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by

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"Looming Challenges in the War on Terror"

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Thank you for the kind introduction and warm welcome to this prestigious forum.

It's a pleasure to be with all of you today. I look forward to having a conversation with you about the "looming challenges in the war on terror." I rarely get a chance to discuss these issues in public since, oddly enough, it turns out that it's not really a popular topic at parties. I bring it up, and suddenly everyone's excusing themselves to go chat with the guy who works for the IRS.

It has been six and a half years since 9/11. More than seven years since the attack on the USS Cole. Almost ten years since the attacks on the U.S. embassies in Kenya and Tanzania. Nearly 15 years since the first attack on the World Trade Center and twenty-five years since the bombing of the U.S. Marine Corps barracks in Beirut. Over that quarter-century, the threat we face from terrorism has constantly mutated, sometimes in tragically unexpected ways. This has compelled us to adapt and evolve as well. Today I would like to speak to you about some components of that evolution—in particular, the enhancements brought about by the creation of my organization, the National Counterterrorism Center or NCTC. I also want to speak to the challenges and changing landscape we anticipate in the future, and what we know we must do going forward to defeat this enemy.

The creation of NCTC was a deliberate break from the government's history of creating "stovepiped" agencies to address what were frequently cross-cutting problems. Terrorism involves such a range of activities and enablers—from propaganda campaigns to gain new recruits, to organized camps to train terrorists, to smuggling and drug operations to provide funding, to potential suicide bombers that sow fear—that to combat the threat requires leveraging all elements of national power. From domestic intelligence and law enforcement to foreign intelligence and military action, the FBI and CIA, the DEA and DHS, DOD and State, and even seemingly unlikely departments such as Agriculture and the Interior, must work in a coordinated fashion to address the threat. It has not, as you might guess, been an easy task. But it has been a successful one. We have made significant progress and have enjoyed a number of successes—some of which, in fact, I dare say, too many of which, you have seen in the newspaper and on TV. But many other crucial successes must and do go unheard of by the public. Even though I can't tell you what they are, I can tell you what we do at NCTC helps make those success stories happen.

First and foremost, NCTC is the principal organization responsible for terrorism analysis, for ensuring information sharing among federal agencies, for providing terrorism situational awareness for senior policymakers and military commanders, and for overseeing counterterrorism (CT) activities and programs across the Intelligence Community.

Our second mission, on behalf of the President, is to conduct strategic operational planning for the U.S. Government's War on Terror. This planning underpins our country's efforts to defeat terrorists at home and abroad; to prevent terrorists from acquiring weapons of mass destruction, and to counter violent Islamic extremism—the war of ideas.

We are, in short, intended to be a one stop shop for mapping out the terrorism threat and designing a plan for the U.S. Government to counter it —whether it is immediate, emerging, or long-term.

Let me begin by describing NCTC's responsibility for analyzing and integrating all counterterrorism intelligence from across the U.S. Government.

Our analytic capabilities rest on a critical foundation: NCTC's role as the single focal point where all terrorism-related information available to the government comes together. This means NCTC analysts have unprecedented access to an array of classified information networks, databases, and intelligence sources. Using this vast pool of information, NCTC analysts, working closely with their counterparts from throughout the Intelligence Community, produce daily reports and products that focus on both long-term, strategic terrorism analysis to support policy development and tactical threat analysis that supports operations in the field, both overseas and domestically.

As I have already noted, there have been successes. This past year, NCTC worked closely with our national and international partners to disrupt an imminent threat by Islamic extremists in Germany. This was a concerted effort to help our allies uncover, analyze and enumerate complex relationships among the suspects. We produced finished intelligence products to support the Germans, and our policymakers and affected military commanders.

Our intelligence mission extends beyond traditional counterterrorism analysis, to include supporting watchlisting of terrorists. NCTC maintains the government's central data base on known or suspected international terrorists. The database, known as the Terrorist Identities Datamart Environment, or TIDE, contains all-source intelligence information provided by all of the various members of the Intelligence Community, up to the very highest levels of classification. The classified information in TIDE is used to produce an unclassified extract that goes to the FBI's Terrorist Screening Center. That information, in turn, is used to compile the TSA's No-Fly List, the State Department's Visa and Passport Database, DHS's Border System and data for the FBI's National Crime and Information Center. While the system is not yet foolproof or perfect, it

represents a major step forward for our government in the effort to solve the problem of disparate, incomplete and disconnected watch lists.

As you may suspect, it's one thing to bring everyone together during a crisis. It's another to bring all elements of national power to bear on a strategic plan. The job of ensuring all Cabinet-level departments and agencies across our government are focused on the counterterrorism mission, falls to NCTC's innovative and, dare I say, revolutionary Directorate of Strategic Operational Planning. This responsibility was assigned to NCTC under the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), which mandated NCTC's role as the government's strategic operational planner and integrator for the war on terror. IRTPA mandates that <u>all</u> elements of national power, not just the intelligence or military elements, be leveraged in the fight.

Our task is to translate U.S. Government-wide counterterrorism policy and strategy into coordinated, actionable tasks for individual departments and agencies. This task is realized in a landmark document, the National Implementation Plan or NIP, produced by NCTC and approved by the President in June 2006. The NIP is the first-ever, comprehensive U.S. Government-wide strategic war plan for countering terrorism. The document lays out who is responsible for what, and ensures accountability for results through an assessment and evaluation process.

It is with this backdrop that we face the challenge of violent extremists, and I regret to say that the Al Qa'ida threat still looms large. I would like, therefore, to offer "looming challenges" on two fronts—first, what the intelligence tells us about al-Qa'ida and related movements, and second, challenges to our side--the government's response to the threat.

And let me just note that while I will focus today on our principal threat—that of al-Qa'ida and al-Qa'ida inspired groups—we need no better reminder of the significant threats posed by violent Shia extremists—most notably Hizballah—than today's reported death of Imad Mughniyeh. Mughniyeh, Hizballah's military leader, was responsible for

violence such as the Beirut barracks bombing, the bombing of Jewish targets in Argentina, and the murder of US Navy diver Robert Stethem during the hijacking of a TWA airliner.

The discussion of al-Qa'ida (AQ) must begin in one place—the Federally Administered Tribal Areas (FATA) of Pakistan, where AQ maintains a relatively strong profile. The FATA has provided AQ with a safe haven from which they can recruit, train and send operatives to the West. They also use the relative sanctity of the region in order to produce media statements and maintain the pace of AQ propaganda to the Muslim, and increasingly, Western world. While we have seen al-Qa'ida's ability to find common cause with extremists across the globe, metastasizing itself outside of its traditional safe havens, its most sophisticated plotting against the West is still guided by a smaller cadre of extremists working out of these frontier areas of Pakistan.

Al-Qa'ida proper is not, however, solely in the FATA. As many of you are aware, Al-Qa'ida's global reach has expanded with strategic partnerships across the Middle East and North Africa. Of these partnerships, Iraq remains a focus, even as regional initiatives—a combination of Sunni tribal initiatives, Coalition force actions, and Iraqi Security Forces actions—have reduced al-Qa'ida in Iraq's (AQI) strength and capabilities since late 2006. However, AQI retains the capability to conduct high-profile terrorist attacks. AQ may also seek to leverage the contacts and capabilities of AQI as a visible and capable affiliate and the only one known to have expressed a desire to attack the U.S. homeland.

North Africa is also high on our list of priorities. In November, Ayman al-Zawahiri and now deceased Libyan Islamic Fighting Group (LIFG) leader Abu Layth al-Libi announced LIFG's merger with al-Qa'ida, a largely symbolic gesture designed to reinvigorate the jihad in Libya. This is the second North African group to join with al-Qa'ida in the past year or so. Zawahiri announced in 2006 that al-Qa'ida merged with the Salafist Group for Preaching and Combat (GSPC) and is now called the al-Qa'ida in the Islamic Maghreb (AQIM). In December, AQIM conducted near-simultaneous suicide

bombings in Algiers, marking the deadliest attack AQIM has conducted against a foreign entity. AQIM attacked the Algerian Supreme Court and offices of the United Nations; unofficial estimates place the death toll at more than 67, including eight UN employees. We assess that AQIM is capable of more such attacks.

The countries outside Northern Africa have proven to be a very attractive operating environment for a number of foreign and domestic terrorist organizations as well. Many of those countries have poor border security, allowing for recruits, supplies and capital to cross without detection. Since the Ethiopian invasion of Somalia in December 2006, the threat environment in the Horn of Africa has shifted: Ethiopia's military victory has dismantled the political wing of the Council of Islamic Courts (CIC), however other elements of CIC, including the radical wing al-Shabaab militants and their al-Qa'ida associates are largely intact and continue to wage violent jihad.

South East Asia continues to be a concern, although not nearly that which we might have envisioned two or three years ago. Jemaah Islamiya (JI), the region's broadest terrorist network, still has both the capability and interest to carry out attacks in multiple countries. While JI's strategic goal of uniting the region's Muslims under a new caliphate still inspires extremists in Indonesia, the situation in South East Asia continues to be a bright spot in the War on Terror. With one of the largest Sunni Muslim populations in the world, with potential safe havens from which to operate, the governments in the region have been able to effectively counter, deter and incapacitate extremists and their plans.

Of course, violent extremism in Europe remains at the center of our concerns—both for the danger it poses to our European allies and our interests, as well as the potential danger it poses to the United States, as vividly illustrated by the disrupted trans-Atlantic airline plot in 2006.

Recent disrupted European plots were, at the very least, inspired by bin Laden's public call to wage war against the West. A terrorist cell disrupted in Barcelona last month,

disrupted terrorists attacks this past summer in Denmark and Germany, and the botched car bomb attacks last year in London and Glasgow are recent examples. In addition, Bin Ladin's recent video message addressed to Europe further reinforces our belief that al-Qa'ida is attempting to divide Europe from America by appealing to the large Islamic émigré population in Europe to pressure their leaders to leave Afghanistan. In all of the above cases, the bulk of those charged were legal citizens of the countries they allegedly targeted, in stark contrast to the 9/11 bombers.

In contrast to some of the dangers I have just described, the United States is relatively fortunate: our analysts do not assess that we face the same level of threat from al-Qa'ida, or al-Qa'ida-inspired, cells as Europe. The scope of al-Qa'ida and al-Qa'ida-inspired terrorist plotting in countries like the United Kingdom is something we thus far appear to have avoided. That's the good news. This is not, however, to say the United States is uniquely immune to such threats, and we remain vigilant in our efforts to detect either core al-Qa'ida plots or those inspired by its ideology. Above all, the United States remains the top target for al-Qa'ida's operational commanders, who continue to look for ways to smuggle Western-savvy operatives into our borders, or, inspire those already here to act.

Over the past several years we have faced a handful of homegrown plots and, thankfully, these have tended to be less sophisticated than those we have witnessed overseas. They have, however, often been uniquely "American" groups—crossing ethnic and religious lines that mark them as at least partially different from their overseas counterparts. Moreover, we remain concerned that those very few Americans who travel overseas and gain training and connections overseas might return to the United States and apply their skills here.

What I have thus far described is geographically-based threats, but at the center of all of them lies an overarching question—how do we and our allies counter the ideology that supports violent extremism? Our goal in this struggle is, ultimately, to prevent the next generation of terrorists from emerging. This is the long struggle in the fight against

ideological extremists. And we must win this struggle not by attacking religious or cultural traditions, but by highlighting the poverty of extremist thought, by working together with mainstream adherents of all faiths, by building a future of justice, security and progress for all people, and by using all our elements of national power—diplomacy, foreign aid, non-government organizations and the like—to show that it is al-Qa'ida, not the West, that is truly at war with Islam.

This global ideological engagement, referred to by some as a "War of Ideas," constitutes a key center of gravity in the battle against al-Qa'ida, its associates, and those that take inspiration from the group. Terrorist leaders aggressively employ messages related to current events, leverage mass media technologies, and use the Internet to engage in a communications war against all who oppose their oppressive and murderous vision of the world. We must engage them on this front with equal vehemence—and we can do so in a way that makes quite clear how bankrupt their ideology is. On this point, let us not forget that it was al-Qa'ida that killed innocent Muslims when it blew up the Golden Mosque in Samarra. It was al-Qa'ida that targeted innocents at a wedding ceremony in Amman. And most recently, it was al-Qa'ida that used suicide bombers with Downs Syndrome in Iraq.

In short, it is clear that al-Qa'ida is—in the end—its own worst enemy. And we have seen at least some indications that there is a growing recognition of this. A Pew Foundation study found that acceptance for targeting civilians fell in countries as diverse as Pakistan, Indonesia, Morocco and Lebanon from previous levels in 2002. Showing the barbarism of groups like al-Qa'ida in the light of truth is, ultimately, our strongest weapon in this "long struggle."

And no barbarism could be greater than the use of WMD by terrorists groups such as al-Qa'ida. In this regard, we must keep in mind al-Qa'ida's stated desire and efforts to acquire WMD. Thus, we must continue to pursue a comprehensive plan that seeks to learn our enemies' plans and capabilities, intelligently harden our borders against the possibility of smuggling a weapon into the United States, and we must continue to work

with our allies and adversaries to prevent terrorist acquisition of such a lethal weapon. And we must think imaginatively as to how we can deter the states, facilitators, and terrorists who might be involved in the acquisition of WMD.

Having discussed the threat posed by al-Qa'ida, I also want to touch upon some of the additional challenges we, as a government and as a nation, face in the War on Terror.

One particular organizational challenge we face is effectively sharing information with our partners on the state, local and tribal level. This issue is well-trod ground, but we must continue to find ways to get meaningful information to local officials, as well as to ensure that meaningful information moves from local officials to the federal government. Today, NCTC supports state, local, and tribal counterterrorism officials through the Interagency Threat Assessment and Coordination Group (ITACG), which was created by law this Fall. The unit now serves as the Intelligence Community's focal point, in coordination with DHS and FBI, to guide the creation of federal intelligence products to state, local, tribal and private sector partners. Although we still have a long way to go in this regard, we now have the structure to get our state and local partners the information they need.

It is also often noted in fora such as this that the FBI must undergo a revolution of sorts to become an effective intelligence service. Rather than delving into the relative merits of this view, let me simply note that from my perspective as a former prosecutor, proactive criminal law enforcement is not inconsistent with proactive intelligence work. In fact, many of the tools used in the former can be quite useful in the latter. There is little doubt—and senior leadership at the Bureau has been the first to admit—that the FBI is continuing to change to address effectively the challenges of counterterrorism post-9/11. But let us not think that the absence of attacks in the Homeland since 9/11 is an accident. The Bureau, regardless of where one thinks it is along the spectrum of change, has been—and continues to be—indispensable to keeping our country safe.

FISA reform too is an integral step in fighting terrorism. It is a subject of which both sides are appropriately passionate. Although I will not venture into the intricacies of this very complex subject, let me be clear on a single point—from my vantage it is essential that FISA be modified to keep pace with changing technology as such collection is an indispensable tool in the War on Terror. Without effective FISA reform, we will continue to be hindered in our efforts.

Finally, I want to offer what I believe is a single, overarching challenge—and the one that I believe looms largest: institutionalizing all of the progress we've made in working across the U.S. Government on counterterrorism. As I touched on in my opening comments, the creation of NCTC was a deliberate break from the government's history of creating "stove-piped" agencies. Terrorism involves such a range of activities and enablers that to combat the threat requires leveraging all elements of national power.

Every day that we move farther from 9/11, however, we run the risk of falling back into old (and I believe in this case, bad) habits. Our greatest challenge, and I hope our greatest success, will therefore be in institutionalizing truly cross-government cooperation and solutions, so that future leaders have the programs and resources they need to work hand-in-hand with their interagency partners for the benefit of the larger U.S. Government—and the American people.

All of this—al-Qa'ida's changes, the actions of groups inspired by al-Qa'ida's message, and the U.S. Government's efforts—means that we are safer. But we are not safe. This will be a long war, fought with the military, intelligence, law enforcement, homeland security, diplomacy, financial measures, international cooperation, and every other element of national power. While we have accomplished much, there is still much more to do. Six plus years after 9/11, I remain optimistic that we are on the right path—but we must also recognize that our path has changed in the past and it will undoubtedly change in the future. We must continue to engage in a thoughtful, national debate on how this war and struggle should be fought so that we can, as a nation, take whatever

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measures are necessary for us to defeat a determined foe, while simultaneously maintaining the character of our nation that all of us prize so highly.

Thank you for your attention and I welcome your comments and questions.