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PAKISTAN'S FEDERALLY ADMINISTERED TRIBAL AREAS (FATA) CHALLENGE: SECURING ONE OF THE WORLD'S MOST DANGEROUS AREAS

HEARING

BEFORE THE

SUBCOMMITTEE ON NEAR EASTERN AND SOUTH AND CENTRAL ASIAN AFFAIRS

OF THE

COMMITTEE ON FOREIGN RELATIONS
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PAKISTAN'S FEDERALLY ADMINISTERED TRIBAL AREAS (FATA) CHALLENGE: SECURING ONE OF THE WORLD'S MOST DANGEROUS AREAS

TUESDAY, MAY 20, 2008

U.S. SENATE,
SUBCOMMITTEE ON NEAR EASTERN AND
SOUTH AND CENTRAL ASIAN AFFAIRS
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:58 p.m., in room SD–419, Dirksen Senate Office Building, Hon. John F. Kerry, chairman of the subcommittee, presiding.

Present: Senators Kerry, Feingold, Bill Nelson, Menendez, Casey, Lugar, Coleman, Isakson, and Barrasso.

OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

Senator KERRY. This hearing of the Foreign Relations Committee will come to order. And I apologize to my colleagues, as well as to the Secretary, for the delay, a combination both of the vote and the difficult news that we've all heard.

I want to thank the Secretary for coming before us today to talk with us about his strategy for dealing with what many of us believe is the most pressing national security issue facing the country today, and that is the center of jihadism, of radical religious extremism that emanates from the Federally Administered Tribal Areas of Pakistan, the lawless region along the border with Afghanistan. I don't think there's any member of this committee, or anyone who has thought about foreign policy, who doesn't have serious questions about the depth of this menace.

The Director of National Intelligence, Michael McConnell, stated, in testimony before Congress in February, that al-Qaeda has, "retained or regenerated key elements of its capability, including top leadership, operational mid-level lieutenants, and de facto safe haven in Pakistan's border area with Afghanistan." The DNI's 2008 Annual Threat Assessment concluded, "Al-Qaeda is improving the last key aspect of its ability to attack the U.S.: The identification, training, and positioning of operatives for an attack on the homeland. We assess that al-Qaeda's homeland plotting is likely to continue to focus on prominent political, economic, and infrastructure targets designed to produce mass casualties, visually dramatic de-

struction, significant economic aftershocks, and/or fear among the population." This is our intelligence assessments.

So, we ask you to think about that. According to our best intelligence estimates, al-Qaeda is currently working on the final aspects of a plan to launch a devastating attack on the homeland from safe haven in Pakistan's tribal areas.

So, while we have been distracted and bogged down in Iraq, the more defined front line in the war on al-Qaeda has remained where many of us felt it has always been, which is along the Afghanistan-Pakistan border. In fact, it seems as if we've come full circle. Then, CIA Director George Tenet told the 9/11 Commission that in the summer of 2001, "the system was blinking red." Now, 7 years later, our Nation's chief intelligence agency is once again telling us that the system is blinking red. We obviously need to do everything in our power to make certain that history doesn't repeat itself, and that is why many were concerned by the GAO report in April entitled, "The United States Lacks Comprehensive Plan to Destroy the Terrorist Threat and Close the Safe Haven in Pakistan's Federally Administered Tribal Areas."

I know that Secretary Negroponte doesn't agree with the conclusion of that report, which is part of the purpose of having a hearing like this, and all of us look forward to hearing him explain the current comprehensive strategy and how it can be effective. And then we'll have an opportunity to hear from Gene Dodaro, the Acting Comptroller General of the GAO, and we look forward to hearing his response.

I think there's one thing that all of us can agree on. We need a comprehensive approach to the FATA, that includes military, political, diplomatic, intelligence, developmental and economic power. We have read the reports about military operations, including Predator attacks on high-value targets, when adequate intelligence is available. And while I strongly believe we must protect our interests in this way, that approach is not, by itself, a long-term solution to the entire problem.

We're working on at least some of the other elements of a comprehensive strategy. This includes creation of Reconstruction Opportunity Zones and a 5-year, $750 million plan for bringing education, development, and economic opportunity to the FATA, although concerns remain about how this money will actually be distributed and accounted for.

We've also redoubled efforts to assist the Pakistani's with restraining their army to secure the border and conduct counter-insurgency operations and with strengthening the Frontier Corps, drawn from local tribes, that will, in theory at least, face less resistance than the national army. Also, Mr. Secretary, I strongly support making a long-term commitment to dramatically increasingly U.S. nonmilitary assistance, because directly supporting the Pakistani people is the key to securing our long-term interests, and theirs. We are concerned, however, that it'll take several years for these efforts to counter the threat, and many people are concerned that time is not on our side.

Even as we discuss the United States strategy, we need to recognize that Pakistan is a sovereign nation with a democratically elected leadership. It obviously deserves our support, and it has it.

This new government is understandably determined to break with what most Pakistani's view as the failed policies of President Musharraf. As the committee members know, a few months ago Senators Hagel and Biden, the chairman of the committee, and I were in Pakistan to observe the election, and it was clear from our meetings with the new Pakistani leaders that they have a very different understanding of the nature of the terrorist threat in the FATA. If Chairman Biden were here, he would share that view with us, as would Senator Hagel.

It was telling that, in 2 days of meetings, Osama bin Laden's name was hardly ever mentioned. Instead, the Pakistanis are focused on confronting a growing domestic Pashtun insurgency led by Baitullah Mehsud. That's why it's not surprising that the Pakistani Government is reportedly on the verge of striking yet another, "peace accord" with Mehsud that will call for the withdrawal of Pakistani military forces from the tribal regions in return for an agreement by the militants to cease attacks within Pakistan.

It's clear that the current strategy hasn't succeeded. There may be some positive elements to the new approach, including a greater emphasis on economic and social development and increased political integration of the tribal areas, but we say "maybe," fully remembering what happened in the failed deal that President Musharraf made in South Waziristan in 2006, which actually resulted in a dramatic increase in cross-border attacks into Afghanistan and the reestablishment of al-Qaeda training camps.

So, I think many of us here have a certain skepticism about this, and we need to explore that today.

Finally, many of us are particularly concerned that the current deal, as reported, at least, in the New York Times, does not include any prohibition on the use of these areas as a base for launching attacks into Afghanistan. In fact, with counterinsurgency operations in the FATA curtailed during negotiations, cross-border attacks have already more than doubled, compared with the same period last year.

Our efforts in Pakistan and Afghanistan are deeply intertwined. If there was any lesson I drew from my latest visit, which is one of several I've made, it is the degree to which what we do in Pakistan will affect our ability and capacity in Afghanistan, and what we do in Afghanistan will affect our capacities in Pakistan. They are closely intertwined.

I know Secretary Negroponte shares this concern. Last week, you said, Mr. Secretary, that it was unacceptable for extremists to use the FATA as a base to launch attacks, and you also said, "We will not be satisfied until the violent extremism emanating from the FATA is brought under control." So, we look forward, today, to exploring that with you, and I'll just submit the rest of this statement to the record as if read in full.

[The prepared statement of Senator Kerry follows:]

PREPARED STATEMENT OF HON. JOHN F. KERRY,
U.S. SENATOR FROM MASSACHUSETTS

I want to thank Deputy Secretary Negroponte for coming before the committee today to discuss our strategy for dealing with what I believe is the most pressing national security issue facing America today: The terrorist threat from Pakistan's

Federally Administered Tribal Areas (FATA), the lawless region along the border with Afghanistan.

Nobody here should have any question whatsoever about the seriousness of this threat. The Director of National Intelligence, Michael McConnell, stated in testimony before Congress in February that al-Qaeda "has retained or regenerated key elements of its capability, including top leadership, operational mid-level lieutenants, and de facto safe haven in Pakistan's border area with Afghanistan."

The DNI's 2008 Annual Threat Assessment concluded, and I quote: "Al-Qaeda is improving the last key aspect of its ability to attack the U.S.: The identification, training, and positioning of operatives for an attack in the Homeland . . . We assess that al-Qaeda's Homeland plotting is likely to continue to focus on prominent political, economic, and infrastructure targets designed to produce mass casualties, visually dramatic destruction, significant economic aftershocks, and/or fear among the population."

Think about that for a second: According to our best intelligence estimates, al-Qaeda is currently working on the final aspects of a plan to launch a devastating attack on our homeland from a safe haven in Pakistan's tribal areas.

So while we have been distracted and bogged down in Iraq, the real front line in the war on al-Qaeda has remained right where it has always been, along the Afghanistan-Pakistan border. In fact, it seems like we've come full circle. George Tenet told the 9/11 Commission that in the summer of 2001 "the system was blinking red." Now, 7 years later, our Nation's chief intelligence agency is once again telling us that the system is blinking red.

We obviously need to do everything in our power to make sure history does not repeat itself. That's why many of us were so concerned by the April GAO report entitled: "The United States Lacks Comprehensive Plan to Destroy the Terrorist Threat and Close the Safe Haven in Pakistan's Federally Administered Tribal Areas." I'm sure that Deputy Secretary Negroponte does not agree with the conclusions of that report, and we all look forward to hearing him explain what our current comprehensive strategy really is. We will then have an opportunity to hear from Gene Dodaro, the Acting Comptroller General of the GAO, and we all look forward to hearing his response.

There's one thing we can all agree on: We need a comprehensive approach to the FATA that includes military, political, diplomatic, intelligence, and economic power. We have read the reports about military operations, including predator attacks on high value targets when adequate intelligence is available—and while I strongly believe we must protect our interests in this way, that approach is not, by itself, a long-term solution to the problem.

We are working on at least some of the other elements of a comprehensive strategy. This includes creation of Reconstruction Opportunity Zones, and a 5-year, $750 million plan for bringing education, development, and economic opportunity to the FATA—although concerns remain about how this money will actually be distributed and accounted for. We have also redoubled efforts to assist the Pakistanis with retraining their army to secure the border and conduct counterinsurgency operations, and with strengthening a Frontier Corps drawn from local tribes that will, in theory at least, face less resistance than the national army.

I also strongly support making a long-term commitment to dramatically increasing U.S. nonmilitary assistance, because directly supporting the Pakistani people is key to securing our long-term interests—and theirs. However, I'm concerned that it will take several years for these efforts to counter the threat—and time is not on our side.

Even as we discuss U.S. strategy, we must recognize that Pakistan is a sovereign nation, with democratically elected leadership that deserves our support. This new government is understandably determined to break with what most Pakistanis view as the failed policies of President Musharraf.

In fact, I was in Pakistan with Senators Biden and Hagel for the election in February, and it was clear from our meetings with the new Pakistani leaders that they have a very different understanding of the nature of the terrorist threat in the FATA. It was telling that in 2 days of meetings, Osama bin Laden's name was hardly ever mentioned. Instead, the Pakistanis are focused on confronting a growing domestic Pashtun insurgency led by Baitullah Mehsud.

That's why it's not surprising that the Pakistani Government is reportedly on the verge of striking a "peace accord" with Mehsud that will call for the withdrawal of Pakistani military forces from the tribal regions in return for an agreement by the militants to cease attacks within Pakistan. It's clear the current strategy has not succeeded, and there are certainly positive elements to the new approach, including a greater emphasis on economic and social development and increased political integration for the tribal areas.

At the same time, we all remember the failed deal that President Musharraf made in South Waziristan in 2006, which resulted in a dramatic increase in cross-border attacks into Afghanistan and the reestablishment of al-Qaeda training camps. I was actually in Pakistan at the time, and it was obvious even then that the deal was not going to work.

It is not clear how this agreement is going to be any better for U.S. security interests. Many of us are particularly concerned that the current deal, as reported in the New York Times, does not include any prohibition on the use of these areas as a base for launching attacks into Afghanistan. In fact, with counterinsurgency operations in the FATA curtailed during negotiations, cross-border attacks have already more than doubled compared with the same period last year. Our efforts in Pakistan and Afghanistan are deeply intertwined, and we cannot succeed in Afghanistan if there is a safe haven for insurgents on the other side of the border.

I know Deputy Secretary Negroponte shares this concern: You said last week that it was "unacceptable" for extremists to use the FATA as a base to launch attacks, and that "we will not be satisfied until the violent extremism emanating from the FATA is brought under control." We will be very interested to hear how the administration plans to accomplish that.

One point of possible leverage is the Coalition Support Funds we provide Pakistan as reimbursement for their counterterrorism efforts. We have given over $5.5 billion in CSF over the past 6 years, and many of us are concerned that there has not been adequate accountability for these expenditures—in fact, a recent interim report by the GAO found that: "After reimbursement to Pakistan for prior expenditures there is no requirement for further oversight of these funds by the U.S. Government." Clearly, the taxpayers have a right to expect more in return for the billions in aid we're providing Pakistan's Government for fighting terrorism.

We also understand the importance of balancing our national security interests with the need to support and respect Pakistan's new government. We have already seen evidence of strains within the governing coalition as they grapple with stopping the spread of Islamic extremism, reinstating judges combating inflation, and bringing food, power, and economic opportunity to millions of people. Ensuring the survival of democracy in Pakistan is absolutely essential, and if the new government is seen as a puppet of the United States—as President Musharraf was—it may well lose the support of the people. As we forge this new relationship, we must articulate that we understand Pakistan's many challenges and want to work together to advance our mutual interests.

With that, we will now turn to Senator Coleman for his opening statement. When he is finished, Senator Menendez, who was among the Senators who requested the GAO report, will make a brief statement. When he is finished, Deputy Secretary Negroponte will make his opening remarks. We will then have a round of questions from the subcommittee's members, which I request that they limit to 8 minutes.

Thank you again for coming here today.

Senator KERRY. Mr.—Senator Coleman.

STATEMENT OF HON. NORM COLEMAN, U.S. SENATOR FROM MINNESOTA

Senator COLEMAN. Thank you, Mr. Chairman. And I thank you for calling this important hearing.

There certainly is some difference of opinion amongst us on this committee as to whether the battles that are being fought in Iraq are diverting our attention from other things that are done, vis-a-vis al-Qaeda. I take al-Qaeda at its word that Iraq has been a central battleground for them in their efforts to establish their caliphate in the Middle East. However, where there is absolutely no disagreement, Mr. Chairman, is the importance of having a comprehensive plan to address the terrorist threat in the Federally Administered Tribal Areas.

The analysis provided by our intelligence community on the activity of terrorists in the FATA region is alarming, as is the recent observed trend in all of Pakistan of increasing Islamic militancy.

The relationship between the United States and Pakistan is a complex one, and the tremendous stakes involved in this relation-

ship obligate us—require us to have a thoughtful strategy to engage Pakistan and maximize the impact of our assistance to that country. We must ensure that the Federally Administered Tribal Areas do not serve as a safe haven for terrorists. We must ensure that Pakistanis move toward democracy and stability to defuse the sources of extremism, whose effects are felt throughout the region. There is no disagreement with your assessment of the interrelationship between Afghanistan and Pakistan and what happens there.

But, it's clear, from the GAO report, their assessment is that the assistance that we have provided hasn't achieved the desired outcome in the Federally Administered Tribal Areas; they continue to serve as a base for al-Qaeda and other terrorist groups. And efforts to address that challenge, beyond the military scope, seem to have lagged.

So, I look forward to the Secretary's testimony. I join you—with you in stressing the critical importance of having a comprehensive plan, the right plan, to deal with what is clearly a threat to this country.

Senator KERRY. Well, I thank you, Senator Coleman.

And normally we don't run around the entire dais, but we do have the ranking member here; I just wondered, Senator Lugar, if you had any comment you wanted to make.

Senator LUGAR. No, Mr. Chairman.

Senator KERRY. Appreciate it.

Mr. Secretary, thanks so much for taking time to be with us. We know you're busy, and we appreciate your presence. We look forward to your testimony.

STATEMENT OF HON. JOHN D. NEGROPONTE, DEPUTY SECRETARY OF STATE, DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador NEGROPONTE. Thank you, Mr. Chairman, members of the committee. Thank you for the opportunity to appear before you today.

I have submitted written testimony, so I will keep my remarks brief, and I look forward to getting into a discussion and an exchange on a number of the issues that you mentioned in your opening statement, sir.

With the successful transition to elected Government in Pakistan, we have an historic opportunity to help the people of Pakistan build a base of democratic stability from which to counter violent extremism and fight international terrorism. This is vital to Pakistani interests, to United States interests, and to the interests of the international community at large.

Pakistan, after all, is the world's second-most populous Muslim state, it has nuclear weapons, and it is on the front lines of the battle against international terrorism. These facts prompt me to offer three overarching thoughts.

First, the terrorist and extremist problem in Pakistan and the terrorist and extremist problem in Afghanistan are, just as you were saying, Mr. Chairman, inextricably intertwined. What happens on the Afghan side of the border has a direct impact on Pakistan, just as what happens on the Pakistani side affects Afghani-

stan. We, therefore, must find ways to more effectively coordinate and synchronize operations by both nations, and thereby reduce the operating space where our common enemies function.

Second, we must design and execute our strategy to assist Pakistan in such a way as to enlist other nations, including, but going beyond, Pakistan's immediate neighbors, in helping the Pakistanis and the Afghans rid their national territories of terrorists and violent extremists.

And third, the United States-Pakistan relationship runs much deeper than our mutual counterterrorism priorities. While the battlefield for the war against terrorism will be fought in the border regions, our programs to work with the people and Government of Pakistan will be critical to our success in these areas. We are committed to building a broader, longer term relationship with Pakistan.

Given the gravity of the dangers Pakistan confronts, a broad, but integrated, commitment of assistance on the part of the United States is essential—development assistance, security assistance, and diplomatic assistance; and nowhere are common United States-Pakistan interests more in evidence than in the Federally Administered Tribal Areas, which have some of the worst social and economic conditions in the country. We, therefore, welcome the fact that the new government in Pakistan wants to implement a comprehensive strategy to better integrate the Federally Administered Tribal Areas into Pakistan's economy and body politic. Government leaders recognize that they cannot rid Pakistan's territory of terrorists and violent extremists by military means alone; they must also create an environment inhospitable to terrorism and extremism.

For our part, the administration will seek $750 million in support of infrastructure development, social welfare, and capacity-building initiatives in the tribal areas over the next 5 years, but we already have a strategy and programs in place to serve as a foundation for these additional initiatives. The United States Agency for International Development's economic development programs in the tribal areas currently comprises 16 agency projects; that is to say, in the different tribal agencies. This month, for example, USAID will refurbish several hospitals, delivery and surgical facilities, will train maternal health and other medical professionals, and will continue working with a local official to restore police authority to a central market. These are just a few examples of the activities we are pursuing to improve lives and enhance governance in the tribal areas.

Congressional support for the $60 million request for economic support funds for Pakistan in fiscal year 2008 supplemental will allow the agency to continue advancing these goals.

We also believe Reconstruction Opportunity Zones can play a major role in development of this remote part of Pakistan. Again, we hope Congress will soon pass legislation to make Reconstruction Opportunity Zones a reality.

Of course, establishing a secure environment is a prerequisite for fostering economic and social development. The United States principal contribution to establishing security in the FATA is the Security Development Plan, a 5-year, multifaceted program to enhance Pakistan's ability to secure its border with Afghanistan. In fiscal

year 2009, the administration is seeking at least $100 million in foreign military financing for this plan in the bridge supplemental request.

To site two important examples of our security assistance, United States training and equipment has allowed the special services group of the Pakistan Army to engage and prevail over enemy forces. We also are enhancing coordination among the Afghan, Pakistan, United States, and NATO forces in the Afghan-Pakistan border region. On March 29, we and our partners inaugurated the first of several border coordination centers at Torkham, Afghanistan. The centers will make it possible for Pakistani, Afghan, and International Security Assistance Forces representatives to more effectively counter efforts by our common enemies to skirt both sides of the rugged border with impunity.

We worked hard to help Pakistan establish conditions conducive to free, fair, and transparent elections for the February 18 parliamentary elections. We are now working equally hard with Pakistan's leaders, including the moderate Awami National Party, which won elections in the Northwest Frontier Province, to explore how we can help the Government of Pakistan extend the authority of the Pakistani state to the tribal areas.

We're encouraged by the electoral mandate that these parties possess. Our Embassy meets with representatives from all Pakistani political parties that have a stake in the new government.

In closing, I want to thank Senators Biden and Lugar for their leadership in helping the United States help Pakistan, and you, Mr. Chairman, for your strong interest in that country, as well. Chairman Biden has issued a far-reaching proposal on restructuring our assistance to Pakistan which we are studying closely. We hope that, together, Congress and the administration can establish a new framework for political, economic, and security assistance to Pakistan's democracy, one that enables the newly elected Pakistani Government to bring its remote tribal areas into the Pakistani mainstream and render them permanently inhospitable to terrorists and violent extremists.

Thank you very much.

[The prepared statement of Ambassador Negroponte follows:]

PREPARED STATEMENT OF HON. JOHN D. NEGROPONTE, DEPUTY SECRETARY OF STATE, DEPARTMENT OF STATE, WASHINGTON, DC

Mr. Chairman, members of the committee, with the successful transition to elected government in Pakistan, we have a historic opportunity to help the people of Pakistan build a base of democratic stability from which to counter violent extremism and fight international terrorism. This is vital to Pakistani interests, U.S. interests, and international interests, which are not limited to Afghanistan and Pakistan's other immediate neighbors. Pakistan is the world's second most populous Muslim state. It has nuclear weapons, and it is on the front lines of the battle against international terrorism, the most serious security threat of the 21st century.

The United States is determined to help Pakistan meet the challenges it faces. We believe that the newly elected Government of Pakistan welcomes our support with a determination as strong as our own. But before I discuss U.S. strategy vis-a-vis Pakistan, and the Federally Administered Tribal Areas (FATA) in particular, I want to make three overarching points.

First, the terrorist problem in Pakistan and the terrorist problem in Afghanistan are inextricably intertwined. Today I will focus on Pakistan, but I ask that you keep in mind the fact that we must have a fully coordinated strategy that addresses the ground truth on both sides of the Pakistani-Afghan border. What happens on the

Afghan side of the border has a direct impact on Pakistan just as what happens on the Pakistani side affects Afghanistan. Terrorists and violent extremists continue to exploit Pakistan's rugged tribal areas as safe havens and cross the border to attack Afghan and coalition forces in Afghanistan. We, therefore, must find ways to more effectively coordinate and synchronize operations by both nations, and thereby reduce the operating space where our common enemies function.

Second, we must design and execute our strategy to assist Pakistan in such a way as to persuade other nations—many other nations—to take the problems the Pakistanis confront as seriously as we do. Regional, Middle Eastern, European, African, and Asian interests are just as threatened by international terrorism and violent extremism as our own interests here in the Western Hemisphere. So we must have a strategy of broad diplomatic engagement in support of specific programs resourced by the United States. In short, we see U.S. objectives in Pakistan and Afghanistan border regions as one single theater of operations that will require all of our skills—diplomatic, military, and developmental.

Third, the United States-Pakistan relationship runs much deeper than our mutual counterterrorism priorities. While the battlefield for the war against terrorism will be fought in the border regions, our programs to work with the people and Government of Pakistan will be critical to our success in these areas. We are committed to building a broader, long-term relationship with Pakistan.

Given the gravity of the dangers Pakistan confronts on a day-to-day basis, a broad but integrated commitment of assistance on the part of the United States is essential. This is true nationwide, as well as with respect to the tribal areas on which we focus today. Nationwide, our strategy is to help the newly elected Government of Pakistan strengthen democratic institutions, provide children with a modern education, reform economic structures, provide the people with food and energy, and transform the military into a more capable security force for the nation.

And again, let me emphasize that our commitment to Pakistan applies to the tribal and frontier areas as well as the nation as a whole. Our goal is to help integrate these areas into the national and world economy, to help the new government bring the people there into the life of their own country, to help provide a modern education that draws children away from madaris, and to help the people of the area provide their own security and resist the pressures of extremists.

Nowhere are common United States-Pakistan interests more in evidence than in the Federally Administered Tribal Areas. But to address those interests, we first must help the Government of Pakistan exert its authority there. That is crucial to ameliorating the governance, economic, health, education, and security problems faced by the FATA's inhabitants on a daily basis.

GOVERNMENT OF PAKISTAN EFFORTS

We welcome the fact that the new Government in Pakistan wants to implement a comprehensive strategy to better integrate the Federally Administered Tribal Areas into Pakistan's economy and body politic. Government and political leaders more generally recognize that they cannot rid Pakistan's territory of violent extremists by military means alone—they also must create an environment inhospitable to terrorism and extremism. The Government's objective is to persuade the people living in this traditionally autonomous region that their interest lies in supporting the government's efforts to bring development to the area. By thus improving the relationship between the region and the rest of Pakistan, the government hopes to weaken the sway of terrorists and extremists, demonstrating to the population that they will benefit by supporting the government and denying terrorists safe haven.

The Government of Pakistan's comprehensive "Frontier Strategy" emphasizes economic and social development, while strengthening effective governance. As part of its Frontier Strategy and after consulting with all interested parties including the public, the government also has developed a 9-year, $2 billion Sustainable Development Plan for the tribal areas. The Government's plan addresses the basic unmet needs that underlie the existing social and economic problems and outlines measures to improve services, upgrade infrastructure, increase government capacity, promote the sustainable use of natural resources, and bolster activity in the trade, commerce, and industrial sectors. This will be a demanding effort. Pakistan's tribal areas have some of the worst social and economic conditions in the world. In some areas, the female literacy rate is as low as 3 percent. There is little access to safe drinking water or to even rudimentary health care. The system of public education is largely nonexistent.

But the Government of Pakistan's decision to partner with the United States, the United Kingdom, and other international partners, such as Japan and Australia, in this effort demonstrates Pakistan's commitment to deny terrorists and violent ex-

tremists the ability to exploit its territory. We applaud the fact that in 2007, the government made concerted efforts to reach out to its partners in various international fora, presenting its plan to members of the World Bank, the Group of Eight, the European Union, and various bilateral donors to coordinate political and donor support. This is consonant with the emphasis we place on broad international engagement with Pakistan. For our part, the United States has made a 5-year $750 million commitment beginning in FY 2007 in support of infrastructure development, maternal and child health, education and capacity-building initiatives in the tribal areas and border regions of Pakistan. Additional resources are requested in the FY 2009 emergency supplemental to support the Security Development Plan.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT FRONTIER STRATEGY

The U.S. Agency for International Development's economic development programs in the tribal areas and border regions of Pakistan target areas that have few jobs, low literacy, little hope and are vulnerable to militant infiltration. Just as our earthquake assistance to Pakistan in 2005 and 2006 had a profoundly positive impact on the people of Pakistan—generating good will that has lasted to this very day—we believe our support for developing the tribal areas will bring stability and prosperity.

USAID's program is fully operational in the tribal areas, with 16 Agency projects currently operating there. This month, for example, USAID will refurbish several hospitals' delivery and surgical facilities, will train maternal health and other medical professionals, and will continue working with a local official to restore police authority to a central market. Other projects initiated in April, developed through a consultative approach that aims to build confidence and trust between the Government of Pakistan and tribal communities by identifying and implementing small community improvement opportunities, were in the health, drinking water, girls' education, government capacity-building, and media sectors. Pakistani Government partners stated in April that the competitive and open procurement process established by USAID in implementing these small projects has increased their credibility in the communities in which they work. These are just a few examples of the activities we are pursuing to improve lives and enhance governance in the tribal areas, Northwest Frontier Province, and Balochistan. Congressional support for the $60 million Economic Support Fund request for Pakistan in the fiscal year 2008 supplemental will allow the Agency to continue advancing these goals.

We also believe Reconstruction Opportunity Zones can play a major role in promoting long-term economic development and stability of this remote part of Pakistan. We believe ROZs will provide the crucial economic component that complements our military and political strategies. We were very happy to see introduction of ROZ legislation by Senator Cantwell and her cosponsors, and we hope that Congress will soon pass legislation to make ROZs a reality. In addition, our security and development programs in the tribal areas are critical to achieving our highest objectives in the war on terror. These programs will boost sustainable, private-sector-led economic development and provide long-term, legitimate livelihoods for citizens in impoverished areas at the epicenter of the war on terror and drugs. Just as important, these efforts are essential to maintaining forward momentum in building a long-term, broad-based relationship with the Pakistani people.

SECURITY DEVELOPMENT PLAN

Providing a secure environment that fosters economic and social development is critical. As the committee knows, in March 2006, President Musharraf asked President Bush for U.S. assistance in developing and funding a comprehensive strategy to deny terrorists and violent extremists the ability to exploit the undergoverned Federally Administered Tribal Areas which they have exploited as a hideout and safe haven. The United States agreed to provide support.

Further, the Government of Pakistan has launched a program to increase the size of its Frontier Corps, a Pashtun-based paramilitary force raised in the border region. Members of the Frontier Corps have unique advantages operating in the tribal areas due to their linguistic and ethnic ties. The United States is supporting this expansion and is helping to train and equip the Frontier Corps to enhance Pakistan's ability to secure its border and provide security to the indigenous population.

The United States Government's principal contribution to establishing security in the FATA and the western border region is the Security Development Plan, a 6-year multifaceted program to enhance Pakistan's ability to secure its border with Afghanistan. The plan was codeveloped by our Embassy in Islamabad and U.S. Central Command, and fully coordinated with the Government of Pakistan. In fiscal years 2007 to 2008, the Department of Defense provided over $200 million. In fiscal year

2009, the administration is seeking at least $100 million in Foreign Military Financing for the plan in the bridge supplemental request. Congressional support for the supplemental request will be instrumental in the U.S. Government's ability to implement the Security Development Plan.

We are working hard to ensure that Pakistan has the necessary will and tools to conduct aggressive and sustained counterterrorism and counterinsurgency operations in the years to come. To cite an important example, the Department of Defense will equip and train special operations units of the Pakistan Army. Training will focus on the Special Services Group and its helicopter mobility unit, the 21st Quick Reaction Squadron, to enhance its ability to execute combat missions in the border region. Our programs are providing those forces with the skills needed to permanently prevent militants and terrorists from exploiting Pakistani territory as a staging ground for attacks in Afghanistan, Pakistan, and beyond.

We are also enhancing coordination among Afghan, Pakistani, United States, and NATO forces in the Afghanistan/Pakistani border region. Again, this effort focuses on the full internationalization of the response to a problem that threatens the world community at large. On March 29, we and our partners inaugurated the first of several Border Coordination Centers at Torkham, Afghanistan. The centers will make it possible for Pakistani, Afghan, and International Security Assistance Force representatives to more effectively coordinate to counter efforts by our common enemies from using their superior knowledge of the terrain to skirt both sides of the rugged border to avoid engagement.

SUPPORTING THE PAKISTANI PEOPLE

As the committee knows first-hand, we worked hard to help Pakistan establish conditions conducive to free, fair, and transparent elections for the February 18 parliamentary elections. We are now working equally hard with Pakistan's leaders, including the moderate Awami National Party which won elections in the Northwest Frontier Province, to explore how we can help the new Government of Pakistan extend the authority of the Pakistani state to the tribal areas. We are encouraged by the electoral mandate that these parties possess. Our Embassy continues to meet with representatives from all Pakistani political parties that have a stake in the new government.

As we support Pakistan's democratic transition, we continue to cooperate closely with Pakistan's Government and military to combat violent extremism. The media has reported that the Government of Pakistan has been exploring peace agreements with certain groups in the tribal areas. Given past failures, we have raised our concerns about these negotiations with Pakistan's leaders. It is our belief that a moderate government with a democratic mandate has been and will continue to be a good partner in this extremely difficult effort.

In conclusion, Mr. Chairman and members of the committee, Pakistan's tribal areas are of immense importance to the security of Pakistan and the world. That is why we must utilize a multifaceted approach to help the newly elected Pakistani Government and the Pakistani people bring these remote areas into the Pakistani mainstream and render them permanently inhospitable to terrorists and violent extremists.

Senator KERRY. Well, thank you, Mr. Secretary. That's helpful, and we appreciate it.

We'll start with 7-minute rounds.

No. 2, that you just offered as one of the steps, is to enlist other nations to rid the area of these elements. Can you be more specific about precisely what you envision and how that would happen?

Ambassador NEGROPONTE. Well, principally, of course, in terms of donor support for both Afghanistan and Pakistan, there's going to be a donor conference on Afghanistan very shortly, in Stockholm, Sweden, I believe. And with regard to Pakistan, we've encouraged a number of countries to take an interest in supporting them economically, and even specifically in the FATA areas. That's been one of the subjects that I discuss quite regularly with my Japanese counterparts, for example, and they are being responsive. So, it was that kind of assistance we were talking about.

Senator KERRY. So, you're principally talking about the economic construction component. But that can't be within the FATA, as of now. That's within the Punjab and other areas.

Ambassador NEGROPONTE. Well, it is also with regard to the FATA, just the way we are looking to——

Senator KERRY. Well, how is that even potentially controllable in an area where the government has no control?

Ambassador NEGROPONTE. It's not easy, but what we——

Senator KERRY. How can it even be——

Ambassador NEGROPONTE [continuing]. We have——

Senator KERRY [continuing]. Contemplated?

Ambassador NEGROPONTE. It does—it's already begun to happen. We have the first installments of the $150-million-a-year moneys for the FATA, and what AID is doing is operating out of our Consulate General in Peshawar; but, working with NGOs and other contractors and with the assistance of the tribal authorities, the FATA authorities, we have begun to initiate some of these assistance projects.

Senator KERRY. Is that a straight bilateral relationship between our folks and the FATA leaders, the tribal leaders, or is it through an intermediary?

Ambassador NEGROPONTE. Well, we work with the Northwest Frontier provincial authorities who oversee the FATA, and we work with NGOs, and it's sort of a team effort.

Senator KERRY. To what degree does that suffice to address the alarm bells sounded by the intelligence community itself? Let me come back to the statement that DNI McConnell said, "Al-Qaeda is improving the last key aspect of its ability to attack the U.S.: The identification, training, and positioning of operatives for an attack on the homeland." This is the area where they're doing it. What, specifically, strategically—besides the sort of specific targeted attack, by Predator or otherwise, on specialized information, how would you define the day-to-day ongoing effort to defuse that particular threat, as defined?

Ambassador NEGROPONTE. Right. Well, first of all, I'd be the first to acknowledge that more can be done. I wouldn't quarrel with that proposition.

Senator KERRY. Is there more that could be done that you can talk about in this session?

Ambassador NEGROPONTE. I think yes. First of all, as you suggest or imply by your question, we do have cooperation at other levels, which I think would probably be better discussed in closed session, and perhaps with witnesses, in addition to myself, from other agencies of our government. But, in our proposals, we envisage training and bolstering the capabilities of the frontier corps, which operate in the Pakistan frontier area and the Pakistani army counterinsurgency units mentioned their special forces. They've got to start making that shift from being a more conventionally aligned military, that was basically confronting this singular threat that they felt existed from India, to being able to more flexibly cope with the situation in the FATA.

The other point I would make is——

Senator KERRY. May I interrupt you there for a second?

Ambassador NEGROPONTE. Sure.

Senator KERRY. When I met with President Musharraf, about a year ago, he was singularly pessimistic about the ability of his own troops to be able to be successful. And that was after they had, sort of, walked back from their period of confrontation, because they were, frankly, getting kicked around up there. So, there's very little sense of control that he articulated to me, and I've seen nothing since then.

Now this new initiative from the new government to conceivably negotiate, which leaves me feeling that this is going to be a very amorphous, open, uncontrolled and unaccountable area for the foreseeable future.

Ambassador NEGROPONTE. I don't think——

Senator KERRY. I know it's not easy.

Ambassador NEGROPONTE. No, no.

Senator KERRY [continuing]. I'm trying to get at——

Ambassador NEGROPONTE. No; I understand.

Senator KERRY [continuing]. Sort of——

Ambassador NEGROPONTE. Yes.

Senator KERRY [continuing]. You know, what are the possibilities——

Ambassador NEGROPONTE. Let me try.

Senator KERRY [continuing]. Here.

Ambassador NEGROPONTE. It's a tough question. But, I think—nothing is ever quite as black or as white as it may seem. Example: The Pakistani Government has 120,000 troops between their frontier corps and their regular military, on the border area with Afghanistan. So, it's not as if they're without any presence whatsoever. And I think that that has had an influence on the situation.

Senator KERRY. They're in a very limited mission, and they're there—I mean, there's great reluctance to engage with some of the people we'd like them to engage.

Ambassador NEGROPONTE. Second—and I wouldn't debate that—the second point I would make is that, when we're talking about threats—and of course we're concerned about any threats that might emanate from the FATA area, because we do know, and I know from my previous position as Director of National Intelligence, that is where plotting against our homeland occurs on a regular basis. But, I would cite to you some successes in disrupting those plots. And those successes didn't come out of nowhere, they came as the result of some hard work by lots of people. But, I would refer you, for example, to the July 2006 plot, which was designed to have eight or nine airlines—transatlantic airlines coming from the United Kingdom to be blown up on the way to the United States. Well, that plotting activity was taking place in the FATA area, and the architects of that plot were captured.

So, there is some good, ongoing work here. But, I certainly would agree with you that there's more to be done. And I think one of the areas is in the strengthening and improving the capacity of the Pakistani security forces to deal with this kind of unconventional threat.

Senator KERRY. My time has expired.

Senator Coleman.

Senator COLEMAN. Thank you, Mr. Chairman.

I want to talk a little bit about, first, our relationship with the new government. There's been the—the new civilian leaders have talked about renewed efforts to negotiate with both the tribal leaders as well as the militants. NATO spokesmen expressed concern about this, that truce negotiations in the Federally Administered Tribal Areas may be behind the significant increase in violent attacks in eastern Afghanistan in April and May. During your late-March visit, you made note of that, that irreconcilable elements cannot be dealt with through negotiation. The Foreign Minister indicates that the government doesn't intend to negotiate with terrorists, but does believe in political engagement.

I have two questions for you. What's the difference between "political engagement" and "negotiation"? And, I guess, fundamentally, are Islamabad and Washington at odds when it comes to counterterrorism strategy in the region?

Ambassador NEGROPONTE. No; I don't—I can't speak for the Foreign Minister when he used those phrases. I think that he may be driving at a little bit of what I was talking about when I made the distinction between reconcilables and irreconcilables. I think those who are determined to carry out terrorist attacks against us and harm our way of life are not people we can or should negotiate with. There may be some others, not unlike some of the insurgents who were in the western part of Iraq, where some dialogue over time, might bear fruit. So, that's the kind of distinction I would carry around, in my own mind.

Are we concerned about the possibility of negotiations between the government, or elements of the government, and these extremist groups up there? I think the answer would be, "yes." We saw such an arrangement entered into in 2005. It did—in the South Waziristan area—not produce satisfactory results, and the government itself felt compelled to withdraw from the agreement because of an increase in militant activity, not only in the FATA area, but in what the Pakistani's call the "settled areas." So, I would say that they need to be very cautious about proceeding with these kinds of discussions, and, if they're going to proceed with them, to be sure that they are getting the kind of results that they say they really want. They say they don't want to give free space to extremist elements who wish them harm or who want to cross—you know, engage in cross-border operations. But, I think this is something we're going to have to watch very carefully.

Senator COLEMAN. Are there any metrics to measure success, to measure whether we're making progress?

Ambassador NEGROPONTE. Well, I think one of the metrics would be, as you, I think, implied in your question, cross-border attacks into Afghanistan. Another would be if you saw the government operating effectively against some of these militant extremists, like, for example, bringing Baitullah Mehsud, the head of this extremist group in South Waziristan, capturing him and bringing him to justice, which is what should happen to him.

Let me just say one other thing about dealing with this issue. In addition to improving their counterinsurgency capabilities, I think another important point is Pakistan-Afghanistan cooperation. And I think it's good that we've created this tripartite border center,

where we have Afghan-Pakistan officials, or military, and ourselves. I think we need to do more of that.

Also, there was a jirga—you may recall that—last August, a cross-border jirga that involved both Afghan and Pakistani tribal elements. And there's a suggestion that maybe another meeting of that kind would be a good idea. Anything that strengthens cooperation between the Pakistan and Afghans governments, from the two Presidents on down, is a positive thing.

Senator COLEMAN. Can you address the central concern in the GAO report a little—just a little more specifically? The report says, "Since 2002, the U.S. Embassy in Pakistan has not had a Washington-supported comprehensive plan to combat terrorism and close a terrorist safe haven in the Federally Administered Tribal Areas."

Ambassador NEGROPONTE. Yes; I think I would acknowledge that maybe there could be more work done in the planning area; and, in fact, we are doing more. And right now, as we speak, under the auspices of the National Security Council we're taking another look at the border area and seeing if we can look at the Afghanistan-Pakistan border in a more integrated way. But, we have had plans, Senator. We've had—we have a development plan, we have a military plan, we have an assistance plan. They may not have been tied together quite the way the GAO report suggests, and we're working on that as we speak.

One of the things we've done, in addition to this planning process—and this is very recent—we have just named border coordinators—this is in the State Department, now—at each of our embassies, and one in our Bureau of South and Central Asian Affairs in the State Department. So, you have a sort of a three-way border coordinator nexus, if you will, that can focus exclusively on these common border issues between Afghanistan and Pakistan.

Senator COLEMAN. How would you assess the level of cooperation/coordination amongst State, Defense, intelligence, USAID, when it comes to this area?

Ambassador NEGROPONTE. In Pakistan? I would say it's very good. It's done on a different basis than it is in Afghanistan or Iraq, because we operate in Pakistan under the country-team system; there is no military command. But, we have one of our most capable ambassadors there. Ambassador Patterson, as you know, was our Ambassador in El Salvador and in Colombia. She's the best we've got. And she does a terrific job there.

Where we also are challenged, though, I think, is in the coordination of cross-border issues, because you don't have the same identical mechanisms between the two countries. But, we're working on that, as well, and that's one of the reasons for this border-officer mechanism that we have established.

Senator COLEMAN [presiding]. Having worked with Ambassador Patterson when I chaired the Western Hemisphere Subcommittee, and her work in Colombia, I share your assessment——

Ambassador NEGROPONTE. Well, thank you.

Senator COLEMAN [continuing]. Of her capabilities.

Senator Casey.

Senator CASEY. Thank you, Mr. Chairman.

Mr. Secretary, we thank you for your service and your presence here today, I wanted to pick up with a couple of comments you made just a few moments ago.

On the question of—the question of negotiations—we know that there are a lot of charges back and forth about who is pushing negotiations, when and who's most responsible for what has played out. Some would assert that the new government is pushing negotiations in a way that maybe the former government wasn't. And the other side would contest that. What's your sense of that, in terms of where the push is coming? Do you see a policy that's been a consistent one as it pertains to these negotiations, or do you think the new government has a radically or substantially different approach than, for example, General Musharraf would?

Ambassador NEGROPONTE. I do not believe that the new government has radically changed the perception. When I was recently in Pakistan, I met with both Mr. Zardari, the head of the governing—the leading party, and with the Prime Minister; and, in fact, the Prime Minister just met with President Bush in Sharm el-Sheikh and expressed his strong commitment to carrying out the war on terror.

My understanding is that some of the ideas about negotiations had been in existence well before this new government took office, and had been carried out, perhaps, more at the tactical level, if you will. That said, it remains a concern in our mind that there are elements of the government that appear to be interested in pursuing this track, and our—we've expressed our view. We are concerned, and we think that they ought to proceed cautiously in this.

Senator CASEY. I know no one can predict the future on this, but you expressed a concern—you've expressed it a couple of times most recently. One of the concerns you have is that elements within the government are pushing this in the wrong direction. What is your sense, in the next couple of—let's say, the next 6 months—that those elements will predominate, that their point of view will be having more influence than it is now? Do you have any sense that there's a——

Ambassador NEGROPONTE. Well, I can't be certain. As I said, I would hope that they proceed cautiously and not accept an outcome that would give extremist elements the right or the ability to use the FATA area with impunity to carry out attacks on Pakistan, to carry out attacks on Afghanistan or the United States or the rest of the world. So, there's a lot at stake here, and we've made that point repeatedly.

There are those who would argue that—or, who would assess that, perhaps in this initial phase of this new government, that there are voices within the Pakistani body politic urging sort of a negotiating approach first before one has to resort to more vigorous security measures. But, I think the response to that is, that approach was tried before, in 2005, as I mentioned, and it turned out not to work.

Senator CASEY. I want to transition to two different areas. One is something you raised in your response to a question about the ability of the Pakistani Government to make the transition from a conventional approach that sometimes had most of the time, I should say, had a focus on India—to a more counterinsurgency,

counterterrorism focus. (a) Where do you think they are in that process—scale of 1 to 10, say? And, (b), what do you think is impeding progress on their ability to make that transition?

Ambassador NEGROPONTE. Yes. I'd be reluctant to be grading their performance. I think I would say that there's a lot of work to be done.

One of the reasons I'm reluctant to engage in some kind of evaluation like that, a public evaluation, is, I think we've got to recognize the sacrifices that the Pakistani military and security forces have made. They've lost more than 1,000 people since 9/11. The number of suicide bombings has gone up dramatically in the past year; I think, five times as many suicide bombings last year as they were in the previous years, subsequent to 9/11. So, they're paying a real price for this stepped-up terrorist activity.

Senator CASEY. What do you think is impeding them from making the progress that you would hope that they would make, or would have made by now, in terms of their ability to carry out a counterterrorism or counterinsurgency?

Ambassador NEGROPONTE. Well, as I said. I think they've had some successes. Plots have been disrupted. If you look at the number of, particularly, al-Qaeda elements that have been captured in Pakistan, if you look at some of the high-value detainees that we hold in Guantanamo, those have been the result of United States-Pakistan cooperation. So, it's a mixed picture.

I think the area where they could make improvements, and where we want to support them, is in adopting this integrated approach to the FATA, both on the economic and development side and on the side of establishing a more effective security presence, which, I think, in the long run, is going to come through strengthening the local security forces—the frontier corps and the local security forces there, who probably are more acceptable security presence to the local residents than the national army.

Senator CASEY. I just have another 30 seconds or so. The last question is on USAID. It's my understanding that, since 2001, Pakistan has received $5.3 billion in overt assistance and another $5.6 billion in so-called Coalition Support Funds, CSF funds—roughly about $11 billion. If you were responding to a taxpayer who says, "We've spent $11 billion, we've made some progress there, but the Pakistanis are not doing enough to root out the extremist elements and to prevent the launching of terrorist attacks on the United States or other allies," what would you say to that taxpayer?

Ambassador NEGROPONTE. The first thing I would say, as we all say up front—is that Pakistan's a critical ally in the war on terror, and that, since 9/11, we've been very closely aligned with them in this fight, and that half of that money—it's actually $5.9 billion—have been Defense Department reimbursements, effectively, for the costs that the Pakistan Security Forces have incurred in supporting us in the war on terror, including allowing for, and providing for, resupply of our effort in Afghanistan through Pakistani ports and roads and so forth. And the other $5 billion has been spent on various assistance programs, which, for a country of 160 million people over a 7-year period, I would say is not an unreasonable level of support, given the criticality of that country.

Senator CASEY. Thank you.

Senator KERRY [presiding]. Senator Lugar.

Senator LUGAR. Thank you, Mr. Chairman.

Secretary Negroponte, I'd like for you to characterize, if you can, the size and scope of the Taliban movement on both sides of the border, in this sense, that after the United States left Pakistan and left Afghanistan after the Soviets, and the Taliban regime came into power and protected the al-Qaeda camps. It was then that Americans discovered the Taliban, in that sense, but also discovered that there was a Taliban movement in Pakistan, or at least support of that on the other side of the border, and that has been a constant in this process. What I'm curious is—Do we have any data or any estimates of how large the Taliban movement is in Afghanistan, as well as in Pakistan, and the relationship between these movements, or, maybe it is one movement on both sides of the border? This, as distinct from al-Qaeda cells or specific new types of insurgents? In other words, in terms of grassroots or a larger movement, how many persons do we think we're dealing with?

Ambassador NEGROPONTE. I honestly don't know the answer to that question, Senator. Obviously, I can supply it for the record.

[The information referred to above follows:]

Due to uncertainties described below it is impossible to offer more than a very broad range when numbering active Taliban fighters. The security situation in most rural areas of Afghanistan is fluid and dependent upon constantly shifting relationships among local government representatives, tribal elders, local religious leaders, coalition forces, and the Taliban and other insurgent groups. The security situation in most of the areas of the Tribal Areas of Pakistan is also fluid, though to a lesser degree. The periodic reduction of part-time fighters who put down their weapons to work the fields during the poppy harvest season causes a large seasonal fluctuation in the number of Taliban in both countries. The criteria for being counted as "Taliban" also complicate the analysis. For example, based on a State Department review of military operations and insurgencies in Afghanistan since the 1979 Soviet invasion, most Taliban are part-time fighters (estimated to be ⅔ to ¾ of total fighters) whose fielded numbers regularly, and significantly, fluctuate depending on Taliban needs and United States and Coalition military operations, among other factors (including the poppy harvest season). We estimate ¼ to ⅓ of total fighters are full-time Taliban. Given these considerations, various sources report Taliban numbers that range from perhaps 2,000 core fighters to as many as 24,000, when counting part-time recruits.

We believe that the precise number of Taliban fighters is a less important factor than their operational ability to influence and intimidate the Afghan population. Therefore, our counterinsurgency efforts are designed to separate the people from the enemy and win over the population by helping Afghans develop trust and gain confidence in their national, provincial, and local governments, thereby rendering the Taliban irrelevant.

Ambassador NEGROPONTE. But, what I would say is this, that in Afghanistan I think the Taliban suffered a very serious blow, obviously, when we retaliated in the wake of 9/11, and I think in the northern half of the country, clearly the Taliban have been much diminished. If you look at the areas in Afghanistan where they do still present a significant problem, I would say it's in the two or three provinces that border on Pakistan—Helmand, Kandahar, and so forth. But, I'm afraid—and, of course, on the other side of the border, we've been particularly concerned that some of the Taliban leaders have been able to find refuge in Pakistan, and even engage in some of their operational activities, although, I would say, in recent years there have been a number of instances where Taliban

leaders have been captured and picked up by Pakistani authorities, so I think they've cracked down somewhat on that activity, as compared to previously. But, I'm afraid I don't know the exact estimates.

Senator LUGAR. Well, I appreciate that, but I hope, in the Department, perhaps there's some research on this, because the Taliban is a larger situation, in terms of numbers. Even if it is compressed in the southern part of the country, and some would see, if we are unsuccessful on either side, some resurgence of the Taliban. Not in an overthrow of the Karzai government, but, nevertheless, as a significant political movement and force within the country, which prevailed for a while previously, certainly prior to our entry into the situation, and the support of this, philosophically or theologically or what have you, on the Pakistan side, would appear to be more than simply leaders coming and going—in other words, an indigenous movement that perhaps we have not really thought about as much because of the dramatic incidence of specific terrorists or other individuals that we're following. I'm just trying to, at least in my own mind's eye, see what we have to deal with in the long run, what the Pakistani Government has to deal with, really, now, as a matter of fact.

Now, the second part of my question is that, given that Pakistani Government, the—there's a great deal of discussion in the press about the problems of Mr. Zardari and Mr. Sharif, as the leaders of the major factions, and one of the major problems centers now about the restoration of the judges and the judiciary. This obviously affects the relationship with these two leaders with President Musharraf, who obviously had an interest in this, in displacing the judges to begin with. Is this going to be a significant enough difficulty that this government is hobbled in tackling other problems? To what extent is this coalition likely to hold together, given these kinds of very fundamental problems as to how to proceed in governance of the country?

Ambassador NEGROPONTE. The restoration of—or the issue of the judges—and we've said before, and I would repeat here—is something that we feel the government itself and the political forces in Pakistan need to resolve amongst themselves. It's an issue that's been under discussion between the leaders of the two principal political parties; and, thus far, they have not reached a resolution. I think I would say that when that issue is resolved, and assuming it is, and if it's done in a way that doesn't lead to some kind of political instability, I think that would then permit the government to concentrate more on other priority tasks.

Senator LUGAR. Well, just picking up that point, some commentators would say that—in their own way, that Mr. Zardari and General Musharraf have a common cause here, for different reasons, with regard to the judiciary, but that Mr. Sharif has a very different point of view than the other two. And because this is apparently a fairly fundamental issue of governance, we get to the point that you just made; obviously, it would have more energy with regard to the rest of life if somehow this central focus was resolved, but it's not necessarily a short-term affair, apparently. The attempt to get it over didn't work out.

Ambassador NEGROPONTE. Yes. Well, there appear to be some stresses in the current coalition, because my understanding is that Mr. Nawaz Sharif has withdrawn his Cabinet members from the government.

Senator LUGAR. Yes.

Ambassador NEGROPONTE. So, it's clearly an unresolved issue, it's a dynamic situation, and there are considerable uncertainties; I would agree with that.

Senator LUGAR. Finally, we are concentrating on insurgents. Does Pakistan have a problem of food security? Where does that stand in the midst, now, of the general thoughts around the world, that we are in trouble, in terms of feeding people? Is that true in certain parts of Pakistan? And, if so, what stress does this place on the government?

Ambassador NEGROPONTE. They have difficulties in both the area of energy and food security. This is a country——

Senator LUGAR. In both, yeah.

Ambassador NEGROPONTE [continuing]. This is a country hat depends on energy and food imports, and that is a cause of both political and social concern. Perhaps not to the extremes that it might have been in certain other countries, but it's definitely a cause of concern. And the last time I was there, it was mentioned to me frequently.

Senator LUGAR. So, this should be a fundamental concern of ours, even as we're concentrating on terrorists, back and forth; because, fundamentally, the stability of the government, whether it be the judges or the food or so forth, really play quite a part in how effective they may be.

Ambassador NEGROPONTE. Well, and it's one of the reasons we have an interest in their economic development and why we care about these Reconstruction Opportunity Zones. Senator Cantwell has introduced legislation in the Senate. We don't know if there's yet been a corresponding piece of legislation submitted in the House, although we understand there may be some sponsors lining up. But, that would be a very concrete way in which our country could be helpful in creating additional economic opportunities for people who live in the border region—in all of Afghanistan, because these ROZs would apply to Afghanistan in its entirety, and to the border area of Pakistan.

Senator LUGAR. Thank you, Mr. Chairman.

Senator KERRY. Thank you very much, Senator Lugar.

Senator Feingold.

Senator FEINGOLD. Thank you so much, Mr. Chairman.

For over 5 years, we've watched al-Qaeda rebuild, while this administration has focused much of its attention on an endless and misguided war in Iraq. It has now become common knowledge that in the FATA region of Pakistan, al-Qaeda, the most real threat to our national security, has reconstituted itself and its operational capabilities. Before Pakistan's election a few months ago, President Musharraf's grip on power was unquestionably a roadblock, not only to addressing these terrorist threats, but also to strengthening democracy in Pakistan. Under his tenure, a political and religious upheaval grew across the country, while the threats to our national security increased, as well.

Now, with the election, Mr. Chairman, of a new government, we have an opportunity to support leaders in Pakistan who have pushed democratic principles to the forefront of their agenda, while also seeking to ensure our national security interests are met. We need to support this new government's efforts to strengthen this democracy just as much as we support security and counterterrorism initiatives. That is because fighting terrorism and supporting the people of Pakistan are intertwined. Counterterrorism operations against al-Qaeda throughout the FATA region are critically important, but that alone will not make for a more secure, stable Pakistan. Terrorist safe havens, of which the FATA is probably the most dangerous example, require comprehensive policies that use all the tools at our disposal, long-term strategic planning, and the commitment of resources over the long term. They also require sustained high-level attention, something that too often has been sorely missing as this administration continues to overly fixate on the war in Iraq.

If we fail to undertake this effort, we will have failed to learn the painful lessons of history in a region that is home to the greatest threat to our national security: Al-Qaeda.

Mr. Secretary, President Musharraf clearly failed to neutralize, or even reduce, the strength of extremist elements along the Pakistan-Afghanistan border. As the new coalition government is undertaking a renewed negotiation effort, I'm interested to hear your assessment of whether the new government can succeed in this initiative, particularly given the internal challenges that this coalition is facing at present and whether we support this initiative.

Ambassador NEGROPONTE. Earlier, with Senator Casey, I was saying, Senator, that the past experience of negotiating these kinds of arrangements with the extremist militants in South Waziristan, back in 2005, had not worked out, and the Government of Pakistan ultimately recognized that and abandoned that effort. It's not entirely clear what is happening at this point in time. Our own assessment is that the government—the new civilian leaders are committed to the war on terror and to dealing with the militants. That's something that the Prime Minister of Pakistan told President Bush in Sharm el-Sheikh, just a couple of days ago. There may be some discussions going on at a tactical level in Pakistan, but it's not entirely clear whether a deal will actually be consummated with these extremist elements. But, if such a deal were to be negotiated, we would be very concerned if it didn't deal with the issue of preventing people from using the FATA area as a safe haven.

Senator FEINGOLD. Well, Foreign Minister Qureshi has said that while he doesn't believe in negotiating with terrorists, he does believe in, "political engagement." What do you think that means with regard to the FATA region and the current agreement that's being negotiated? And how will the U.S. suggest, you know, enforcing any negotiated agreements?

Ambassador NEGROPONTE. Well, as I said, we have real reservations about a negotiated agreement, so I don't think we're ready to comment on how it would be enforced. I think one of the issues is that it's difficult to enforce unless you have the requisite capabilities on hand, a strong security presence. And I think, as you were

saying earlier, in your statement, we need to work with the Pakistani Government to help them build an integrated approach and to support their integrated approach to the FATA area. I think that's the best way to go about this.

Senator FEINGOLD. Well——

Ambassador NEGROPONTE [continuing]. But we have real reservations——

Senator FEINGOLD. On that point——

Ambassador NEGROPONTE [continuing]. About some——

Senator KERRY. Let me interrupt you for one moment.

I want to remind everybody here in the audience that we welcome people with different points of views, we welcome people to be seated and to listen thoughtfully to the hearing, but there is a rule in the committee against any kind of demonstration, of one kind or another, whether it's standing, holding signs, signaling, or otherwise. So we ask citizens to please respect the rules and decorum of the Senate and this committee.

Thank you, Mr. Secretary. Thank you, Senator.

Senator FEINGOLD. Thank you, Mr. Chairman.

Mr. Negroponte, you were, sort of, starting to get at this—you know, what happens if these current negotiations do not succeed? What are the alternative options? What other strategies are being discussed if this idea of trying to come up with this kind of an arrangement doesn't work?

Ambassador NEGROPONTE. Well, let me be clear, we're not the advocates of negotiating with the extremist militants, so it seems to us what one has to do is depart from the question, "What is it that you can do about this extreme—militant extremism in the first place?" And it seems to us, you've got to have an integrated approach, deal with the development issues, deal with the questions of helping integrate the FATA into the rest of Pakistan, which is one of the objectives of this $2 billion plan that the Pakistani Government has. And we should—we want to be supportive of that with our own contribution. And then, there's the security component, which involves building up local security forces and improving cross-border cooperation between us and the Afghans on each side of the border, between the Pakistani Government, on the one hand, and the Afghans, on the other.

Senator FEINGOLD. Can you describe our relationship with the Awami National Party, the ANP? As a junior member of the coalition party in Islamabad, which leads the Northwest Frontier Province's provincial government, and it's now the main representation, as I understand it, from that region, does the ANP have a role in helping to bring about greater security throughout the region?

Ambassador NEGROPONTE. Well, regarding our relationship, certainly they achieved a striking political success—this is secular political party managed to win a large number of the seats in that northwest frontier area. I met with their party leader when he came to Washington recently. We maintain a good relationship with the party through our consulate in Peshawar. I think they are a voice, they are an element, but only one element, in helping deal with that situation, but I think they're a voice for moderation, and, in that sense, we want to give them encouragement.

Senator FEINGOLD. Thank you very much.

Thank you, Mr. Chairman.

Senator KERRY. Thank you, Senator.

Senator Isakson.

Senator ISAKSON. Thank you, Mr. Chairman.

Secretary Negroponte, the Reconstruction Opportunity Zones you referred to—both in Afghanistan, as well as in the FATA—would you describe for me what one of these areas would look like?

Ambassador NEGROPONTE. To the best of my ability.

Senator ISAKSON. It portends that it's an area that's been destroyed or damaged by conflict, in my mind, but—am I wrong in that?

Ambassador NEGROPONTE. This is the term that we came up with in other places. They have different names. I think there's ones in Egypt, there's ones in Jordan. They are in different parts of the world. But, basically, this would be an area where products, if they met certain criteria they would be able to export their products, duty free, to the United States. The basic idea is to give some incentive for investment in that area for manufacturing. And it would be for the FATA area, and, if I remember correctly, perhaps one or two other adjacent areas, but up in that border region of Pakistan.

Senator ISAKSON. Would it include providing microloans or capital for that business to—or enterprise—to take——

Ambassador NEGROPONTE. Well, certainly, if the legislation might not, it would be within the capacity of our assistance—our AID programs to do that.

Senator ISAKSON. On the question of education, a couple of times you refer to, I think, 3 percent literacy rate among women in the FATA—I think that was a reference—and there being no public education system except for the madrassas. Are these the only real source of education in that area?

Ambassador NEGROPONTE. I believe so, but, frankly, I don't know the entire educational picture in the FATA. But, you're certainly right that there is a lot of illiteracy. And I also sensed, when I've visited Pakistan, that there's a great deal of desire in the NGO community to try to help improve conditions in the FATA. And that could be a positive element, as well.

Senator ISAKSON. Well, there are some other examples. I know in Ethiopia the effort through NGOs and the Basic Education Coalition dramatically changed that landscape over the last decade toward a Western favoritism, if you will. So, I think that investment is important.

You made a reference, "To cite an important example, the Department of Defense will"—prospectively—"be equipping and training special operation units of the Pakistani Army for the purpose of special operations in the FATA." Is that something that's in the works and being done, or is that a plan to do?

Ambassador NEGROPONTE. Well, it's a plan, and we've also sought funding for it. So, yes, it's something that will be; it's not a pipedream, it's something we intend to carry out.

Senator ISAKSON. Second part of the question is—the next sentence says, "Our programs are providing those forces with the skills necessary to permanently prevent militants and terrorists from exploiting the Pakistani territory as a staging ground for attacks in

Afghanistan, Pakistan, and beyond." So, I take it, with that, the newly elected government wants to do that, establish a permanent plan to be able, through special operations, to interdict with militant operations and try and expel them from the FATA. Is that right?

Ambassador NEGROPONTE. Well, I don't know if they've ever commented specifically, as yet—they've been in office 6 weeks—I don't know if they've ever commented specifically on a particular type of training. But, what they have said on repeated occasions—and, as I said earlier, including the Prime Minister to the President of the United States—that they are committed to the war on terror, they are committed to fighting against extremist militancy in their country.

Senator ISAKSON. Well, given your comment on the quality of intelligence, in your citing of the intelligence we were able to gain on the aircraft that was going to fly from Great Britain to the United States, it would seem that if our intelligence level continues at that rate, and hopefully improves, that this type of a force would be absolutely essential to eradicate those who would plot against us here, as well as in Afghanistan.

Ambassador NEGROPONTE. Well, I think it would be, and I think it also—rather than talking, as sometimes people do, about unilateral solutions, I think it would be much better for us to work cooperatively and collaboratively with the Government of Pakistan, and work with them, so that they can increase their capabilities to deal with these issues.

Senator ISAKSON. Well, I absolutely concur. Just as the Iraqis take over more of the operations, that's better in Iraq; if the Pakistanis are taking over—taking control of their own operations initiatives, that's in the best interest of the country and the war on terror.

Thank you, Mr. Secretary.

Senator KERRY. Thank you, Senator.

Senator Nelson.

Senator BILL NELSON. Senator Menendez was ahead of me.

Senator KERRY. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman. Thank you to my colleague from Florida.

Mr. Secretary, thank you for your testimony.

I am one of the corequesters of the GAO report that we will be discussing in the next witness, a report—the title, which says it all, "The United States Lacks a Comprehensive Plan to Destroy the Terrorist Threat and Close the Safe Haven in Pakistan's Federally Administered Tribal Areas," a title that is, unfortunately, so tragically comical that it appeared on Jon Stewart's "Daily Show."

Now, I am listening to your testimony, and I am trying to figure out, "Do we really have a grasp, here, of what we've done, $11 billion later?" In supplementary materials the State Department submitted to Congress outlining the plan for the 2008 supplemental request, it says, "Despite Pakistan's military successes against terrorists and militants in the FATA, the U.S. and Pakistan agree that there can be no purely military solution to the problem."

Now, I contrast that sentence with the GAO report that states, "According to the DOD"—the Department of Defense—"the Paki-

stani Army has been unsuccessful at defeating terrorists in FATA, its security forces lack counterinsurgency capability, the army is neither structured nor trained for counterinsurgency, and serious equipment and training deficiencies exist in the frontier corps."

Do you disagree with DOD's assessment?

Ambassador NEGROPONTE. I think, Senator, this is a question of a glass half empty or half full. You can't—I mean, there's obviously so much to be done up there, and more improvements to be made.

Senator MENENDEZ. But, do you disagree with DOD's assessment?

Ambassador NEGROPONTE. Well, you'd have to——

Senator MENENDEZ. The assessment that they quoted directly in the Government Accountability Office report says that the Pakistan Army has been unsuccessful at defeating terrorists in FATA, that its security forces lack counterinsurgency capability, that it is neither structured nor trained for counterinsurgency, and that serious equipment and training deficiencies exist in the frontier corps. Do you disagree with that?

Ambassador NEGROPONTE. I would partially agree with it. I think they lack requisite training and capabilities in the counterinsurgency area, and I think it's an area that needs to be improved. But I would say that they have had some successes. We were talking about it earlier.

Senator MENENDEZ. I heard what you referred to as "successes," and that's my problem here. I see what the Government Accountability Office said, I see the direct quote from the Department of Defense, that really has the military side of this, and clearly that leaves us $11 billion without—at least this Member of the Senate—without any satisfaction, and, I think, the American taxpayers, as well. And yet, it seems to me that you have a lower standard of what "success" is, $11 billion later.

And when I look at your own description to the Congress, in terms of promoting the 2008 supplemental request, where you say there can be no purely military solution, look at the DOD's report—I mean, the—the Government Accountability Office's report, where their chart lists the six elements of national power—diplomatic, military, intelligence, development assistance, economic, law enforcement support—and then presents a funding breakdown for that period of time, 2002 through 2007—96 percent of the funding is for military efforts. And yet, this is the analysis that the DOD has after 96 percent of $11 billion went for that very purpose. Three percent went for border security, and 1 percent went for development assistance.

I've listened to all your answers on development assistance, but, I say to myself, for 5 years we have been pumping 96 percent to military efforts, and we have the DOD saying that they don't have the capability, and now we say we can't achieve a military success simply in the FATA——

Ambassador NEGROPONTE. Yes.

Senator MENENDEZ [continuing]. Region, but we have only done 1 percent of development assistance, $11 billion later. I mean, what is the plan.

Ambassador NEGROPONTE. With respect, Sir, those figures just don't strike me as accurate.

Senator MENENDEZ. So, you dispute the Government Accountability Office's report.

Ambassador NEGROPONTE. I have no interest in getting into a dispute with the Government Accountability Office, but I can tell you the figures that are looking at me, right here. As I mentioned earlier, about half the amounts of assistance are reimbursements to the Government of Pakistan for its support to us in the war on terror. So, I think of that more like an offset than I do as assistance. These are reimbursements directly to the Pakistan treasury. But, of the remaining $5.1 billion, $2.9 that has been—that's a substantial percentage of that $5.1 billion, it's almost 60 percent has gone to child survival and health programs, development assistance, economic support funds, international disaster and famine assistance, Public Law 480, and migration and refugee assistance.

Senator MENENDEZ. Well, I——

Ambassador NEGROPONTE [continuing]. And human rights and democracy programs.

Senator MENENDEZ [continuing]. I'd refer you to page 10, to the chart, which very clearly says 96 percent is military efforts. One percent is development assistance, 3 percent is border security programs. So, somebody's wrong, and I think we need to get it before we keep giving you money.

Finally, let me ask you this. I have a little difficulty understanding—you know, Do we have a real grasp, here? The Center for Strategic and International Studies states that, "Pakistani and American analysts and officials have only a rudimentary understanding of the complicated alliances, dynamics, and threat posed by the numerous groups operating in the FATA region."

Do you agree with that statement?

Ambassador NEGROPONTE. That we have a limited understanding?

Senator MENENDEZ. That you have a rudimentary understanding of the complicated alliances, dynamics, and threat posted by the numerous groups——

Ambassador NEGROPONTE. Well, having been the Director of National Intelligence, I can tell you there are a lot of people working on understanding those dynamics, and I think, in a different setting, maybe they should provide you with a briefing on that.

And also, I want to—I will come back to you on these figures of the General Accounting Office and address those, because I do believe they are incorrect, and I don't think they are an accurate portrayal of our rather balanced assistance effort in Pakistan.

Senator MENENDEZ. Well, we look forward—I'd look forward to seeing it, because we cannot continue to provide a blank check for a failed policy, and that is what we are being asked to do.

Thank you, Mr. Chairman.

[The information referred to above follows:]

According to the report, "Combating Terrorism: The United States Lacks Comprehensive Plan to Destroy the Terrorist Threat and Close the Safe Haven in Pakistan's Federally Administered Tribal Areas," security-related and counterterrorism spending constituted 96 percent of total U.S. aid in the Federally Administered Tribal Areas, totaling $5.8 billion. This amount, however, includes of $5.5 billion reimbursed to the Government of Pakistan for expenses incurred directly supporting U.S. efforts in the War on Terror. Reimbursing Pakistan should not be considered

assistance. These countries expend national funds upfront, and the U.S. Government provides reimbursement later, through Coalition Support Funds.

By our accounting, which does not include Coalition Support Fund reimbursements, total aid to Pakistan during 2002–2008 exceeded $5.1 billion. This assistance supported economic, governance, development, and security goals, with 59 percent of the funding directed toward non-security related programs.

In 2006, Pakistan began in earnest its efforts to extend governance into the Frontier region—particularly the Tribal Areas—by supporting the security, development, and services required to transform this region. To this end, the Pakistani Government developed a 9-year, $2 billion, Sustainable Development Plan. The United States has seized this opportunity to help Pakistan address the root causes of violent extremism in the border areas: lack of education, employment, and health services. The U.S. Government pledged $750 million to support the Sustainable Development Plan over 5 years, starting in fiscal year 2007. Thus, we will support infrastructure development, social welfare, and capacity-building initiatives. Additionally, we have requested $100 million in the fiscal year 2009 supplemental for the Security Development Plan, designed to provide the security necessary for its success. With these programs, we will tackle the systemic sources of terrorism while helping Pakistan to integrate fully Tribal Area residents into the Pakistani state.

Senator KERRY. Senator Barrasso.

Senator BARRASSO. Thank you, Mr. Chairman.

Mr. Secretary, when I was in Afghanistan, a month and a half ago, the role of narcotics was a prime topic of discussion. Ninety-six percent of the world's supply of opium comes from Afghanistan and the borders are porous. I think of narcotics as corrosive to society and corrupting to the governments when it's such a high percentage of Afghanistan's overall economy. The question is, With porous borders, how much of an issue are the drugs and drug money in Pakistan, and efforts to really get a better handle on this area and the border?

Ambassador NEGROPONTE. My understanding is that the issue of narcotics is not at anywhere near as acute as in Pakistan as it is in Afghanistan, and certainly not on the scale and in the amounts that we see in Afghanistan, although I would say, in Afghanistan, the areas where the problem is the worst is in the least secure areas, is where the government and the security forces have the weakest presence.

Senator BARRASSO. The last time we visited in this committee, the elections had just occurred in Pakistan, the new government hadn't been formed. Now that the new Government has been formed, could you give us an assessment on your opinion of how things are going with the formation of the new government? Knowing the history of military involvement in Pakistan, how do you see the newly elected government working along with the army and the relationship there with respect to the FATA?

Ambassador NEGROPONTE. Well, I think that the government has only been, of course, as I mentioned earlier, in office 6 weeks. I think they're still in a bit of a—you might call it a shakedown cruise. I mean, there are relationships to be worked out. These are civilian politicians who have been, both of them, in exile for long periods of time prior to taking office. So, I think this is—this process is still sorting itself out.

As far as the military are concerned, I think they're very committed to civilian rule, and supportive of that process.

And I would like to say—there was a comment made about President Musharraf, previously—I'd like to commend President Musharraf for having made the elections possible, allowing them to

take place honestly, and having taken off his uniform, as requested and pressed by the various civilian political forces. So, before we criticize him too much, I think we ought to give credit where it's due, and I think he deserves a considerable amount of credit for having allowed these democratic elections to take place.

Senator BARRASSO. As you said earlier in your testimony, nothing is ever as black or as white as it may seem, and I appreciate that, and I know that is going to be an ongoing issue. I appreciate your comments and I look forward to visiting with you in the future.

Thank you, Mr. Chairman.

Senator KERRY. Thank you, Senator Barrasso.

Senator Nelson.

Senator BILL NELSON. Good afternoon, Mr. Secretary, and thank you for your public service, and thank you for your service in setting up the Office of the Director of National Intelligence.

Ambassador NEGROPONTE. Thank you.

Senator BILL NELSON. I want to get to the matter of how, on September the 29th of last year, you could make a determination that, and I quote, "Pakistan is currently making demonstrated, significant, and sustained progress toward eliminating support or safe haven for terrorists." And it was only just a few months thereafter, some 5 months, that your successor, Admiral McConnell, as the Director of National Intelligence, stated that, "al-Qaeda and its terrorist affiliates continue to pose significant threats to the U.S. at home and abroad, and al-Qaeda's central leadership is based in the border area of Pakistan and is its most dangerous component."

So, tell me, on what basis—share with the committee—did you make that September 2007 certification, and would you be able to make that certification again today?

Ambassador NEGROPONTE. I think we're, here again, with the half empty and half full. I think we're also in a situation where a government can be making good efforts, good-faith efforts to deal with militancy, but, at the same time, continue to face a significant problem. And I think that—when I made that certification, I think that what was brought to my attention was the ongoing efforts of the government, whether it had to do with capturing al-Qaeda militants, some of the 600 who have been picked up since the—since 9/11, and some of the other efforts that they're engaged in, intelligence cooperation and so forth.

Would I be able to make that certification now? I probably would, but obviously before I did I would have to look at all the facts and have them brought before me, and I would have to do it based on some kind of a considered assessment.

Senator BILL NELSON. Well, right now, for example, in whether or not you would issue such a certification, the current Pakistani Government is contemplating a cease-fire with militant groups in the FATA. Does that indicate that there are good-faith efforts to go after the safe haven for terrorists?

Ambassador NEGROPONTE. Well, as I've said earlier today, we are wary of these efforts. We view them with some concern. And I think that, obviously, if such an agreement is reached, one would have to look at what the terms and conditions were, and the provisions, and see if they were enforceable and what measures were

implemented to enforce them. But, I've said repeatedly and on the record that we've had—have concern with talk of some such arrangement, and we know, from the past Pakistani experience, that when they entered into an agreement like that previously, it did not work out.

Senator BILL NELSON. So, that would be the policy position of the U.S. Government today, the administration would say that they have some concern about the cease-fire.

Ambassador NEGROPONTE. Well, the outcome we don't want to see is any arrangement that allows extremist elements to operate with impunity in the FATA area against Pakistan, Afghanistan, us, or the rest of the world.

Senator BILL NELSON. And that's what cease-fires give, is the opportunity for the bad guys to train and to plan and to operate freely in the FATA——

Ambassador NEGROPONTE. Well, the last agreement—it depends, of course, what's in the terms of the agreement—the last agreement said they would expel foreigners and they would take various measures to make sure that certain kinds of activities didn't take place. But, a lot would depend on the ability to enforce that kind of an arrangement, and we have some skepticism about their ability to enforce any such arrangement.

Senator BILL NELSON. You're referring to the truce in Northern Waziristan between September 2006 and July 2007?

Ambassador NEGROPONTE. Yes, sir.

Senator BILL NELSON. And what was the impact of that truce on the efforts to eliminate the support for safe haven?

Ambassador NEGROPONTE. Well, it certainly wasn't positive. Of course, the tribal areas consist of more than just one agency, there are seven different agencies, and there were efforts ongoing in other parts of the country, and also, Waziristan was kind of sealed off by their armed forces to contain the effects of the arrangement.

Senator BILL NELSON. Mr. Secretary, I'm just a little country lawyer, but it seems to me common sense to know that a cease-fire basically causes the Pakistani military to pull back, and takes off all the pressure on the bad guys.

Ambassador NEGROPONTE. I——

Senator BILL NELSON. You don't——

Ambassador NEGROPONTE. I don't have——

Senator BILL NELSON [continuing]. Disagree with that.

Ambassador NEGROPONTE. I don't disagree with that.

Senator BILL NELSON. Then, maybe the policy of the United States Government ought to be, vigorously, to be convincing Pakistan not to enter into such a cease-fire.

Ambassador NEGROPONTE. Well, we have drawn their attention, and on more than one occasion, to what we see as the pitfalls of this kind of arrangement. I don't disagree with what you just said.

Senator BILL NELSON. Thank you.

Thank you, Mr. Chairman.

Senator KERRY. Thank you, Senator Nelson.

Mr. Secretary, I don't know if we want to do a another round of questioning. We have another panel, and I know we all want to get to it. The hour is late. But, I'm troubled by where we find ourselves, and I want to say it to you this way, if I may.

There is no question but that we are stronger as a country, and we will face our threats when we have a bipartisan consensus on our foreign policy. When we're all on the same page, America has had its best moments. And there is nothing in my questioning that I want to ask you that is trying to play "gotcha" or put anybody in a politically defensive position. I want to assure you. However, I'm troubled. There's sort of a "Houston problem" here, which is not of your making, but I want to try to understand it better on the table, and I think it will help us all think this through. There's no easy solution here.

These tribal areas are tough areas. People in their own country are having trouble being able to try to deal with it. But, the bottom line for us as Americans is that, in September 2001, those who attacked us and took down that airplane and those towers came out of Afghanistan and the free planning that they are able to do in that area. Now, we had a shot at taking them out when we first went in, and doing what we need to do at Tora Bora, and we didn't. We're now being told—6½ years later, by our own intelligence professionals whose duty it is to protect us, that we don't have a comprehensive plan, and that these terrorists are planning and are reconstituting, and are going about the business of doing what they did to us previously. And there isn't one of us here who doesn't understand this. And you do, too.

So, the question for all of us is: If the DOD says to us they agree with the GAO, and USAID is saying they agree with the GAO, and you are still saying you've got a comprehensive plan, but we can't quite grapple with it, how do you assure the committee and the American people that we're doing everything that is in our power to be able to adequately secure the country and protect us against this plotting that we know is going on? This is troubling, would you not say?

Ambassador NEGROPONTE. It is. I think what's most troubling, of course, is the situation itself on the ground, and that we realize how difficult it is to deal with, because we can't deal with it just unilaterally.

Senator KERRY. Something's missing here, clearly; either Pakistan, with this truce, is not going down the road that's going to be sufficient to get control over the area——

Ambassador NEGROPONTE. I think the——

Senator KERRY [continuing]. Or——

Ambassador NEGROPONTE. I think what's missing is sufficient wherewithal on the part of the Government of Pakistan, assisted by its friends and allies, sufficient wherewithal to bring the state of affairs in the FATA area to a condition or a place where this kind of activity wouldn't take place. And how do you deal with that? You have to deal with it in a multifaceted way. You have to improve the security capabilities, you have to improve the economic conditions, and you have to improve the government presence in those areas, and that's what we're——

Senator KERRY. Can those things be done at a rate that is fast enough to adequately deal with the definition——

Ambassador NEGROPONTE. Well, you're, in a way, asking me to make a prediction about what might happen, but I think that clear-

ly it's a matter that has to—it's something that has to be dealt with as a matter of urgency.

And, if I could add, I think, as time has gone on, we probably, in our minds, have elevated Pakistan today to a higher level of priority than it had been previously. I think, when we were looking at the situation in Afghanistan, we didn't always think of dealing with the situation in Pakistan in one and the same breath, if you will. And I think we're moving more towards that attitude and that point of view, and I think that's probably a good thing.

Senator KERRY. What concerned all of us who visited—Senator Biden, Senator Hagel, myself—was the sense we had that the Pakistanis themselves, particularly the new government, just don't see al-Qaeda in the same terms as you and our Defense—and our intelligence folks and as we define it. And they view their insurgent threat as the tribal insurgency, not al-Qaeda. And so, there's a difference, there's a divergence here in focus, if you will, and energy, and that greatly complicates this, it strikes me.

Ambassador NEGROPONTE. Well, they say that——

Senator KERRY. Do you share that, that sense that there is a divergence in how they see it?

Ambassador NEGROPONTE. Well, as I said earlier, one area where we have worked quite well with the Pakistani authorities over—since 9/11, has been in capturing or detaining a lot of these al-Qaeda elements, these 500 or 600 Arab terrorists who have been captured during this period and put out of——

Senator KERRY. How many have——

Ambassador NEGROPONTE [continuing]. Commission.

Senator KERRY [continuing]. Crossed the border from various neighboring countries and——

Ambassador NEGROPONTE. Right, yes, I mean, hundreds of others. I just don't know the exact number, but clearly——

Senator KERRY. Understood.

Ambassador NEGROPONTE [continuing]. A lot. And the concern that you mentioned, that some of them are regrouping now and have been coming back from the Middle East and into the FATA area.

Senator KERRY. This is difficult for any administration. No matter whose party is in power, this is tough, and I think we all have to understand that we're going to have to figure it out and piece together something that is going to create this sense of comprehensiveness that people define as missing today. And, again, I say I don't think this does lend itself to some easy swish-swash answer, so I appreciate your saying that, but I do think it's also important for us to understand the divergence between where we want to be and where we are.

Senator Coleman?

Senator COLEMAN. No; I think the hour is getting late, and I would associate myself with the comments that you just made, Mr. Chairman. We have to sort this out, and it's—it shouldn't be—it's not a partisan thing. This is a dangerous area of the world for us, and we've got to get it right.

Senator KERRY. Mr. Secretary, thank you.

If there's no other—Senator Lugar, anybody?

[No response.]

Senator KERRY. We appreciate your taking the time to come in, and look forward to working with you on this, and we're grateful to you for your efforts.

Ambassador NEGROPONTE. If I could add one more point. I mean, the President committed $3 billion over a 5-year period, from the year 2005 to 2009, about half for development and half for security, and that was his commitment, back in fiscal year 2005. So, I think we have an opportunity now——

Senator KERRY. Over how many years?

Ambassador NEGROPONTE. This was over a 5-year period—it was $600 million a year, total——

Senator KERRY. Yes.

Ambassador NEGROPONTE [continuing]. Half was for development and half for security.

Senator KERRY. Well, this is going to open up a whole new debate here that we don't want to get into, but that's one-quarter of what we spend in 1 month in a part of the world where they had nothing to do with 9/11.

Ambassador NEGROPONTE. Well, that was sort of going to my point. I think that we have an opportunity, as we look to the following period, to think about—and I would urge that we all think about Pakistan in a long-term—on a long-term basis. I mean, this is, as you have said, a very, very important relationship, and——

Senator KERRY. Yes.

Ambassador NEGROPONTE [continuing]. We have to think about how we're going to nurture and cultivate this relationship over the long terms rather than going through peaks and valleys and having——

Senator KERRY. Well——

Ambassador NEGROPONTE [continuing]. Ups and downs like we've had in the past.

Senator KERRY. I agree with you. And as we close, I'd say to you that unless there is a greater border capacity, with overflight and sensors, a whole bunch of other things, I'm afraid that given what I saw, at least, of the tribal moving back and forth and the interrelationships of those families and the kidnaping of kids from Afghanistan into madrassas in Pakistan, and so forth, it's going to take one hell of an effort up there to try to, "shut that down." And I think you know that.

That said, let's move to the next panel, and we thank you, Mr. Secretary, for——

Ambassador NEGROPONTE. Thank you.

Senator KERRY [continuing]. Coming in. Thank you.

And let's try to make this as rapid a transition as we could, please.

[Pause.]

Senator KERRY. Mr. Dodaro, thank you, sir. If we could ask for your opening—I thank you for your patience. I'd like to get your opening in, because I'm under the gun to go downtown. I think Senator Coleman is, too. We don't want to cut you off, but we want to make sure that you have a chance to lay out your arguments. You've heard the testimony of the Secretary, and I think it's good for you to come in afterward and take issue where you think it's

appropriate to, and set the committee straight with respect to the record, that would be helpful.

STATEMENT OF GENE DODARO, ACTING COMPTROLLER GENERAL, GOVERNMENT ACCOUNTABILITY OFFICE, WASHINGTON, DC

Mr. DODARO. Yes; thank you very much, Mr. Chairman, members of the subcommittee. I appreciate the opportunity today to discuss our work on U.S. efforts to address the terrorist threat and Pakistan's Federally Administered Tribal Areas.

I'd like to take a minute to recognize our team, quickly, who have worked on this and produced some thoughtful contributions to the Congress. With me is Charles Johnson, who led the work, and we also have Hynek Kalkus, Ned George, Claude Adrien, David Hancock, Karen Deans, Mark Dowling, Jena Sinkfield, and Jeff Beelaert.

In summary, we found that the United States has not met its national security goal to destroy terrorist threats and close the safe haven of Pakistan's tribal areas. According to U.S. Embassy officials in Islamabad, and U.S. intelligence documents, since 2002 al-Qaeda and the Taliban have used the tribal areas in the border regions in Pakistan to attack Pakistani, Afghan, United States and coalition troops, plan and train for attacks against United States interests, destabilize Pakistan, and spread radical Islamic ideologies that threaten United States interests.

Mr. Chairman, the DNI assessment that you mentioned in your opening statement also caught our attention, clearly. And the fact that al-Qaeda is now using the Pakistan safe haven to put in place the last elements necessary to launch an attack on America is disconcerting.

The task of addressing the terrorist threat in this region is a difficult one, complicated by its unique characteristics. I'd mention, on the map here before you, as you well know, it's a 373-mile region. Inhabitants in this area are some of the poorest in Pakistan, with per capita income of about $250 a year, the overall literacy rates less than 20 percent, and infrastructure and health care are underdeveloped. Residents are also legally separate from, and unequal to, other Pakistani citizens; for example, there's no access to national political parties, no rights of appeal to Pakistani courts.

Now, to address, as we've heard today, its national security goals in Pakistan's tribal area and border regions the United States has relied principally on the Pakistani military. There have been relatively limited development assistance or efforts to improve governance as a means to mitigate underlying causes of terrorism.

As shown in this chart, which Senator Menendez mentioned earlier, and just to clarify, these are funds that we looked at, that were dedicated to the Pakistani tribal areas. I think the Deputy Secretary was referring to all funds in Pakistan. But, for those funds that were dedicated to the Pakistani tribal areas, 96 percent of the $5.8 billion were the reimbursements for the Pakistani military through the Coalition Support Funds; 3 percent was directed toward a border security program; and 1 percent was spent on AID development activities. And this is for the 2002–07 period, so it does not yet cover some of the planned activities that the Deputy

Secretary mentioned. However, in terms of where the bulk of the money is going, that——

Senator KERRY. That's 96 percent of the $5.8 billion——

Mr. DODARO. Right, that's correct.

Senator KERRY [continuing]. Not of the 11.

Mr. DODARO. That's correct.

Senator KERRY. OK.

Mr. DODARO. That's correct. We're—our focus was looking at the tribal areas and the border——

Senator KERRY. Understood.

Mr. DODARO [continuing]. Region.

Senator KERRY. Understood.

Mr. DODARO. And that clarifies, I believe, that point for the committee.

Now, while these military operations have been reported to produce some positive outcomes, as the Deputy Secretary mentioned, United States and Pakistani Government officials in power at the time of our review recognized that relying primarily on the Pakistani military has not succeeded in neutralizing al-Qaeda and closing the safe havens in Pakistan's tribal areas. In 2006, United States officials, in conjunction with the Pakistani Government, began an effort to focus more attention on other key elements of national power, such as development, infrastructure, and public diplomacy, in addition to the military efforts to address national security goals in the tribal areas. However, a comprehensive plan has not yet been developed, nor formally approved, by United States Government stakeholders who would play a key role in the funding and development of such an effort, and support from the recently elected Pakistani Government is uncertain.

Now, we believe a comprehensive plan is needed. I was very pleased to hear the Deputy Secretary acknowledge that more could be done in the planning area, and that efforts were underway to strengthen and bolster their planning activity efforts. This is——

Senator KERRY. I apologize——

Mr. DODARO. Sure.

Senator KERRY [continuing]. May I break in so we can——

Mr. DODARO. Sure.

Senator KERRY. Because we heard the dialogue.

Mr. DODARO. Right.

Senator KERRY. And we've got your testimony, here.

[The prepared statement of Mr. Dodaro follows:]

PREPARED STATEMENT OF GENE DODARO, ACTING COMPTROLLER GENERAL, GOVERNMENT ACCOUNTABILITY OFFICE, WASHINGTON, DC

Mr. Chairman and members of the subcommittee, I am pleased to be here today to discuss U.S. efforts to assist Pakistan combat terrorism in Pakistan's Federally Administered Tribal Areas (FATA) and border region. My testimony is based on our two recent reports on the United States lack of a comprehensive plan to destroy the terrorist threat and close the terrorist safe haven in the FATA, and preliminary results from our ongoing examination of U.S. Coalition Support Funds (CSF) reimbursements to Pakistan.[1] Since October 2001, the United States has provided Paki-

[1] See GAO–08–622, "Combating Terrorism: The United States Lacks Comprehensive Plan to Destroy the Terrorist Threat and Close the Safe Haven in Pakistan's Federally Administered Tribal Areas" (Washington, DC: Apr. 2008); and GAO–08–735R, "Preliminary Observations on

stan with over $10 billion for military, economic, and development assistance activities in support of the critical U.S. national security goals of destroying terrorist threats and closing terrorist safe havens.[2] Approximately $5.8 billion of this amount has been directed at efforts to combat terrorism in Pakistan's FATA and border region.

My testimony today discusses (1) U.S. progress in meeting U.S. national security goals in Pakistan's FATA region; (2) the status of U.S. efforts to develop a comprehensive plan for the FATA; and (3) the oversight of U.S. CSF provided to Pakistan.[3]

SUMMARY

In summary, we found the following:

- The United States has not met its national security goals to destroy terrorist threats and close the safe haven in Pakistan's FATA, a mountainous region which shares a 373-mile border with Afghanistan. According to U.S. Embassy officials in Islamabad and U.S. intelligence documents, since 2002, al-Qaeda and the Taliban have used Pakistan's FATA and the border region to attack Pakistani, Afghan, as well as U.S. and coalition troops; plan and train for attacks against U.S. interests; destabilize Pakistan; and spread radical Islamist ideologies that threaten U.S. interests. We found broad agreement that al-Qaeda had established a safe haven in the FATA. A 2008 Director of National Intelligence (DNI) assessment states that al-Qaeda is now using the Pakistani safe haven to put into place the last elements necessary to launch another attack against America. The FATA's rugged terrain, wide-spread poverty, high unemployment, low literacy, underdeveloped infrastructure, and unique legal structure[4] all add to the complexity the U.S. and Pakistani Governments face in addressing terrorist threats in this region.
- The United States has relied principally on the Pakistani military to address its national security goals in the FATA. There has been relatively limited development assistance or efforts to improve governance as a means to mitigate underlying causes of terrorism in the FATA. Of the approximately $5.8 billion directed at efforts in the FATA and border region from 2002 through 2007, we determined that about 96 percent ($5.56 billion) of this amount was used to reimburse the Pakistani Government through CSF[5] for military operations, 3 percent ($187 million) was directed toward a border security program, and 1 percent ($40 million) was spent on USAID development activities.
- Defense, State, intelligence, U.S. Embassy, and Pakistani Government officials in power at the time of our review, recognize that relying primarily on the Pakistani military has not succeeded in neutralizing al-Qaeda and preventing the establishment of a safe haven in the FATA. In 2006, the Embassy, Defense, State, and USAID, in conjunction with the Pakistani Government, began an effort to focus more attention on other key elements of national power, such as development assistance, infrastructure improvements, and public diplomacy, to address U.S. national security goals in the FATA. However, this effort has not been formally approved by U.S. Government stakeholders who would play a key role in the funding and implementation of such an effort, and support from the recently elected Pakistani Government is uncertain.

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the Use and Oversight of U.S Coalition Support Funds Provided to Pakistan" (Washington, DC: May 2008).

[2] These goals have been set forth in the 2002 "National Security Strategy," the 2003 "National Strategy for Combating Terrorism," and the 2004 "9/11 Commission Report," and have been endorsed by the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108–458, sec 7102(b)(3)) and the Implementing the Recommendations of the 9/11 Commission Act of 2007 (P.L. 110–53, sec. 2042(b)(2)).

[3] See Appendix I for a brief description of our scope and methodology. The work on which this testimony is based was conducted in accordance with generally accepted government auditing standards.

[4] The FATA is governed by the Frontier Crimes Regulation (FCR) of 1901. This legal system, codified under British rule, is separate from and unequal to the legal system governing the rest of Pakistan. The information on foreign law in this report does not reflect our independent legal analysis but is based on interviews and secondary sources.

[5] CSF reimburses Pakistan for a variety of activities in support of the global war on terror, the majority of which consists of Army and Air Force operations against terrorists in Pakistan's FATA and the border region. However, some of the CSF also supports Pakistani Navy and Air Force activities outside of this area. Defense was unable to quantify what was reimbursed for activities outside the FATA and the border region at the time of our report, and therefore, we included all CSF as funds going toward the FATA and the border region. CSF reimbursement funds are paid to the Pakistani Government treasury and become sovereign funds.

- A comprehensive approach is needed as required by the administration's own "National Strategy for Combating Terrorism," recommended by the independent 9/11 Commission, and mandated by congressional legislation.[6] Since 2002, the U.S. Embassy in Pakistan has not had a Washington-supported, comprehensive plan to combat terrorists and close the terrorist safe haven in the FATA. We have recommended that the administration produce a comprehensive plan using all elements of national power to combat terrorist threats and close safe havens in Pakistan's FATA region. The comprehensive plan should also include key components called for in the Intelligence Reform Act and components that we have previously reported as being needed to improve the effectiveness of plans involving multidepartmental efforts to combat terrorism.[7] Among other things, the plan should:
  - Place someone directly in charge of this multidepartment effort to improve accountability;
  - Articulate a clear strategy to implement the national security goal to destroy terrorists and close the safe haven in the FATA;
  - Clarify roles and responsibilities of each department for implementing the goal, including establishing compatible policies and procedures to operate across agency boundaries;
  - Provide guidance on setting funding priorities and providing resources to meet these national security goals; and
  - Require a monitoring system and provide periodic reports to Congress on the progress and impediments to meeting national security goals in Pakistan.
- Continued oversight is needed to ensure the development and effective implementation of a comprehensive plan. Further, it is important that there is sufficient oversight of the billions of U.S. dollars devoted to assisting the Pakistani Government in its efforts to combat terrorism in the FATA. Preliminary results from our ongoing work focusing on the use and oversight of U.S. CSF show that Defense may have recently increased its oversight of CSF. For example, in 2007, Defense officials at the U.S. Embassy in Pakistan—the Office of the Defense Representative to Pakistan (ODRP)—began playing a larger role in overseeing CSF reimbursement claims. Furthermore, Defense recently deferred or disallowed a larger amount of Pakistani claims. Specifically, for the months September 2004–February 2007, Defense disallowed or deferred an average of just over 2 percent of the Pakistani Government's CSF reimbursement claims. For the most recent reimbursement (March–June 2007 claims) processed in February 2008, Defense disallowed or deferred over 20 percent of Pakistan's claim. Our preliminary observations indicated that this was the first time that ODRP recommended significant denials or deferrals of Pakistani claims.[8] The extent of ODRP's oversight in the future is unclear, given that its role has not been formalized.
- In response to our previous reports, Defense and USAID concurred with our recommendation that a comprehensive plan was needed; State asserted that a comprehensive strategy exists, while the Office of the Director of National Intelligence stated that plans to combat terrorism exist. In our view, these plans have not been formally integrated into a comprehensive plan as called for by Congress and that cover the full range of unique challenges associated with the FATA. Additionally, Defense recognized the importance and necessity of oversight over CSF.

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[6] The administration's 2003 "National Strategy for Combating Terrorism," the independent "9/11 Commission Report," and Congress's (1) Intelligence Reform Act and Terrorism Prevention Act of 2004 (P.L. 108–458, sec. 7120) and (2) the Implementing the Recommendations of the 9/11 Commission Act of 2007 (P.L. 110–53, sec. 2042 (c)) all support the development of a comprehensive plan that uses all elements of national power. Elements of national power include diplomatic, military, intelligence, development assistance, economic, and law enforcement support.

[7] GAO, "Combating Terrorism: Law Enforcement Agencies Lack Directives to Assist Foreign Nations to Identify, Disrupt, and Prosecute Terrorists," GAO–07–697 (Washington, DC, May 25, 2007); GAO, "Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies," GAO–06–15 (Washington, DC, Oct. 21, 2005); and GAO, "Combating Terrorism: Observations on National Strategies Related to Terrorism," GAO–03–519T (Washington, DC, Mar. 3, 2003).

[8] Submitted costs can be (a) recommended for approval; (b) "deferred" and returned for additional documentation; or (c) "disallowed" for not being consistent with the scope of CSF.

BACKGROUND

Some of the characteristics of the FATA make it attractive to terrorist groups, such as al-Qaeda and Taliban, seeking a safe haven. The FATA is mountainous and shares a 373-mile border with Afghanistan. It has an estimated population of 3.1 million people, and is one of Pakistan's poorest regions, with high poverty, high unemployment, low literacy, and an underdeveloped infrastructure (See fig. 1).

Figure 1: Map of the Federally Administered Tribal Areas, Pakistan

Sources: GAO; USAID and Map Resources (maps).

The FATA is governed by an administrative system and a judicial system different from the rest of Pakistan—the Frontier Crimes Regulation (FCR) of 1901, codified under British rule.[9] Because Pakistan retained the colonial administrative and legal structures of the British, as codified in the FCR, the FATA populations are legally separate from and unequal to other Pakistani citizens. Examples of these differences under the FCR include:

- The FATA residents do not have access to national political parties, and political parties are forbidden from extending their activities into the agencies of FATA.
- The FATA is under the direct executive authority of the President of Pakistan. Laws framed by the National Assembly of Pakistan do not apply in the FATA unless so ordered by the President.
- FATA residents do not have the right to legal representation. Those convicted are denied the right of appeal in Pakistan's courts.
- The President's representatives to the FATA, who are called political agents, can punish an entire tribe for crimes committed on the tribe's territory by

[9] The information on foreign law in this report does not reflect our independent legal analysis but is based on interviews and secondary sources.

issuing fines, making arrests, implementing property seizures, and establishing blockades.

Defense has noted that the FCR is a culturally acceptable recognition of the tribal structure of the FATA, where the population is ethnically different from the majority of Pakistan's citizens and precludes forced assimilation. Further, Defense noted that removing the FCR without a replacement mechanism that is accepted by the indigenous population has the potential to create a vacuum that could result in negative consequences.[10]

The U.S. Government Has Not Met National Security Goals in Pakistan's FATA; al-Qaeda Remains a Threat and Terrorist Safe Haven Still Exists

The United States has not met its national security goals to destroy the terrorist threat and close the safe haven in the FATA. While national security strategies have called for the use of all elements of national power, such as diplomatic, military, intelligence, development assistance, economic, and law enforcement support, to meet these goals, the United States has relied principally on supporting the Pakistani military. We found broad agreement, however, that al-Qaeda has regenerated its ability to attack the United States and succeeded in establishing a safe haven in Pakistan's FATA. In particular, the 2007 National Intelligence Estimate (NIE) and 2008 DNI's "Annual Threat Assessment" state that al-Qaeda has regenerated its attack capability and secured a safe haven in Pakistan's FATA.[11] These conclusions are supported by a broad array of sources, including Defense, State, and senior U.S. Embassy officials in Pakistan.

The DNI's 2008 assessment stated that the safe haven in Pakistan provides al-Qaeda with many of the same advantages it had when based across the border in Afghanistan. According to the assessment, the safe haven in the FATA serves as a staging area for al-Qaeda's attacks in support of the Taliban in Afghanistan. Further, it serves as a location for training new terrorist operatives for attacks in Pakistan, the Middle East, Africa, Europe, and the United States. U.S. Government officials in Washington and Pakistan also acknowledge that al-Qaeda has established a safe haven near Pakistan's border with Afghanistan. The NIE also found that in the past 2 years, al-Qaeda's central leadership regenerated the core operational capabilities needed to conduct attacks against the United States. It also found that al-Qaeda's central leadership, based in the border area of Pakistan, is and will remain the most serious terrorist threat to the United States.

The DNI's 2008 assessment and other sources have concluded that the resurgence of al-Qaeda terrorists on the border between Pakistan and Afghanistan now pose a preeminent threat to U.S. national security. It states that al-Qaeda is now using the Pakistani safe haven to put the last element necessary to launch another attack against America into place, including the identification, training, and positioning of Western operatives for an attack. The assessment found that al-Qaeda and other Pakistan-based militants now pose a threat to Pakistan. The assessment found an unparalleled increase in suicide attacks against Pakistan's military and civilians over the past year, with total casualties in 2007 exceeding all such attacks in the preceding 5 years. These attacks were ordered by Pakistan-based militants, many of whom are allied with al-Qaeda. The assessment concluded that radical elements now have the potential to undermine Pakistan itself.

The United States Has Relied Primarily on the Pakistani Military to Accomplish Its Goals in Pakistan's FATA, With Limited Focus on Other Elements of National Power

The United States has relied principally on the Pakistani military to address U.S. national security goals in the FATA. There have been relatively limited efforts, however, to address other underlying causes of terrorism in the FATA, such as providing development assistance or addressing the FATA's political needs. For example, although the FATA has some of the worst development indicators in Pakistan and is ruled under colonial administrative and legal structures dating from 1901, the United States has devoted relatively little funding to address these issues in the FATA.

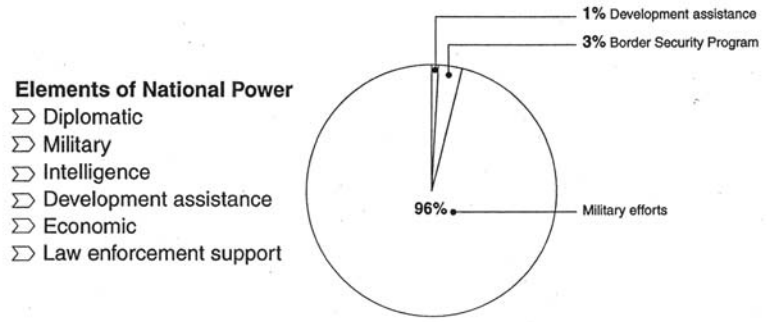
Approximately $5.8 billion has been directed at efforts to combat terrorism in Pakistan's FATA and the border region. As figure 2 shows, about 96 percent of this

[10] A recent announcement by Pakistani Prime Minister Yousaf Raza Gillani regarding the repeal of the FCR drew mixed reactions from tribesmen and political leaders, some of whom called for amendments to the FCR, rather than its repeal.

[11] The DNI's 2007 NIE and its 2008 "Annual Threat Assessment" are designed to help U.S. civilian and military leaders develop policies to protect U.S. national security interests and represent the combined judgments of 16 U.S. intelligence agencies, according to the NIE.

amount was used to reimburse the Pakistani Government through CSF for military operations in support of Operation Enduring Freedom in Afghanistan, most significantly against terrorists in Pakistan's FATA and border region. We identified only two nonmilitary activities that occurred in the FATA and border region: State's border security program, which received about $187 million, and USAID development assistance activities, which amounted to about $40 million.

Figure 2: Percentage of U.S. Funding Directed towards Activities in Pakistan's FATA and Border Region, Fiscal Years 2002 to 2007



Source: GAO analysis of Defense, State, and USAID data.

According to a State Department report, Pakistan's military forces have had some tactical successes in the FATA. The Pakistani Government stationed military and paramilitary forces along the border with Afghanistan, and security operations in the FATA disrupted terrorist activity by targeting and raiding al-Qaeda and other militant safe havens.[12] According to State, Pakistan has helped kill or capture hundreds of suspected terrorists, including al-Qaeda operatives and Taliban leaders.

Key Government Stakeholders Recognize That a More Comprehensive Approach Is Needed

Defense, State, U.S. Embassy, and Pakistani Government officials recognize that relying primarily on the Pakistani military has not succeeded in neutralizing al-Qaeda and preventing the establishment of a safe haven in the FATA. State's April 2007 "Country Reports on Terrorism" states that, despite having Pakistani troops in the FATA, the Government of Pakistan has been unable to exert control over the area. The report concluded that Pakistan has now recognized that military operations alone would not restore security and stability to the FATA. Similarly, U.S. Embassy officials in Pakistan stated that Taliban and al-Qaeda elements have created a safe haven in the FATA and have used it to plan and launch attacks on Afghan, Pakistani, U.S., and coalition forces in Afghanistan and Pakistan. The Embassy further noted that al-Qaeda and the Taliban continue to recruit, train, and operate in the FATA.

No Comprehensive Plan for Guiding U.S. Efforts in the FATA Has Been Developed, as Called for by the Administration and Congress

The National Strategy for Combating Terrorism (2003), the independent 9/11 Commission (2004), and Congress in repeated legislation (2004 and 2007) recognized that a comprehensive plan employing all elements of national power—diplomatic, military, intelligence, development assistance, economic, and law enforcement support—was needed to combat terrorism and close terrorist safe havens in Pakistan's FATA region. However, a comprehensive plan to meet U.S. national security goals in the region has not yet been developed. Even after the creation of the National Counterterrorism Center (NCTC), an organization specifically intended to develop, implement, and monitor multidepartment plans to combat terrorism, the Embassy has lacked a Washington-approved, comprehensive plan that combines the capabilities of Defense, State, USAID, intelligence agencies, and other U.S. departments to combat terrorism in the FATA.

[12] Department of State report to Congress, pursuant to Section 2042 of the Implementing Recommendations of the 9/11 Commissions Act of 2007 (P.L. 110–53).

In addition, Defense, State, Embassy officials, the DNI, and USAID recognize that a comprehensive approach is needed to meet U.S. national security goals in Pakistan. The Pakistani Government in power at the time of our review, also recognized that it must take a more comprehensive approach to defeating terrorism and that an intensified and sustained effort that combines administrative, economic, educational, legal, and social reforms to defeat the terrorist threat is required, according to the DNI.[13]

Pakistan and the U.S. Embassy Are Encouraging More Focus on Other Key Elements of National Power to Achieve U.S. Goals in the FATA

In March 2006, the President of Pakistan requested that the United States support Pakistan's effort to support a more comprehensive approach to combating terrorism in the FATA. As a result, the U.S. Embassy in Pakistan began coordinating efforts by Defense, State, and USAID to develop department-specific efforts to support Pakistan's Sustainable Development Plan for the FATA. Pakistan's Sustainable Development Plan is a 9-year, $2 billion effort to provide economic development, extend the influence of the Pakistani Government, and establish security in the FATA. To assist this effort, Defense undertook a counterinsurgency assessment in the FATA and began developing its Security Development Plan. At the same time, USAID provided technical assistance to the Pakistani Government to help formalize its Sustainable Development Plan, as well as to plan USAID-development assistance activities in the FATA. This approach, if approved by the administration and key U.S. Government agency stakeholders, would constitute the U.S. Government's first attempt to focus more attention on other key elements of national power to address U.S. counterterrorism goals in the FATA.

Proposed bilateral efforts to focus on more elements of national power

According to officials with the U.S. Embassy and Pakistani Government officials in power at the time of our review, a more comprehensive approach is critical to addressing the terrorist threat in the FATA and would represent a significant departure from the past. As such, the United States began an effort in fiscal year 2007 to provide over $1 billion from fiscal year 2007 through 2011 for development assistance, security, infrastructure, and public diplomacy in support of the Pakistani Government. This approach represents the first effort by the U.S. Embassy to directly plan, implement, coordinate, and monitor a multidepartment effort to combat terrorism in the FATA.

The embassy planned to spend $187.6 million on this initial effort using fiscal year 2007 funds. The funding has been directed to four areas:

- *Development:* The $99 million development effort would be led by USAID and would include capacity-building for the FATA institutions needed to plan, manage, and monitor development projects; efforts to build community and government relations; funding for health and education services; and efforts to increase employment and economic growth.[14]
- *Security:* The $54.1 million Defense and State security effort would include training for military and paramilitary units in the FATA—including the Frontier Corps, special operations forces, and air crews—and for providing night vision goggles, radios, and other equipment.
- *Infrastructure:* The $32.5 million the U.S. Embassy has designated for infrastructure improvements related to both its security and development efforts would be used for road construction, the Frontier Corps training center, and border surveillance outposts.
- Public diplomacy: $2 million in funding was alotted for public diplomacy programs.

According to the Embassy, the success of this new effort in the FATA will depend on close coordination among an array of institutions within the U.S. and Pakistani Governments. The new effort also will involve partner agencies and allies, including the United Kingdom, Japan, and Europe; the Asian Development Bank; nongovernmental organizations; and the Pakistani private sector, civil society, and the tribes of the FATA.

This effort, however, does not yet constitute a comprehensive plan and has not been formally approved by U.S. Government stakeholders who would play a key role

[13] Annual Threat Assessment of the Director of National Intelligence for the Senate Select Committee on Intelligence, February 5, 2008.

[14] In providing agency comments on GAO–08–622, USAID stated it received $88 million for these efforts in the Fiscal Year 2007 Supplemental Appropriation.

in the funding and implementation of such an effort. Support from the recently elected Pakistani Government, at the time of our review, was also uncertain.

Preliminary Observations on the Use and Oversight of U.S. Coalition Support Funds Provided to Pakistan

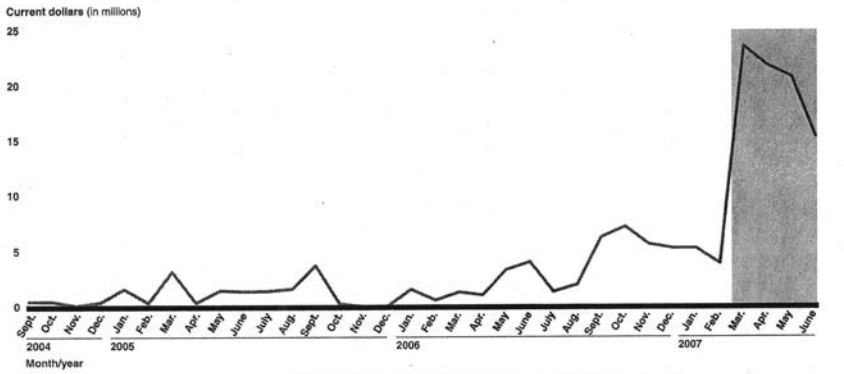
For the period covering October 2001 through June 2007, the United States reimbursed Pakistan about $5.56 billion in CSF for military operations in FATA and other support in the war on terror. CSF reimbursement funds are paid directly into the Pakistani Government treasury and become sovereign funds. Once they become sovereign funds, the U.S. Government has no oversight authority over these funds.

In response to a Defense Inspector General review conducted in 2003, Defense implemented additional guidance to improve oversight of the CSF reimbursed to Pakistan. Moreover, in 2007, the ODRP began playing a larger role in overseeing CSF reimbursement claims.

In performing oversight, ODRP reviews the Pakistani claims and indicates that, to the best of its knowledge, military support was provided and expenses were actually incurred. U.S. Central Command (CENTCOM) then validates that Pakistani operations listed were essential to support U.S. military operations in the theater. The claims are sent to the Office of the Under Secretary of Defense for Comptroller, who (1) performs a macrolevel review comparing the cost to similar operations, and (2) assesses whether the cost categories are reasonable, selected subcategories are reasonable compared to U.S. costs, and costs are consistent with previous claims. In addition, both the Under Secretary of Defense for Policy and the State Department verify that the reimbursement is consistent with the U.S. Government's National Security Strategy and that the CSF payment does not adversely impact the balance of power in the region.

In recent months,[16] Defense has disallowed or deferred a larger amount of CSF reimbursement claims from Pakistan, as shown in figure 3.

Figure 3: Amount of Pakistan Government CSF Claims Disallowed or Deferred by Month



Source: DOD. GAO has not verified the reliability of DOD Comptroller's data processing.

Note: There is a lag between the provision of support and DOD's reimbursement of these costs. Submitted costs were (a) recommended for approval; (b) "deferred" or returned for additional documentation; or (c) "disallowed" for not being consistent with the scope of CSF.

We plan to monitor the status and progress of the U.S. Government in developing this effort and provide an assessment in a subsequent report covering security, political, and development assistance activities undertaken by the United States to meet U.S. national security goals in the FATA. This work is being conducted in response to requests from the House Committee on Foreign Affairs; the Subcommittee on the Middle East and South Asia, House Committee on Foreign Affairs; the Subcommittee on National Security and Foreign Affairs, House Committee on Oversight and Government Reform; Senator Harkin; and Senator Menendez.

CONCLUSION

Combating terrorism is the United States' top national security priority at home and abroad. The U.S. national security strategies have consistently called for using

[16] The March–June 2007 claims reimbursed in February 2008 are the latest claims reimbursed by DOD Comptroller, as of May 2008.

all elements of national power to combat terrorism, including diplomatic, military, intelligence, development assistance, economic, and law enforcement support. Because the use of the various elements of national power falls under the authority of numerous U.S. Government agencies, a comprehensive plan is required to ensure that the full capacity of the U.S. Government is focused on meeting U.S. national security goals.

We believe that such a plan would help to ensure coordination, integration, and implementation of U.S. efforts to close the terrorist safe haven in the FATA. A comprehensive plan to combat terrorism in the FATA that establishes goals, objectives, priorities, outcomes, and milestones, including specific performance measures, would allow an assessment of progress and help ensure accountability of U.S. efforts. As such, we believe that the administration should develop a comprehensive plan using the full capabilities provided by Defense, State, USAID, and other U.S. agencies and stakeholders to further assist Pakistan in combating terrorism.

Additionally, the U.S. has spent billions of CSF on Pakistan military operations in the FATA border region. As these funds continue to support Pakistani operations in the FATA, it is important that there is adequate oversight.

PRIOR RECOMMENDATIONS FOR EXECUTIVE ACTION

In our report issued in April 2008, we recommended that the National Security Advisor and the Director of the NCTC, in consultation with the Secretaries of Defense and State, and the Administrator of USAID, the intelligence community, and other executive departments as deemed appropriate, implement the congressional mandate to develop a comprehensive plan using all elements of national power to combat the terrorist threat and close their safe haven in Pakistan's FATA region.

The comprehensive plan should also include key components called for in the Intelligence Reform Act, the Implementing Recommendations of the 9/11 Commission Act of 2007, and components that we have previously reported as being needed to improve the effectiveness of plans involving multidepartmental efforts to combat terrorism.[16] Among other things, the plan should:

- Place someone directly in charge of this multidepartment effort to improve accountability;
- Articulate a clear strategy to implement the national security goal to destroy terrorists and close its safe haven in the FATA;
- Clarify roles and responsibilities of each department for implementing the goal, including establishing compatible policies and procedures to operate across agency boundaries;
- Provide guidance on setting funding priorities and providing resources to meet these national security goals; and
- Require a monitoring system and provide periodic reports to Congress on the progress and impediments to meeting national security goals in Pakistan.

AGENCY COMMENTS AND OUR EVALUATION

In response to our previous reports, Defense and USAID concurred with our recommendation that a comprehensive plan was needed, State asserted that a comprehensive strategy exists, while the Office of the Director of National Intelligence stated that plans to combat terrorism exist. In our view, these plans have not been formally integrated into a comprehensive plan as called for by Congress. Additionally, Defense recognized the importance and necessity of oversight over CSF.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions that you or other members have at this time.

APPENDIX I: SCOPE AND METHODOLOGY

Our objectives and findings for this testimony were based on two recently issued reports.[1] To address these objectives, for our earlier reports, we reviewed relevant national security strategies, the 9/11 Commission Report, key congressional legislation, and related documentation from the Departments of Defense (Defense) and State (State) and the U.S. Agency for International Development (USAID), and dis-

[16] GAO–07–697, GAO–06–15, and GAO–03–519T.
[1] GAO–08–622, GAO–08–735R.

cussed these issues with relevant department officials.[2] To determine progress in meeting national security goals, we compared the national security goals with unclassified assessments conducted by the Director of National Intelligence (DNI), State, and U.S. officials operating in Pakistan. We have previously reported on the need for plans to combat terrorism to include elements that would enhance interagency cooperation and improve effectiveness.[3]

To determine if comprehensive plans that included these key elements were developed and contained the elements recommended by national security documents and legislation, we requested all plans addressing U.S. efforts in the FATA from the Central Intelligence Agency (CIA), Defense, NCTC, NSC, State, USAID, and the U.S. Embassy in Pakistan. We reviewed all plans made available from Defense, State, USAID and the U.S. Embassy in Pakistan. The CIA, NCTC, and National Security Council (NSC) did not provide any plans.

In addition, we conducted field work in Pakistan in both Islamabad and Peshawar, near the FATA, and met with officials from the U.S. Embassy and consulate, Pakistan's Ministries of Defense and Interior, the 11th Army Corps, the Frontier Corps, the FATA Secretariat, and a Pakistani nongovernmental organization with experience working in the FATA, as well as international donors.[4] We determined the amount of U.S. funding to Pakistan by analyzing Defense, State, and USAID budget documents covering the period from fiscal years 2002 through 2007. We determined the amount and oversight process used for CSF reimbursements to Pakistan by analyzing Defense documents covering reimbursement claims for the period from fiscal years 2002 through June 2007.

We conducted these performance audits from July 2007 through May 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings. based on our audit objectives.

Senator KERRY. When you hear the Secretary say the "glass half full, glass half empty," is that a fair explanation of where we are?

Mr. DODARO. The assessment basically is—I think there's been a lot of planning activities at individual departments and agencies level over time. I think the shift away from the military operations alone could have occurred earlier in the process.

Senator KERRY. But, are they happening now?

Mr. DODARO. Pardon me?

Senator KERRY. Are they happening now——

Mr. DODARO. It seems——

Senator KERRY [continuing]. To your satisfaction?

Mr. DODARO. It seems to be, Senator, but until there's a comprehensive plan put together that's approved and that's funded and that everybody acknowledges it, I think it remains to be seen what the strategy will be. And, as I mentioned, we still have to, now, negotiate with the new Government in Pakistan to try to get agreement on what our plan would be. And this is a really important point, because I think, what our emphasis has been is to say that, "You need a comprehensive plan that's documented." That plan can then be shared with the Congress, it can be shared with Pakistani Government officials, it can be shared with the international donor community so they could decide how they want to supplement that plan. And, importantly, that plan needs to be documented as we approach an upcoming transition to a new administration and a new President.

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[2] We also requested meetings with the Central Intelligence Agency (CIA), the National Counterterrorism Center (NCTC), and the National Security Council (NSC); however, only the CIA agreed to meet with us.

[3] GAO–07–697.

[4] We met with international donors from Canada, Japan, the Netherlands, and the United Kingdom.

Senator KERRY. I assume you would agree that certain components of whatever that comprehensive plan are going to be classified and not appropriate to a public discussion. Is that part correct?

Mr. DODARO. Yes. Yes. That's——

Senator KERRY. So, lay out for us the parts where you think appropriate—why do you believe DOD and USAID are expressing dissatisfaction with the current level of plan? What do they think is missing in their judgment?

Mr. DODARO. Well, what we believe is missing are several elements. One, it's not clear who's in charge to integrate all the efforts of the individual activities. Second, it's——

Senator KERRY. Is that from both sides of the border? Is that in Pakistan or Afghanistan? Or is that regionally?

Mr. DODARO. Right now I'm just talking about U.S. planning efforts.

Senator KERRY. Oh, really?

Mr. DODARO. Yes.

Senator KERRY. Just in terms of——

Mr. DODARO. Right.

Senator KERRY [continuing]. It's not clear who's in charge.

Mr. DODARO. Well, when you have multiple agencies involved—and this is a real challenge, I think, for our Government in the 21st century—more and more challenges that we confront involve—have to involve efforts of multiple agencies over a period of time. And in order to make sure that the roles and responsibilities are clearly articulated, comprehensive planning is becoming more and more important, whether you're dealing with national security issues, a Hurricane Katrina situation, planning for a pandemic, dealing with the world food security crisis, our Government has to be more flexible and develop plans that transcend bureaucratic boundaries.

Senator KERRY. Let me ask you a question.

Mr. DODARO. Sure.

Senator KERRY. Does anybody believe they are in charge?

Mr. DODARO. I wish you would have asked that question to the Deputy Secretary, but I'm not sure.

Senator KERRY. You literally don't know. There's nobody who says, "I'm in charge." Who convenes the interagency meetings on this issue?

Mr. DODARO. I think it's——

Mr. JOHNSON. The National Security Council, along with the National Counterterrorism Center, should play a lead role.

Mr. DODARO. Yes, basically, as Charles was saying, the National Security Council is in the position to prepare this——

Senator KERRY. They're a convener——

Mr. DODARO. Is the——

Senator KERRY [continuing]. Of the——

Mr. DODARO [continuing]. Is the convener, and——

Senator KERRY. But, it's your testimony to the committee that there is no designated person in charge within that framework.

Mr. DODARO. I'd have to provide an answer for the record on that, Senator, and go back and consult with the team.

[The information referred to above follows:]

During the period in which we completed our review (July 2007 through May 2008) we were not directed to any individual at the National Security Council, the National Counterterrorism Center, or any U.S. Government agency as the person in charge of or responsible for putting together a comprehensive U.S. strategy for combatting terrorism in Pakistan's Federally Administered Tribal Areas.

Senator KERRY. But, whatever——

Mr. DODARO. Our point is, Senator, if I could just clarify——

Senator KERRY. Right.

Mr. DODARO [continuing]. Is that, basically, the plan would articulate that, along with clear roles and responsibilities——

Senator KERRY. And you're saying it doesn't.

Mr. DODARO. We're saying that we've not seen an integrated comprehensive plan. That's basically what we're saying, that's what we've recommended——

Senator KERRY. To what degree is the lack of comprehensiveness defined by Pakistan itself and the complications of the FATA, historically?

Mr. DODARO. Well, I think there's clearly complications associated with the characteristics of the region that are difficult to deal with, and that's why I think a plan that has all the elements of national power are important. In addition to the military, you need the diplomatic, economic, intelligence, development assistance, and law enforcement.

Senator KERRY. Then that comprehensive piece has been missing——

Mr. DODARO. Yes.

Senator KERRY [continuing]. Over these past few——

Mr. DODARO. Yes; there are individual plans, and this is where we agree with the Secretary that there have been individual plans of departments and agencies. There have been interagency discussions, there's a lot of dialogue going on, but it hasn't coalesced into a coherent, comprehensive framework, and that's why I was encouraged to hear him say that they were moving, it appeared to be, in that direction.

Senator KERRY. I view it as what is sort of the equivalent of my time for questioning. I'll yield to Senator Coleman, and Senator Menendez is going go close out the hearing. He'll chair for me, because I have to go to another thing, and I apologize.

Mr. DODARO. All right.

Senator COLEMAN. Thank you, Mr. Chairman.

In terms of the funds that we have spent, how concerned are you that these funds have been used for the purposes which they were intended?

Mr. DODARO. Senator, if we could put up our last chart, we are in the process of looking at that right now, and what we've observed is that the DOD is looking at and questioning some of the reimbursements from the Pakistani Government. As you can see by the spike in the chart here, in the March to June 2007 period, about 20 percent of the claims for reimbursement from the Pakistani Government have been questioned, compared to only just over 2 percent that were questioned for the months between September 2004 and February 2007. So, we think that there's more oversight, but that part of the DOD process has yet to be formalized. So, we're looking more indepth at that now, as part of the request from

Senator Menendez and others, and we hope to have a more formal report later.

Senator COLEMAN. So, you're not in a position to provide any level of confidence that the bulk of the funds have been devoted to the purposes for which they were intended?

Mr. DODARO. I think it's premature—it's premature for us to make that judgment until we complete all the work, Senator.

Senator COLEMAN. In terms of the coordination of the effort, what's the capacity of the National Counterterrorism Center to play a central role in coordinating a comprehensive strategy?

Mr. DODARO. Let me have Mr. Johnson respond to that question.

Mr. JOHNSON. Well, specifically, the National Counterterrorism Center has been established to actually do that, to bring these interagency—this interagency effort together. It is our understanding that some efforts have been initially started, but yet, we have—as Mr. Dodaro mentioned, we have not seen an actual plan put in place by the National Counterterrorism Center.

Senator COLEMAN. Just—and the last question—is the issue a question of resources, or is it a question of authority, in terms of their role?

Mr. JOHNSON. Well, we're not certain about the resource issue at this point in time. It's something we will continue to look into.

Senator COLEMAN. Thank you.

Mr. Chairman.

Senator MENENDEZ [presiding]. Thank you, Senator Coleman.

Mr. Dodaro, let me first thank you and your team for the work that you've done in this regard. I think it's critical that Congress have the most objective, best, well-informed analysis possible, and I think your team has done a pretty good job of understanding a complex set of issues, and I want to thank you for your professionalism.

I appreciate your clarification on the chart that I was referring to. I was referring to all of the money that, in fact, was going to the FATA region when I mentioned $11 billion, that's our overall program. You didn't look at that part that did not go to the FATA region, as I understand it, right?

Mr. DODARO. I——

Senator MENENDEZ. Did you look at the other $5 billion or so?

Mr. DODARO. We're looking at that now.

Mr. JOHNSON. Yes; we're looking at that now.

Mr. DODARO. Yes; we have that——

Senator MENENDEZ. You didn't look at it?

Mr. DODARO. We're looking at that now as part of——

Senator MENENDEZ. You're looking at it now.

Mr. DODARO [continuing]. The broader effort, yes.

Senator MENENDEZ. OK. So, we'll look forward to your answer on that.

But, as it relates to the $5.8 billion that did go to the FATA region, your chart, where 96 percent goes to military efforts, is still the case, is that correct?

Mr. DODARO. Yes. For the—yes, for the money that went into the—those areas, yes.

Senator MENENDEZ. Which is around $5.8 billion?

Mr. DODARO. $5.8——

Senator MENENDEZ. All right.

Mr. DODARO [continuing]. That's correct—billion.

Senator MENENDEZ. So, what I find interesting is that I hear now a lot of talk about, "We need to do elements of development assistance," but, in fact, you know, we don't have—we've done—at least for the first $5.8 billion, we've done 1 percent of that. And so, it seems to me that that's a different scenario.

Let me ask you this: With reference to this chart that you have on the—up there, you see this large spike in the claim amounts disallowed or deferred by the United States. Can you explain how it is that we go from a relatively stable process to a sudden spike in, I guess it was, March 2007?

Mr. DODARO. Yes; my understanding is that DOD began a special effort, around that time, to have a designated individual take a closer look at some of the reimbursement claims.

Senator MENENDEZ. Because it seems to say that someone came in, took a look at the receipts, and said, "Wait a minute, what's going on here?"

Mr. DODARO. That's basically what we've noticed so far. We're going to dig deeper in—to try to understand a little bit more about why, and——

Senator MENENDEZ. Do you think your subsequent report, which we hope is going to come out sometime toward the end of June, is going to give us some insights in this, or whenever your timeframe is? What is——

Mr. DODARO. I believe——

Senator MENENDEZ [continuing]. Your timeframe?

Mr. DODARO. I believe so, Senator. Let me ask Charles.

Mr. JOHNSON. Yes; we do intend to get more indepth on the oversight process, how that's evolved over time——

Senator MENENDEZ. Because I——

Mr. JOHNSON [continuing]. Whether or not there is adequate oversight and accountability

Senator MENENDEZ. I know that we held a hearing, in December of last year, about the whole question of, where are these payments going, and what is the value in return? And, you know, we just see a spike that all of a sudden—seemed pretty much flat-lined and then all of a sudden has this huge spike. So, it seems to me there was—from a couple of years in which either there wasn't the intensity of paying attention with the billions of dollars, or there was a dramatic change—something happened. And whether that is the intensity of oversight or whether that is a series of actions by the Pakistanis that were disallowed, something dramatically happened.

Mr. DODARO. Definitely, it points to something that we need to delve deeper into, Senator Menendez, and we will include that in our report.

Senator MENENDEZ. Let me ask you this: In the agency comments section of your report, I understand that the Department of Defense and AID concurred with your recommendations to develop a comprehensive plan to combat the terrorist threat and close the safe haven in the FATA. Is that correct?

Mr. DODARO. That's correct.

Senator MENENDEZ. Now, the Department of State asserts that a comprehensive strategy already exists, and, in their comments,

they repeatedly reference both a plan and a strategy. Have you see either the plan or the strategy that the Department of State is referencing in their comments?

Mr. DODARO. My understanding is—and I'll ask Charles to elaborate on this, if he feels necessary—my understanding is, when they refer to the "strategy," they're referring to the individual plans in the interagency working efforts and those issues. We have not seen a comprehensive plan, which is why we recommended that one be developed.

Senator MENENDEZ. Well, there can't be a comprehensive plan if two major governmental entities, the Department of Defense and USAID, say that they agree with you that there is no plan and there needs to be a plan, and only one element of that team says that, "Yeah, we have a plan." I mean, something is fundamentally wrong. It doesn't take a rocket scientist to figure that out.

Mr. DODARO. I would agree with you, Senator. I mean, we basically think the situation is that the individual agencies have their plan activities, they meet, but there is no comprehensive plan that we've seen or—and that's why we recommend that it be produced. And I think that's what the Deputy Secretary was referring to earlier when he said that they're looking at how to strengthen their planning efforts, and hopefully tie these individual plans together, deal with all the elements of national power, and include some key components of a plan that you would want to see in order to be able to measure progress over time.

Senator Coleman mentioned, earlier, the question of metrics. The question of metrics ought to be included in a plan, and that would be standard activity. So, those are the type of elements that we've pointed out that need to be addressed in the comprehensive plan.

Senator MENENDEZ. Well, I appreciate at least what you've done so far. Of six elements of national power, only three were used to any extent, and 96 percent of it was all in military. And it seems to me that that—how one measures what is the value received for that type of investment, in terms of the success of undermining those who wish our country, as well as, as I view it, Pakistan and others, harm, is a measurement that, at least from my point of view, would be lacking for the investment that was made. But, I'm looking forward to your full report, as one of the requesters, and I hope the chairman will reconvene us at that time.

Senator Lugar.

Senator LUGAR. Well, thank you very much, Mr. Chairman.

I appreciate your report really fastening on the characteristics of the FATA area; as you point out, 373 miles of border, 3.1 million people. But then, strikingly, these are people who do not have representation in the Pakistani Government, essentially, nor recourse to courts.

Now, you know, as Americans have thought about this situation, it is difficult for us to imagine a section of a country that has no recourse to either the legislative powers or the judicial powers; and yet, Pakistanis would testify, if they were here, that, historically, there has been relatively little control by the central government over this particular territory. It's not been a no-man's land, but the ability of the central government to be effective in the area is almost the other side of the coin of these folks not being a part of

the situation. Nevertheless, it's a part of geographical Pakistan, and very important to us because it borders Afghanistan.

Now, as you've also pointed out, in dealing with this, we've had multiagency attempts. They have not been well coordinated. There has not been a master plan or an overall plan. This, unfortunately is characteristic, in my judgment, of our overall view of Afghanistan, as we've had hearings there. We've asked, What is the business plan? How does this plan work? Usually the testimony has been, "We've made progress." And, incrementally, province by province, someone could show that something good happened. But, in terms of the overall predicament of the stability of that government, its maturity, its working through the problems of economic growth, education, problems of bringing women into the society, and so forth, there would have been bits and pieces.

And I think, you know, perhaps—and I agree with Senator Menendez—the asking of GAO to go after this may offer, once again, a spur for organization at this stage, because the problem continues on.

Now, the practical reason for our dilemma is that Pakistan is a sovereign nation. Pakistan has not been willing to permit United States forces to go back and forth across the border, conduct air raids, military strikes, and so forth. Certainly, this has been suggested by military commanders from time to time. Those efforts have been rebuffed.

So, now we come to a whole new government in Pakistan, as we explored with the previous witnesses, we are not really certain exactly where stability may lie and where their general situation may lie, what kind of problems that have arisen, internally, even with food problems for the whole country, quite apart from this border region.

And all of us have to become much more sophisticated in understanding Pakistan and Afghanistan if we're ever to come to policies, hopefully unified ones, or some plan. But, it is very timely that we consider this, because it's a critical element in our success, or that of our friends in Afghanistan—is really influenced by how well we do.

Having said all of that, it's not surprising to me that the chart shows 96 percent of the money for military, because this is reimbursement of the Pakistani military, who are doing the job because our military was not there, could not be there; nor are we in a position, really, to go into civil society in the FATA area and begin reorganizing their schools or feeding programs or what have you. We could once again reimburse the Pakistani Government, but then this leads to the audit problem with which you're now dealing. How well do the Pakistanis do these functions even after we offer funds for them to do these things? And, it is a mixed bag, and as you get into it further, maybe even more mixed.

So, I look upon this hearing, once again, sort of, as a metric of its own. We, sort of, understand what's been going on for several years, but how unsatisfying this is, really, to all the parties that are involved, and how fragile the situation may still be with regard to the Pakistani Government, vis-a-vis Afghanistan—I hope not vis-a-vis our relationship with them. I think that certainly there has been an outgoing mission by our military people, and many of

us have visited with Admiral Mullen and others who have spent some quality time there trying to understand, from the military standpoint, their military. Now, not much has been said, and that's why I, finally, conclude with that thought, about the Pakistani military today. We've discussed the two elements of the new government, the problems of General Musharraf fitting into all this, while the judges will come and go. What is sort of, lost track of, right now, is: Where does the military fit into all of this? Have they become more efficient? Are they better in touch with us in that kind of communication, as opposed to through the central government? And I ask you, Do you have any preliminary thoughts, as you've examined it, as to the efficacy of the efforts of the military of Pakistan now? How aggressive are they likely to be? How aggressive will they be permitted to be? Even if they were aggressive, do they know how to do the job? This has been a tough job for them to do, historically.

Mr. DODARO. Yes; most of our focus on that area has been in looking at DOD's own assessments of the Pakistani military, and their view that they could use some counterinsurgency training to better deal with the situation and to broaden their range of skills beyond traditional military warfare.

Senator LUGAR. Indeed, they could. But, is there any propensity whatsoever on the part of those folks to want to undertake this training or to work with us to obtain those skills?

Mr. DODARO. Yes; I'm just not sure, and that's the issue, Senator.

Senator LUGAR. So, once again, we're——

Mr. DODARO. Yes.

Senator LUGAR [continuing]. We're in a position of encouraging people to do the right thing, but this is a sovereign country, these are people dealing with whoever is in their land, and saying, above all, "This is our border, this is us." And, you know, the question, diplomatically, both with the military, as well as the civilian assistance, is really of the essence, how effective our Government can be, whether it's the President of the United States or the Secretary of State or Defense or the Joint Chiefs, because somebody really will have to come into some rapport with them here, or I fear we will examine, again and again, results that are less than satisfying, of people that don't necessarily share our means, or maybe even our training.

Mr. DODARO. I agree completely with your assessment. And that's why we think that, if you have a comprehensive approach, at least among the U.S. Government, then you're in a position to have that dialogue with the——

Senator LUGAR. Yes.

Mr. DODARO [continuing]. New Pakistani——

Senator LUGAR. It's a measure——

Mr. DODARO [continuing]. Government——

Senator LUGAR [continuing]. Of at least what we want.

Mr. DODARO [continuing]. And try to reach and use all the potential tools we have, which is even more important, given the fact that we're dealing with a sovereign nation.

Senator LUGAR. Yes.

Well, thank you very much.

Senator MENENDEZ. Thank you, Senator Lugar. As always, I appreciate your overarching view of the matter.

I just am concerned that, if we are going to spend billions more, that we have to have, even with a sovereign country, some understanding of what it is that we are spending billions on.

Senator LUGAR. A plan.

Senator MENENDEZ. A plan that we can at least move to mutually agree.

Senator Coleman, is there anything else you would like?

Senator COLEMAN. No, thank you.

Senator MENENDEZ. Well, with that, on behalf of Senator Kerry, thank you for your testimony.

The record will be—remain open for 2 days. There may be other questions submitted by members. If there are, we ask you to answer them expeditiously.

Senator MENENDEZ. Your full statement will be in the record. We thank you for your service.

And, with that, the committee is adjourned.

[Whereupon, at 4:57 p.m., the hearing was adjourned.]

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