

EXHIBIT 3

Statement for Record
Senate Homeland Security and Government Affairs
Committee

**“Nine Years after 9/11: Confronting the Terrorist
Threat to the Homeland”**
22 September 2010



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Introduction

Chairman Lieberman, Ranking Member Collins, distinguished Members of the Committee, thank you for the opportunity today to discuss the current state of the terrorist threat to the Homeland and the U.S. Government’s efforts to address the threat. I am pleased to join Secretary of Homeland Security Janet Napolitano and Director of the Federal Bureau of Investigation (FBI) Robert Mueller—two of the National Counterterrorism Center’s (NCTC) closest and most critical partners.

Nature of the Terrorist Threat

During the past year our nation has dealt with the most significant developments in the terrorist threat to the Homeland since 9/11. The three attempted Homeland attacks during the past year from overseas-based groups—including Pakistan-based al-Qa’ida’s plan to attack the New York City subway one year ago, its regional affiliate al-Qa’ida in the Arabian Peninsula’s (or AQAP’s) attempt to blow up an airliner over Detroit last Christmas, and al-Qa’ida’s closest ally Tehrik-e-Taliban Pakistan’s (or TTP’s) attempt to bomb Times Square in May—in addition to two lone actor attacks conducted by homegrown extremists Carlos Bledsoe and Nidal Hassan, surpassed the number and pace of attempted attacks during any year since 9/11. The range of al-Qa’ida core, affiliated, allied, and inspired US citizens and residents plotting against the Homeland during the past year suggests the threat against the West has become more complex and underscores the challenges of identifying and countering a more diverse array of Homeland plotting.

Al-Qa’ida’s affiliates’ and allies’ increasing ability to provide training, guidance, and support for attacks against the United States makes it more difficult to anticipate the precise nature of the next Homeland attack and determine from where it might come. Regional affiliates and allies can compensate for the potentially decreased willingness of al-Qa’ida in Pakistan—the deadliest supplier of such training and guidance—to accept and train new recruits. Additional attempts, even if unsuccessful, by al-Qa’ida’s affiliates and allies to attack the US—particularly attempts in the Homeland—could attract the attention of more Western recruits, thereby increasing those groups’ threat to the Homeland. Even failed attacks, such as AQAP’s and TTP’s attempts, further al-Qa’ida’s goal of fomenting global jihad against the West and demonstrate that some affiliates and allies are embracing this vision. The impact of the attempted attacks during the past year suggests al-Qa’ida, and its affiliates and allies, will attempt to conduct smaller-scale attacks targeting the Homeland but with greater frequency.

Today al-Qa’ida in Pakistan is at one of its weakest points organizationally. We have restricted their freedom of movement and reduced their sense of security in the Federally Administered Tribal Areas (FATA). However, the group has proven its resilience over time and remains a capable and determined enemy, harnessing most of its capabilities and resources on plotting attacks against the West. The threat

to the Homeland is compounded by the ideologically similar but operationally distinct plotting against the US by al-Qa'ida's Pakistan-based allies, regional affiliates, and sympathizers worldwide, including radicalized US persons, who may not receive training, direction, or support from al-Qa'ida senior leaders in the FATA but embrace al-Qa'ida's global violent extremist vision.

The spike in homegrown violent extremist activity during the past year is indicative of a common cause that rallies independent extremists to want to attack the Homeland. Key to this trend has been the development of a US-specific narrative that motivates individuals to violence. This narrative—a blend of al-Qa'ida inspiration, perceived victimization, and glorification of past plotting—has become increasingly accessible through the Internet, and English-language websites are tailored to address the unique concerns of US-based extremists. However, radicalization among US-based extremists remains a very unique process based on each individual's personal experiences and motivating factors.

Pakistan: The Current Threat from al-Qa'ida and its Allies

Al-Qa'ida in Pakistan is weaker today than at any time since the late 2001 onset of Operation Enduring Freedom in Afghanistan. Sustained US-Pakistani counterterrorism (CT) pressure against al-Qa'ida and its militant allies in the FATA during the past nine years have reduced the group's safehaven and forced it to adapt to mitigate personnel losses.

- During the past 19 months, al-Qa'ida's base of operations in the FATA has been restricted considerably, limiting their freedom of movement and ability to operate. At the same time, nearly a dozen al-Qa'ida leaders—and hundreds of their extremist allies—have been killed or captured worldwide. Perhaps most significantly, al-Qa'ida lost its general manager, Shaykh Sa'id al-Masri, and its chief of operations for Afghanistan.

Despite these CT successes, al-Qa'ida in Pakistan remains intent on attacking the West and continues to prize attacks against the US Homeland and our European allies above all else. Al-Qa'ida is persistently seeking, training, and deploying operatives to advance attacks against targets in the West, while at the same time encouraging sympathizers worldwide—including radicalized US citizens and residents—to do what they can to further al-Qa'ida's violent extremist agenda.

Al-Qa'ida's senior-most leaders—Usama bin Ladin and Ayman al-Zawahiri—maintain al-Qa'ida's unity and strategic focus on US targets, especially prominent political, economic, and infrastructure targets.

- Europe is a primary focus of al-Qa'ida plotting. Five disrupted plots during the past four years—including a plan to attack airliners transiting between the UK and US, a credible plot in Germany, disrupted cells in the UK and Norway, and the disrupted plot to attack a newspaper in Denmark—demonstrate Pakistan-based al-Qa'ida's steadfast intent to attack the US and our allies.
- Al-Qa'ida's propaganda efforts are meant to inspire additional attacks by motivating sympathizers worldwide to undertake efforts similar to Nidal Hassan's attack on Fort Hood last fall. Al-Qa'ida will continue to use propaganda to encourage like-minded extremists to conduct smaller-scale independent attacks that are inspired, but not overseen or directed, by the group.

One of al-Qa'ida's key allies in the FATA, **Tehrik-e-Taliban Pakistan** (TTP), is an alliance of militant groups that formed in 2007 with the intent of imposing its interpretation of shari'a law in Pakistan and expelling Coalition troops from Afghanistan. TTP leaders maintain close ties to senior al-Qa'ida leaders,

providing critical support to al-Qa'ida in the FATA and sharing some of the same global violent extremist goals.

- TTP since 2008 has repeatedly threatened to attack the US Homeland, and the failed attack on Times Square in May by Faisal Shahzad—an American who trained with and received financial support from TTP in Pakistan—demonstrated the group's capability to move a Homeland attack to the execution phase.
- Following the attempted attack on Times Square, TTP warned that operatives were located in the US and threatened continued attacks against US facilities in Pakistan. TTP also played a significant role in the suicide bombing in Khowst, Afghanistan that killed seven Americans and also was responsible for a complex attack conducted against the US Consulate in Peshawar earlier (April) this year.

Other Pakistan-based al-Qa'ida allies, the **Haqqani** network and **Harakat-ul Jihad Islami (HUJI)**, have close ties to al-Qa'ida. Both groups have demonstrated the intent and capability to conduct attacks against US persons and targets in the region, and we are looking closely for any indicators of attack planning in the West.

- The Haqqani network is based in the FATA and claimed responsibility for the January 2008 attack against a hotel in Kabul that killed six, including one American, and has coordinated and participated in cross-border attacks against US and Coalition forces in Afghanistan.
- HUJI has collaborated with al-Qa'ida on attacks and training for HUJI members. In January 2009, a federal grand jury indicted HUJI commander Mohammad Ilyas Kashmiri in absentia for a disrupted terrorist plot against a newspaper in Denmark. The group also has been involved in multiple, high-casualty attacks, including an operation against a mosque in Hyderabad, India in May 2007 that killed 16, and an attack against Pakistani intelligence and police facilities in Lahore in 2009 that killed 23.

Pakistan-based Sunni extremist group **Lashkar-e-Tayyiba (LT)** poses a threat to a range of interests in South Asia. Its attacks in Kashmir and India have had a destabilizing effect on the region, increasing tensions and brinkmanship between New Delhi and Islamabad. The group's attack two years ago in Mumbai resulted in US and Western casualties, and the group continues to plan attacks in India that could harm US citizens and damage US interests. LT's involvement in attacks in Afghanistan against US and Coalition forces and provision of support to the Taliban and al-Qa'ida extremists there pose a threat to US and Coalition interests. Although LT has not previously conducted attacks in the West, LT—or LT-trained individuals—could pose a direct threat to the Homeland and Europe, especially should they collude with al-Qa'ida operatives. We also are concerned that next month's Commonwealth Games in New Delhi will be an appealing target for LT due to their political and economic significance for India, as well as the heightened media exposure that will accompany the event.

The Increasing Threat from al-Qa'ida's Regional Affiliates

Al-Qa'ida in the Arabian Peninsula. We witnessed the reemergence of AQAP in early 2009 and continue to view Yemen as a key battleground and potential regional base of operations from which AQAP can plan attacks, train recruits, and facilitate the movement of operatives.

- AQAP has orchestrated many attacks in Yemen and expanded external operations to Saudi Arabia and the Homeland, including the assassination attempt on a Saudi Prince last August and the attempted airliner attack last Christmas—representing the first regional affiliate’s Homeland attack that moved to the execution phase.
- Dual US-Yemeni citizen and Islamic extremist ideologue Anwar al-Aulaqi played a significant role in the attempted airliner attack and was designated in July as a specially designated global terrorist under E.O. 13224 by the United States Government and the UN’s 1267 al Qa’ida and Taliban Sanctions Committee. Aulaqi’s familiarity with the West and role in AQAP remain key concerns for us.
- AQAP’s use of a single operative using a prefabricated explosive device to conduct a Homeland attack limited their resource commitments and visible signatures that often enable us to detect and disrupt plotting efforts.

Al-Qa’ida Operatives in Somalia and Al-Shabaab. East Africa remains a key locale for al-Qa’ida associates and the Somalia-based terrorist and insurgent group al-Shabaab. Some al-Shabaab leaders share al-Qa’ida’s ideology and publicly have praised Usama bin Ladin and requested further guidance from the group, although Somali nationalist themes are also prevalent in their public statements. Al-Shabaab leaders have cooperated closely with a limited number of East Africa-based al-Qa’ida operatives and the Somalia-based training program established by al-Shabaab and now-deceased al-Qa’ida operative Saleh Nabhan, continues to attract hundreds of violent extremists from across the globe, to include dozens of recruits from the United States. At least 20 US persons—the majority of whom are ethnic Somalis—have traveled to Somalia since 2006 to fight and train with al-Shabaab. In the last two months, four US citizens of non-Somali descent were arrested trying to travel to Somalia to join al-Shabaab. Omar Hammami, a US citizen who traveled to Somalia in 2006 and now is one of al-Shabaab’s most prominent foreign fighters, told the New York Times in January that the United States was a legitimate target for attack. The potential for Somali trainees to return to the United States or elsewhere in the West to launch attacks remains of significant concern.

- Al-Shabaab claimed responsibility for its first transnational attack—the July suicide bombings in Kampala, Uganda, which killed 76 people including one American. Al-Shabaab leaders have vowed additional attacks in the region. Al-Shabaab was also likely responsible for five coordinated suicide car bombings—using its first known US suicide bomber—in October 2008, which targeted the United Nations and local government targets in northern Somalia, further demonstrating its capabilities and expanded regional threat.

Al-Qa’ida in the Lands of the Islamic Maghreb. AQIM is a persistent threat to US and other Western interests in North and West Africa, primarily conducting kidnap for ransom operations and small-arms attacks, though the group’s execution in July of a French hostage and first suicide bombing attack in Niger earlier this year punctuate AQIM’s lethality and attack range. Disrupted plotting against France and publicized support of Nigerian extremists reveal the group’s continuing aspirations to expand its influence. Sustained Algerian efforts against AQIM have significantly degraded the organization’s ability to conduct high-casualty attacks in the country. While AQIM remains a threat in the northern Kabylie region, those efforts have compelled AQIM to shift its operational focus from northern Algeria to the vast, ungoverned Sahel region in the South. Multi-national CT efforts—including a joint French-Mauritanian raid in July against an AQIM camp—will increase regional pressure to disrupt the group.

Al-Qa'ida in Iraq. Ongoing CT successes against AQI—to include the deaths of the group's top two leaders this year in a joint Iraqi/US military operation—have continued to pressure the organization and hinder its external ambitions. Despite these ongoing setbacks, AQI remains a key al-Qa'ida affiliate in the region and has maintained a steady attack tempo within Iraq, serving as a disruptive influence in the Iraqi Government formation process and continuing to threaten Coalition Forces. While AQI's leaders continue to publicly threaten to attack the West, to include the Homeland, their ability to do so has been diminished, although not eliminated.

Homegrown Sunni Extremist Activity Spikes

Homegrown Sunni extremists pose an elevated threat to the Homeland. Plots disrupted in New York, North Carolina, Arkansas, Alaska, Texas, and Illinois during the past year were unrelated operationally, but are indicative of a collective subculture and a common cause that rallies independent extremists to want to attack the Homeland. Key to this trend has been the development of a US-specific narrative that motivates individuals to violence. This narrative—a blend of al-Qa'ida inspiration, perceived victimization, and glorification of past homegrown plotting—addresses the unique concerns of US-based extremists.

- Nidal Hassan's killing of soldiers at Fort Hood and Carlos Leon Bledsoe's attack targeting a recruiting station in Little Rock, Arkansas in 2009 serve as stark examples of lone actors inspired by the global violent extremist movement who attacked without oversight or guidance from overseas-based al-Qa'ida elements.
- Homegrown violent extremists continue to act independently and have yet to demonstrate the capability to conduct sophisticated Homeland attacks.
- Increasingly sophisticated English-language jihadist propaganda remains easily downloadable via the Internet and provides young extremists with guidance to carry out Homeland attacks. English-language discussion for a also foster a sense of community and further indoctrinate new recruits, both of which can lead to increased levels of violent activity.
- The rising profiles of US citizens within overseas terrorist groups—such as Omar Hammami in al-Shabaab and Anwar al-Aulaqi in AQAP—may also provide young extremists with American faces as role models in groups that in the past may have appeared foreign and inaccessible.

Al-Qa'ida and Affiliates Sustain Media Campaign

Al-Qa'ida senior leaders have issued significantly fewer video and audio statements thus far in 2010 than during the same time period last year, but these statements continue to provide valuable insight into the group's strategic intentions. Public al-Qa'ida statements rarely contain a specific threat or telegraph attack planning, but a new theme this year included advocating lone-operative attacks in the wake of the Fort Hood shootings.

- In addition to calls for Muslims in the West to exercise independent initiative to conduct attacks, al-Qa'ida senior leaders this year have condemned US outreach to Muslims as deceptive and praised alleged successes of affiliates—themes that will continue in future statements.

- AQAP released *Inspire*—the group’s first English-language online magazine published by its media wing Sada al-Malahim—which included tips for aspiring extremists on bomb-making, traveling overseas, email encryption, and a list of individuals to assassinate. This magazine appears designed to resonate with Westerners and probably reflects extremists’ continued commitment to attack US interests.

WMD-Terrorism Remains a Concern

The threat of WMD terrorism to the Homeland remains a grave concern. Documents recovered in 2001 in Afghanistan indicated that prior to 9/11, al-Qa’ida was pursuing a biological and chemical weapons program and was interested in nuclear weapons. Since 9/11, we have successfully disrupted these and other terrorist efforts to develop a WMD capability. However, al-Qa’ida and other groups continue to seek such a capability for use against the Homeland and US interests overseas. While terrorists face technical hurdles to developing and employing more advanced WMD, the consequences of a successful attack force us to consider every possible threat against the Homeland, even those considered low probability.

Hizballah Remains Capable of Attacking US, Western Interests

While not aligned with al-Qa’ida, Lebanese Hizballah remains capable of conducting terrorist attacks on US and Western interests, particularly in the Middle East. It continues to train and sponsor terrorist groups in Iraq that threaten the lives of US and Coalition forces and supports Palestinian terrorist groups’ efforts to attack Israel and jeopardize the Middle East peace process. Although its primary focus is Israel, it would likely consider attacks on US interests, to include the Homeland, if it perceived a direct threat from the United States to itself or Iran. Hizballah’s Secretary General, in justifying the group’s use of violence against fellow Lebanese citizens last year, characterized any threat to Hizballah’s armed status and its independent communications network as redlines.

Coordination of Counterterrorism Efforts

Support to the National Security Staff (NSS). NCTC’s strategic planning efforts follow the policy direction of the President and the NSS to provide government-wide coordination of planning and integration of department and agency actions involving “all elements of national power,” against terrorism including diplomatic, economic, military, intelligence, homeland security, and law enforcement activities within and among agencies. NCTC helps develop plans and processes to support interagency implementation and provide input to the NSS to evaluate progress against objectives and refine plans as necessary. NCTC also works in support of the NSS and with our interagency partners to develop plans designed to disrupt and diminish the capability of terrorist organizations and their networks, and to eliminate identified regional safehavens. We also facilitate and host working-level discussions on key functional CT issues, such as countering terrorist use of the Internet and countering terrorism finance, to feed into NSS policy and strategy development.

NCTC’s support to NSS processes includes developing agreed “whole-of-government” strategic objectives, and facilitating coordination, integration and assessment of USG initiatives designed to achieve those objectives. In addition to developing plans and evaluating progress, we have built a unique relationship with OMB through which we help inform the President’s counterterrorism budget – ensuring that agreed priority areas are appropriately considered in the Federal budget request.

For all its plans, NCTC consistently examines the impact of USG CT efforts to understand if we are achieving the desired goals. NCTC's strategic impact assessments seek to provide a tangible and valid "feedback loop" to CT planners and policymakers to help refine CT plans, prioritize efforts, and ensure all elements of power are engaged to achieve our goals and objectives. From these assessments, we are able to identify, in part, needed policies, plans or actions to move us closer to our desired end-state.

WMD-T Planning. Recognizing the continued threat of WMD terrorism as a grave concern, NCTC supports the NSS efforts to ensure government-wide efforts to deter, deny, detect, and prevent terrorist acquisition or use of WMD. To this end, NCTC led the interagency effort to develop a National Action Plan for implementing Presidential Policy Directive-2, the National Strategy for Countering Biological Threats. NCTC also is coordinating efforts to monitor and track progress of commitments made at the April 2010 Nuclear Security Summit; and is facilitating the USG's updates to the President's Five Year Plan for Nuclear Forensics and Attribution and the associated WMD Attribution Policy Implementation Plan.

Global Engagement. NCTC continues to play a large role in interagency efforts to counter violent extremism (CVE), both overseas and at home. We integrate, coordinate, and assess U.S. Government programs that aim to prevent the emergence of the next generation of terrorists. Our focus is on both near and long-term efforts to undercut the terrorists' narrative, thereby minimizing the pool of people who would support violent extremism.

To do this, NCTC works with our colleagues in federal, state and local governments, with international partners, and with the private sector to integrate all elements of national power. For example, NCTC helps coordinate the Federal Government's engagement with Somali American communities. In this regard, NCTC has worked with national security agencies such as DHS and FBI, as well as non-traditional partners, such as the Department of Health and Human Services and Department of Education, facilitating their efforts to increase and improve outreach and engagement activities around the country. By supporting the community of interest, NCTC ensures a "whole of government" approach that is vital to addressing domestic radicalization. We also are supporting a forum for interagency counterparts to participate in and to collaborate on communication strategies and opportunities. As countering violent extremism is broader than CT-specific activities many departments and agencies have begun public outreach and engagement efforts on issues such as civil rights, education, charitable giving, and immigration policy.

While government has an important role, we view community institutions as the key players in countering radicalization; addressing radicalization requires community-based solutions that are sensitive to local dynamics and needs. Over the past year, NCTC has helped foster collaboration with community leaders involved in countering violent extremism to better understand how government can effectively partner with communities. It has become clear that government can play a significant role by acting as a convener and facilitator that informs and supports—but does not direct—community-led initiatives. Based on this, NCTC led the development of a Community Awareness Briefing that conveys unclassified information about the realities of terrorist recruitment in the Homeland and on the Internet. The briefing, which can be used by departments and agencies and has garnered very positive reactions, aims to educate and empower parents and community leaders to combat violent extremist narratives and recruitment. This briefing has been presented to Muslim community members and leaders around the country leveraging, when possible, existing U.S. Government engagement platforms such as DHS and FBI roundtables.

Information Sharing. While NCTC and its critical mission partners, including FBI and DHS, play a crucial role in countering and coordinating efforts to defeat terrorism threats against the Homeland, the success of this endeavor is largely dependent upon the close collaboration with our law enforcement and private sector partners at the local and state levels to maximize resources. NCTC and its mission partners have embraced information sharing, instituted new policies and procedures, and promoted an information-sharing culture—including the establishment of ITACG—to ensure that shared information is transformed into situational awareness for public safety officials at all levels to enhance their capabilities to quickly recognize and effectively respond to suspected terrorism and radicalization activities; and into actionable intelligence that can be used by Federal, state, tribal, and local law enforcement—as well as by those segments of the private sector that operate or own critical infrastructure and key resources—to protect the United States against terrorism, to enforce our laws, and to simultaneously protect our privacy and preserve our liberties.

Capabilities Reviews and Exercises. NCTC regularly hosts tabletop exercises to examine USG capabilities and identify gaps in our capacity to respond to a terrorist attack. Such exercises provide a mechanism to validate, or a foundation to develop, disruption plans and recommend solutions to minimize vulnerabilities. These exercises have been used in conjunction with threats emanating from the Homeland, Arabian Peninsula, and other regions. One example of such efforts is the table top in which we simulated a notional "Mumbai style" attack on the city of Chicago. That exercise and its associated lessons learned have been briefed in more than 20 State, Local, Federal, and international forums. It also formed the basis of a critical interagency agreement to smooth logistics and transportation issues related to our Federal response.

Looking Ahead from the Failed Bombing of Northwest Flight 253 on December 25, 2009.

Finally, I would like to highlight changes implemented at the Center since the failed terrorist attempt to bomb Detroit-bound Northwest Flight 253 on December 25, 2009. NCTC led IC efforts to implement the Director of National Intelligence's-Counterterrorism Master Action Plan in response to internal and White House-directed corrective actions. Among other things the plan clarified the CT responsibilities of IC analytic components and helped ensure the proper alignment of supplemental CT resources across the Community.

Next, we created analytic Pursuit Groups to focus, at a very granular level, on information that could lead to discovery of threats aimed against the Homeland or US interests abroad. The Pursuit Groups work with our IC partners to integrate efforts across the community to aggressively and exhaustively pursue high priority threats to resolution/disruption. We are also working with interagency partners to successfully implement the revamped USG watchlisting protocol, engage in a significant database scrub, and address the capability to further enhance the Terrorist Identities Datamart Environment (TIDE) to better support both watchlisting and analytic efforts.

Supporting these and other NCTC missions, we continue to develop an IT infrastructure to better meet the demands of the evolving threat: these include the development of a "CT data layer" to allow a "Google like" search as well as the capability to conduct "discovery" of non-obvious terrorist relationships. Finally, we have worked with Community partners on a range of legal, policy, technical and privacy issues that, once resolved, would allow expanded and appropriate access to this data. These are complex issues that require sophisticated analysis.

Conclusion

Chairman Lieberman and Ranking Member Collins, I want to conclude by once again recognizing this Committee for the role it played in the creation of the National Counterterrorism Center. Without your leadership, the strides we jointly made to counter the terrorist threat would not be possible. Your continued support is critical to the Center's mission to lead our nation's effort to combat terrorism at home and abroad by analyzing the threat, sharing that information with our partners, and integrating all instruments of national power to ensure unity of effort. I look forward to continuing our work together in the years to come.