intelligence ducking a responsibility; the point, rather, is to make sure we are using to the fullest the information we already have at hand.

• **Sixth, we must pay special attention to and focus intensively on potential terrorist use of WMD.** Terrorism is by its very nature an asymmetric approach to war. WMD – nuclear, chemical, or biological – are the tools
that would restore asymmetric power to a weakened movement and give it the potential to level the playing field with the US and its allies. There is no reason to doubt that the terrorists have the ambition to deploy such weapons. Bin Laden has said so plainly, and intelligence has uncovered ample evidence that al Qaeda in particular has devoted substantial effort to gaining a WMD capability. Terrorist leaders know that use of such weapons in the US would be the surest way to top 9/11.

- **Seventh, national policymakers must provide constancy in resources and moral support to the counterterrorism community to maximize its effectiveness in what surely will be a protracted fight.** This risks sounding like “special pleading”, but the reality is that few aspects of intelligence work are as resource intensive and painstakingly detailed as counterterrorism. Budgets that go up and down or depend on unpredictable supplemental funding will make it harder to maintain the relentless focus that counter terrorism requires. And while holding the intelligence community to high standards and expecting strong performance, national decision makers must also throw in a dose of patience for an intelligence community that was practically in Chapter 11 in the late 1990s and in the early stages of a strategic rebuilding effort when 9/11 hit. The community has been fighting the war very effectively so far – but with essentially no
reserve capacity. It will take the Director of National Intelligence and the agencies he oversees several more years to hire and train the numbers of skilled case officers, analysts, and technical specialists required to achieve maximum effectiveness on counter terrorism while simultaneously meeting the community’s manifold other responsibilities.

The foregoing recommendations are a mixture of tactical and strategic approaches. Clearly, though, there must be a still more strategic component to the US conduct of the war – one that looks well beyond the day to day struggle and addresses the underlying forces at work. Otherwise, our children and grandchildren will still be waging this battle long after we have left the field.

Put another way, and in classic counterinsurgency terms, we must attack not only the terrorists; we must also attack their strategy. This means working systematically to dismantle the pieces of the network that give it global reach – such as its finances, communications, and logistics. In other words to isolate its decentralized cells and deprive them of the means to spread their ideology and recruit converts prepared to act on it. In essence, to take away their oxygen.

Ideally, this should occur against a backdrop of broader US information, development, and aid policies designed to attack the intellectual, ideological and socio-economic roots of terrorism. In some ways this is analogous to a problem
the US faced after World War II as it sought to limit the spread of communism as a system of belief and governance. That was at root a “war of ideas” and required strenuous efforts to combat false or misleading ideologies and sustain those who opposed them.

Today’s problem is more complex, because it is entwined with religion and because many of those opposed to Islamic extremists, unlike the foes of communism, do not seek or welcome support from the US. And we do not yet have for this era a guiding strategic concept – something akin to George Kennan’s famous “X” article that in one word, “containment”, gave everyone a strategic concept appropriate to that era.

All this said, there are some guiding principles that can inform a long-term strategic approach in this struggle against Islamic extremism

First, this war needs to be called what it is – a war on Islamic radicalism. The “War on Terror” has become too abstract a concept. The enemy needs to be personalized in a way that permits both Muslims and non-Muslims to understand that we are not talking about the great and good Islamic faith but about a group of people who have taken a cut and paste approach to Koranic scholarship – one that aims to justify killing not just non-believers but Muslims who disagree with the radicals. Being as clear and concrete as possible about who precisely we oppose -- and why -- will help to separate them from the rest of the Islamic world and make every other aspect of a longer-term strategy more manageable.
Second, in order to be effective, this message must come from the Muslim community itself. Only those with authority to interpret the faith can speak with the requisite impact on these matters. There is no question that the vast majority of Islamic leaders oppose what Bin Ladin represents. Many of them have spoken out in countries like the US, the UK, and Spain. Ways must be found to engage them actively and to help them communicate their message and increase their authority in the Islamic community. Given the Islamic radicals’ aim, these mainstream Muslims have more to lose than we do.

Third, we must continue to deny them territory. While this is also a short term tactical aim, it also has a longer term strategic salience. Al-Qaeda writings, especially those of al-Zawahiri, lay great stress on the need to get control of a major piece of territory, preferably a country, as a platform from which to pursue their dream of recreating a Caliphate that would subject all Muslims to their will.

Denying them territory as this stage of the battle means keeping pressure especially on areas of the world that are “less governed” or simply “ungoverned” by virtue of their location, ethnic composition, or the heritage of a failed state. This means paying special attention to areas such as the Pakistan/Afghanistan border, parts of East Africa, and the vast stretches of Southeast Asia. Europe also needs to be on this list, not because of any governmental inattention, but because its societal complexity, legal structure, and its large and often alienated Muslim population amount to an environment that Islamic radicals can effectively exploit.
Fourth, US diplomatic and aid strategies must continue to target the economic, political and educational policies that in many Islamic countries contribute to unemployment, poverty, and recruitment into radical movements. This is, of course, easy to say and hard to do – and will not bring change overnight.

Finally, US policy must do everything possible to take away the excuses that radical Islamists seize upon to justify their murderous practices. Recognizing that their continual citing of the Israeli-Palestinian dispute is little more than an excuse, nothing would do more to undermine their message and isolate them than the reality of a settlement in which Israel’s right to exist was recognized by a Palestinian state and endorsed by other Islamic nations. Again, this is easier said than done but probably an essential component of any comprehensive strategy for isolating and defeating the terrorists.

It is often said that it will be hard to know when this war will be over and that there will obviously be no surrender ceremony on a battleship. Terrorism at some level and in some form has been a feature of international life for centuries, and we will probably have as much chance to eliminate it completely as we have to stamp out all crime in the world.

So when can we begin to feel that we have won? I suggest, Mr. Chairman, that this day will not come until we have dismantled the movement into so many isolated and weakened parts that it is manageable on a local level. And it will not come until this ideology has become, for lack of a better term, unfashionable.
Adherents will still exist, just like communists, but will no longer be taken seriously.

We are still a long way from that day.

Now I would be glad to take your questions…