Yonah Alexander, Potomac Institute: Welcome to our discussion, please feel free to contribute. I have a few footnotes, just as a reminder in terms of the continuity of terrorism. Looking at the calendar of February this month, thirty years ago, the American ambassador to Afghanistan was kidnapped and assassinated, so what else is new? We still continue with the problem of Afghanistan thirty years later.

Twenty-four years ago, some agents of the DEA were kidnapped in Mexico and executed. And now in terms of concern there are those that believe that Mexico is on the verge of chaos, which really means that thousands of people will try to get into the United States. Another important event some 21 years ago: William Higgins a Marine who worked with the UN in Lebanon, I knew the family, he was kidnapped and assassinated by Hezbollah. Today we still continue to be concerned by Hezbollah and support from Iran. Finally, 16 years ago in 1993 there was the first bombing of the WTC initiated by Sheik Abdel-Rahman, and we still have to deal with Al Qaeda around the world. This is a reminder that we have to continue to be concerned about the threats. And the academics need to cooperate with Congress so we are involved in the public debate. Former Vice President Dick Cheney recently warned that there is a high probability that a terrorist will attack with nuclear chemical or biological weapon in the coming years. Here’s the political dimension, he felt that the new administration was not considering some of the options to deal with the problem effectively, so we will have a discussion on that. Our panel is going to focus as we indicated on reforming US counterterrorism strategy.

I’m going to ask Andy Cochran to speak now, with whom we have cooperated on a number of seminars with. We are planning on expanding our activities internationality with the Inter-University Center for Terrorism Studies and parliaments around the world, and we began last year with Brussels.

Andrew Cochran, Counterterrorism Blog: Good afternoon and welcome to this panel on reforming U.S. counter-terrorism assistance programs, co-hosted with my friend and frequent panel co-host, Professor Yonah Alexander. I am Andrew Cochran, Co-Chairman of the Counterterrorism Foundation and Founder & Site Editor of the Counterterrorism Blog, at http://counterterrorismblog.org. I want to thank Don MacDonald, staff director of the House Foreign Affairs Subcommittee on Terrorism, Nonproliferation, and Trade for enabling our use of this room today.
Now, the standard disclaimer: None of the presentations here today represent the official views of the organizations represented; they are purely the personal views of the individuals making the presentations. So if you don’t like what you hear, blame the speaker, not the group.

Prof. Alexander is the distinguished Senior Fellow at the Potomac Institute for Policy Studies and Director of its International Center for Terrorism Studies, and also Director of the Inter-University Center for Terrorism Studies. He is the author or editor of about 100 books on the various aspects of terrorism and counter-terrorism policy, and lectures at numerous institutions and universities. We co-hosted panels last year on the evolution of U.S. counterterrorism policy, the outlook for Iran and the U.S., and on relations between Turkey and the U.S.

Our panelists today are:

Contributing Expert Michael Kraft, the former State Department Counter-Terrorism Office Senior Advisor, was the co-editor of the book “The Evolution of U.S. Counterterrorism Policy” with Prof. Alexander, and is the co-author of a recent study on U.S. antiterrorism training assistance and counter-terrorism funding programs. As a Congressional staffer in the late 1970s, Mike was one of the drafters of the law authorizing the designation of state sponsors of terrorism.

Contributing Expert Victor Comras, now an Attorney and Consultant, and former UN Security Council Counter-Terrorism Monitor, and the former Director of the U.S. State Department's International and Counter-Terrorism Sanctions Programs. Victor’s articles have appeared in The Washington Post, The Financial Times, and other international press and professional journals. He is quoted regularly by radio, television and other news media in the United States, Canada, Australia and Europe.

Contributing Expert Matthew Levitt, Director of the Stein Program on Counterterrorism and Intelligence at the Washington Institute for Near East Policy, and former deputy assistant secretary for intelligence and analysis at the Treasury Department. Matt and his Washington Institute colleague Mike Jacobson, also a Contributing Expert, yesterday released their policy monograph, “Countering Transnational Threats: Terrorism, Narco-Trafficking, and WMD Proliferation.”

You can access any of our Contributing Experts’ posts by going to the left sidebar of the website and clicking on the link titled, “Experts’ Archives and Bios.”

Each panelist will have 12 minutes for their presentations, and then we’ll open it up to questions.

Yonah’s comments remind me to announce that we are adding Michael Braun, former Chief of Operations at the DEA, as a Contributing Expert effective today. Michael is one of the recognized experts on the criminal-terrorism nexus, and has worked on that for years.

Our transcript is being prepared by Brett Wallace, Assistant Newslinks Editor.

Our keynote speakers, Reps. Brad Sherman and Edward Royce, are voting at a House Financial Services Committee hearing. We will go to the Members as they arrive because we never know when they might be interrupted, and with that we will go to Mike Kraft.
Mike Kraft: These recommendations are my own based on my own experience of 19 years in the State Department CT office. Going way back before 9/11, indeed at least the Nixon Administration, a pillar of U.S. counterterrorism policy has been the concept that fighting international terrorism requires international cooperation.

During the just-ended Bush administration, an often-used speech line has been that we need to fight terrorists overseas before they can hit us at home. That line has been misused as a justification for the invasion of Iraq –never mind that Saddam Hussein did not have a working or even meaningful relationship with the Al Qaeda bombers of 9/11.

- However there was an element of truth in another way -- the need to bolster the capabilities of friendly countries that might be the targets of terrorism attacks or the venue for attacks on American targets, such as Kenya and Tanzania in 1998.

- Since the mid-1980′s, following a series of aircraft hijackings and other terrorist attacks – including those against the US embassy in Beirut the US has made efforts to strengthen the ability of other countries to counter terrorism.

This afternoon I will provide a brief overview of some of the key programs and recommendations to strengthen them. My remarks draw heavily from a case study I co-authored with Celina Realuyo, a terrorism-financing expert formerly a colleague at the State Department and now at the War College. The case study, was prepared for the Project for National Security Reform but my remarks go beyond the report which we hope will be published soon along with other reports.

The recommendations and reform proposals are my own, not cleared with anyone, and are based on my 19 years of working with the State Dept. Programs and follow-up interviews and research.

Overview:

The U.S. government’s counterterrorism foreign assistance programs that aim to enhance foreign partners’ capacities to combat terrorism are an important but relatively unknown component of Washington’s CT strategy. These programs are low profile; they do not lend themselves to TV sound bites. They involve classes and training designed to improve allies’ abilities to combat and ultimately defeat international terrorism. In doing so, the programs draw on extensive expertise from a myriad of U.S. government agencies and officials.

Foreign training participants can include SWAT team members, forensic accountants, information technology officials, and emergency response professionals, among others. In recent years, foreign assistance efforts have also been extended on a regional and even multilateral basis, through the United Nations and other international bodies.

The State Department, Justice Department/FBI, Defense Department, CIA, and other agencies take part provide this training to foreign counterparts. Although their budgets comprise a relatively small part of the U.S. government’s foreign assistance and national security efforts (about $160 million annually), capacity building initiatives can have a major impact, and even a multiplier effect, on counterterrorism
efforts around the world. But the programs need fine-tuning and some reforms to make them more effective, especially since some of them are 25 years old.

Background:

Under a series of National Security Decisions, beginning with Directive 207 signed by President Reagan in 1986, the U.S. Department of State, and by extension, the State Department’s Office of the Coordinator for Counterterrorism (S/CT) was designated the lead agency for coordinating, supporting, developing, and implementing all U.S. government policies and programs aimed at countering terrorism abroad.

This lead role of the State Department (and S/CT) became formalized following a series of major terrorist attacks in the Middle East in the mid-1980s. These included the bombing of the U.S. Embassy and Marine barracks in Beirut, Lebanon; the seizing of American and other foreign hostages in Lebanon by Iranian-backed Shiite terrorists; and several terrorist hijackings across the Middle East.

The S/CT Coordinator, who holds the rank of Ambassador and Assistant Secretary of State, reports to the Secretary of State. Among its policy guidance responsibilities, S/CT oversees the Antiterrorism Training Assistance (ATA) program, which is implemented by the State Department’s Bureau of Diplomatic Security.

S/CT also develops policies through the office’s Counterterrorism Finance Unit to stem the flow of funding to terrorist networks. In this respect, S/CT’s policy guidance attempts to address the three key pillars of U.S. counterterrorism finance strategy – law enforcement and intelligence operations, public designations and asset freezes, and foreign counterterrorist financing capacity building.

S/CT co-leads the interagency Terrorist Finance Working Group (TFWG) that provides technical assistance to foreign countries in order to strengthen their ability to detect, disrupt, and dismantle terrorist financing networks. The Departments of Homeland Security, Justice, and Treasury, and other U.S. agencies also participate in this interagency grouping.

My colleagues Vic Comras and Matt Levitt are more expert than I am in this area and will discuss the CTF programs in more detail. I will focus on the Anti-Terrorism Assistance (ATA) Training Program

Background: By way of full disclosure, I was involved in the beginning of the program in 1983 as a Senate Foreign Relations Committee staffer. I’m glad to see here Ambassador Ed Marks, who is the one who put the program together for the State Department.

The ATA program is the major and oldest platform for providing U.S. assistance to civilian officials of friendly countries to improve their counterterrorism capabilities. The program was authorized by Congress in November 1983 as Chapter 8, Part II of the Foreign Assistance Act of 1961. The 1983 terrorist bombing of the U.S. Embassy, an embassy annex, and the Marine barracks in Beirut gave the new program additional impetus. Following the Beirut attacks, State Department officials increasingly viewed the ATA program as a means to improve the capabilities of local law enforcement officials who provided the “outer ring” of protection for U.S. Embassies.
In 1986, after a series of terrorist attacks against American targets in the Middle East, Congress, led by the House International Relations Committee, enacted legislation establishing the Bureau of Diplomatic Security (DS) and transferred the implementation of the ATA program from S/CT to DS. The transfer sought to allow the Counterterrorism Office to focus on policy formulation rather than implementing daily ATA operations. Key committee members, particularly Dan Mica and Olympia Snow of the subcommittee that dealt with the State Department programs, felt that DS, with Regional Security Officers posted at every U.S. Embassy, was best suited to develop and maintain contacts with local security officials.

Under its legislative mandate, the ATA’s initiatives are tasked with enhancing the antiterrorism skills of allied nations by providing counterterrorism training and equipment to civilian law enforcement officials; improving bilateral ties with partner nations by offering assistance; and increasing respect for human rights by sharing modern, humane, and effective antiterrorism techniques with foreign civilian authorities.

The ATA program offers a broad array of training courses delivered in the U.S. and overseas, such as detecting and disabling bombs, training bomb sniffing dogs, crisis management, hostage negotiations, and first responders.

In addition to teaching critical skills in a variety of security disciplines, the ATA program also helps develop international networks among U.S. and foreign counterterrorism experts and law enforcement officers at the national and local levels.

These foreign security and law enforcement professionals have primary responsibility for security in their countries. Thus the program also indirectly protects Americans traveling or living abroad.

Most ATA program recipients are developing nations that lack the financial and human resources needed to develop and maintain an effective anti-terrorism program and related infrastructure. The United States also provides special training assistance upon request by host countries in advance of major international events, such as the Olympic Games or the World Cup. Sometimes, the U.S. Embassy abroad will identify a weakness or a need in the host country’s counterterror capabilities and, in consultation with Washington, offer training. Or, in the case of airport security problems, airlines or the Federal Aviation Administration (FAA) might recommend training.

According to State Department officials, since its inception in 1983 the program has trained and assisted over 48,000 foreign security and law enforcement officials from 141 countries. FY 2008 funding should allow for training an estimated 5,000 officials from 75 countries, using 257 courses.

S/CT Guidance: As part of its policy guidance responsibilities, S/CT decides which foreign partners are eligible for ATA assistance and it prioritizes the country allocation of scarce training resources. A major tool for this task is S/CT’s development and updating of a list of priority countries, organized in three tiers. Key factors are the potential terrorist threats to the country, the extent of U.S. interests such as the presence of a large U.S. expatriate community or military base in-country, the political will of the
country and its needs, and the best allocation of resources. Evaluation teams go to the proposed recipient country. Factors involved in the evaluation include the participating government’s ability to:

- Respond to terrorist incidents resulting in mass casualties or fatalities
- Protect national borders
- Protect critical infrastructure
- Protect the national leadership
- Respond to and resolve terrorist incidents
- Investigate and prosecute those responsible for terrorist acts
- Respond to weapons of mass destruction attacks
- Manage kidnapping for ransom crimes

After the subject matter experts return and draft their assessment report, a comprehensive country plan is developed that outlines a specific program of training courses and counterterrorism equipment for that country. Depending on training priorities, budget, and training personnel available, the proposed courses for a country may take place over a period of months or years.

In addition to the standard package of courses, ATA also provides specialized training, consultations, and advisory assistance to address discrete security threats in a particular country or region. Taking into account a country’s specific needs, courses may be offered to help bolster organizational skills, such as police administration, management and planning; police instructor training; judicial security; or modern interview and investigative techniques.

The efficiency with which DOS-allocated funding is utilized in the field can vary, depending partially on the degree of policy guidance from S/CT, coordination with embassies, and the absorption capabilities of the participating country.

S/CT provides policy guidance to DS/T/ATA, through quarterly meetings and the aforementioned tiered list of priority countries. However, a February 2008 report by the GAO commented that the list does not provide sufficiently detailed guidance on goals, objectives, or training priorities or consistently use country-specific needs assessments and reviews to plan assistance. Moreover, the GAO concluded that the S/CT guidance “has weaknesses and inconsistencies.”¹ The State Department has responded that it

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is reviewing ways of updating S/CT relationships with DS/T/ATA officers to improve the delivery of ATA assistance.²

It is my observation from years of experience within S/CT that the degree of guidance varies, depending partially on the priority given to it by the “front office,” and the time pressures on the regional and other officers who help formulate which countries and courses should be given priority for the available training resources. Although the original intent was that a regional S/CT officer would usually accompany the assessment team, short staffing and other work pressures often made this difficult or impossible.

Budget: Adequate funding for the counterterrorism foreign assistance programs is a real problem, even after 9/11. Since 2002, the program’s budget has fluctuated, cut in some years and increased in others. The actual FY 2008 allocation for ATA, made by the White House’s Office of Management and Budget (OMB) and the State Department after Congress cut the overall Foreign Assistance Budget request, was back down to a total of $128.5 million. The FY 2009 level and carried over by the Continuing resolution is $141.5 million, although about $17 million of the budget is earmarked for Afghanistan and will fund, among other items, protection for the President of Afghanistan.

Decreases in ATA funding, have generally resulted from funding request cuts made by the State Department budget office, then OMB, and finally by the Congressional Appropriations Committee as part of the struggle between competing priorities for scarce dollars. When the terrorist threat seems less prominent in the perception of budget officers and Congress, funding for overseas counterterrorism programs typically assumes a lower priority. For example, as I related in my book, The Evolution of US Counterterrorism Policies when I asked a House Appropriations Committee staffer a couple of years ago why the Committee increased spending for the de-mining program but cut ATA, she replied, “We received more letters about de-mining.”³

In an ideal budget world, it would be better to provide the assistance sooner rather than later. What makes funding requests for ATA all the more difficult, however, is that unlike typical foreign assistance programs in which the need for new bridges, schools, or other infrastructure can be projected in advance, the terrorism threat is unpredictable.

In addition, threat assessment and setting priorities has become more difficult with the emergence of “self starting” terrorist groups in a number of countries. The unpredictable nature of such groups makes it more difficult to predict where priorities should be placed in selecting countries and specific courses.

Recent ATA Budget Figures (in thousands)⁴ [for reference]

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Flexibility: Recent attempts to allocate foreign assistance on a regional basis, wrapping in such “functional” programs as counterterrorism with traditional aid, have resulted in unintended consequences.

In June 2008 Congressional testimony, Gina K. Abercrombie-Winstanley, then the new S/CT Deputy Coordinator in charge of programs, said, “While a priority list is necessary, flexibility is crucial to responding to actual needs and opportunities on the ground. We will ensure that we can re-direct funding for Antiterrorism Assistance to respond to Congressional and national security concerns, as well as to address urgent situations in the field.”

Ambassador Dailey has testified to this House Foreign Affairs Subcommittee on Terrorism in July 2008 that as part of the Regional Security Initiative (RSI), “S/CT receives requests for delivery as part of the effort to pool resources and devise collaborative strategies and policy recommendations. This will enable us to address the particular terrorism threat in each region.”

Behind this, I believe, was a reference to an important problem that the State Department and Congress should address; the need for flexibility in quickly reallocating funds to another country to meet a newly emerging need.

While the regional approach has great merit and in many ways is preferable to attempting to address a partner nation’s CT vulnerabilities in a vacuum it also has created some problems in the effective implementation of the program. The ATA program has to be an embassy's plan and approved by the regional bureaus within State before it is approved by the F Bureau, State Department’s Office of the Director of U.S. Foreign Assistance, which supervises all the aid programs and was formed after the U.S. Agency for International Development was folded into the State Department during the Clinton administration under pressure from Senator Jesse Helms, then the chairman of the Senate Foreign Relations Committee. And these complex plans are prepared and cleared more than a year and a half in advance.

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This makes it more cumbersome to shift funding to meet new counterterrorism requirements and requires advance Congressional notification, which can take months. Furthermore, S/CT and DS/T/ATA officials have indicated in interviews, that it is not always easy to get regional bureaus and an ambassador to one country to agree to postpone or cancel previously planned ATA training courses in order to shift resources to another nation.

Coordination Issues: Coordination efforts for providing foreign assistance CT training have evolved into a formal structure for interagency consultation and cooperation. In addition, there are informal consultations, usually involving two or more agencies working in tandem, such as programs to counter terrorism fund raising.

The interagency counterterrorism training group, chaired by S/CT, with ATA, is supposed to meet regularly to coordinate plans, primarily to make surer agencies are not duplicating each other, for example in providing hostage negotiation training, while leaving key areas uncovered.

There is a need to prioritize and align authorities, resources, and capabilities among agencies conducting CT assistance programs. The Defense Department and Justice Department’s activities, in particular, need to be coordinated effectively. The way the budget project works, each agency draws up its priorities and plans separately and thus the process tends to be agency driven.

Recommendations:

Guidance, Coordination: There needs to be a constant effort to strengthen guidance for the program. S/CT must have adequate staffing for this effort.

Timely and detailed guidance from S/CT to DS is important. Otherwise, courses tend to get scheduled on the basis of the availability of training slots.

Coordination is a continual process; interagency coordination needs to be enforced at a high level. NSC needs to be involved. There should be clear directives to all agencies, including intelligence, to coordinate closely. There should be a detailed interagency roadmap that would make clear each agency’s proposed plans in advance. Any changes should be quickly relayed to State.

• This coordination needs to be routine and consistent.

• In practice however, the degree of coordination has fluctuated, again partly depending upon the priorities given to the program by the S/CT front office. Personalities do matter. But a framework and procedures for coordination are also vital.

Congress should revitalize the annual report requirement and stipulate that it includes information on other agencies besides just state department. This will help enforce the cooperation.

Congress originally required an annual report on USG training activities after the 1985 attack by the Abu Nidal Organization on a U.S. passenger jet at Karachi airport. House Committee staff later asked if the State Department had provided ATA training to Pakistan and was told no. Later, it was discovered that
the Federal Aviation Agency had provided some airport security training to Pakistan but the State Department was not aware if it—at least not the CT office. The Committee then instituted a report requirement on the theory that by forcing the bureaucracy to report directly, this would provide a coordinating mechanism for S/CT. However, after a few years the DS drafters gave up on trying to get the FBI and other agencies to report on a timely fashion, and the classified annex was dropped. Then, amid some confusion over whether a report is still required, it has faded away.

Having been involved in preparing this and other reports, I found them a pain and they took time away from other issues. It seemed that after the first year or so nobody on the Hill seemed to read them. But reports can be a useful mechanism, to strengthen the coordination efforts and also for use within the bureaucracy and with foreign countries. Therefore I suggest that a stringent reporting requirement be written into the new legislation the committee is working on.

Cooperation with other countries: At one time we exchanged future year plans with the U.K. to avoid duplication. We should do this informally with other donor countries such as France, Germany, Israel, Canada, Australia and New Zealand. Even Colombia and Turkey, which have partially graduated from the ATA program and now provide some training to neighboring countries.

While guest teaching at a CT class at Stanford last week, Prof. Boaz Ganor, an internationally recognized expert, suggested an international “Marshall Plan” in which the donor countries would team together and coordinated stepped up assistance to countries needing help.

Although this may be extremely difficult to map out in advance, it would be useful to strengthen coordination via a central point rather than via ambassadors meeting in each donor country. UN Security Council resolution 1373, enacted after 9/11 to cut financial flows to AQ needs to be revitalized. Efforts floundered, after British Ambassador Jeremy Greenstock was reassigned several years ago to Iraq. The new CTC Exec Secretary Mike Smith, the former Australian CT coordinator is reviving the program and the U.S. should provide full support.

The U.S should make greater efforts to provide legislative drafting assistance to countries that request it. Ideally we would work with team members from a parliamentary background.

Implementation: Laws without enforcement capability are not very valuable. The State Department Bureau of International Law Enforcement and, Narcotics, (INL) as well as ATA, should fund DOJ/OPDAT programs to help train investigators, prosecutors and judges. The skills used to prosecute conventional crime are also useful in dealing with terrorism-motivated crimes.

Flexibility: As mentioned earlier, ATA needs to be able to reallocate funding quickly if necessary to meet unexpected needs, for example a newly emerging terrorist threat in a friendly country.

Legislative remedies could authorize greater flexibility, with of course Congressional notifications as desired...hopefully streamlined to allow the provision of a new course within a matter of weeks, not months, if needed.
De-radicalization “social science” training, regional programs: ATA is currently authorized to provide law enforcement training. However, there are other dimensions to countering terrorism, and one of them is trying to discourage the radicalization of youth who might then evolve into terrorists and de-radicalization of those who have already gone down that path and been arrested. This is not an easy area, and some countries such as Saudi Arabia and Indonesia, which have tried to develop their own programs, have had uneven results or their approaches may not be easy to duplicate in other countries.

It was useful however if at least a small portion of ATA funding could be used to help countries develop their own counter radicalization programs. This could also include public diplomacy efforts within their own countries to counter support for terrorism and contributions to terrorist front “charities.” Saudi Arabia has such a program.

Budget issues: State Department budget officials, OMB, and Congress should pay more attention to the gaps that need to be filled overseas. Too often there seems to be a tendency to decide on the appropriations figures on the basis of the previous year’s “base line” level, adding or cutting by x percent rather than on needs basis.

Counterterrorism assistance programs are not like a road or other assistance in which a year’s delay may not matter. If a country has a vulnerability, it is better to fix it sooner rather than after an attack might occur. The Counterterrorism funds should have their own line item. Lumping them into the NADAR appropriations account with non-proliferation, de-mining and other programs, delays the final allocations and thus the organizing and scheduling courses.

These programs are not spectacular, like sending out aircraft carriers or armed drone aircraft. But they are essential tools in countering terrorism. The executive branch and congress need to pay closer and consistent attention to the details and implementation of these important programs.

I hope I didn’t go over too long…

Andrew Cochran: Well, for a State Department guy, not too bad. Now to Victor Comras.

Victor Comras: Almost 8 years have passed since 9/11, and we have thrown a considerable amount effort and money into tightening our security and into going after the terrorists. It became clear after 9/11 that we couldn’t defeat terrorism on our own. This had to be an international effort. But, much of the world was ill prepared to join with us. Many lacked both the capacity to tackle terrorism, and many lacked the political will to do so. Counter-terrorism capacity building became one of the hot items at the 2003 G-8 Summit at Evian. The G-8 leaders put together what they called a major plan to “Build international political will and capacity to combat terrorism.” That plan called for: “counter-terrorism outreach activities and capacity building assistance … selectively and effectively provided to those areas in which countries need assistance most and in order to avoid duplication of assistance by the G8 as much as possible.”

The G8 leaders outlined three principle objectives for this assistance program. First, to deny terrorists the means to commit terrorist acts (--preventing the financing of terrorism, and denial of false
documents and weapons etc); Second, to deny terrorists safe haven and ensure that terrorists are prosecuted and/or extradited, and Third, to protect against terrorist attacks by securing local environments and infrastructure and to mitigate damage by building a sufficient capacity for crisis and consequence management.

The key areas outlined for assistance were:

Counter-Terrorism Legislation - assistance in developing legislation for domestic implementation of conventions, protocols and resolutions in relation to terrorist activity;

Financial Law and Practice - assistance in drafting and enforcing legislation, regulations and codes of practice criminalizing the financing of terrorism and the seizure and freezing of assets;

Customs Law and Practice - assistance in drafting and enforcing legislation on the establishment of border controls;

Immigration Law and Practice - assistance in drafting and enforcing legislation on immigration controls including standards for travel documentation and the granting of asylum/refugee status;

Extradition Law and Practice - assistance in drafting of legislation implementing bilateral and multilateral co-operation on extradition;

Police and Law Enforcement - development of procedures for counter-terrorism law enforcement and the provision of assistance to national police forces to counter terrorism as well as illicit drug trafficking and organized crime as they relate to counter-terrorism;

Export Control and Illegal Arms Trafficking - assistance in the drafting of legislation and development of procedures preventing the access by terrorists to weapons;

Domestic Security Measures - assistance in the development and implementation of adequate crisis and consequence management techniques, aviation and transportation security measures and protection of critical infrastructure.

At the same time the G-8 leaders also emphasized the need to develop and maintain a sufficient international political will to combat terrorism effectively.

They established a special Counter Terrorism Action Group – CTAG – to take charge of this program.

And they also indicated that they would use the UN’s Counter-Terrorism Committee – as a principal source to provide input on prioritizing, allocating and coordinating such assistance, and to act as a monitor to gauge and report back on progress being made.

Other international organizations also got involved in identifying needs and matching program needs with donors, including FATF and the OECD, the World Bank, the European Union, the Council of Europe, and just about every other regional political and economic organization. The result, as you all may know, was a somewhat haphazard and uneven distribution of assistance – Some programs were quite
worthwhile and others more questionable. Let’s be clear, we did see some major progress here and abroad in combating terrorism. And this was particularly the case vis-à-vis Al Qaeda.

Just about every country in the world passed new legislation, regulations, and put in place some sort of structure to combat and to criminalize terrorism. We saw a marked improvement in many countries’ ability to regulate their borders, banks, and commerce. Yes, we helped build – and are still building – an improved international infrastructure for combating terrorism – But, this structure is still far from sufficient. And there is still a serious lack of will and accountability when it comes to implementation.

We must be aware that there are still a great number of countries that simply lack the political will to take the measures necessary to deal with terrorism and terrorism financing. And many of these countries continue to claim a lack of capacity as an excuse. This is particularly the case when it comes to terrorist groups that still enjoy significant local support. And, another problem is that beyond Al Qaeda and a small list of groups associated with Al Qaeda, there is still no consensus on who are terrorists.

It’s not a lack of capacity that allows Hamas, Hizballah, Lashkar-e-Taiba, Josh y Mohammed, the Tamil Tigers, ETA or FARC to continue to recruit, train and arm terrorists – it’s a lack of commitment on the part of certain countries to stop them from doing so.

I don’t believe that a lack of training, resources or capability is what has foiled Saudi efforts to curtail the flow of funds from Saudi Arabia to various terrorist groups, and the same holds true for many other countries including the UAE, Pakistan, Syria or Iran, for example. We need to insure that there is a meaningfully monitoring system in place, a system that can evaluate and hold accountable those that continue to fail to carry out their counter-terrorism obligations. This is what the UN’s Counter-Terrorism Committee is supposed to be doing. I think that story may soon have a happier ending, but let me tell what has happened so far.

The Security Council established two major committees to deal with terrorism.

One was the al Qaeda and Taliban Sanctions Committee – Its mandate is straightforward – All Countries are required to freeze the assets and halt all financial transactions with any individual or entity that the Committee has identified and put on a published list as being associated with Al Qaeda and the Taliban. All countries are also required to stop them from entering their territory, and from acquiring weapons and explosives. It’s all straight forward – if you are on the list you’re covered.

The second committee was the Counter Terrorism Committee. That committee was created by UN Security Council Resolution 1373 (2001) which directed that all countries take steps immediately to criminalize all terrorism and terrorism financing, and to deny all terrorists, safe haven, mobility, assets, arms and explosives.

However, this time there is no list and no clarity as to who is a terrorist and who isn’t. That is left to each country to determine for itself. Despite this lacuna, the Counter Terrorism Committee was charged with assisting countries to develop and put in place appropriate laws, regulations and structures to deal effectively with terrorism and terrorism financing, whether al Qaeda related or not.
The CTC started off strong under its first chairman, British Ambassador Jeremy Greenstock. But, since then, and until very recently, it simply failed to do much.

Greenstock put together teams of experts that received and analyzed reports received from countries concerning the measures they had adopted, or were considering. The experts then responded with their own recommendations. There was supposed to be a dialogue, but with a lack of any follow-through states soon tired of the process, and it simply ground to a halt.

By Early 2004 it was clear that the CTC had lost its way. At the behest of the G-8, an attempt was made to revitalize its work. The Security Council passed resolution 1535 in March 2004 giving the CTC a clearer mandate and creating a new permanent Counter Terrorism Executive Directorate of experts to support its work. But, the UN is the UN, and little happened to revitalize anything. This failure became a sore point for the G-8 at Sea Island, and in October 2004, the Security Council passed a second resolution—UNSC 1566- directing the Secretary General take charge and get something done.

Still it took until December 2005 before the Counterterrorism Executive Directorate was finally declared operational. But, the UN being what it is, few of CTED’s positions were filled with experts. Most of the jobs went, not to experts, but to functionaries appointed according to a patronage system that “assured appropriate geographical distribution.”

A couple of resolutions later, and with great pressure from key Security Council members, the Secretary General finally, in November 2007 replaced CTED’s lackluster director. The new Director -- Mike Smith (Australia) had a well-deserved reputation for getting things done. And, since then, he has.

CTED is now staffed with experts. It has about 40 members, half of whom are legal experts. They are now reviewing a new round of reports each country was required to submit concerning the steps they have taken to carry out resolution 1373 provision. Special emphasis is being placed on issues related to terrorism financing; customs and border control; police and law enforcement; refugee and migration law; arms trafficking; and maritime and transportation security.

Mike Smith has also put a high priority on evaluation and feedback. CTED is now undertaking a “Preliminary Implementation Assessment” of each country, based on its own self-assessment report. Each assessment is to be handled on a confidential basis between the individual country and the experts assigned to evaluate it.

CTED experts plan to visit some 40 countries over the next two years as part of this process. In some countries they will undertake a comprehensive assessment of local efforts in key areas -- police counter-terrorism work, terrorism financing, immigration and border control and transportation and infrastructure security.

Some of these evaluations will be conducted on a regional or sub-regional scope. This program has exciting prospects. And if Mike Smith can maintain this process it may well provide some needed oversight and accountability to the system.
However, if the exercise falls back into previous patterns -- and the assessment becomes a paper exercise of measures on paper, and not on implementation, we will again be back in the old “same-o, same-o” world of whitewashing and glossing over the real problems and issues.

Let me conclude by sharing with you one bit of good insight that has already come from Mike Smith’s Counter Terrorism Executive Directorate.

Last June, the group prepared an initial evaluation concerning the implementation by states of the 1373 required measures. This report got very little press coverage, but it was a real eye opener. Let me share with you one small section dealing with terrorism financing.

The CTED experts found that despite the fact that many countries had adopted “a vast array of laws and regulations, ...established dozens of institutions and trained thousands of officials worldwide in aimed at combating terrorist financing,” effective implementation of counter-terrorism financing measures still remains “elusive.”

Now I am quoting directly from their report: “Some regions still lack the basic components of a regime to counter terrorist financing ... Many States do not yet have in place the necessary laws, policies, institutions or trained staff. A major shortfall for many States, particularly those in East and West Africa, the Pacific islands region, South-East Asia and Latin America, is the absence of laws criminalizing the financing of terrorism in accordance with ... the resolution. Moreover, very few States have introduced effective mechanisms to implement fully the provisions that require States to freeze without delay the funds and assets of terrorists, as required by ...the resolution. The capacity to do so requires several components, which are absent in almost all States.

“There is a need for new initiatives to tackle terrorist financing in the world’s many predominately cash-based economies. Measures aimed a protecting only formal financial systems will not be sufficient. It is essential to seek creative approaches that can prevent terrorists in cash-based economies from acquiring funds, whether in the form of cash, through the smuggling of goods, or through the illicit manipulation of trade-based transactions.”

“The non-profit sector is arguable the most vulnerable to terrorist financing and the most difficult to regulate and monitor. It also suffers from a proven vulnerability to abuse by terrorists and their supporters for the funding of terrorist acts.”

“Most States lack the measures needed to protect non-profit organizations from intentionally, or inadvertently contributing to terrorist financing.... Significant attention should therefore be devoted to protecting this sector against exploitation by terrorists, including through the development of standards and codes of practice, and the delivery of the necessary technical assistance and training.” I think this underscores that there is still so much that needs to be done. Thank you.

Andrew Cochran: It is now my pleasure to introduce the Chairman and the ranking member of Subcommittee, Representatives Brad Sherman of California and Edward Royce of California. We are happy you are here and thank you for your support.
**Congressman Sherman:** Thank you, I have intros for all of you up here, I can dispense with them because we have already started, but these paragraphs all have nice things to say...

**Matthew Levitt:** Are they true?

**Congressman Sherman:** Matt, I am a politician, do they need to be? [Laughter] I should say some nice things about my colleague Ed Royce from the Los Angeles area. We have been partners on this Subcommittee for three or four congresses now. I couldn’t have a better partner working on terrorism, non-proliferation and trade issues.

I want to thank Andrew Cochran of the Counterterrorism Blog and Yonah Alexander of the Potomac Institute for putting this together. You have a great panel today: Mike Kraft, who worked at state on CT issues for several years knows this area as well as anyone; Victor Comras, who has testified before our subcommittee in the past and has a long record on CT issues in government and outside; Matt Levitt, with whom I have appeared on panels like this one, knows as much as anyone on terrorism financing issues and how to help countries fight the finance of terrorist organizations.

This is a timely topic, the Foreign Affairs Committee will be writing a Foreign Assistance bill this year to update the Foreign Assistance Act of 1961 on a wholesale basis. The State Department’s basic CT assistance authority comes from chapter 8 of the Act. Programs that operate pursuant to this authority are spent through to the nonproliferation, antiterrorism, demining and related programs account, more conveniently called NADR, not to be confused with a former presidential candidate. These programs collectively receive about half a billion dollars. This is not a lot of money when viewed in light of the importance we have placed as a nation on countering the twin challenges of terrorism and proliferation.

The Antiterrorism Assistance Program (ATA), the State Department’s main assistance program for helping other countries fight terror, is actually only about half the size of the equivalent DOD program, the section 1206 aid program. ATA will receive about $140 million in 2009; in 2008, the DOD spent about $300 million on 1206. It is easier to put funding in a Pentagon funding bill than a State Department funding bill. This is a reality that will change soon, hopefully, mostly because the Pentagon leadership now recognizes the importance of the State Department for national security.

1206 has been the preferred mechanism in the recent past to give assistance for fighting terrorism. Naturally it has a military focus. Now, the State Department has had a role in formulating, and must concur in, the projects that DoD has been funding, but our counterterrorism assistance programs are often really military assistance programs. The State Department’s NADR programs have gone to providing support to foreign law enforcement, as required by law. ATA monies shall be spent to enhance the ability of foreign law enforcement personnel to fight terrorism, according to the Act. So, on the one hand we have DOD-lead programs focused on foreign militaries and on the other, State Department programs focused on law enforcement capacities.
These are important programs but they do not cover the waterfront. The CT authorities in the Foreign Assistance Act were drafted in the early 1980’s; terrorism is far different now, and we have to face the phenomenon of global extremist jihad. The groups we confront may not quite qualify as mass movements, but they involve thousands of fighters and many other sympathizers who could be motivated to take up arms. Fighting terrorism is therefore an ideological, military, political and financial fight as well.

Given the nature of the threat and the enemy, in what other ways should we spend our counter-terrorism assistance funding? On counter-radicalization efforts? On efforts to distribute information that counters extremist ideology including educational materials? On de-radicalization programs to turn extremists away from violence? What other type of programs can help end the appeal of violent terrorism?

We will focus today on issues labeled “CT.” But we should not compartmentalize the efforts of government so rigidly. This cannot be the focus only of those few government agencies that have CT in their title. The fact is that stopping extremist jihad and preventing the spread of nuclear weapons, should be the number one goal of our entire national security and foreign policy efforts. Nothing we do internationally should ignore our CT and non-proliferation goals. If we are talking about trade issues with a given country, the first question should be: is that country helping us on CT and nonproliferation, or are they cooperating with Iran? In talking about development aid in Africa, the first question should be, what role do those we assist play in fighting terrorism? Whether we are talking about which countries control our ports, or receive Section 123 nuclear cooperation agreements, the focus should be, how can we use this economic or political leverage to assist our efforts stop the spread of nuclear weapons or curtail terrorism funding?

I look forward seeing that all the key decisions made by the US government advance those key objectives, and with that I turn to Congressman Royce.

**Congressman Royce:** I appreciate the opportunity to be on this panel today; we worked with Andy on the terrorism financing task force. The amount of energy he has put into extrapolating strategies, we need to find a way to sharpen the tools. I think this opportunity to hear from the panel is important because we are going forward with foreign assistance reform. I agreed with a lot of what Chairman Sherman said but we should also acknowledge criminalizing the act of terrorism financing is the lynchpin. We should acknowledge the operations at Treasury that have worked on that focus. As we go through our reauthorization we should put this at the top of our focus. The chairman and I can think about particular instances where we can look at attempts to do exactly this. When approaching CT programs, leaning on governments in order to get cooperation. For example, with MANPADS, the efforts by the State Department that I along with Brad authorized, in order to actually assess these stockpiles and provide the resources to take them out of the arms trade. As a result we got 26 thousand of these shoulder-fired missiles. The targeting of an airline in Kenya was a wakeup call for all of us, and showed we can have leverage with US foreign assistance programs. We can bring these inventories back into our control and lessen the threat. I think going forward I’d like to make one observation in general about our aid programs. By nature they are very bureaucratic. I have served on the Africa subcommittee for an
number of years, to see our efforts on pressuring governments in Africa, we were trying to pass terrorism financing legislation and see it adopting, but by nature our programs are bureaucratic and we lose sight of some of these key interests, and they may fail as a result of that bureaucracy. A program that is top heavy in Washington DC, that is centered here and focused here rather than allowing that adaptability in the field might not be worth our support, we have to think outside the box and send people out to these foreign governments to get the job done and to get acquiescence to CT finance legislation and get control of some of these inventories and assets. I thank you very much for this conference and the ideas that will come out.

Dr. Matthew Levitt: Thank you Yonah and Andy for coordinating this. Thank you Mr. Sherman and Mr. Royce for your foresight in putting this together and thinking about this in advance. I don’t claim to be an expert on the issue of capacity building or training assistance per say, but I recently co-authored a Washington Institute monograph with my colleague Michael Jacobson, *The Money Trail: Finding, Following and Freezing Terrorist Finances* ([http://www.washingtoninstitute.org/templateC04.php?CID=302](http://www.washingtoninstitute.org/templateC04.php?CID=302)), and one of the things we focused on was capacity building programs. There is a lot to be learned by looking at technical assistance and capacity building in this one particular area of combating terror finance. I will give you a brief presentation on our findings, highlighting some of our findings from our field research in the Gulf.

We went into this assuming the problem was a lack of money. To be sure, there is a need for further investment in this area because there is the opportunity for a huge bang for relatively little buck. But the biggest problems we found regarding existing training and capacity-building programs was not lack of funding but a lack of coordination, both domestically and internationally. Domestically there is no one department, agency or office empowered to be the focal point for the various training programs run through S/CT, Treasury, FBI or elsewhere. S/CT might be the office best situated to assume such a role, since they have been in this business for a long time and have the institutional knowledge. But having knowledge and being willing doesn’t mean they are empowered to do so.

In one Gulf country in particular, we met with embassy and law enforcement personnel, who are there on the ground overseeing and providing training. They made it clear that there was no coordination domestically among U.S. departments and agencies, let alone with other governments or international organizations. Interviews with U.S. officials back here in Washington yielded similar complaints. The US embassy personnel found that the same or similar training programs are being provided over and over in this particular country. Worse, we don’t have a lot of say in who gets the training; it’s the recipient country that gets to determine who attends these training sessions. The training is usually perceived as a perk so the person who is sent to be trained is not the customs official at the border or the investigator scrutinizing bank accounts but someone higher up with a nicer title that gets the mini vacation of attending the training. Because this person is influential, they will sometimes attend the same or similar training sessions more than once. In other words, we found that training courses often overlap substantively and frequently end up training the wrong people.

Then you have the problem that in some countries what they are really looking for is more ‘dressing’ than substantive expertise. In the Gulf in particular, some countries are more interested in being able to
point to all the training courses their people have attended than they are in seeing that the right courses are offered, the right people are trained. They want to say, “Look at all the training we’ve had, we are at the cutting edge of due diligence and are reliable venues for investment.” The implementation is far less important. We had one interesting meeting with one senior official who wanted us to see how comprehensive that country’s AML/CTF law was. Black on white, words on paper, the law was indeed impressive; especially for the Gulf. As the officials walked us through the various authorities they have under the new law, we asked how many times each authority had been implemented. In each case, the answer was that they had not used the authority at all. On paper it was impressive, but there was no implementation.

There are many areas that require training. We went to one Gulf country where a senior official insisted that since they had banned all unregistered hawaldars, and since none had registered, there were no hawaladars in the country. Apparently these officials had recently made a similar assertion to an IMF assessment team, which then returned to the hotel and asked a bunch of foreign expatriate workers how they got their money home and provided the list of hawaladars they compiled back to the government official.

There is also an overemphasis on training courses and an underemphasis on long-term programs. There is a place for short-term training courses, of course, but today there is a stark imbalance between short-term training and workshops and long-term programs. Some of the most effective programs we found involved embedding people in local ministries where they can work on a day-to-day basis and establish relationships. These relationships bear fruit later too, as foreign partners are more likely to trust and work with us having established relationships that last longer than the standard few days or weeks of a workshop. The ABA has embedded someone in Bahrain’s Ministry of Justice, for example, with great results. Bahrain is the only Gulf country to have publically prosecuted a cell for AQ financing in the Middle East. (The cell members were sentenced to only six months in prison, but that was because under Bahraini law prosecutors can appeal an acquittal but not a sentence).

Technical assistance and capacity building has to be a higher, and better coordinated, priority. In particular, we should focus on those areas where we could have a particularly significant impact. There are some countries in Africa, for example, that simply do not disseminate the U.N. designation lists. Asked why, one country explained that the office that receives the lists only gets thirty dollars a month to spend on toner cartridges. Since the list is so long, and they lack computers to send the list electronically, they simply don’t send it out to border guards or financial institutions.

Internally, we need a lead agency on these issues within the U.S. government. This would help a lot of problems in terms of how much money goes to State, DOD, etc. The interagency has begun to develop the kind of synergy needed on the counter-radicalization front, which is very closely tied into counterterrorism, of course, and a similar effort is needed on the technical assistance and capacity building side as well.

At the Washington Institute we are about to publish the findings of a blue-ribbon, bipartisan task force we convened on Countering the Ideology of Radical Extremism. Several of the recommendations we
make there would apply to this discussion as well, especially as Congress considers whether the U.S. should – or could – provide training on counter-radicalization as well.

Internationally, whether it be something like the UN’s CTED Victor discussed earlier or some other mechanism like the IMF, there needs to be far greater coordination of training programs offered by individual countries, regional bodies like the EU, and multilateral organizations like the UN. At one point the IMF tried to put together a list of all the training offered by international partners, but many countries – including the U.S. – refused to participate. That was a missed opportunity.

Andrew Cochran: The House Foreign Affairs hearing on North Korea is starting and that’s why Congressman Sherman left. I also want to thank Michelle Zewin from the Potomac Institute for helping set up this event. And with that I give it back to Yonah.

Yonah Alexander: I want to thank our panelists for their very rich insights. We have to look at the situation in a broader context. On the one hand we have to deal with technical assistance. I think some are commendable; the US trains Iraqi women on how to identify female suicide bombers in Iraq. This is government to government. I would also suggest on the basis of our studies, to involve civic society. By that I mean, if you give a man a fish he would eat for a day, if you teach a man how to fish he would eat for the rest of his life. The social and economic development is critical to diffuse the education in hatred. We cannot really isolate the so-called technical assistance in terms of government-to-government, intelligence, law enforcement and to get civic society also involved. This would require a heuristic approach to deal with the problem, to see the forest and not just the trees.

Questions:

Ambassador Edward Marks: Mike Kraft was generous enough to mention that I was with him in the creation of ATA. Over the years it has become a seriously degraded program, under performing. It has lost its focus and was intended to be a powerful tool for the US government for policy coordination. Assessments were necessary. Matt pointed out the problem with the programs, they have become narrow, shorter, and not coordinated. Mike mention that he thought it would be useful to coordinate with the British, that was supposed to be one of the original purposes with ATA. Not only does it not cooperate internationally but also it doesn’t domestically either. The recent GAO report pointed out its inability. It changed from a policy office to a technical assistance program. I am glad the congressmen were here; I would say they should look at the program congress authorized and to see that it returns to that original scope.

Andrew Cochran: I want to recognize Deputy Coordinator Gina K. Abercrombie-Winstanley of SC/T we are glad you are here and you are welcome to comment anytime. Next question.

Gina K. Abercrombie-Winstanley: If I may, Ambassador Dell Dailey, the State Department Counterterrorism Coordinator is also here.

Ambassador Dailey: I got held up at the front door. We are glad you are here.
Leonard Oberlander: I’m retired from government. I served at Justice and FEMA in the 70’s and 90’s. What I’m hearing is reminding me of some instances of controversy and gaffs. We are all familiar with the constitutional issues that were debated involving the Department of Justice, State and DOD, in relation to the treatment of detained terrorists. At the same time we are planning for CT training, there is also under the jurisdiction of another committee, training in the same places on democratic reform. The question arises, is there coordination between training and democratic reform, training and CT and training in other areas which may involve the same agencies but may not be coordinated and lastly. One word I haven’t heard in a long time when I hear talk about exemplary practices about various forms of coordination, is federalism. The constitutional provisions of states rights and fed government rights have not come up in this discussion. As I hear the talk about lead agencies and their functions and the relationship with federal state and local responders, is there consideration being given to separation of federal authorizes and state and local authorities so that there are specific provisions allowing governors to deal with state militias.

Matt Levitt: The second question is the easiest. This is about foreign assistance, so we aren’t talking about domestically, this conversation is about US foreign assistance, the states don’t have a say. That’s a different issue for how the federal government coordinates domestically. This is the foreign assistance bill.

Leonard Oberlander: We have DOD programs that, sister institutions, state militias have relations with other countries, state partnership programs. Those also involve CT activities. It’s an intersection - in the rush to get things done they aren’t coordinated.

Matt Levitt: I’ll leave that question to someone else. Democracy promotion and CT training should be coordinated and delinked so we can have similar and parallel progress on both parts. We have to be able to provide countries with CT assistance to help them maintain security while at the same time promoting democratic reforms and the development of civil society and institutions without letting one issue hold the other hostage.

Mike Kraft: They need to be delinked and cross-walked. On the lack of ability on de-radicalization, we aren’t the best one for best practices. I heard a British Home Office presentation recently. There are ways State or others could develop seminars with the Saudis and see what they are doing, on that and public diplomacy, but we don’t have all the answers; we could be a facilitator.

Andrew Cochran: The programs I’m aware of are the NYPD outreach programs, outreach to countries around the world, and California has had an active homeland security partnership around the world to adopt new technology.

Matt Levitt: Partnership not training.

Andrew Cochran: Yes.

Don: Why did Defense take over ATA? And one question for you Matt, which European countries do a better job of de-radicalization, and can you distinguish between counter- and de-radicalization?
**Mike Kraft:** The short history is that the Foreign Affairs subcommittee that dealt with State Department organization was persuaded by Defense that since they have people on the ground in embassies they could best placed to reach out with local law enforcement. It was after the Beirut embassy 1983 attacks. The rationale was also that SC/T shouldn’t be bogged down in day-to-day operations. And then there was a power play where the division was pushed through by a subcommittee. It became an awkward two-headed program.

The policy direction later drifted and courses seemed to be scheduled primarily through a momentum to fill in slots. It drifted until a couple of years ago.

**Matt Levitt:** Counter radicalization and de-radicalization do obviously different things. Frankly, you hear things about different de-radicalization programs – like the fact that a small number of people from the Saudi de-rad program apparently weren’t really de-radicalized – but I don’t think that means the Saudi program is a failure I think it just is too early to tell. It may be ineffectual if lots of people end up going back to terrorism. Sometimes the problem isn’t too much religion, its not enough religion because people are then easily convinced of a radical interpretation of sacred texts. Singapore and Jordan have had very good de-rad programs, but this is not something we have done here in the U.S. I fear that we also don’t do counter radicalization very well either. Recently there was a debate between NYPD and FBI New York over whether there really is a radicalization problem in the New York area or not. There are things that set us apart from the Europeans; everyone in the U.S. still believes if you work hard then you will make it. In Europe you have a very-very big integration problem. There are those who say a big part is ideology and some including the French say it’s a constitutional issue. In France you are not allowed to ask in the census how many Muslims or Jews there, so they don’t even know how many are in the country. So they see it as an integration issue, not radicalization. I see it as both.

You have a debate within Europe about how to best do this, the French are doing a pretty good job but it is falling short because it is missing ideology. The Brits are very advanced on this, and we are working very close with them on this issue. I have been asked to give a training course at Home Office. The Dutch are doing very well. The reasons the Europeans have been ahead of us on this is because they have found themselves in a real pickle.

**Yonah Alexander:** Two or three comments on radicalization in Europe. It depends on the intensification and perception on radicalization in a particular country. We have to see again in the broader context. Since Congress is very much involved, the European parliament is very concerned. They want to develop a standard approach.

**Matt Levitt:** Don’t hold your breath.

**Yonah Alexander:** You either surrender or you try to work together and cooperate, its not simple but take some international organizations that recognize the threat, the OSCE. We have to look not just at individual countries but the broader context. The second point in terms of technical assistance, if I may, and to take advantage of our estimated colleagues from the law library, one of the major problems is the confusion about how to label terrorist and secondly the right of self defense, we’ve seen this with Gaza. Of course the ICRC have regular training programs, they do have members of the armed forces
attending but I think since we are talking about Congress, if the law library is looking at that because I understand you are supposed to provide technical assistance to congress.

**Matt Levitt:** The European parliament is great but the nature of the EU is such that we can’t bank on the European parliament agreeing to do something on this issue. OSCE is going forward bilaterally. Six countries have an informal working group on counter radicalization, comparing notes and importing successful programs. The Netherlands has some incredible programs. The UK home office jokes that they just stole it. It is very successful and very generous. They are integrated across interagency in the UK and the Netherlands in a way we are absolutely not.

**Daniel Silverberg:** Committee on Foreign Affairs, working on the CT section. In Congress we have a perception that every problem has a legislative solution. With counter-radicalization, to what extent can we really fix this? My question, if we created the contingency funding and expanded CT tools for State, what would be the key objectives of that funding, what would it look like to really let State have the tools that it could use to accomplish counter radicalization, capacity building, and reaching out to moderate Muslims.

**Matt Levitt:** I would be happy to brief you on our report, it is by nature an interagency effort but it is not just State because NCTC, DOD, Treasury and the IC play a role. On terrorism finance, the interagency effort lacks a small group that looks across the spectrum of all the things we do and makes sure nobody is stepping on anyone else’s toes. I’d like to see such a mechanism institutionalized. How to better synergize these efforts and divide the financial pie — especially between State and DOD — would be appropriate for congress. We have a study coming out in a week and half on this.

**Yonah Alexander:** We do have diplomats here and the State Department but I think that public diplomacy is so critical, whether we call it by that technical name or any other but the role of the civic society is so important. We have to mobilize the clergy around the world to diffuse the negative theological elements from political conflict and that’s the name of the game. Who has the power to coordinate that kind of activity? Now it is very diffuse. From the point of view of the intellectual battle of ideas we are not doing very well. Obama began by having this interview on Al Arabiya, this was a good first step but you need not just the leaders but civic society. The legal community or the media or academics, to the rest of my knowledge I am not aware of the coordinating effort to deal with these issues around the world. In terms of what we have seen around the world in terms of countries like Syria, some of us had the opportunity to visit Syria and engage the clergy and academic community and build bridges.

**Victor Comras:** A couple of years ago I wrote an article questioning the efficacy of the G-8 Counterterrorism Action group —CTAG. A lot of the issues raised here were supposed to be on their agenda. These weren’t just U.S. questions. The challenge was to coordinate these issues internationally, and to make capacity building and political will building, a shared burden. This is an area that now requires resuscitation and reinvention. There are some good programs out there to combat terrorisms, but what is still lacking is a coordinated international strategy, oversight and accountability.
Mike Kraft: I’ll put my old legislative drafting hat on. First of all the authority for the ATA funding mechanism would have to be expanded. But the committee can draft report language to specify that the money could be allocated through an interagency coordinating group perhaps or internationally as Victor suggested. You would have to talk to S/CT to get a good estimate of the costs. I don’t think it would cost a lot of money but it would have to specify an interagency subgroup of some kind.

Ambassador Dailey: Andrew thanks for the nudge to put some light on the comments here. Mike your opening comment on NADR funds showed how this has turned out to be an obstacle for us. Today the Deputy Coordinator managing resources, Gina Abercrombie-Winstanley, reviewed that particular issue with me and is pursuing fixes. I suspect that would be a legislative issue that would give us more flexibility to counter extremism, not tied to law enforcement.

Right now one of my deputies is at the G8 working with Italy and Japan on progress to turn kidnapping around the world into hostage taking, and to have a policy of no concessions to be written into G8 policy and precedence. So we are proceeding in a multilateral effort. Matt I’d like to take on some of your comments; we have the Regional Security Initiative, where we chop the world up into 8 basic terrorist locations of concern. Before we talk with those Ambassadors we prepare our paperwork. We asked them to provide through the interagency here, all of the programs and tie them to a map of the 6 to 8 countries; all of the DOD, USAID, ATA programs, Treasury and Justice and DHS programs and we match those manually to look for two things. Overlap, described earlier on, and then gaps. What we found, I guess an objective perspective, of about 5-7% overlap. What were glaring were the gaps. This is a point that is important, and I don’t want to make it sound like we are throwing money at the issue and it will get fixed. With that analysis, I’m going out with that same matrix of comparison with the 6 we’ve done so far, the gaps are far more serious than the overlaps, so there still is a funding challenge. Miss Gina K. Abercrombie-Winstanley is our doorkeeper at the gate, who does the job of making sure the assessments of short and long-term programs are objective. That assessment program is implemented by DS and we are working through that. In closing this is the exactly the kind of forum that has helped us at S/CT. The experts and people asking powerful questions. For us to take problems out there and try to fix them is exactly what SC/T should be doing. Its going to be very valuable not just for S/CT but the whole CT effort. Thank you for this.

Andrew Cochran: Thanks for you comments.

Tafiq Hamid: My name is Tafiq Hamid and I am a medical doctor. Back to Yonah Alexander’s point, it was happening 30 years ago, and 30 years after we have the same problem. As a medical doctor when I see an abscess and we drain it again and again, we have to think about the underlying cause of the abscess. I’m just wondering if the balance of efforts is only getting at the symptoms of the disease. If the underlying factors, ideology, education, psychological, cultural, are there is that a reasonable balance or do we need to check and see if more effort can be given to the root causes.

Andrew Cochran: Your comments go to the counter radicalization and de-radicalization, which Matt has talked about.
**Matt Levitt**: I prefer talking in terms of counter-radicalization, not “root causes,” which tend to imply that if we only solved the Arab-Israeli conflict, or Kashmir, etc, then terrorism would go away. Well, of course we should solve these conflicts, but that isn’t going to get rid of terrorism. It’s not that we are doing too much tactical disruption but that we are not doing enough strategic counterterrorism; democracy promotion, combating extremism, and counter radicalization. That is basically the bottom line, we focus on people who are pulling triggers but we also need to focus on the proponents, the vehicles, the radicalizers and the means and funding for the underlying radical ideology as well. A successful counterterrorism campaign will constrict the operating environment and disrupt activity being plotted today, and counter the ideology of radical extremism to prevent plots from being planned tomorrow.

**Andrew Cochran**: I’m going to wrap up, let’s go back to each of the panelists

**Mike Kraft**: Quickly, there are differences between now and 30 years ago, I would note that the nature of terrorism has changed a great deal. Terrorists were more limited in their goals, they were trying to spring people from prison and we had the IRA and other nationalist groups. Now we are dealing with fundamentalists. And frankly some root causes can’t be solved, such as restoring the caliphate. I disagree with looking at the root causes.

There is a lot of talk about coordination, and this is partly an effort to make use of our limited resources. I would ask Ambassador Dailey about the gaps, if we factor in what Australia and New Zealand are doing in Indonesia and elsewhere. I don’t think we can really do it all. Ambassador Smith said it is hard enough just to coordinate in Indonesia, with U.S., Australia and Japan, much less any broader.

Finally, I think this is a great forum.

**Victor Comras**: I wanted to leave you with one principal point. Fighting terrorism is an international problem and must be treated on an international scale. We’ve done a great job applying our own resources to the challenges of terrorism. We’ve tightened up at home, reached out abroad and created a lot more structure for combating terrorism and terrorism financing than was available eight years ago. But, this is not our problem alone. And we can’t solve it alone. What is still lacking is an international strategy, coordination and approach. There is some international cooperation between select countries on select counter-terrorism issues. There is a wider consensus when it comes to combating al Qaeda-related terrorism. But, terrorism poses a much broader challenge than al Qaeda. We need to concentrate more on terrorism as a tactic, not just on certain groups that use terrorist tactics against us. Let’s start by gathering together the efforts of a group of like-minded countries, and together with such likeminded countries, build a joint strategy to combating terrorism across the board.

**Yonah Alexander**: You recognized the contribution of our staff, Michelle, I also wanted to recognize Captain Hogan from Turkey, a Captain in the Turkish army. Technical assistance is a two-way street. The Turks attach great significance to building these bridges. Also we have Matthew from Canada, our friends to the north. He came here to get a Masters degree and is contributing to our study on Canadian legal responses to terrorism. It’s a two-way street, the key is to strengthen international cooperation and the government cannot do it alone. Thank you again for coming.
Matt Levitt: Thank you for hosting this and having me. And thank you Ambassador Dailey and Gina for taking the time from your busy schedules to be here too.