

JOINT HEARING OF THE HOUSE ARMED SERVICES COMMITTEE AND THE HOUSE SELECT COMMITTEE ON INTELLIGENCE SUBJECT: IMPLICATIONS OF THE NATIONAL INTELLIGENCE ESTIMATE REGARDING AL QAEDA WITNESSES: ERIC EDELMAN, UNDERSECRETARY OF DEFENSE FOR POLICY; MICHAEL LEITER, DEPUTY DIRECTOR OF THE NATIONAL COUNTERTERRORISM CENTER AND DIRECTOR OF THE INTERAGENCY TASK FORCE ON HOMELAND THREATS; EDWARD GISTARO, NATIONAL INTELLIGENCE OFFICER FOR TRANSNATIONAL THREATS; JAMES CLAPPER, UNDERSECRETARY OF DEFENSE FOR INTELLIGENCE; MARY BETH LONG, ACTING ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS; PETE VERGA, ACTING ASSISTANT SECRETARY OF DEFENSE FOR HOMELAND DEFENSE CHAIRED BY: REPRESENTATIVE IKE SKELTON (D-MO) LOCATION: 2118 RAYBURN HOUSE OFFICE BUILDING, WASHINGTON, D.C. TIME: 1:13 P.M. EDT DATE: WEDNESDAY, JULY 25, 2007

SKELTON:

Ladies and gentlemen, let me welcome today's panelists.

General Clapper, thank you for being with us.

Secretary Long, Secretary Verga, Mr. Leiter and Mr. Gistaro -- everyone is here, so thank you.

This is a very special hearing today, as you will soon learn, that this is pretty much a once-in-a-decade hearing, and we appreciate you being with us today.

We convene to examine and discuss the implication of the recent national intelligence estimate, also known as NIE. We are joined by and welcome our colleagues from the Intelligence Committee.

The NIE is entitled, "A Terrorist Threat to U.S. Homeland."

The unclassified key judgments contained within include pronouncement that the most persistent threat facing the U.S. homeland over the next three years is one posed by terrorists and especially Al Qaida.

As a nation, we find ourselves in this strategic situation after pouring billions of dollars and thousands of troops into Iraq. This tremendous sacrifice has diverted our nation from the real war on terror and subjected the nation to an unacceptable level of risk.

This committee has spent a great deal of time looking at the strain on our servicemembers, as well as on our equipment. We are tasked with ensuring that our military is ready to respond to the next contingency wherever it may be. But we must also ensure that we can deal with today's threats. And I'm deeply concern that we've not paid sufficient attention to the places who threaten us the most.

Chasing windmills has kept our eye of the more important struggle, the one with roots in Afghanistan. The recent NIE points this picture out clearly: the unstable region within the borders of Pakistan and describes a strong and resurgent Al Qaida and warns of a heightened threat environment. In short, it's not good news.

We've asked today's panelists to join us for a discussion about the scope of the NIE, its assumptions, its implications for our nation.

SKELTON:

As chairman of the Armed Services Committee, I'm also concerned about the implications for the Department of Defense. Must we reexamine the Department of Defense's force posture? Must we reassess the Department of Defense's modernization priorities? Must we revamp the department's policies in order to address the near-term threat scenario?

These are the most pressing questions, and I look forward to further examination.

Let me first, then, recognize the chairman of the Intelligence Committee, Mr. Silver Reyes, for any comments he may have, and then I will go to Ranking Member Hunter and Ranking Member Hoekstra. And I will have some administrative comments shortly thereafter.

Mr. Reyes?

REYES:

Thank you, Chairman Skelton.

Good afternoon.

As chairman of the House Permanent Select Committee on Intelligence, I am pleased at this opportunity to conduct our work in open session and to convene a hearing with my colleagues on the House Armed Services Committee. Especially since I also serve as a member of the Armed Services Committee, I know how closely our committees work together to safeguard our nation and empower our military and intelligence professionals.

I want to also add my personal welcome to our panel of experts.

When focusing on an issue as important as Al Qaida, which is the topic of today's hearing, it is critical that our committees work closely together.

I want to thank my good friend and colleague Ike Skelton, the chairman of the House Armed Services Committee, for his leadership and his partnership, as well as our two ranking members, Mr. Hunter and Mr. Hoekstra.

Today we will specifically focus on the resurgence of Al Qaida as reflected in the July 2007 national intelligence estimate entitled "The Terrorist Threat to the U.S. Homeland."

I would like to thank our witnesses for joining us here today because your testimony will help our committees work together to examine this very critical issue to our country.

REYES:

Our efforts to defeat Al Qaida and protect our nation are not separate intelligence or military issues. In order to defeat this most urgent threat, all instruments of our national power must work together seamlessly. This joint hearing reflects that approach.

Four years ago, President Bush told the American people that Al Qaida was on the run and that they're not a problem anymore. However, the NIE released earlier this month indicates that today our intelligence community believes otherwise.

The NIE states that the U.S. homeland will face, and I quote, "a persistent and evolving terrorist threat over the next three years," and that Al Qaida has regenerated key elements of its homeland attack capability. Essentially, the NIE reflects that Al Qaida is not just a problem, but the most serious threat to our nation's security.

This is a grave issue, and it is critical that Congress know how our country can protect itself and ensure that this does not happen again.

One of our main challenges is that, while the Bush administration assumed Al Qaida was no longer a threat, the administration has focused our resources in Iraq. This war, which costs the American people approximately \$10 billion a month, has diverted needed funds and personnel from eliminating the threat of Al Qaida.

The NIE, however, points out that Al Qaida -- the Al Qaida threat emanates from Afghanistan and Pakistan, and not Iraq, and the United States has missed critical opportunities to address that threat.

Moreover, there are signs that the war in Iraq has had an even greater negative impact. It appears that our presence in Iraq may actually be helping Al Qaida.

As the 2006 national intelligence estimate on terrorism noted, the war in Iraq has become a recruiting tool and training ground for terrorists. And as the new NIE assesses, Al Qaida's association with Al Qaida in Iraq helps Al Qaida raise funds and recruit operatives, including for attacks against our country.

This are critically important interests to the American public. And I look forward today to a productive hearing that will not only tell us more about the threat laid out in the NIE, but how we can best fight this threat more effectively. The men and women of the U.S. intelligence community, the men and women of the U.S. armed forces and the American public as a whole deserve this careful consideration.

Finally, as I have consistently noted since assuming the chairmanship of the House Intelligence Committee, the threat of terrorism is not a political issue. There is no room for partisan politics in the realm of national security. So I look forward to working with all of my colleagues, both

Republicans and Democrats, to further safeguard our nation. And as always, I invite all of them to work with us.

Thank you again for joining us here today. And thank you to the members of our respective committees who are here as well.

I would now like to turn it back over to the chairman.

SKELTON:

I thank the gentleman from Texas, the chairman of the Intelligence Committee.

Mr. Hunter?

HUNTER:

Thank you, Mr. Chairman.

I want to thank you and House Intelligence Committee Chairman Reyes for holding the hearing on a topic that I think is very critical to both committees.

And let me joining you in welcoming our witnesses today.

You know, I think it's important that they're here. Over the last week or so we've been bombarded by lots of public statements that I think have ignored or misrepresented, innocently or intentionally, the findings of the latest national intelligence estimate.

So, to our witnesses, your testimony is, therefore, timely and welcome, as it should hopefully correct many misstatements that are currently circulating.

You know, I think this summary captures what the intelligence community and the policy-makers and other experts have said about the Al Qaida threat, and what many will point to as the most important finding in the NIE, and that is that Al Qaida is resurgent.

As we discuss the terrorist threats that confront our homeland, we're going to examine our security strategy based on what the enemy's been doing and could possibly do. However, we can't lose sight that the summary that we provided is very much the same view of the situation as Al Qaida's.

And from -- and I think we have to remember that in 2004, Osama bin Laden said this, and I quote: "The world's millstone and pillar is in Baghdad, the capital of the caliphate."

And later, Zawahiri, his number two and principal strategist, clearly laid out Al Qaida's strategy for Iraq. And he said, and I quote: "The first

stage: Expel the Americans from Iraq. The second stage: Establish an Islamic authority or emirate, then develop it and support it until it achieves the level of a caliphate. The third stage: Extend the jihad wave to the secular countries neighboring Iraq," unquote.

Al Qaida has been waging an offensive war against us and our values for a lot of years. And the group's clearly stated desire is to see us, the West, and the freedom that we represent defeated and destroyed. Bin Laden's view of the importance of Iraq has never wavered, not his desire to attack us again on our soil.

HUNTER:

Yet despite Al Qaida's efforts to break our will, we are also resurgent in our view and continue to deny the very opportunities bin Laden hopes to exploit.

The recent surge in Iraq -- and I would commend all my colleagues to take a look at the -- especially at the activities in Anbar province and the progress that our Marines have made there -- but the recent surge in Iraq, our continued strong military presence in Iraq and our unwavering dedication to the Iraqi and Afghan people have pushed Al Qaida back. Our worldwide efforts, as mentioned in the national intelligence estimate, have constrained Al Qaida in its operations.

And I would just say to folks who find it extremely unusual that we have not sustained another attack on American soil, I would remind my colleagues that we have had an aggressive, forward-leaning operation against Al Qaida since the strike on 9/11. It's difficult to plan an attack when some of your planners don't show up at the meeting because they've been killed or captured. And that's what's happened in many, many occasions.

I think we've got to put today's discussion in perspective.

I'm greatly concerned with Al Qaida's resurgence in the Pakistani tribal area of North Waziristan, and I've expressed my concern in a February letter to the president on that point.

In Al Qaida, we're facing a determined, persistent foe who demands our continued dedication and resolve. The posed a continuing and grave threat to our nation; we all know that. But we can't focus our efforts solely on the group's physical base in the border region of Afghanistan and Pakistan or in Iraq. It seeks to export violence from these regions not just to neighboring countries, but also to the U.S. homeland. It seeks to inspire violent cells in Europe, Africa, Asia and the United States.

HUNTER:

And I think we're all -- people who thought that the operations were confined to Iraq and to Afghanistan were shocked from this view with the events that took place in Great Britain a couple of weeks ago.

It seeks to use cyberspace and emerging technologies to facilitate its operation. And it seeks to terrorize our nations with violence.

But most of all, Al Qaida seeks to break our will. And that is something we cannot allow.

We have a say in what happens. And we cannot limit our perspective on the threats that we face and the impact that we can have on those threats.

So, Mr. Chairman, I look forward to the testimony and discussion of today's hearing, and especially as we hear about the actual assessments found in the NIE, the national intelligence estimate, and not the many misstatements circulating in the press.

As the national intelligence estimate rightly states, Al Qaida poses the greatest terrorist threat to our nation. But the estimate addresses a much broader range of terrorist groups and threats. And I truly hope that we will examine the overall terrorist assessment and what we can do to address the myriad threats we face.

Let's not limit our perspective and discussion to a narrow portion of this very important subject.

Mr. Chairman and Chairman Reyes, thank you for bringing this very important joint hearing to our respective committees. I look forward to the testimony.

SKELTON:

I thank Mr. Hunter, the gentleman from California.

Now, the ranking member of the Intelligence Committee, the gentleman from Michigan, Mr. Hoekstra.

HOEKSTRA:

Thank you, Chairman Skelton. It's good to be with you and Chairman Reyes and Ranking Member Hunter.

It's also good to welcome this distinguished panel to be with us today. Thank you for being here.

Mr. Chairman, I want to start out today by pointing to a critical piece of intelligence, perhaps the most important piece of actionable intelligence written in the unclassified NIE.

It states, quote, "We judge that the United States currently is in a heightened threat environment," end of quote.

When you read a statement like this, it's impossible to not have your thoughts return to 9/11, that fateful morning when Al Qaida attacked the United States in a way that none of us will ever forget.

HOEKSTRA:

I think of what I felt that day. I can only imagine what the families who lost loved ones faced on that day. I can only think of the emotions that went through this nation as we watched this attack and its aftermath played out on live TV.

And when I think of all this, I can only help but ask one question: Have we, as a Congress, done all we can to strengthen our intelligence capabilities to protect our homeland? Have we given the people who are in front of us today the necessary tools to keep us safe? Have we sufficiently prepared the nation for the long struggle we face in the fight against radical jihad?

Unfortunately, Mr. Chairman, today we have to answer to that question no.

We have assembled before us top officials of DOD, intelligence and counterterrorism. For the next several hours, we will subject them to all manner of speeches, questioning, while ignoring, perhaps, the one critical area the director of national intelligence has told all of us -- told Congress and the American people -- the tool that he needs and the tool that needs our attention today. It's a comprehensive modernization of the Foreign Intelligence Surveillance Act.

Testifying before the Senate Select Committee on Intelligence, Director McConnell explained the problem very clearly. Quote: "There are circumstances in which the government seeks to monitor, for purposes of protecting the nation from terrorists attacks, the communications of foreign persons who are physically located in foreign countries, and the government is required under FISA to obtain a court order to authorize this collection," end of quote.

Further explaining the challenge, Director McConnell has stated: "We are missing a significant portion of what we should be getting," end of quote.

The director of national intelligence is telling us we are missing vital intelligence that our nation should be collecting to protect our homeland. Foreign intelligence from foreign terrorists in foreign countries, and we can't collect it.

The NIE that we're going to be talking about today says, "We judge that the United States currently is in a heightened threat environment." If I haven't ever heard a clearer call for action, this is it. This is the wake-up call for Congress and America.

At a time of increased threat, we are handicapping ourselves in the fight against Al Qaida and radical jihadism. The hearing we should be having right now that we should've had already and should've completed is one on moving legislation to fix this FISA problem and close this terrorist loophole.

We have a known intelligence problem, we face a heightened terrorist risk, we have a simple fix to address one of the major FISA problems, and we have over a week before Congress goes on recess.

Al Qaida is not going to take a break. They haven't taken a break while this loophole existed. They won't take a break until we fix it, if we fix it. And they won't take a break while we take a recess during August.

Congress needs to fix it, and we need to fix it before we go on recess.

HOEKSTRA:

Why in a video released on July 5 entitled "The Advice of One Concern," Zawahiri lays out Al Qaida's strategy, which was built on the notion that in this world there are outlying states in places such as Asia and Africa and other parts of the world and there are the core states. They are the center of the global system. Who are the core states? America and the European Union.

The tape goes on, quote, "The only way to confront them, according to Al Qaida's theory, is by taking the war from the outlying states to the central states or the core states, in which case the damage and the consequences of this damage will take place in the central states," end of quote. Means that they're planning and they want to attack us here in the United States.

The tale of the tape is clear: Al Qaida believes it is winning in Iraq, laying the foundation for a post-America caliphate with its center there, and ultimately extending the jihad wave to the rest of the world.

If Al Qaida intends to fight us globally and here in the homeland, then we must be prepared to do the same. We cannot expect to leave one part of the battlefield without consequences on another part. In short, it is my fear that if we precipitously leave Iraq, Al Qaida has every intention of following us home.

With that, Mr. Chairman, I look forward to hearing what the witnesses have to say about the NIE's key judgments that we face a heightened terrorist risk, what challenges the intelligence community faces in collecting against those terrorist threats, and what they are doing to address those challenges, and any recommendations they have for Congress to strengthen our intelligence capabilities against the terrorist threat.

With that, I yield back the balance of my time.

Thank you, Mr. Chairman.

SKELTON:

I thank the gentleman.

Before I recognize Secretary Clapper and the other panelists for their opening statements, let me offer a few administrative comments, if I may.

Let me, first, suggest that you make your comments as succinct as possible. Without objection, each of your prepared statements will be placed in the record. Those on the Armed Services Committee are used to my comment: Say it in 25 words or less. Well, you can say it in a few more words than that, but do your best to condense your comments because there will be a good number of questions.

Let me remind everyone we're in open session. We should refrain from any discussion of classified information. A closed briefing will be held immediately after this session and members should proceed to Room 2216.

I remind everyone that classified matters can be discussed in the follow-on meeting, not here before us today.

Also, again, the large size of our gathering, we intend to strictly adhere to the five-minute rule and we'll recognize those members present at the time of the gavel in accordance with seniority and alternate between the majority and minority and the respective committee memberships.

Members arriving after the gavel will be recognized in accordance with the order of their arrival, again alternating from majority to minority.

And, ladies and gentlemen, five minutes means five minutes, not five minutes and 15 seconds, because we really need to get as many in as we can.

SKELTON:

With that, Secretary Clapper, we really appreciate you being with us today -- and each of you.

And the floor is yours, Mr. Secretary -- General, yours.

CLAPPER:

Thank you, Chairman Skelton, Chairman Reyes, Congressman Hunter, Congressman Hoekstra and distinguished members of the committees.

First, let me thank you both or thank you all for your strong support for the Department of Defense and the intelligence community and for conducting this unique two-committee hearing, which I think is symbolic of the confluence of the Department of Defense and the intelligence community.

We're here, as you indicated, this afternoon to discuss the implications of the recent national intelligence estimate on the terrorist threat to the homeland.

A couple of introductory comments.

As I said at my confirmation in March, as undersecretary of defense for intelligence, I am not in the business of doing analysis or producing intelligence, so I'm not going to produce any new intelligence here today.

Second, I'm supported by subject-matter experts whom I'd like to introduce: from the Department of Defense, Mr. Pete Verga, to my immediate left, who's the acting assistant secretary for homeland defense; and to his left, Ms. Mary Beth Long, the acting assistant secretary for international security affairs; and to my right, from the Office of the Director of National Intelligence, Mr. Mike Leiter, who's the deputy director of the National Counterterrorism Center and the director of the Interagency Task Force on Homeland Threats; and to his right, Mr. Edward Gistaro, who's the national intelligence officer for transnational threats and a principal author of this national intelligence estimate.

Six years after September 11th, 2001, we have not suffered a successful attack on our homeland. This is not for lack of will on the part of our enemy. Al Qaida and their allied extremists have carried out terrorist attacks in more than two dozen nations since 9/11. Al Qaida has and will continue to attempt visually dramatic, mass casualty attacks here at home and they will continue to attempt to acquire chemical, biological, radiological and nuclear materials. And if they are so successful in obtaining these materials, we believe they would use them.

As the NIE makes clear, we face a resilient and resourceful enemy who will make every effort to protect and regenerate key elements of its capability to attack us and others.

Allow me to make three points about this NIE and what it means for our current security environment.

The findings of this estimate are not a surprise. We are at war with an enemy not confined to national boundaries or a single ethnic group. Our fight against extremists in Iraq, Afghanistan and around the world has kept our nation safe from attacks here at home.

CLAPPER:

This war, like all wars, is not an engineering project. Tasks and challenges cannot be laid out ahead of time and accomplished according to a pre-determined schedule. As the troops say, the enemy gets a vote. And we must and will continue to transform, adjust and respond accordingly.

The NIE makes it clear that our operations in Iraq are not distinct from the war on terror. To quote what I consider a most salient point in the NIE,

"Al Qaida will probably seek to leverage the contact and capabilities of Al Qaida in Iraq, its most visible and capable affiliate."

Mr. Chairman and members of the committees, thank you for your attention. And we look forward to your questions and appreciate your willingness to accept our statements for the record.

I believe Mr. Gistaro has an opening statement as well. Mr. Chairman, if I may, I would defer to Mr. Gistaro.

SKELTON:

Mr. Gistaro, I suppose after you give your testimony, to whom do we go next, General?

CLAPPER:

That's, I believe, it; just the two opening statements of myself and Mr. Gistaro.

SKELTON:

All right. Fine.

Mr. Gistaro, please.

GISTARO:

Mr. Chairman, members of the committee, thank you very much for having us here today.

SKELTON:

Put your microphone a little closer, please.

Thank you.

GISTARO:

I will be very brief, since the unclassified key judgments have been submitted to the record.

I think one important thing for the committee to understand is, this is an estimate that couldn't have been written several years ago. It's because of congressional reforms, it's because of the DNI, it's because of the Intelligence Reform Act, it's because of the WMD Commission findings that we

were able to have a brand new community participate and produce this estimate.

GISTARO:

Certainly, we had the traditional members of the intelligence community fully involved: the CIA, DIA, the National Security Administration, NGA and others. I think what was new were our new partners in the community: NCTC, DHS and the FBI.

I think it's very important to note that they were full participants from the beginning in the production of this estimate. And particularly when we were dealing with threats to the U.S. homeland, threats from homegrown terrorist groups, and threats from single-issue terrorist groups that the FBI follows very closely, it was their input that made this estimate possible.

And I think for that point, it's very important for the intelligence community that this paper was produced and we were able to produce it as a new, broader community.

I'll not go into the key judgments at this time, sir, since they're a part of the record and out of respect for the committee's time.

Thank you.

SKELTON:

And as I understand it, General, Mr. Leiter, Mr. Verga and Mary Beth Long, each do not have opening statements.

Am I correct?

LONG:

You're correct, Mr. Chairman.

(UNKNOWN)

That's correct.

(UNKNOWN)

That's correct.

SKELTON:

All right, then, if those are the prepared opening statements, I will reserve mine and call upon the chairman of the Intelligence Committee, Mr. Reyes.

REYES:

Thank you, Mr. Chairman.

First, a couple of points that I think are very important.

We have learned many things -- we have learned many things post- 9/11, one of which has been that as we give our military and law enforcement agencies every conceivable tool that we can in order to protect us, we also have to be mindful that we want to -- we don't want to have the terrorists succeed by compromising the rights of our American citizens.

REYES:

I think that's a basic and fundamental responsibility of the Congress. I say that because, when we provided the legislation that -- the Patriot Act, we provided some key tools that now we have found have been used inappropriately.

One example was the national security letters that were utilized by the FBI.

I think it's important that we do our business in a very careful and orchestrated, regular way. And I think it's vitally important that all of us understand that, in terms of addressing whatever changes need to be made under the Foreign Intelligence Surveillance Act, as my ranking member mentioned, we want to do that.

We want to give and make the adjustments that are necessary. But we also want to be careful, doing that.

So, over the course of the last month, month and a half, we've been having hearings to address that very issue. We've been trying to understand exactly what issues and what problems those that have had to work with FISA have had to address, as they went about their business.

At some point, in the fall, we will look at whatever legislative fixes need to be made.

A lot, I think, depends on information that you give us about the threat. And certainly, the NIE is one issue that we want to be very careful in evaluating.

But I also think that we don't want to be stampeded to make changes that, ultimately, we may have to change because we didn't do it carefully and in a regular way.

So we're addressing those kinds of issues. We don't want to do something that is not carefully thought out.

In that vein, there are some options that we are looking at, to be able to perhaps give the director of national intelligence the flexibility to do the kinds of things that he has told us are necessary.

So we're not just sitting on our hands. We're working very quickly and very importantly, in a structured way, to get to that.

But I guess one of the fundamental questions that I would like the panelists to address is the following.

REYES:

It's a two-part.

I want to know if the war in Iraq has made Iraq a more hospitable situation for Al Qaida than it was before the U.S. invasion, number one.

Number two, is Al Qaida using our presence in Iraq to help recruit terrorists around the world?

And what specifically is Al Qaida doing -- as you pointed out in the NIE -- to be a concern to us in the way that it's gathering strength?

GISTARO:

If I could just...

REYES:

And that's what those three -- that question was three parts.

GISTARO:

Yes, sir.

With regard to the second part first, sir, the community sees three different ways that Iraq impacts the threat to the U.S. homeland.

First, Al Qaida in Iraq is the only affiliate of Al Qaida that has stated its intention to attack the U.S. homeland. That's number one.

Number two, we're concerned that Al Qaida core in Pakistan might be able to leverage some of the capabilities of Al Qaida in Iraq for its own plotting against the U.S. homeland.

And third, sir, as you pointed out, Al Qaida in Pakistan, Afghanistan, has made the conflict in Iraq a central point in its own propaganda, and it has used the conflict there to raise resources, recruits and to energize the broader extremist community to focus on attacks against Western interests, U.S. interests and the U.S. homeland.

With regard to your first point, sir, as the president spoke yesterday, Zarqawi pledges allegiance to bin Laden in 2004.

GISTARO:

We certainly see very close ideological ties between Al Qaida in Iraq and Al Qaida core. We see shared experiences and personal histories between the leaderships in the organizations. And we see some overlapping of certain facilitation networks.

Al Qaida in Pakistan tries to provide strategic guidance and encouragement to AQI, but it also defers to AQI to make tactical decisions on the ground with regard to its operations inside of Iraq.

SKELTON:

Thank you, Mr. Chairman.

Mr. Hunter, please?

HUNTER:

Thank you, Mr. Chairman.

Gentlemen, you've made clear in your statements that Al Qaida wants to attack America. I guess my first question would be, is there compelling evidence for the securing of the southern border of the United States against that backdrop?

I'm talking about the 2,000-mile southern border.

CLAPPER:

Congressman, there's no doubt that Al Qaida has expressed an interest in penetrating U.S. homeland defenses, either through legitimate or illegitimate means. And in that regard, the southern border clearly poses a challenge for the U.S. government to secure the entire homeland.

HUNTER:

Secondly, you've made a point also that Al Qaida has established what we denied them in Afghanistan in the initial campaign, which is safe haven. And it was done initially after the Pakistan forces made a deal with tribal leadership in that narrow strip of land, the Waziristan area, to the effect that they would pull out Pakistan forces in return for vague assurances that the tribes would not work with and would, quote, "distance themselves" from Al Qaida, as vague as that sounds.

HUNTER:

And my question is, do you think -- in recent times the Pakistan government has reacted, has -- now has sent in some military forces. There's been some contact and some confrontation.

Give me your view on whether the Pakistan reaction is adequate, whether it's working, whether it is working to deny safe haven, and to scrub that area, or whether it's simply a symbolic reaction, a ceremonial reaction.

CLAPPER:

Sir, at this point -- let me make two points.

In the estimate, we talk about the global counterterrorism efforts that have been very effective over the last five years.

I think we have to give a tremendous amount of credit to Pakistan, which has been a critical ally in this fight. President Musharraf has faced at least three assassination attempts personally because of his assistance to us. Some of the most critical arrests that have occurred of senior Al Qaida members have occurred in Pakistan by the Pakistanis.

And as you know, sir, they've lost hundreds of their own soldiers and police in this fight. We have to give them credit for that.

I think Al Qaida is now in a part of Pakistan that is largely inaccessible to the Pakistani forces, the government. It always has been. And it is a very difficult operating environment for them.

I think the efforts that you refer to, sir, are only in the first week or so of implementation. And so at this point it is much too early to try to provide an assessment of the impact of these latest Pakistani moves on the safe haven in the FATA.

HUNTER:

Why do you say they're inaccessible?

CLAPPER:

Sir, I think there are a number of different reasons. The topography is very hostile. It's very barren. I think the population that does exist there has always been outside the control of Islamabad, and is sympathetic to Al Qaida, both in terms of its religious ideology as well as their tribal traditions of hospitality to outsiders.

And, again, it is just a very difficult environment for outside forces to operate in.

HUNTER:

Well, I understand that it's difficult. But it's not inaccessible. I mean, American -- the 10th Mountain Division soldiers have gone up to 10,000 and 12,000 elevations in Afghanistan and carried the fight to the enemy.

Has the Pakistan government indicated that they're not going to try to penetrate these areas at all? Or are they trying to penetrate them?

CLAPPER:

Sir, we're rapidly getting outside my area of expertise, because I'm not a Pakistani expert.

HUNTER:

OK. Well, I'll pursue that later.

Let me just ask one last question, and that's this: Clearly, Al Qaida has now been involved in high-visibility bombings of civilian populations in Iraq that have been spread across not only American television and international television but television in the Arab world.

HUNTER:

Has that diminished the popularity of Al Qaida, the bombings of civilians, in newscasts which identify the bombings as being attributed to Al Qaida? Has that diminished their popularity in the general Muslim community worldwide? What's your take on that?

CLAPPER:

Sir, to the extent that we can measure how those attacks are broadcast on Arab television and such, I don't think we have detected an increase of the criticism of AQI. But what I'd really like to do, sir, is take that as a question for the record to get you a more authoritative answer.

HUNTER:

Thanks.

Thanks, Mr. Chairman.

SKELTON:

Thank you, Mr. Hunter.

Mr. Hoekstra?

HOEKSTRA:

Thank you, Mr. Chairman.

I think as you -- the panel has stated, A.Q. in Iraq has become affiliated with A.Q. core, or Al Qaida, as we would historically note. Is that correct?

CLAPPER:

Yes, sir.

HOEKSTRA:

Operating then with bases probably in Pakistan, Afghanistan and Iraq?

CLAPPER:

I'm sorry, sir?

HOEKSTRA:

Operating -- having bases or located in Pakistan, Afghanistan and in Iraq?

CLAPPER:

Yes, sir.

HOEKSTRA:

And that probably attempting to communicate on a regular basis between those locations to share strategy and direction?

CLAPPER:

Yes, sir, but I think because of U.S. and allied efforts in both the South Asia theater and in Iraq, that ability to communicate at times is quite difficult.

HOEKSTRA:

That we may have -- at some times we may have disrupted it. We also have established that they pretty much have a similar series of objectives which is to be successful in Iraq, you know, destabilize the region, eliminate the state of Israel, attack the West, and establish the caliphate.

HOEKSTRA:

Is that correct?

CLAPPER:

Yes, sir.

HOEKSTRA:

I mean, they've said it different orders at different places, but they share the objective of attacking the United States and the West.

CLAPPER:

Yes, sir.

HOEKSTRA:

And it's possible that as they are communicating or trying to communicate, they might -- is it reasonable to assume that they might try to share information about the type of training that might be necessary to attack the U.S.?

CLAPPER:

Yes, sir, and I think a lot of that destructive expertise is made public on the Internet.

HOEKSTRA:

OK. That it may also be appropriate that they'll try to talk about how they may finance an attack against the West or the United States?

CLAPPER:

I have not seen evidence of that, sir.

HOEKSTRA:

I mean, if they're going to plan on attacking the United States, wouldn't we expect that they would be talking about how they would finance an effort like that?

CLAPPER:

That's entirely possible, sir.

HOEKSTRA:

Wouldn't they also have to talk about who would carry out an attack like that?

CLAPPER:

That's also possible, sir.

HOEKSTRA:

What the targets would be?

CLAPPER:

Possibly.

HOEKSTRA:

Methods?

CLAPPER:

Yes, sir.

HOEKSTRA:

The timing?

CLAPPER:

Possibly.

HOEKSTRA:

I mean, I would think that that's -- isn't that the kind of information that you as an intelligence community are trying to get from Al Qaida if you believe that they're going to attack the United States, that you're trying to figure out where are they training for this, how are they financing it, who's going to do it, what the targets are, what the methods are, and what the timing would be?

CLAPPER:

Yes, sir.

HOEKSTRA:

And that that -- a lot of that communication would be happening in the areas where they are located, which would be the ungoverned areas in Pakistan and what A.Q. in Iraq is doing?

CLAPPER:

I think that's a possibility, sir. But, again, we do not see that.

HOEKSTRA:

You do not see that? Is perhaps part of the reason that we don't see that, isn't that the kind of information that the director, the DNI is talking about when he says that we are missing significant parts of information?

CLAPPER:

Sir, I think as a community and certainly as reflected in the estimate, we take very seriously our own intelligence gaps and what we do not know.

HOEKSTRA:

Right. Again, it's not the primarily focus, but it is, you know, just pointing out and highlighting, this kind of information as to the financing, the participants, the timing and these types of things.

HOEKSTRA:

This is the information that we're trying to get, when foreign terrorists are communicating in foreign locations. And that's the kind of information that we need to get and that we are blind to, significantly blind to, at least as Director McConnell has identified it.

And I hope, again, that this is an issue that we address before we recess and go on break in August. With that, I'll yield back the balance of my time.

Thank you, Mr. Chairman.

SKELTON:

I thank the gentleman. According to my information sheet here, going down the list of those who were here when the gavel went down, Mr. Cramer from Alabama, five minutes.

CRAMER:

Thank you, Mr. Chairman. And I thank all the chairmen and the ranking members and the witnesses for this opportunity today. As tough as it is, in this open hearing, to address issues that are at this level of sensitivity, I want to give it a try, too.

So, based on what I've heard so far, are you saying that Al Qaida and Al Qaida in Iraq are one and the same organization?

CLAPPER:

Sir, the way the relationship is described in the NIE is that Al Qaida in Iraq is an affiliate organization to Al Qaida in South Asia.

CRAMER:

So -- let me help you with that. Then the answer to that is, yes, they're basically one and the same organization?

CLAPPER:

Sir, I think, you know, as the president described yesterday, we're dealing with an Al Qaida that has a decentralized command-and-control structure. And I don't want to leave a false impression that we're talking about a monolithic organization.

CRAMER:

So then, if, as the NIE reflects, we are concerned about a threat to the homeland here, who calls that shot from Al Qaida?

CLAPPER:

Primary concern is Al Qaida in South Asia, organizing its own plots against the United States. What we're concerned about is that AQI, as the most visible and capable affiliate of Al Qaida, has also expressed an interest in attacking inside the United States.

CRAMER:

What kind of presence did Al Qaida have in Iraq in 2003?

CLAPPER:

Sir, by 2003, Zarqawi had established his presence inside the country. And by 2004, he was pledging his loyalty to bin Laden.

CRAMER:

All right. Can you measure or compare their presence in 2003 versus their presence in Iraq today?

CLAPPER:

Sir, beyond the top leadership, I think that's a question we'd either have to answer in closed session...

CRAMER:

All right. Then I'll defer that to the closed session.

In the NIE, it states that the threat from Al Qaida is through greater cooperation with regional terrorist groups. What are those regional terrorist groups?

CLAPPER:

Sir, in addition to AQI, we're very concerned about the Sunni jihadist groups in North Africa, formerly known as the GSPC, now, again, pledging loyalty to Al Qaida and renaming themselves Al Qaida in the Maghreb.

CLAPPER:

Right.

CRAMER:

And to what extent is Al Qaida capable of placing operatives in the United States? Or, in your opinion, do they have operatives already in the United States and, if so, in what number, generally speaking?

CLAPPER:

Sir, we do not see and the FBI does not see Al Qaida figures here inside the United States with links back to the senior leadership at this time. What the NIE talks about is our concern that we see increased efforts on the part of Al Qaida to try and find, train and deploy people who could get into this country.

CRAMER:

And then -- why questions are always tough, but why haven't we eliminated the threat from Al Qaida leadership in Pakistan?

CLAPPER:

Sir, as we talk about in the paper, I think the critical variable here is safe haven and being able to find a physical space in what's essentially the Wild West of the tribal areas of Pakistan with which to rebuilt capabilities.

CRAMER:

Thank you, Mr. Chairman. I yield.

SKELTON:

I thank the gentleman.

Gentleman from New Jersey, Jim Saxton.

SAXTON:

Thank you, Mr. Chairman.

Secretary Clapper, please feel free to refer this question to whoever on the panel may be the most appropriate on the panel to answer it, or yourself.

In 2006, it appeared from here that Al Qaida pretty much had their run in -- could go wherever they want, do whatever they wanted pretty much in Iraq with the exception of where our Special Forces and others got in their way.

More recently, we have seen press reports and other reports that in the Al Anbar province, the tribal leaders turned against Al Qaida and essentially banished them that province.

More recently, we have seen evidence that the same thing is happening in the province of Babil, of Diyala, of Salahuddin, of Nineveh, and in Baghdad itself. Would you give us an update on that or please have somebody tell us what you know about that?

CLAPPER:

Well, yes, sir, I read the same reporting, and I think this is, in large measure, a case of the enemy of my enemy is my friend. And I think this is a case of increasing disenchantment with AQI on the part of many people in Iraq.

CLAPPER:

So that is a trend that appears to be emerging.

SAXTON:

And what does that mean to us from a standpoint of our involvement in the conflict in Iraq?

CLAPPER:

Well, I think it reflects the effect of our sustaining the attacks on the offensive against AQI. And more specifically, I think it is a reflection of the effectiveness of the surge.

And we all look forward to the report that General Petraeus and Ambassador Crocker will -- are expected to render in September about what the significance of this -- of these indications mean.

SAXTON:

Do you think that part of it may be that the tribal leaders and those fathers and mothers in the tribe are observing what it is that Al Qaida is about and have decided they don't want it for their children?

CLAPPER:

Sir, that's certainly possible. I don't purport to be the expert on what the dynamics are, but I would think that certainly, that sort of thing certainly plays out in their minds.

SAXTON:

Thank you.

Let me ask another question. I happen to represent the town in New Jersey, Cherry Hill, where the Fort Dix Six -- the group that became known as the Fort Dix Six -- were arrested.

The indictment against them said that they were inspired by Al Qaida. And I'm wondering what that means to us, exactly, and also what role the Internet played in bringing groups like that together and providing training opportunities for them, and also if we know whether groups such as the Fort Dix Six have direct contact of any kind with Al Qaida members outside the country.

SAXTON:

Congressman, certainly the Fort Dix Six represent something which is becoming an increasing concern for us over the past several years, and that's radicalized violent extremists within the United States who are, as you said, inspired by Al Qaida.

CLAPPER:

It's something that both the Department of Homeland Security and the FBI and the National Counterterrorism Center focus much of our attention on.

We have not, as I believe Mr. Gistaro earlier mentioned, we have not seen any communication between those individuals and senior Al Qaida leadership.

That is certainly something that we fear, but it is not something that we have seen.

With respect to the use of the Internet and the value of the Internet, undoubtedly Al Qaida and other violent extremist groups have come to use the Internet quite effectively, both for communication, direct person-to-person e-mail. Also for radicalization through Web sites, as well as propagating information about how to build and use certain weapons.

SAXTON:

Have you evidence that there are other groups that are of similar nature that currently exist in the States?

CLAPPER:

Congressman, I think for both intelligence and law enforcement reasons, it would be inappropriate for me to comment in the open session on those, but we'd be happy to talk to you in closed session.

SAXTON:

Thank you.

Mr. Chairman, thank you very much.

SKELTON:

Thank you so much.

Adam Smith from the state of Washington.

SMITH:

Thank you very much, Mr. Chairman.

A couple questions that I want to focus on is -- Al Qaida's strength in Iraq and then the best way for us to policy in different ways to get at them in their safe haven in the FATA region of Pakistan.

Focusing on the strength-in-Iraq piece, we've heard a lot about how a lot of the local Iraqis have turned on Al Qaida. And I think Mr. Saxton points out a lot of good reasons for that.

What is our assessment now of their relative strength with the Iraqi population? Certainly they have the ability to commit terrorist acts. Do they still have some number of Iraqis who are sympathetic to them actively working with them?

I know at one time they had very sophisticated in some towns sort of almost sort of their own little government structure set up in different towns and different places. Does that still exist in some places?

SMITH:

Do they still have the Iraqis' support? Or they have descended down to the point where primarily their strength is simply the foreign fighters coming across the borders giving them the strength to make attacks?

So if you could assess, you know, what their strength with the population is.

And I ask that because a safe haven requires some support from the local population. And juxtaposing that with the situation in Pakistan, where they seem to have that support from the local population, how should we go about upending that support? The local tribal leaders have clearly given safe haven in the FATA to elements of Al Qaida. What's our best way to work with Pakistan to uproot them?

And I have a bias there, and that bias I don't think threatening Pakistan and saying, "You have to do more, you have to do more" is the best way to do that. We need to show Pakistan that we're a long-term partner. By and large, I think the Bush administration has done that. I just, you know, want to make sure that we don't change course.

So if you could hit those two areas, whoever you think is best to answer it, I'd appreciate it.

CLAPPER:

Well, let me take a stab at this and I'll defer to others here.

I think as Mr. Gistaro indicated, we do have to give Pakistan credit for what they've attempted to do. And with respect to the FATA, President Musharraf has embarked on a longer-term program of social improvement, economic improvement in the ungoverned areas. But this will only have payoff on a long term, certainly probably beyond the time frame of the NIE, which was three years.

SMITH:

Is there hope, in your opinion -- sorry to interrupt -- for getting the tribal leaders to sort of turn on Al Qaida in a similar way they did in Al Anbar, in the FATA?

CLAPPER:

Well, I don't think we should have a great expectation of this, given the tribal dynamics in the FATA. But -- as well, though, I think we'd be remiss as the Pakistani government would be remiss without attempting to make some positive changes in the quality of life, if you will, of the tribes in that area.

However, there are deep-seated, long, historical dynamics that I think are going to make that a challenge.

CLAPPER:

As well, I think we've also attempted to provide assistance to the Pakistani government, the Frontier Corps and their ability to observe improvements in the intelligence surveillance, reconnaissance, sharing actionable intelligence with the Pakistanis, providing equipment, helicopters, night vision goggles and the like, to help them better observe what's going on and then take appropriate action.

But I don't -- this is going to be a long haul process, not something that's going to occur, certainly not -- I don't think there's going to be a demonstrable change within the three-year time frame of the NIE.

SMITH:

If you could hit the Iraq piece, because my time is limited.

I agree with you, and I think we need to make that long-term commitment to Pakistan as a matter of policy -- we in Congress as well as in the administration.

If we could hit the Iraq piece, Al Qaida's strength there?

GISTARO:

Sir, I mean, estimates vary within the intelligence community as to the size of AQI. I think it's safe to say that most would agree there's several thousand members in the organization.

Ninety percent of those members, those foot soldiers, are going to be Iraqis, we believe.

In terms of the motivation for people joining, it differs, I think based on what part of the country you're in. If you're in a mixed area, AQI's argument that you have to join up to protect your Sunni brothers and sisters from the Shia is a more compelling argument.

If you're in a place like Anbar, I think they probably try to use the religious argument.

SMITH:

But they're not having a lot of success right now, wouldn't you say?

GISTARO:

No, sir, especially in a place like Anbar, I think people have decided that that harsh, coercive form of Islam is not what they want to live under.

SMITH:

The big judgment here, isn't it kind of hard to imagine -- and I know Al Qaida wants to control Iraq -- gosh, a year ago they stated that they did, even though they didn't -- so there's no question that's their ambition.

But isn't it highly unlikely, given the situation -- the Shia, the Kurds, the way the Sunnis feel about them -- that Al Qaida would have the local support necessary to get any meaningful control of Iraq?

GISTARO:

Sir, I think if you go back to the Iraq estimate of January of this year, it talks about not taking over the country per se, but pockets within Iraq that they might be able to exploit.

SMITH:

Thank you, Mr. Chairman.

SKELTON:

Thank the gentleman.

The gentleman from New York, John McHugh?

MCHUGH:

Thank you, Mr. Chairman.

Gentlemen and good lady, thank you for being here.

Mr. Secretary, you probably heard the opening reference by the distinguished chairman of the Intelligence Committee about the '06 NIE. I just happen to have a copy of it. It speaks about Iraq being a recruiting tool, a cause celebre in the terminology of the NIE. Do you recall that document from memory? I know that is not precisely on point of our topic today.

Let's put it a different way. You would agree that it is the assessment of the Intelligence Committee -- or, excuse me, intelligence community that Iraq is serving as a recruiting mechanism...

(UNKNOWN)

Yes.

MCHUGH:

... for Al Qaida in Iraq.

I think it's interesting that '06 document then went on to say, "Should jihadists leaving Iraq perceive themselves and be perceived to have failed, we just fewer fighters would be inspired to carry on the fight." Does that mean the way to beat their recruiting is to beat them? Is that what it was saying?

GISTARO:

Sir, as I read that key judgment, I think it's more focused on the people who are actually inside of Iraq right now fighting.

MCHUGH:

Well, let me ask it a different way. What kind of recruiting tool for Al Qaida in general, writ large, would an American defeat in Iraq serve?

GISTARO:

Sir, I think the two estimates do make the judgment that if Al Qaida perceives a victory in Iraq, that that will embolden them and that they will use that for their own purposes to generate resources and enthusiasm for their cause.

MCHUGH:

As you pursue in the Intelligence Committee this multi-headed hydra of Iraq -- and let's agree that they're not all the same, yet they are creating affiliation -- do you think Iraq and Afghanistan is an either/or situation or do you think we ought to be focusing on potential success in both?

CLAPPER:

Well, I think we should -- this is a global -- it is a global campaign, and so I don't think it's zero sum or either/or.

CLAPPER:

It's both.

MCHUGH:

So when some suggest that we're diverting resources away from Afghanistan, away from the mathematical judgments that may assume, you would agree perhaps that our actions in Iraq are indeed important in the war against Al Qaida?

CLAPPER:

Yes, absolutely. Yes, sir.

MCHUGH:

I was interested in the line of questioning that the distinguished ranking member of the Intelligence Committee had, where I believe it was correctly stated that you don't have any indication, no sourcing, no information that these groups are having contact in the United States. It seemed to be a total lack of threat. Is that -- or certainly lack of information as to your ability to assess the threat.

(UNKNOWN)

Congressman, what I would say is we have strategic warning of Al Qaida's intent to strike either Western Europe or the homeland. We continue to look at various individuals throughout the world to try to determine their links to Al Qaida or other Al Qaida affiliates.

MCHUGH:

So, thus, the reason for the heightened threat level in the United States, even though we don't have any specific threat against the homeland. Am I correct in that?

(UNKNOWN)

Correct.

MCHUGH:

I would also say -- thank you, gentlemen. I would also say that I certainly, from my perspective on both this committee -- the Armed Services Committee -- and the Intelligence Committee, I think that Mr. Hoekstra's opening comments about concerns with respect to the adaptability and the

efficiency and effectiveness of FISA as we know how it operates and how it is not operating ought to demand our immediate attention, not this fall but now.

I share the chairman and other's concerns very deeply that we have to have a balanced approach in how we authorize our intelligence services.

MCHUGH:

If the cost of defeating the terrorists is the loss of our basic pillars of freedom, then it's a pretty hollow victory.

But there are things about FISA that I think we've learned very clearly, and I hope we get a chance to talk a bit about this more in the closed session.

It is not bringing into question American citizens' rights that totally involve the ability to find out what foreign terrorists in foreign places are saying, doing, thinking and threatening to do against the United States and we ought to be acting now.

And I thank you, Mr. Chairman.

SKELTON:

I thank the gentleman. His time has expired.

The gentleman from California, Mr. Thompson?

THOMPSON:

Thank you, Mr. Chairman. And thank you for holding this hearing.

In May of 2003, President Bush said that Al Qaida's on the run, that the group of terrorists who attacked our country is slowly but surely being decimated and right now about half of all the top Al Qaida operatives are either jailed or dead. In either case, they're not a problem anymore.

In the '06 NIE, you said that we had seriously damaged the leadership of Al Qaida and disrupted its operations.

And now today, in the '07 NIE, you say that Al Qaida has rebuilt its capabilities and that they are in a safe haven and they're doing well.

What happened? How did we lose this ground? How did we go from "on the run" in 2003 to today, where Al Qaida's rested, training and successfully recruiting new Al Qaida members?

GISTARO:

Sir, with regard to the two national intelligence estimates, if you take the 2006 estimate, I think the next sentence in those key judgments says that Al Qaida will remain the greatest terrorist threat to U.S. interests in the U.S. homeland in 2006.

THOMPSON:

No, I understand that. But we went from a well-stated position, where we were gaining the upper hand, to a position, now, where they're in a safe haven; they've increased their training; they've increased their recruiting; they're gaining great success. And we should be very concerned about that.

GISTARO:

Yes, sir.

THOMPSON:

What happened?

GISTARO:

I think the key development there is they were able to relocate their leadership note to an area where it was much more difficult to get at them.

THOMPSON:

This is the Federally Administrative Tribal Areas?

GISTARO:

Yes, sir, particularly in...

THOMPSON:

What happened? Did we -- we took our eye off of them and allowed them to relocate, regroup, and replenish?

GISTARO:

Sir, I think an alternative way to look at that is, we took away the safe haven in Afghanistan; they went to urban areas in Pakistan.

Working with the Pakistanis, we pushed them out of the urban areas of Pakistan.

THOMPSON:

Were they -- was Osama bin Laden and Al Qaida in Iraq when we went into Iraq?

GISTARO:

No, sir.

THOMPSON:

But where did we take the safe haven away from them?

GISTARO:

Afghanistan, the urban areas of Pakistan. We pushed them out the urban areas of Pakistan to south Waziristan. And then, in about March of '04, the Pakistanis went in and pushed them out of south Waziristan.

They relocated to north Waziristan and other places in the Pak- Afghan area. Much more difficult for the Pakistanis to find them and do something about it. They used that safe haven to regenerate the operational leadership that is involved in developing and executing external operations.

I think we also saw indications that the top leadership was able to exploit that comfort zone in the tribal areas to exert a little bit more influence on the organization.

And then the fourth component is: We see their operational tempo of bringing people in to train for western operations picking up.

THOMPSON:

As I recall, Secretary Rumsfeld had called off a raid on senior Al Qaida members in that Pakistan area because he thought it was going to create a -- or it was stated that it was going to create a rift between our allies in Pakistan and our country.

Were those press reports correct?

CLAPPER:

Sir, we looked into that and actually did not pin that down to a specific case in point. Operations are planned and occasionally called off for a variety of reasons. They're reviewed at, you know, subsequent levels. So I don't know about this specific case. It could well have happened.

THOMPSON:

Can you comment on our relationship with our Pakistani allies today and whether or not Musharraf is doing all that he could do to let us operate in and his forces also operating in the Federally Administered Tribal Area, go after these safe havens?

CLAPPER:

Well, if the criterion is, is -- are the Pakistani government doing 100 percent of everything we might like? Probably not. I do think, though, that...

THOMPSON:

In your judgment, are they doing all that should be done in order to ferret out these safe havens?

CLAPPER:

I think they are doing what they can, given the constraints that Mr. Gistaro previously outlined...

(CROSSTALK)

CLAPPER:

... dynamics, et cetera.

THOMPSON:

I hate to interrupt, but my time is running short.

Can we count on these safe havens continuing to be safe for quite some time to come?

CLAPPER:

No, sir. I think our objective will be to neutralize -- not eliminate, but certainly make this safe haven, as we have the others, less safe and less appealing for AQ.

THOMPSON:

Thank you, Mr. Chairman.

REYES:

Thank you.

Mr. Thornberry?

THORNBERRY:

Thank you, Mr. Chairman.

Mr. Gistaro, what is the date that the NIE was issued?

GISTARO:

Sir, I believe it was last Tuesday.

THORNBERRY:

So the key judgment that we are under a heightened threat is applicable for last Tuesday?

In other words, it's not a heightened level of threat for this fall, it's a heightened level of threat now.

GISTARO:

Sir, I think what we said was because of Al Qaida's undiminished intent to attack us here, because we see them regenerating capability, that we're entering a heightened threat environment for the duration of the three-year time estimate on the paper.

THORNBERRY:

And so that heightened threat level will continue until you tell us different, I guess -- or you have other facts, something else happens that in some way reduces that threat.

(UNKNOWN)

Mr. Thornberry, if I may, I just want to draw a slight distinction between the national intelligence estimate and the daily counterterrorism intelligence that we process.

And in that regard, we do think we're in a heightened threat of strategic warning right now. And whether or not the three-year period stays the same, we have a separate and distinct heightened concern now.

THORNBERRY:

OK. Thank you.

Mr. Gistaro, I wanted to ask about one other thing. In the public key judgments of that NIE, it seems to me you put a lot of emphasis on evolving threat, adaptable enemy, they're watching what we do and they change accordingly. It seems to me in that situation information is more critical for us than ever about who's doing what and what methods they're looking at and that sort of thing.

Would you agree?

GISTARO:

Yes, sir.

THORNBERRY:

I'm interested, in the opening statements, a couple times it was mentioned that the Al Qaida threat emanates from the Pak- Afghan border.

You just had a number of questions about the safe haven that they have been allowed to establish again.

But a number of authors and scholars would say that we're putting too much emphasis in some ways on a physical location. As a matter of fact, somebody I heard recently said Al Qaida has an ideology that has become a movement. And I'd like for either of the two of you to address that.

If we were to wipe out every Al Qaida person in Pakistan and Afghanistan area, does that mean we can start carrying shampoo onto airplanes again? Does that mean that we don't have to screen all cargo, which apparently is in the bill that we're about to vote on?

Talk to me about safe haven, and if we knock out number one and number two, does that mean we don't have to worry anymore?

GISTARO:

Sir, I think all the things you just listed would definitely have an impact on the threat that we face.

GISTARO:

I think it's important to know that, later in the key judgments, we really do talk about and focus on that globalization and technology developments mean that people are able to become alienated, find others who share their alienation, become more radicalized, group together and find destructive expertise, without ever having gone to a training camp or put themselves in contact with a terrorist leader -- the homegrown terrorist threat. And I think that is much more enduring.

THORNBERRY:

Mr. Leiter, that's where I really want to get. Because it's the thing that concerns me the most. I think the military folks are doing a good job. We're doing, with some exceptions, in intelligence, we're doing OK.

But I worry about a national strategy to combat the ideology. NCTC has that tasking, to develop a national strategy that goes across military.

But combating a movement, an ideology that has become a movement, is not something we do very well. Can you reassure me that we're doing better than it looks to me like we are?

LEITER:

Congressman, first of all, I absolutely agree. The war of ideology -- you can take everyone out in the FATA, but the ideology will live on to some extent.

The national implementation plan the president signed and approved in June 2006 sets forth four strategic objectives. One of those four is winning the war of ideas.

And that plan is a blueprint for the entire U.S. government. And it's not just the people sitting up here. It's the State Department. It's the Department of Homeland Security. It's all the departments that deal with the, quote unquote, "war of ideas."

And I think that plan, which has now been in place for about a year -- we've seen some progress; for example, the creation of a counterterrorism messaging center within the State Department, under Undersecretary Karen Hughes.

These are initial steps. There is no doubt that, when we call this a long war, it is because ideology and extremist views are not reversed overnight, and I believe that we have to attack this and work at this at all levels, the most extreme and also into the liberal elites of the Muslim world.

THORNBERRY:

I hope we can develop a greater sense of urgency on that as well as the other issues.

Thank you, Mr. Chairman.

REYES:

Thank you, Mr. Thornberry.

Ms. Tauscher?

TAUSCHER:

Thank you, Mr. Chairman.

I think the reason that we're at somewhat of a wide variance on the import of what is happening exactly right now is that there is such a wide variance in the two NIEs.

These are documents that are not similar, in my mind, having read both of them. If they had been transposed, if the one I read last week was the 2006 document, I'd certainly feel a lot better.

The problem is, is that the 2006 document is kind of like a sleeping pill -- take it and you're going to feel better tomorrow.

Unfortunately, we woke up and we have the 2007 NIE, which set my hair on fire. It is unambiguous about the current threat and it says to me that we have not been successful in dealing with the threat of Al Qaida, its ability to recruit, its ability to reconstitute itself and that something -- I'm suspicious -- that something that we've been doing has caused us to not be able to defeat what everyone has agreed for a very long time is our number one enemy, people that really, really want to kill us and are really trying hard to do it.

And I think that if we all kind of agree on where we are right now, if that is true, then we have every reason to be concerned. What is it that has caused us to not find and kill Osama bin Laden?

TAUSCHER:

Because he's hiding in the FATA?

GISTARO:

Ma'am, if I can just address the difference between the two NIEs. I think they are different papers trying to answer different questions.

The 2006 estimate was really looking at the underlying trends driving extremism within the Sunni community worldwide. This paper that we're discussing today is much more tightly focused on intent and capabilities to attack us here. And I think that those different -- the different focus of the two papers may explain why we have different language and the perception that they have radically different...

TAUSCHER:

With all due respect, they seem like they're written by different people with different methodologies, setting a framework for people to understand. This is the difference between, "Gee, I'm really worried there may be something happening up the street -- walk faster." That's one set of comments. The other is, "Run, run, run, run for your life." That's the difference between these two documents.

Now, if you're trying to tell me that this is about somebody writing in a different style or that different methodologies used, I don't really think that's what you mean to have me believe.

GISTARO:

No, ma'am. I think they were trying to answer fundamentally different questions.

TAUSCHER:

Well, can I make a suggestion? Until the problem changes, until we find and kill Osama bin Laden, that's all I really want from you people, is to tell me what the status of Al Qaida is and whether they have in fact reconstituted themselves -- which is what you tell us they have -- that they have refinanced themselves, that they have rested, that they have actually franchised themselves into Iraq and probably other places all the time while I think many of us thought, and certainly my constituents believed, that we were trying to get them.

LEITER:

Ms. Tauscher, if I may, there is a historical event which to at least some degree that I can talk about in open session which changed this trend, which is the North Waziristan peace agreement. And President Musharraf has

noted that the agreement that was signed for North Waziristan has not necessarily helped eliminating the safe haven in the FATA.

LEITER:

So that was something that was just before the 2006 NIE...

TAUSCHER:

But, with all due respect, you have gone through the chronology from 2001-2002 to 2007, where you basically said, this is like a balloon. You push here, it bubbles out over there.

We have watched them hop, skip and jump, pretty much with freedom and ability to reconstitute, from Afghanistan to Pakistan urban areas, to South Waziristan to North Waziristan. They can move pretty much where they want in that whole entire area, and have for the last seven years. And we haven't found them and killed them.

CLAPPER:

Well, respectfully, ma'am, some of them have been found and killed.

And I would just note that it is not a constant trend either way. We have had ups and downs.

The elimination of the Afghan safe haven did diminish capabilities for a period, and they did reconstitute some. And then they were chased from the urban areas. And they did reconstitute some.

TAUSCHER:

Well, if I can make a suggestion, I think these NIEs have to be congruent with each other. They have got to be side-by-side documents. We have to have a way to look at them and say, this is what you told me the last time and this is whether we're going up or down. Simply. A little thing like this or a little think like that would be very, very helpful.

We can't have this complete divergence, as we've had in these two documents, because it causes a tremendous amount of anxiety for the population when they hear about the NIE on television.

And then, for those of us who think we're watching this closely, to see such a swing away from what our expectations have been, that we have actually decapitated these guys in 2006 and now they're traveling around wherever they want, reconstituting and refinancing and being more robust.

LEITER:

And my last note would be, ma'am, that the NIEs really are snapshots in time. So they don't come out all that often. They come out once a year...

TAUSCHER:

Well, then, you'd better take them from the same camera because the picture's got to look a little familiar.

LEITER:

And I would say that the streams of intelligence that we see I think has tried to provide those regular updates.

TAUSCHER:

I mean -- yield back.

Thank you, Mr. Chairman.

SKELTON:

Thank you, Ms. Tauscher.

Mr. Wilson?

J. WILSON:

Thank you very much, Mr. Chairman.

And I'd like to thank you all for being here today.

And I particularly appreciate your sincerity and your concern that, indeed, we're in a long war. We're in a global war.

I, in reading the national intelligence report, was, like so many people here, so saddened to see the regeneration of Al Qaida and particularly to see that it is coming from the ungoverned tribal areas of Pakistan.

I have had the opportunity to visit Pakistan four times. I visited with President Musharraf.

It hasn't been stated here today, but he, himself, has been subject to at least four assassination attempts by (inaudible) affiliated with Al Qaida. I

actually feel like President Musharraf is doing the best and his military is doing the best that they can under the circumstances.

J. WILSON:

And, indeed, maybe they've learned a tragic lesson based on the treaty that they had in Waziristan. Additionally, I see it in their interests to create border security with Afghanistan, which is beneficial to Afghanistan; additionally to create border security with India. India has lost 60,000 people due to cross-border terrorism coming out of Pakistan.

But we truly are -- I am very grateful for the government of Pakistan, and I think it's to the interests of -- to the people of Pakistan that there be stability.

Another point I want to make too is that with the terrorist threat emanating largely out of the ungoverned tribal area of Afghanistan, I believe that it shows that our troops are, indeed, on the offense in Iraq, in Afghanistan, and this is stopping the terrorist capabilities of a direct threat to the United States. And so I am more grateful than ever for the American military being on the offense.

It's been stated that the great concern we have are safe havens. The Washington Post has identified that if we're not successful in Iraq, that safe havens would be created with terrorism training camps to attack the United States.

I'd like to know how -- is this, the issue of safe havens, is this how an insurgency, a terrorist organization can best threaten the American people, or worst threaten the American people?

(CROSSTALK)

(UNKNOWN)

Sir, I think we have identified physical spaces where people can come, gather and plot as a fairly important ingredient in the ability of terrorists to develop and execute a plot. That said, it is not absolutely required.

We see indications that people are able -- without ever going to a camp or a safe haven, able to radicalize themselves, find like minded individuals, gain destructive expertise and actually conduct attacks.

J. WILSON:

And three weeks ago, we had the extraordinary circumstance, apparently, of physicians in England -- London, and then at Glasgow. Has it been determined what training they had or what was their inspiration?

J. WILSON:

And indeed the attack on the Glasgow airport certainly should concern the American people. That looked like any school in the United States. It looked like any supermarket.

We need to understand the threat to our country, as evidenced by Glasgow.

LEITER:

Congressman, we're working very, very closely with British intelligence and law enforcement officials. We certainly look at what happened there and try to apply that to preventative measures here in the United States.

Beyond that, because of very strict British laws, I think it's difficult for us to comment in open session.

J. WILSON:

And, additionally, the success of killing Al Qaida leadership of Algeria, Egypt, Zarqawi himself in Iraq, it's been stated that there hasn't been progress. Well, indeed, the leadership around the world has been killed even though obviously they have successors.

But, again, I want to thank you for your efforts and look forward to the balance of your presentation.

REYES:

Thank you, Mr. Wilson.

Mr. Andrews?

ANDREWS:

Thank you, Mr. Chairman.

Thank the panel.

I'd like to ask Secretary Clapper, the NIE, the public part of it says the main threat comes from Islamic terrorist groups and cells, especially Al Qaida, driven by their undiminished intent to attack the homeland.

One a scale of 1 to 10, 10 being the most lethal and imminent threat, how much of a threat to the U.S. homeland is Al Qaida in Iraq?

CLAPPER:

Well, it's difficult to put it on a scale. I just would reiterate what the NIE stated, though, about the professed intent of AQI to attack the United States.

ANDREWS:

I understand about intent. I'm asking about capability. On a scale of 1 to 10, what's their capability to attack the homeland?

GISTARO:

Sir, as the intelligence community has looked at this issue, the judgment that they have stated is that currently the bulk of AQI's resources are focused on the battle inside of Iraq.

ANDREWS:

Oh. Is that a 10 or is it a one?

GISTARO:

Sir, one of the things we tried to avoid in this estimate was to try and put a number like that, because it can just be misinterpreted.

ANDREWS:

Or perhaps misused.

I would ask a similar question about Al Qaida in the FATA areas. How do you assess its relative capability to attack the homeland from the FATA areas? Is it greater than AQI in Iraq?

GISTARO:

Sir, as we look at both intent and capabilities, I think with regard to AQ in South Asia, the intent is totally undiminished. In terms of capabilities, the core elements of the capability they need to attack us here, we see a negative trend from our standpoint in terms of safe haven, leadership and training and recruitment of operatives.

ANDREWS:

Are they more capable or less capable of attacking us from the FATA relative to Iraq?

GISTARO:

Sir, I think the estimate speaks pretty clearly that we are primarily concerned with Al Qaida in South Asia.

ANDREWS:

So they're more capable in the FATA areas than they are in Iraq, right?

GISTARO:

Yes, sir.

ANDREWS:

Secretary Clapper, if we were to put aside the difficulties with Pakistani politics, which is -- I know we can't do. But if the Pakistanis would let us do whatever we wanted to in the FATA areas -- diplomatically, intelligence-wise, militarily -- to the extent that you would want to answer that question in this forum, what would that be? What is the optimal situation for us in the FATA areas?

CLAPPER:

Well, I think probably a greater freedom of action, first on the part of the Pakistanis themselves, even though they've done a lot. If they could do more and if there were, I think -- speaking personally -- probably more freedom of action on our part to engage in Pakistan -- I might ask Ms. Long...

ANDREWS:

May I ask a question? If we received a report this afternoon that there was plans fairly well along the line and that we felt it was in our interest to intercede with a Special Forces strike, are we able to do that?

CLAPPER:

Well, yes, sir. We would be.

ANDREWS:

Why did you hesitate?

CLAPPER:

I just was thinking about the extent to which I would want to discuss that in open session.

ANDREWS:

OK. No, I understand that.

What suggestions, that you could give us in open session, would you make, as far as moving us closer to that optimal position you just described?

As a Congress, what could we do that would help us move toward a situation where we have greater freedom of movement in the FATA areas?

CLAPPER:

I think, if we simply continue the efforts we have now under way, particularly the continuation of the dialogue with President Musharraf, working with his military, ministry of interior, the aid and assistance that we have flowing to Pakistan -- I think we need to continue that, and of course, accordingly, would...

ANDREWS:

My time's...

CLAPPER:

... would hope that the Congress would support that.

ANDREWS:

I appreciate that. My time's just about up. I would just -- I think you understand this, but I want to say it. The American people, I think, both Republican and Democrat, want this job done by the United States, to the extent that that is achievable.

We do not want to farm this one out.

(UNKNOWN)

Right. Congressman...

ANDREWS:

To the extent that it can be done, I think that we want...

(UNKNOWN)

If I could...

ANDREWS:

... it done by our people so it's done.

(UNKNOWN)

I wouldn't want the American people who might be watching this to get the impression that, if there were information or opportunity to strike a blow to protect the American people, in the FATA, that we would not take immediate advantage of that opportunity.

ANDREWS:

I appreciate that very much. Thank you. I yield back.

REYES:

Thank you, Mr. Andrews.

Mr. Cole?

COLE:

Thank you very much, Mr. Chairman.

And thank you, gentleman and ladies, for being here.

Let me -- I'm intrigued by a couple of points, and actually struck by the same things that Ms. Tauscher and Mr. Thornberry were.

So let me ask you this, because, when you look at the two NIEs, it creates a great deal of consternation. Is it possible that -- well, let me just put it to you this way.

COLE:

Is our intelligence and understanding that much better or is our situation that much worse?

GISTARO:

That's an excellent question, sir. I think it's probably a little bit of both. I think one of the reforms in the NIE process that has been instituted under the DNI is that on NIE is sacred, and that when we're going to produce a new one, you don't start with the old NIE and assume that one is absolutely true and you just have to build on from there. You go back and do a zero based intelligence review.

COLE:

So we certainly need to look on our understanding as evolving here, and very difficult to say, "We got it right then, so what we know now, we can draw a very straight line from it."

GISTARO:

I think we -- as part of our tradecraft, we absolutely try to avoid that mindset. That said, I think the intelligence has changed in the past year, and the judgments in the current NIE are driven by the intelligence that we've seen in the last year.

COLE:

Let me also ask you this. I agree very much with Mr. Thornberry's comment that we're dealing as much with a movement as we are with a man or a group of men or an organization.

If we got what everybody up here would want us to get -- that is, we got Osama bin Laden tomorrow and were able to kill or capture him -- would it fundamentally change the nature of the challenge or the threat that we're dealing with? Or would that still exist?

(UNKNOWN)

Sir, the community actually spent a lot of time talking about that exact point.

(UNKNOWN)

Because it's in the classified section of the paper, I'd prefer to go into detail on that in closed session, if I could.

COLE:

Absolutely.

Well, let me ask you this, then and switch the focus in the time I've got left to Al Qaida in Iraq. In your judgment, is our focus there a diversion or is it still an integral part of the ongoing struggle with Al Qaida? Are we sort of chasing a lesser target there at a great deal of expense, great deal of resources? Or is the focus there still worthwhile?

(UNKNOWN)

Well, I believe it is clearly still worthwhile. That is a significant threat. It's a significant component of the larger global AQ threat, so absolutely.

COLE:

Given the fact, Mr. Secretary, that -- you know, clearly we have multiple struggles going on in Iraq. We've got civil strife, we've got tension between ethnic and sectarian groups. I mean, I don't envy you the challenge.

Is it even possible to disentangle these threads? You know, we get a policy pronouncements in Washington that we should just focus on Al Qaida in Iraq and somehow everything that's happening domestically in terms of the government or the rivalries or the jockeying for power is sort of irrelevant. I mean, do we have the luxury of that kind of clarity and that kind of isolation of the problem in an area as complex as Iraq?

(UNKNOWN)

Well, I think you've accurately characterized the complexity of the situation there. Certainly the Al Qaida threat is crucial and it's crucial that we continue our campaign against it. But that is against the backdrop of all the other complexity and the dynamics in Iraq. I'm not sure it's possible to cleanly disaggregate those various components of the complexity, as you correctly allude.

LONG:

Congressman, if I could augment that answer, I think what you're getting at is -- excuse the augmentation. Actually, one of the things that we are learning about Al Qaida is that they play upon the societal divisions that pre-exist, whether it's tribal, Shia-Sunni or otherwise. And by exacerbating those tribal and other divisions, they actually play into the criminal and other elements of what's going on in complex societies like Iraq and in the FATA.

So your point is exactly right, sir, that to disaggregate what actually Al Qaida is focusing on, which is to force those divisions in society to be - conflict against not only those people, but our brave men and women in the coalition forces, is very, very difficult.

COLE:

Looking back -- I know I don't have much time -- again, we sort of do a lot of historical revisionism. But this is clearly a very adaptable, very resourceful, multifaceted opponent.

COLE:

Thank you, Mr. Chairman. I'll hold that for another time. Thank you.

REYES:

Thank you, Mr. Cole.

Ms. Davis?

S. DAVIS:

Thank you.

Thank you all for being here.

When you were asked about what's changed, I think one of the things that you cited was the change in the Waziristan agreement. And yet there's been some, I guess, points of view that would suggest that it's not really just there in the FATA region that Al Qaida has been reconstituted, but in fact it's across Pakistan, and that there are more problems than just looking at the FATA regions.

Would you agree with that? And if so, what do you believe is the situation there as you look at it in a broader context?

LEITER:

I think when we're talking about Al Qaida core senior leadership, I actually would. The vast majority of what we're talking about is in North Waziristan. So I would not say that it is a Pakistan-wide problem.

S. DAVIS:

Anybody disagree with that? OK.

I know that there have been several articles that would suggest that that's greater, and I wanted to give you a chance to clarify that.

Thank you.

One of the other issues that we've focused on is the changes that have occurred in the Al Anbar area and the fact that both Sunni and Shia tribal leaders have come together in many ways to fight Al Qaida.

There's a downside to that, as we know, and I wonder, in terms of the intelligence that you're receiving, if you believe that we ought to be looking at that downside or that this is just a risk that we need to take in terms of the strengthening in many ways of those tribal communities and the tribal leaders as they fight Al Qaida?

I guess a follow-up question to that is, if, in fact, we're seeing that shift and that's true, is then Al Qaida in Iraq being seen quite differently by at least that area of the country? And are they that much less a threat?

LONG:

Ma'am, I can address that from a non-intelligence standpoint. I'm not sure what you're referring to when you say the flip side. I think you may be referring to some of the public discussion about arming the tribes or militia in Al Anbar.

And as you know from the statements of the secretary actually, these were folks who were well armed to begin with, but it's very important, and you're exactly right, that what has happened there is a shift in attitude. And I believe it was Congressman Hoekstra that pointed out that the important point of the forcefulness behind the theory and the ideology of Al Qaida is the attitude.

LONG:

So when we take a look at the tribes, whether they are in Al Anbar or in other places, where they've made the fundamental commitment to enforce the government, to reinforce the government of Iraq, and to counter what they consider to be a foreign and hostile threat of Al Qaida in Iraq, that's a good thing.

And what we're trying to do is encourage that by empowering them, by guiding them and by institutionalizing that effort.

S. DAVIS:

Are you saying from the point of view of intelligence, then, there's really no downside to that?

LONG:

Ma'am, I can't speak to the intelligence facts. I would refer you to my colleagues as to that point.

S. DAVIS:

OK. I just wanted to have a chance, because certainly some military leaders would suggest that it's a very cautionary way to proceed and we certainly need to do that.

May I just turn very quickly, I'm trying to get a sense in terms of priorities and certainly in terms of the department and where you've put your resources, obviously, they're limited.

Would you say that -- has there been a shift of resources from the last NIE that you report than the report today or the 2007 report? Does that NIE make a difference in terms of the way you would utilize resources and certainly individuals who are focusing on whether it's Al Qaida, Al Qaida in Iraq, whether it's Pakistan, the FATA region -- have you shifted your resources at all?

CLAPPER:

I think in general terms the NIEs have simply served to reinforce the course that the department's been on. It's undertaken a lot of actions in response to this shift and the focus on terrorism. So, changes in the unified command plan, the expansion of our special operations capabilities, to name a couple of specific examples.

I think the NIEs have -- is simply, despite, perhaps, the somewhat different approach, different purposes, but I think the underlying, fundamental themes have served to reinforce the direction the department's taken.

At the same time, though, we have other issues we must -- the department has to wrestle with in terms of nation-state, potential nation-state peer competitors, et cetera, apart from the war on terrorism.

SKELTON:

Thank the gentlelady very much.

Mr. Mike Turner?

TURNER:

