

Director's Remarks at the Atlantic Council

**Remarks by Central Intelligence Agency Director Michael Hayden
at the Atlantic Council
(as prepared for delivery)**

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Thank you. It's a pleasure to be back at The Atlantic Council—an organization that does so much to promote American leadership in international affairs. Last year, I had a very good discussion with the Council's International Advisory Board, and I was more than happy to accept your invitation to be here today.

As the first speaker in a series devoted to intelligence issues, I want to focus on the issue that demands more energy and attention from the Intelligence Community than any other: the threat of terrorism. For more than seven years now, the United States, with our allies in Europe and around the world, has waged an unprecedented fight against al-Qa'ida, its affiliates, and sympathizers. CIA has been at the forefront, using all of our authorities and capabilities—human and technical collection, all-source analysis, and covert action—to protect the Homeland from another devastating attack.

Now, as our nation prepares for its first wartime presidential transition in 40 years, it is the Intelligence Community's responsibility to give the incoming administration as clear a picture as possible of the state of the conflict and the shape of the enemy.

I may be biased, but I believe that CIA's understanding of al-Qa'ida is second to none. My remarks today draw on the insights of officers who have tracked, studied, and countered this threat for years. Much of what we know about al-Qa'ida comes from the creative and aggressive clandestine operations CIA conducts around the world, including places of great danger.

While there are limits to what I can say, my goal is to give you a good idea of how my Agency views this threat seven years after the attacks of September 11th.

In May, I gave a reporter my bottom line assessment of America's performance in the global war on terror. I said "on balance, not bad. We're doing pretty well." It's a view I still hold.

At the time, the comment got a fair amount of attention, and, as can happen with front-page stories, the headline overshadowed the content and the context. As I discuss the state of al-Qa'ida in 2008, I want to make sure you take away both the headline and the complexity. Here are three key points:

- First, al-Qa'ida has suffered serious setbacks, but it is a determined, adaptive enemy unlike any our nation has ever faced. This war—and no one should mistake it as anything else—is far from over.
- Second, al-Qa'ida today is both resilient and vulnerable. Our job as intelligence officers is to understand that complex picture so that we can provide warning and opportunity to those making decisions for our country.
- And third, al-Qa'ida, operating from its safehaven in Pakistan's tribal areas, remains the most clear and present danger to the United States today. If there is a major strike on this country, it will bear the fingerprints of al-Qa'ida.

From those three points flows an enduring responsibility, deeply felt by every CIA officer, to protect our Homeland from attack. Out at Langley, in an office that is crucial to the fight against terrorism, there is a sign that captures the sense of duty and determination found inside my Agency. It says "Today's date is September 12th, 2001."

The American people are right to expect that CIA will do all it can to stop those with clear intent to attack our country. They are right to expect that we will do all we can to disrupt this most urgent and deadly threat. We have and we are, with lawful tools, lawfully applied. I'll talk a little about that today as well.

Now, as you know, al-Qa'ida is an organization with ambitions that stretch across many regions. Any appraisal of its current state, then, requires a look at several points on the globe. Let me start with Iraq.

Three years ago, in a letter to the leader of al-Qa'ida in Iraq, Usama bin Ladin's deputy declared that country the central battlefield in the global jihad. Foreign fighters, money, and weapons streamed into Iraq, fueling a fierce insurgency that aimed to advance al-Qa'ida's goal of an Islamic caliphate from Morocco to Indonesia. Indeed, Bin Ladin had previously referred to Baghdad as the capital of the caliphate.

Today, al-Qa'ida in Iraq remains the organization's largest regional affiliate, and it still can and does inflict serious damage. No matter what residual tactical strength it retains, though, the most important point is that al-Qa'ida in Iraq is on the verge of strategic defeat. The U.S. military fought and the Iraqi people rejected the AQI-led insurgency. Al-Qa'ida lost its power when Iraqis came to see it for what it was: a terrorist organization waging war on the Iraqi people.

Today, the flow of money, weapons, and foreign fighters into Iraq is greatly diminished, and al-Qa'ida senior leaders no longer point to it as the central battlefield. In fact, bleed-out from Iraq—export or diversion of terrorists and their deadly capabilities—is as much a concern now as the ongoing threat of AQI attacks inside the country itself.

Many of the foreign fighters who have left Iraq over the past three years have been frustrated by their lack of success or disillusioned with al-Qa'ida's ideas and tactics. Some have probably abandoned the fight altogether and gone home to resume their lives. Others leave Iraq with hopes of building al-Qa'ida's capacity elsewhere—in Afghanistan and Lebanon, on the Arabian Peninsula and in North Africa, for example. Iraq veterans also have been involved in planning attacks in Europe and the United States.

The bleed-out problem is one we have always known we would have to deal with, but I take some consolation in knowing that the shifts we're seeing are further evidence that al-Qa'ida in Iraq has failed.

In Saudi Arabia, a place bin Ladin lived for many years and home of Islam's holiest sites, al-Qa'ida's operational arm is largely defeated. Aggressive efforts by Saudi security forces between 2003 and 2006 led to the death or capture of most al-Qa'ida leaders and operatives based in the Kingdom. Financing networks were disrupted, and the Saudi Interior Ministry undertook what is perhaps the world's most effective counter-radicalization program. The Kingdom remains an al-Qa'ida target, but much of the threat comes from outside its borders today—a vastly different scenario from only a few years ago.

The situation in Southeast Asia has also changed dramatically. I'm sure you recall the series of deadly attacks on Western interests in the years just after 9/11: The Bali bombings in 2002, followed in fairly quick succession by attacks on the Marriott hotel and Australian Embassy in Jakarta, and then simultaneous suicide attacks again in Bali in 2005. Hundreds were killed in those plots, all executed by Jemaah Islamiyah, an organization that was al-Qa'ida's Southeast Asia affiliate.

While JI still exists today, its once-robust relationship with al-Qa'ida is gone, its plots are increasingly detected and disrupted, and hundreds of its leaders and operatives have been captured or killed by the Indonesian National Police. The group's capabilities and confidence are simply not what they were three years ago, thanks to aggressive action by one of our most effective counterterrorism partners. The terrorist ambitions of JI's Philippines-based ally, the Abu Sayyaf Group, have been similarly degraded by persistent pressure from Philippine authorities.

I want to highlight one other area of significant progress, and that's the ideological front. In the military, commanders think in terms of the close battle and the deep battle. This is the deep fight, the battle for hearts and minds, and it has a very long horizon. But over the past year or so, we've had real cause for optimism. Some hard-line religious leaders are speaking out against al-Qa'ida's tactics and its ideology. And polling has shown that support for al-Qa'ida and bin Ladin is falling in many predominantly Muslim countries.

In fact, more and more Muslims are pushing back against the senseless violence and flawed worldview of al-Qa'ida. Credible, influential voices are refuting its twisted justification for murdering innocents. These voices are tapping into doubts about al-

Qa'ida that have always been there. People understand that most victims of terrorism are Muslim, and they ask, "What justifies this?"

The answer from al-Qa'ida is one that a vast majority of people in the Islamic world simply don't espouse. They do not support bin Ladin's caliphate and do not want to be governed as the Afghan people were by the Taliban.

I have always said that the civilized world will win this fight when we win the War of Ideas, and so these developments are very promising. But remember, point number one was that al-Qa'ida is a determined, adaptive enemy. In face of setbacks, the senior leadership recalibrates. It constantly looks for ways to make up for losses, extend its reach, and take advantage of opportunities. We are seeing this clearly today in places like North Africa, Somalia, and Yemen.

The presence of extremist sympathizers, the availability of weapons and ungoverned space, and the lack of effective security make these areas attractive locations for al-Qa'ida recruitment and training, as well as attacks. In addition, North Africa provides an easy transit point for those destined to facilitate or carry out attacks in Europe.

The level of focus and activity we're seeing in these areas is troubling. In fact, recent attacks and threats from Al-Qa'ida in the Lands of the Islamic Maghreb are greater in scope and severity than any since the group merged with al-Qa'ida two years ago. The suicide attacks against an Algerian military barracks and nearby café in June, along with several recent attacks on French tourists and workers, underscore not only the group's intent to strike Western targets, but its ability to plot and operate even under tightened security in Algeria.

In East Africa, al-Qa'ida is engaging Somali extremists to revitalize operations. While there has been no official merger, the leader of the al-Shabaab terrorist group is closely tied to al-Qa'ida. And the recent bombings in Somalia may have been meant, at least in part, to strengthen bona fides with al-Qa'ida's senior leaders. A merger between al-Shabaab and al-Qa'ida could give Somali extremists much-needed funding, while al-Qa'ida could claim to be reestablishing its operations base in East Africa, a base that was severely disrupted two years ago when Ethiopia invaded Somalia.

Yemen is another country of concern—a place where al-Qa'ida is strengthening. We have seen an unprecedented number of attacks in 2008, including two on the American embassy. Plots are increasing not only in number, but in sophistication, and the range of targets is broadening. Al-Qa'ida cells are operating from remote tribal areas where the government has little authority, and they are being led or reinforced by veterans of the wars in Afghanistan and Iraq. I mentioned earlier that the threat to Saudi Arabia was probably more external than internal. These developments in Yemen are a primary reason.

North and East Africa and Yemen serve as a kind of counterweight to the good news out of Iraq, Saudi Arabia, and elsewhere. Make no mistake; these are not problems on the same scale as Iraq or Saudi Arabia, but al-Qa'ida's strength in these areas demonstrates not only its adaptability and determination, but also its resilience.

Now, let me turn to the part of the globe that is most important to al-Qa'ida's continuing operations.

Al-Qa'ida's sanctuary in Pakistan's tribal areas has allowed it to recover some of the capacity lost when it was expelled from Afghanistan. The group has reconstituted some training and operational capabilities. It has increased its recruitment and propaganda efforts. And it has established a more durable leadership structure. It has built redundancies into its plotting and developed a bench of skilled operatives to carry plans forward when others are disrupted.

All of that activity is enabled by al-Qa'ida's ties to local tribes. The terrorist group has developed a close, codependent relationship with Pashtun extremists and separatist groups. Al-Qa'ida—foreigners in a land long suspicious of outsiders—has been able to curry favor with locals by supporting their causes, training their fighters, funding their operations, and, importantly, showing sufficient deference to tribal leaders. Bin Ladin's lieutenants work in concert with Pakistani militant groups as long as the operational goals of those groups don't conflict with al-Qa'ida's own strategic objectives. And, increasingly, ties to the tribes are being made more permanent through intermarriage.

The safehaven in the FATA is not comparable to what al-Qa'ida had in Afghanistan, in terms of either security or scale. But it is more worrisome today than it was two or three years ago. Cross-border attacks into Afghanistan are more violent and aggressive, as are al-Qa'ida's efforts to destabilize Pakistan. Furthermore, we are seeing a disturbing emphasis on the recruitment, training, and deployment of Western operatives—people who may not elicit any notice whatsoever if they were standing next to you in the airport line.

The crossover point for al-Qa'ida's foothold in the tribal areas was September 2006, when the governor of North Waziristan signed a peace agreement with local militants. That truce set in motion a whole series of events and decisions that gave al-Qa'ida a lot more breathing space than it had previously. Today, virtually every major terrorist threat my Agency is aware of has threads back to the tribal areas. Whether it's command and control, training and direction, money or capabilities, there is a connection to the FATA.

It is no overstatement to say that al-Qa'ida's base in Pakistan is the single most important factor today in the group's resilience and its ability to threaten the West. So it may surprise some of you to hear me say that it also represents a key vulnerability.

The truth is, it's not easy to build a worldwide terrorist network and manage global jihad from an isolated outpost in northwestern Pakistan. To the extent that the United States and its allies deepen that isolation, disturb the safehaven, and target terrorist leaders gathered there, we keep al-Qa'ida off balance.

The Pakistani government and military deserves great credit for its campaign against extremists in Bajaur Agency. The Army has been fighting there, forcefully and with considerable success, since early August.

Throughout the FATA, al-Qa'ida and its allies also are feeling less secure. It has become difficult for them to ignore significant losses in their ranks. Mid-level operatives have been killed. And in the past year alone, a number of senior al-Qa'ida leaders who sought refuge in the tribal areas have died, either by violence or natural causes. These include:

- A chief of external operations,
- A senior commander who plotted attacks against Coalition troops in Afghanistan,
- A seasoned explosives expert and trainer,
- A veteran combat leader, and
- Another senior operational planner.

Those losses are significant. These men were decision-makers. Commanders. Experienced and committed fighters at the center of planning attacks, not only in Pakistan and Afghanistan, but against Europe and the United States. When terrorists like this are taken off the battlefield, there is a real psychological effect as well. Those that remain are feeling some heat, and they are not happy about it.

By making a safehaven feel less safe, we keep al-Qa'ida guessing. We make them doubt their allies, question their methods, their plans, even their priorities. Most importantly, we force them to spend more time and resources on self-preservation. And that distracts them—at least partially and at least temporarily—from laying the groundwork for the next attack.

What I have just described is the fundamental difference between the approach to fighting terrorism before 9/11 and our approach today. We and our allies weren't playing offense before; we were in perpetual defense. After the September 11th attacks, we said, "No more." Of all the things that have been done to help protect the Homeland, the single most important one, in my view, is that America and its friends have taken the fight to the enemy.

Still, any discussion of America's successes against al-Qa'ida typically leads to a question: What about bin Ladin? Why haven't we killed or captured him?

Anyone familiar with the Afghanistan-Pakistan border area knows how rugged and inaccessible it is. Beyond the sheer challenge of surveying every square mile of that inhospitable and dangerous region, part of the explanation lies in the fact that bin Ladin has worked to avoid detection. He is putting a lot of energy into his own security. In fact, he appears to be largely isolated from the day-to-day operations of the organization he leads.

I can assure you that the hunt for bin Ladin is very much at the top of CIA's priority list. Because of his iconic stature, his death or capture clearly would have a significant impact on the confidence of his followers—both core al-Qa'ida and unaffiliated extremists throughout the world.

This is an organization that has never been through a change at the top. For 20 years, bin Ladin has been the visionary, the inspirational and harmonizing force behind al-Qa'ida. Whether his deputy, Ayman al-Zawahiri, could maintain unity in the ranks is a legitimate question. The truth is, we simply don't know what would happen if bin Ladin is killed or captured, but I'm willing to bet that it would work in our favor.

Killing, capturing, and disrupting al-Qa'ida's senior leaders—wherever they find sanctuary—is absolutely essential to thwarting attacks on the West. That was a key lesson from 9/11. Our understanding of this enemy and what it will take to defeat him changed on that day.

Never before have we faced an enemy so completely committed to our destruction and so completely irresponsible with human life. Al-Qa'ida is willing to sacrifice both its own operatives and the Muslims for whom it professes to fight. And one of its defining objectives is erasing the distinction between combatant and non-combatant—an inviolate distinction in the laws and morals of the civilized world.

This enemy, unprecedented in our history, requires a response that also has no model in the past. At CIA, we have been central to that response, using our full authorities and most-advanced capabilities—always within the law, and always with executive and congressional oversight. Doing anything less would be a failure to live up to the oath we took to defend the United States.

I am extremely proud that our efforts, together with those of the military, law enforcement, and our foreign partners, have yielded results in Iraq, Saudi Arabia, Pakistan, Indonesia, and even in the War of Ideas. I am encouraged by the progress being made in South Asia, and I am grateful for the talent and dedication of thousands of CIA officers. Their work has helped to disrupt many attacks, including one that would have rivaled the destruction of 9/11.

However, I am also acutely aware that al-Qa'ida remains the most dangerous threat we face. The men and women of CIA live with that awareness every hour of every day. They are working around the clock and in every part of the world to defeat al-Qa'ida, win this war, and keep America and our allies safe.

Thank you again for the opportunity to be here. Now, I'll be happy to take your questions.